



# RAJASTHAN STATE MINES & MINERALS LTD

(A Government of Rajasthan Enterprise)

## PROJECTS DIVISION

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Dated 01.6.2012

### Detailed Notice Inviting Expression of Interest (DEOI)

Notice Inviting Expression of Interest (EOI) for “Formation of a Joint Venture Company (JVC) with RSMML with an equity participation ratio (RSMML (cash less): JV Partner) of 51%: 49% for integrated development of the Kasnau sub block in district Nagaur by operating the project for mining of Lignite mineral.

**Keenness Money for Participating in this Expression of Interest : Rs. 10,00,000 (Rupees Ten Lacs Only) in the form of Demand Draft drawn in favour of RSMML payable at Udaipur.**

#### 1. Preamble:

Rajasthan State Mines and Minerals Limited (RSMML) is a premier mining company, a public enterprise of the Government of Rajasthan. It occupies a place of pride in production and marketing of non-metallic minerals in India. RSMML is multi mineral and multi location enterprise engaged in mining of Rock Phosphate, Lignite, SMS & Chemical grade Limestone and Gypsum. RSMML is operating largest open cast Mines of Rock Phosphate in the Country and have commissioned two million tonnes mining capacity of Lignite & 2.5 million tonne capacity of SMS Grade Lime stone. Further RSMML has also entered into Energy Sector and has setup 106.3 MW installed capacity Wind Power Project at Jaisalmer and 250 MW Lignite based power plant in joint association with state power utility in district Barmer of Rajasthan.

#### 2. Details of Kasnau Block:

This area was explored extensively by Directorate of Mines & Geology (DMG), Government of Rajasthan (GOR) during the year 1987-92. However RSMML after obtaining Mining Lease carried out confirmatory drilling through DMG & Mineral Exploration Corporation Ltd (MECL) in years 2002-03. The exploration details are as below:

<b>Kasnau-Igyar Block</b>	
Agency	Quantum of Exploratory Drilling
By DMG in the Year 1987-92	15920.88 m in 124 Bore holes at 400 m X 400 m grid interval
Confirmatory drilling by MECL on behalf of RSMML during the period	965 m in 8 Bore holes

July 2003 – Aug. 2003
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## 2.1 Geological Reserves

Based on the exploration carried out in the area, geological reserves as per details given below have been computed as below:

Kasnau Block	23.22 million tones
Calorific Value Average	2800-3200 Kcal/Kg

## 2.2 Mine-able Reserves (As on 31.03.2011)

Considering the economic mining limits, the up-to-date mine-able reserves are as under:

Kasnau Block	12.59 million tones
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## 2.3 Quality

Based on analysis of core samples obtained during the exploratory drilling, channel samples from lignite faces and R.O.M. samples, the range of different constituents in the proximate analysis of these samples has been worked out and is given below. The quality parameters given below indicate the general average quality of Lignite available in this deposit. However, some slight variation in the range of constituents indicated below may occur during actual mining of lignite.

Moisture (%)	Ash (%)	Volatile Matter (%)	Sulphur (%)	Fixed Carbon (%)	Gross Calorific Value (Kcal/Kg)
48-52	05-10	25-30	01 - 02	18-22	2800-3200

## 2.4 Hydrogeology

The most important hydrogeological formation in the region influencing lignite deposits is the Palana sandstone of the Tertiary period. It is underlain by Nagaur sandstone of the Marwar Super Group and overlain by the younger alluvium of the Quaternary age. The argillaceous fine grained sandstone occurring between 24 to 30 metres forms the upper pheratic aquifer having TDS in the range of 2000-2500 ppm. The water discharge from such unconfined aquifer has little impact on lignite mining. The upper arenaceous horizon of 30 m thickness is followed by a clay lignite horizon.

The lower confined aquifer occurring below the clay lignite horizon is in the form of fine, medium to coarse sand which is loosely cemented and is having clay bands at places. It exist in a confined condition due to occurrence of impervious clay lignite horizon just above it. The lower aquifer is of highly saline nature having TDS in the range of 8000-11000 ppm.

## 2.5 Status of Statutory Approvals/ Clearances

<b>MINING LEASE</b>	
Date of sanction of mining lease	25.08.2001
Area of Mining Lease	1063.35 ha.
Period of Mining Lease	Up to 24.08.2021
<b>MINING PLAN</b>	
Date of Approval of Mining Plan by Ministry of Coal	09.01.1998
Mine Capacity Approved	10 lac tonnes p.a.
Period for which Mining Plan has been approved.	Project life of 24 yrs.
<b>MOEF CLEARANCE</b>	
Date of Environment Clearance from MOEF	19-07-2000
Period for which Environment Clearance is effective	Project life of 24 yrs
Consent to operate from RSPCB, GOR	09.01.2004 & renewed upto 30-09-2011. Applied for extension.
<b>CLEARANCE FROM CENTRAL GROUND WATER AUTHORITY</b>	
Date of C.G.W.A. Clearance	01.08.2011

### 3. Issues related with Lignite mining:

- 3.1 The occurrence of confined aquifer below the lignite seams and depth continuity of the seams upto 90 to 100 meters in this block makes the mining operations in this block a very challenging task. This will require induction of advanced and sophisticated mining technology to extract lignite under the prevailing hydro-geological conditions. A certain extent of risk is involved in these operations.
- 3.2 The quantity of water and its highly saline nature will necessitate its processing to make it suitable for use in drinking water, agriculture or for industrial purposes.
- 3.3 The setting up of a desalination plant for processing of this highly saline ground water by suitable technology will require infusion of large capital in plant, building and development of other infrastructural facilities.
- 3.4 The difficult mining operations on account of prevailing hydrogeological conditions, makes it imperative that ingenious and advanced technologies of mining, depressurization and processing of saline water are adopted.
- 3.5 Besides the large capital investment required for undertaking this kind of a multi disciplinary project a flexible working environment having considerable freedom of adopting suitable and advanced technology is of prime importance.

### 4. Proposed Scope of work:

- 4.1 Mining of lignite through advanced and sophisticated mining technology to extract lignite under the prevailing hydro-geological conditions.
- 4.2 Pumping of saline water to the tune of 82 Million Liters per Day (as per CMPDI Report) is necessary in Kasnau Pit for ensuring safe mining of lignite. Sufficient storage / disposal space is necessary for accommodating this saline water. More detailed evaluation can increase the quantity of water. The saline water is having TDS in the range of 11000-12000 mg per litre
- 4.3 Processing of saline water by desalination or by other suitable technology to make it suitable for domestic/ industrial or agriculture use.
- 4.4 All the Expenditure occurred in this project shall be borne by JV partner. RSMML shall not be liable for any expenditure in this project.

## **5. Prequalification criterion and JVC structure:**

### ***The Project Developer should possess the following qualifications:***

It is very unlikely that a single company shall possess qualifying experience of mining as well as water processing, hence a consortium of not more than 3 members including the lead member and technological partner are envisaged. For evaluating financial capacity, the parameters of only lead member shall be considered.

#### **A. Financial capacity of the bidder:**

- a. The bidder shall have a minimum Net worth of Rs 100 Crores (one hundred crores) as on March 31, 2012.
- b. The bidder shall have a minimum Annual Turnover of Rs 200 Crores (Rs two hundred crores) on an average for the last 3 (Three) years 2009-10, 2010-11 and 2011-12.

The bidder company should be a company, making profits in each of the preceding 3 financial years.

#### **B. Technical requirements:**

The bidder along with its consortium partners shall have experience of successfully executing mining and water/effluent/sewage treatment works as per the following qualifying criterion:

- a. Experience of open cast mining for excavation and handling of composite volume of overburden and pay minerals of a cumulative average quantity of 1.00 Million cubic meter per annum during last three years.
- b. Experience of successful installation and operation of water treatment plant of suitable capacity/ desalination plant/sewage plant/waste water treatment plant.

#### **C. The Joint Venture Partner Selection and Structure of Joint Venture Company**

The Joint Venture Partner shall be selected by a bidding process. The bidder can either be a single party or Joint Venture of 2/3 parties, and/or consortium of up to 3 parties (including one JV and one technical support).

**“Joint Venture Structure:** It is proposed to form the Joint Venture Company (JVC) between RSMML and the selected Joint Venture Partner (JVP). RSMML will have a 51% shareholding in the JVC and therefore have a majority of Directors on the Board of the JVC including the position of Chairman. The equity of RSMML shall be cashless. The JVP shall have the position of MD in the JVC and shall be responsible for all day to day operations of the Company.”

“The JVP shall be selected in a bidding process. The JVP shall be selected amongst all the bidders who satisfy the above criteria, on the basis of:

The bidder/JVC shall pay a facilitation fee per MT of Lignite to RSMML. The bidder quoting the highest facilitation fee per MT of saleable Lignite shall be selected, provided that bidder also fulfill the pre qualification criterion. The facilitation fees shall be quoted in terms of percentage of quarterly average sales price of per MT of lignite. The quarterly average sales price shall be computed as per the actual sale price received in that particular quarter. The mode of sale can be e-auction or any competitive bidding route.

The lignite and desalinated water so produced by the JVC shall be the property of JVC and JVC shall have right to sale it after paying facilitation fee to RSMML.

The facilitation fee charged by RSMML is on account of expenditure already made by RSMML for developing infrastructure in Kasnau mine such as land acquisition etc.

#### **Pre Offer Submission Meeting:**

A meeting shall be held on **20<sup>th</sup> June 2012 at 11 AM** at corporate office, Udaipur to brief the potential bidders and to answer the queries of the bidders. Bidders are requested to submit their queries in writing or by Fax to reach GGM (Project), CO, Udaipur at least ten days before the meeting. A copy of such communication will also be sent to the Office of GGM (SBU-PC-Lignite), Khanij Bhawan, Tilak Marg C-Scheme, Jaipur. It may not be possible to answer questions during the meeting, if not received earlier.

Attendance at the pre-bid meeting is not mandatory and non-attendance will not be a cause for disqualification of the bidder. It is however, in the interest of the bidder to attend the Pre-Bid Meeting.

The experienced and reputed companies in mining having relevant experience are required to send their proposals, as per the enclosed **Pro forma (Annexure-I)**, to reach us latest by **20<sup>th</sup> July 2012 up to 3.00 PM**. The proposal so invited and submitted shall be evaluated on technical and financial competency of the companies. After evaluation as suggested above, the Pre-qualified companies shall be requested for detailed Request for Proposal (RFP) for which a detailed RFP document shall be given to Pre-qualified companies.

For further information, please contact GGM (Project) at the above address.

#### **Group General Manager (Projects)**

**Note: Interested companies are advised to keep visiting our website until due date/extended due date of EOI for corrigendum/addendum, if any, to the EOI.**

**PRO FORMA FOR PROPOSAL AGAINST EOI**

**1. Company Details**

- Name of the Company
- Type & Nature of Company
- Address
- Contact Person
- Contact Telephone Number/ Mobile Number
- E-Mail Address

**2. Turnover**

- Total annual turnover in Rupees for the last three financial years.
- Annual report including balance sheet for the last three financial years.

**3. Criteria for Assessing Expression of Interest (EOI)**

- Financial strength
- Expertise in similar jobs : Qualification and experience in carrying out assignments of similar nature
- Strength of the key team

**4. Organisational Structure**

**5. Any other relevant information, if desired**

**Closing Date for Submission of Proposal:**

This proposal together with the requisite supporting documents must be submitted, on or before **20.07. 2012 by 3.00PM** (IST) to the address specified in the EOI.

Date: .....2012