

No. MCL/SBP/GM (M&S)/Comml./2019-20/ 5557

Dt. 02/02/2019

NOTICE

Sub: Continuation of extant coal supply arrangements to consumers in the Non-regulated Sector-reg

CIL vide letter no. CIL/S&M/Linkage Auction/424, dtd.05.06.2017 (copy enclosed as Annexure-I) issued guidelines regarding continuation of extant coal supply arrangement to expiring NCDP regime FSAs of Non-Regulated Sector consumers till commencement of supplies under NRS Linkage Auction. Subsequently, modifications to the above guidelines were issued by CIL vide letter no. CIL/M&S/Linkage Auction/417 dated 09.07.2018 and letter no. CIL/M&S/Linkage Auction/565 dated 12.10.2018 (copy enclosed as Annexure-II & III respectively).

In line with the above, Consumers in the non-regulated sector (**except CPSEs and Fertiliser (Urea)**) whose FSA(s) have expired/expiring post the cut-off date of Linkage Auction Tranche-IV i.e. 30.09.2018 are hereby informed that coal supplies will be made available to the eligible consumers as per the above guidelines of CIL under MoU post expiry of their FSAs.

Consumers eligible and desirous of availing the facility as per the above mentioned guidelines of CIL are required to submit the following documents for signing of MOU:

- Application on company's letter-head expressing desire to sign MOU for availing coal supply as per the above guidelines of CIL.
- Valid Consent to Operate
- Valid Factory License
- Valid Boiler Fitness Certificate (wherever applicable)
- Board Resolution/Power of Attorney authorizing the signatory for signing of MoU.
- Moreover, it is to be noted that the consumers are to keep the Security Deposit (SD) furnished by them against their expiring/expired FSA valid till 180 days from the date of expiry of the term or extended Term of the MoU, as the case may be.

A. S. S. S.
2/2/19
General Manager (M&S), MCL
MS

Copy for kind information:

- DT (OP), MCL
- GM (M&S), CIL
- GM (Systems), MCL: is requested to arrange for uploading the notice on MCL website.

COAL INDIA LIMITED
MARKETING DIVISION

Ground Floor, Coal Bhawan,
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No. CIL/S&M/Linkage Auction/ 424

Date: 05.06.2017
By E-mail / Post

To,
General Manager (M&S),
ECL / BCCL / CCL / NCL / WCL / SECL / MCL &
General Manager, NEC, Margherita

Subject: Extending the decisions taken by FDs of CIL for Tranche-I of Linkage Auction (non-regulated sector) to subsequent Tranches

Dear Sir,

As per the guidelines issued by MOC vide letter dated 15.02.2016, auction of linkages for non-regulated sector consumers has been launched by CIL.

Tranche-II of the auctions commenced in January 2017 keeping the cut-off date as 31.03.2017 i.e. the linkage quantity of FSAs expiring on or before 31.03.2017 was available for bidding in Tranche-II. Linkage auction is a continuous process and the MOCs guideline clearly mandates that the extant coal supply arrangement may continue till commencement of coal supply under the auction process.

It has therefore been decided by the competent authority that for all subsequent Tranches of linkage auction for non-regulated consumers, coal supply would continue in the manner as below:

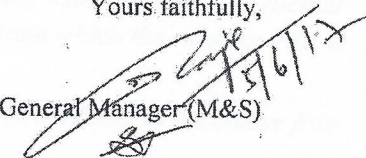
- a) Irrespective of the date of conduct of actual linkage e-auction of a particular sub-sector, the cut-off date for that particular tranche of auction will be applicable to all sub-sectors under that tranche.
- b) For linkages which have expired by the cut-off date for a particular tranche, the following policy will be followed:
 - i. In the event a bidder has participated in the auction and emerges as successful bidder, the allocated quantity in the auction or linkage quantity as per the expiring FSA, whichever is lower, shall be supplied till the execution of new FSA.
 - ii. In the event bidder has either not participated or emerges as unsuccessful bidder, supply in terms of the expiring FSA shall continue till the last date of the month in which the linkage action for that particular sub-sector is conducted and thereafter the expiring FSA/ linkage shall be discontinued.

-2-

- c) Bidders who did not have any existing linkage and have won coal linkage under a particular tranche, shall be supplied coal only post execution of FSA.
- d) In line with Para 1(iii) of the Policy i.e. *the extant coal supply arrangements may continue till commencement of coal supply under the auction process*, the extant coal supply arrangements for linkages which are due to expire post the cut-off date of a particular Tranche may continue till the next Tranche of linkage auction.

With respect to the Issue of verification of normative coal requirement of successful bidders under 'Others' sub-sector, CIL has already engaged CIMFR as the Final Verification Agency for verifying the normative coal requirement of successful bidders under 'Others' sub-sector as well as under all other sub-sectors like Sponge Iron, Cement, CPP etc. CIMFR has already commenced their work but may take some time to verify all the cases being referred to them by the coal companies. In consideration of the time required by CIMFR and expiry of the three months' period granted earlier, it has been decided by the competent authority that coal supply to all successful bidders under "Others (non-coking as well as coking coal)" sub-sector would continue based on submission of certificate from Licensed Chartered Engineer wherever they are unable to furnish certificate from DIC/State Industries Authority as per the Scheme till the final verification is undertaken by the CIMFR.

Yours faithfully,


General Manager (M&S)

Copy to:

1. Director (M), CIL
2. TS to Chairman, CIL



COAL INDIA LIMITED
MARKETING DIVISION
NOTICE

No. CIL/M&S/Linkage Auction/417

Date: 09.07.2018

Subject: Continuation of extant coal supply arrangements to expiring NCDP regime FSAs of non-regulated sector consumers till commencement of supplies under NRS Linkage Auction

This has reference to notice no. CIL/M&S/Linkage Auction/134 dated 03/05.03.2018 enclosing therewith detailed modalities issued by this office vide letter no. CIL/M&S/Linkage Auction/424 dated 05.06.2017 on continuation of extant coal supply arrangements.

In this regard, it may please be noted that point (b) of the modalities issued vide letter dated 05.06.2017 stands modified from Tranche IV onwards as under:

For all such bidders whose FSAs are expiring on or before the cut-off date for a particular tranche of auction, the supply in terms of the expiring FSA shall continue till the last date of the month in which the linkage auction for that particular sub-sector is concluded or the date of expiry of the existing FSA, whichever is later.

Consequently, the supplies under the expiring FSA/linkage shall be discontinued for bidders that are not successful in the auction. For bidders that are successful in the auction, the allocated quantity in the auction or linkage quantity as per the expiring FSA, whichever is lower, shall be supplied till the execution of new FSA. The price payable for such supply will be as per the expiring FSA.

However, if the time for execution of new FSA is extended beyond what is originally provided in the Scheme Document, the price payable for continuation of extant supply in this extended period shall be calculated on the highest % premium bid by the concerned bidder (under a particular sub-sector and tranche) among the sources of the coal company from which the existing FSA is expiring.

This interim arrangement for supply of coal post-auction will only be available to the bidder from the coal company in which the bidder's FSA is expiring.

Illustrations explaining the above are enclosed. This is for information of all concerned and further needful at the end of coal companies.

Regards,

General Manager (M&S)

Distribution (with request to get this uploaded on respective websites):

1. GM/ HoD (M&S), ECL/ BCCL/ CCL/ NCL/ WCL/ SECL/ MCL
2. GM, NEC
3. GM (System), CIL
4. MSTC Limited, Kolkata

Copy, for kind information, to:

1. Director (Marketing), CIL, Kolkata
2. TS to Chairman, CIL
3. HoD (F), M&S, CIL, Kolkata
4. HoD (Comm.), M&S, CIL, Kolkata



COAL INDIA LIMITED
MARKETING DIVISION
NOTICE

File: CIL/M&S/Linkage Auction / 565

Date: 12.10.2018

Subject: Continuation of extant coal supply arrangements to expiring NCDP regime FSAs of non-regulated sector consumers till commencement of supplies under NRS Linkage Auction

This has reference to CIL's notice no. CIL/M&S/Linkage Auction/134 & 417 dated 03/05.03.2018 enclosing therewith detailed modalities on the above subject issued by this office vide letter no. CIL/M&S/Linkage Auction/424 dated 05.06.2017. Point (b) of the modalities were modified vide notice no. CIL/M&S/Linkage Auction/417 dated 09.07.2018. In this regard, it may please be noted that point (b) of the modalities further stands modified as under (changes highlighted in bold font):

For all such bidders whose FSAs are expiring on or before the cut-off date for a particular tranche of auction, the supply in terms of the expiring FSA shall continue till the last date of the month in which the linkage auction for that particular sub-sector is concluded or the date of expiry of the existing FSA, whichever is later. Consequently, the supplies under the expiring FSA/linkage shall be discontinued for bidders that are not successful in the auction. However, all booked orders against valid MSQ of expiring/ extended FSAs shall be entitled for supply as per applicable rules of validity of lifting for each mode of supply.

For bidders that are successful in the auction, the allocated quantity in the auction or linkage quantity as per the expiring FSA, whichever is lower, shall be supplied till the execution of new FSA. The price payable for such supply will be as per the expiring FSA.

However, if the time for execution of new FSA is extended, in exception, beyond what is originally provided in the Scheme Document, the price payable for continuation of extant supply from the existing coal company in this extended period shall be calculated on the highest % premium bid in any source/lot of any coal company by the concerned bidder (under that particular sub-sector and tranche).

In case the bidder books linkage from "new coal company(s)" which is/are different from the coal company(s) from which its FSA is expiring ["old coal company(s)"], the extant coal supply arrangements shall continue from the old coal company(s). The quantity to be supplied shall be total linkage booked by the bidder or total expiring FSA, whichever is lower. The bidder shall submit a notarized undertaking to the old coal company that:

- i. The bidder shall not take more coal than the total expiring FSAs or the total linkage booked, whichever is lower.*
- ii. After signing new FSA at the new coal company(s), the bidder shall not make any further bookings for supply of corresponding quantity of coal from the old coal company(s).*
- iii. Any action otherwise by the bidder shall be liable for penalty by way of cancellation of new linkage(s)/FSA(s), forfeiture of Bid/Performance Security.*

Contd...

-2-

The new and old coal companies shall keep close co-ordination with each other to monitor the supply of coal to such bidders.

Illustrations explaining the above are enclosed. This is for information of all concerned and further needful at the end of coal companies.


General Manager (M&S)
12/10/18

Distribution (with request to get this uploaded on respective websites):

1. GM/ HoD (M&S), ECL/ BCCL/ CCL/ NCL/ WCL/ SECL/ MCL
2. GM, NEC
3. GM (System), CIL
4. MSTC Limited, Kolkata

Copy, for kind information, to:

1. Director (Marketing), CIL, Kolkata
2. TS to Chairman, CIL
3. HoD (F), M&S, CIL, Kolkata
4. HoD (Comm.), M&S, CIL, Kolkata

Illustration 1

Date of FSA expiry	30.04.2018
Date of conclusion of auction for the particular sub-sector	05.07.2018
Supply of FSA qty at Notified Price	Till 31.07.2018
If not successful in auction, supplies discontinued*	After 31.07.2018
If successful in auction, supply of FSA Qty. or Bid Qty, whichever is lower, at Notified Price	For Maximum 150 days after 05.07.2018 i.e. till 02.12.2018
If timeline for execution of FSA is extended, in exception, beyond 150 days, supply of FSA Qty. or Bid Qty, whichever is lower, at the Highest Price bid by the bidder**	After 02.12.2018

*all booked orders against valid MSQ of expiring/ extended FSAs shall be entitled for supply as per applicable rules of validity of lifting for each mode of supply.

**under that particular sub-sector and tranche, among the sources of the coal company from which the FSA is expiring

Illustration 2

Bidder Name	M/s XYZ Ltd.
Plant category	CPP
FSA expiring from	MCL
Expiring FSA ACQ	12 Lt
FSA expiry date	30.04.2018
Date of conclusion of linkage auction for CPP sub-sector	05.07.2018

	Source	ACQ	Price
Linkages booked by M/s XYZ Ltd. under Tranche IV CPP sub-sector auctions	from Source A, MCL	3 Lt	@ 20% premium
	from Source B, MCL	3 Lt	@ 30% premium
	from Source C, SECL	4 Lt	@ 40% premium

Supply from 01.05.2018 to 31.07.2018	Extant Source(s), MCL	10 Lt	Extant Price (NRS Notified Price)
Supply from 01.08.2018 till signing of new FSA	Extant Source(s), MCL	10 Lt	Extant Price (NRS Notified Price)

In case FSA is not signed within 150 days* from 05.07.2018 (i.e. till 02.12.2018), then:

Supply from 03.12.2018 till signing of new FSA	Extant Source(s), MCL	10 Lt	NRS Notified Price + 40% premium
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*150 days is the maximum period originally provided in the Scheme Document for signing of FSA, which consists of:

- (a) 15 days for issuance of LoI,
- (b) 75 days for document submission, and
- (c) 60 days for document verification & FSA signing.

This period may however be lesser depending upon the actual occurrence of events mentioned at (a), (b) & (c) above.

