

COAL INDIA LIMITED

MARKETING & SALES

Coal Bhawan, Premises No. 4 MAR, Plot no. AF-III,
Action Area 1A, New Town, Rajarhat, Kolkata - 700 156
E-mail: hodfsa.cil@coalindia.in
Phone: 033 - 2324 6617



File: CIL/M&S/Linkage Rationalization/379

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NOTICE

Rationalization of linkages allotted on a nomination basis for CPSE/SPSE consumers of Non-Power sector

Certain CPSE/SPSE consumers of the Non-Power sector were allotted linkages on nomination basis before the launch of the NRS Linkage Policy dated 15.02.2016. These linkages are being continued to be renewed upon the expiry of existing tenures as per the mentioned NRS policy.

As a consumer-friendly initiative under ease of doing business, CIL board in its 468th meeting dated 23.07.24 approved a one-time window for rationalization of linkages allotted on a nomination basis for CPSE/SPSE consumers of the Non-Power along with the standard operating procedure (SOP).

The approved SOP shall be followed for carrying out the rationalization and is attached for information.

Encl. a/a

Linkage/12/08/24

CM (M&S-FSA/Linkage), CIL

Distribution:

1. Director (Marketing), CIL
2. ED (M&L), CIL
3. GM (M&S), ECL/BCCL/CCL/NCL/WCL/SECL/MCL



Standard Operating Procedure for Rationalization of Linkages allotted on a nomination basis for CPSE/SPSE consumers of Non-Power sector

Certain CPSE/SPSE consumers of the Non-Power sector were allotted linkages on nomination basis before the launch of the NRS Linkage Policy dated 15.02.2016. These linkages are being continued to be renewed upon the expiry of existing tenures as per the mentioned NRS policy.

As a consumer-friendly initiative under ease of doing business, a one-time window is being allowed for rationalization of linkages allotted on a nomination basis for CPSE/SPSE consumers of the Non-Power. The following procedure shall be followed during the exercise:

- The EOI application for linkage rationalization shall be sought from CPSE/SPSE consumers of the Non-Power sector having linkages on nomination basis through a notice on the CIL website. Since such consumers are limited, they shall also be informed through email.
- The timeline for submission of the EOI application shall be 30 days.
- The subsidiary-wise coal availability shall be indicated upfront before seeking application/EOI to enable submission of judicious requests by interested consumers.
- To encourage the participation of only serious consumers, an EMD @ Rs. 100/ tonne in the form of BG/Cash & a non-refundable processing fee @ Rs. 10/ tonne (in cash only) shall be required to be submitted to CIL by the consumer(s). The EMD and the Process Fee will be managed by CIL.
- The application shall be valid only when accompanied with both EMD and the Process Fees. Any application not accompanied with both EMD and Process Fees will not be considered for rationalization exercise.
- The rationalization of sources shall be done considering the coal availability situation at the coal companies.
- The quantity at the rationalized sources shall be adjusted as per the midpoint GCV of the representative grades of coal companies.
- The consumers shall be required to sign the FSA at the rationalized source within 3 months from the date of issuance of the letter regarding the rationalization/shifting of the source. If not signed within the date, the rationalization/shifting shall be treated as canceled automatically, without any further notice.
- EMD shall be refunded within 30 days of the signing of FSA at the rationalized source. If the FSA is not signed at the rationalized source within the stipulated date, the EMD shall be forfeited.
- The FSAs shall continue to be renewed at the new source (rationalized source) on the expiry of the existing tenure of linkages in terms of NRS Linkage Auction policy 15.02.2016.
- The linkage obtained through the bidding process shall not be eligible for rationalization exercise.

Wing

Earnest Money Deposit and Process Fees

- Non-refundable Process fee is towards enabling only serious consumers to participate in the rationalization exercise (irrespective of outcome).
- EMD is towards the timely completion of requisite formalities/ signing of FSA at the rationalized source by the consumer.
- EMD and Process Fees are to be deposited for quantity applied for rationalization at the time of submission of EOI.
- EOI application will be held as valid only when accompanied with both EMD and the Process Fees. Any application not accompanied with both EMD and Process Fees will not be considered for rationalization exercise.
- EMD in respect of Quantity which could not be considered for rationalization exercise by CIL due to any constraints/feasibility issues, shall be refunded within 30 days of final rationalization.
- Submission of EMD and Process Fee shall not constitute any right on the part of the consumer to claim any benefits of the rationalization exercise. CIL reserves the right to amend/ cancel the exercise at its discretion at any stage.
- An illustration showing Refund/ forfeiture of EMD is provided in the table below-

ILLUSTRATION OF EMD REFUND							
S. N.	Description	Original Source		New Source 1		New Source 2	
		Qty.	Sub	Qty.	Sub	Qty.	Sub
A	Quantity submitted in EOI for rationalization	200	MCL	120	CCL	80	BCCL
B	Quantity for which EMD Submitted	100	MCL	-	-	-	-
C	Quantity for which Processing fee submitted	90	MCL	-	-	-	-
D	Quantity considered for rationalization (minimum of A, B & C)*	90	MCL	54	CCL	36	BCCL
E	Quantity considered for final rationalization post consideration of constraints/feasibility**	65	MCL	39	CCL	26	BCCL
F	Quantity for which FSA signed at new source**	50	MCL	30	CCL	20	BCCL
G	Quantity eligible for EMD forfeiture (E-F)	15	MCL	-	-	-	-
H	Quantity eligible for EMD refund (B-G)	85	MCL	-	-	-	-

* Rationalization at the desired source shall be in proportion to the initially applied quantity for rationalization

** The quantity shown at the desired source is as per the representative grades of original and desired source.

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