



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).*

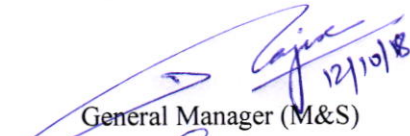
In case the bidder books linkage from "new coal company(s)" which is/are different from the coal company(s) from which its FSA is expiring ["old coal company(s)"], the extant coal supply arrangements shall continue from the old coal company(s). The quantity to be supplied shall be total linkage booked 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...

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)

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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:

- 15 days for issuance of LoI,
- 75 days for document submission, and
- 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.