



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

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 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

*under a 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	10 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	6 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	6 Lt	NRS Notified Price + 30% premium
--	-----------------------	------	----------------------------------

No supply during the interim period from SECL

*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.