

SCHEME DOCUMENT
FOR AUCTION OF COAL LINKAGES OF COKING COAL IN THE
STEEL SUB-SECTOR UNDER TRANCHE VI

July 2023

Coal India Limited
A Government of India Undertaking

Important Notice:

The information contained in this Scheme Document for auction of coking coal-linkages in the steel sub-sector (“Scheme Document”) or subsequently provided to Bidder(s), whether verbally or in documentary or any other form by or on behalf of Coal India Limited (“CIL”) and/ or any of its employees or advisors, is provided to Bidder(s) on the terms and conditions set out in this Scheme Document.

This Scheme Document is neither an agreement nor an offer by CIL to the prospective Bidders or any other Person. The purpose of this Scheme Document is to provide interested parties with information that may be useful to them in making their Bids pursuant to this Scheme Document. This Scheme Document includes statements which reflect various assumptions and assessments arrived at by CIL in relation to the non-regulated sector and the Lots. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This Scheme Document may not be appropriate for all Persons and it is not possible for CIL, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this Scheme Document. The assumptions, assessments, statements and information contained in the Scheme Document may not be complete, accurate, adequate or correct. Each Bidder should therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this Scheme Document and obtain independent advice from appropriate sources before submitting a Bid.

Information provided in this Scheme Document to the Bidder(s) has been collated from several sources some of which may depend upon interpretation of Applicable Law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as complete. CIL accepts no responsibility for the accuracy or otherwise for any statement contained in this Scheme Document.

CIL, its employees and advisors make no representation or warranty and shall have no liability to any Person, including any Bidder under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this Scheme Document or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the Scheme Document and any assessment, assumption, statement or information contained therein or deemed to form part of this Scheme Document or arising in any way from participation in this auction process.

CIL also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused, arising from reliance of any Bidder upon the statements contained in this Scheme Document.

Notwithstanding anything contained in the Scheme Document, CIL may, in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information,

The issue of this Scheme Document does not imply that CIL is bound to select a Bidder or Successful Bidder and CIL reserves the right (without incurring any liability) to reject all or any of the Bidders or Bids without assigning any reason whatsoever.

Each Bidder shall bear all its costs associated with or relating to the preparation and submission of its Bid including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by CIL or any other costs incurred in connection with or relating to its Bid including the Process Fee and Bid Security. This Scheme Document is not transferable. Nothing contained in this Scheme Document shall be binding on CIL or confer any right on the Bidders.

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1 Definitions

- 1.1 In this Scheme Document, in addition to the terms defined in the body of this Scheme Document, the following capitalized terms shall, unless repugnant to the meaning or context thereof, have the following meanings:
- 1.1.1 **“Acceptable Bank”** shall mean a Scheduled Bank as listed in the Second Schedule of the Reserve Bank of India Act, 1934 excluding those listed under the headings of Gramin Banks, Urban Co-operative Banks and State Co-operative Banks.
- 1.1.2 **“Adjustment”** shall have the meaning ascribed to such term in Clause 3.5.2(f).
- 1.1.3 **“Agreement”** shall mean the Fuel Supply Agreement as may be prescribed or published by CIL and to be executed pursuant to Clause 3.5.4, a preliminary and tentative draft model format of which is provided in ***Annexure I***.
- 1.1.4 **“Allocated Quantity”** shall have the meaning ascribed to such term in Clause 3.5.2(g).
- 1.1.5 **“Applicable Law”** shall mean all applicable statutes, laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directives of any governmental authority or court or other rules or regulations, approvals from the relevant governmental authority, government resolution, directive, or other government restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law in India.
- 1.1.6 **“Approved Mine Plan”** shall mean a mine plan which has been approved in accordance with the Applicable Laws in relation to the captive coal mine.
- 1.1.7 **“Authorised Signatory”** shall mean the individual representing a Bidder who has been duly authorised on behalf of such Bidder to (i) use the Bidder’s digital signature certificate; (ii) execute and submit the Bid on behalf of the Bidder; (iii) sign the Affidavit cum undertaking set out in ***Annexure II*** and the power of attorney set out in ***Annexure III*** on behalf of the Bidder; and (iv) execute and submit such other documents as may be deemed necessary, in accordance with the terms hereof.
- 1.1.8 **“Bid”** shall mean the bid submitted by a Bidder in accordance with Clause 3.5, for a Link Quantity with respect to a Specified End Use Plant pursuant to a unique registration number given by the Service Provider.
- 1.1.9 **“Bid Security”** shall have the meaning ascribed to such term in Clause 6.1.
- 1.1.10 **“Bidder”** with respect to a Bid shall mean any resident Indian Person including a proprietorship, partnership firm registered in India or a Company.

- 1.1.11 “**CIL**” shall mean Coal India Limited (a Government of India undertaking).
- 1.1.12 “**Coal Linkages**” shall have the meaning ascribed to such term in Clause 2.3.
- 1.1.13 “**Company**” shall have the meaning ascribed to such term in clause (20) of section 2 of the Companies Act, 2013, as amended from time to time.
- 1.1.14 “**Conditions to Auction**” shall mean, with respect to each Bid, the conditions specified in Clause 3.4 and submission of the documents on the Electronic Platform of the Service Provider as specified in *Annexure V* and in physical form to the Service Provider in accordance with the Scheme Document.
- 1.1.15 “**Control**” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
- 1.1.16 “**CPPs**” shall mean captive power plants having the meaning as per Rule 3 of the Electricity Rules, 2005.
- 1.1.17 “**Demand Supply Ratio**” shall mean sum of Link Quantity submitted by each bidder for a particular round divided by the total quantity of coal being offered from the Lot.
- 1.1.18 “**Due Date**” shall have the meaning ascribed to such term in Clause 5.6.1.
- 1.1.19 “**Electronic Platform**” shall have the meaning ascribed to such term in Clause 3.1.1.
- 1.1.20 “**Eligibility Conditions**” shall mean the eligibility conditions specified in Clause 4.
- 1.1.21 “**Last Round**” shall have the meaning ascribed to such term in Clause 3.5.2(f).
- 1.1.22 “**Link Quantity**” shall mean the quantity of coking coal from a particular Lot for which the Bidder has submitted a Bid in accordance with this Scheme Document.
- 1.1.23 “**LOI**” shall have the meaning ascribed to such term in Clause 3.5.3.
- 1.1.24 “**Lot**” shall mean a specified quantity of coking coal belonging to a particular grade which is to be offered for sale and which may be dispatched by road from a particular coal mine or by rail from a particular railway siding, the details of which are more particularly specified in *Annexure VI*.
- 1.1.25 “**Minimum Quantity**” shall have the meaning ascribed to such term in Clause 4(b).
- 1.1.26 “**MoC**” shall mean the Ministry of Coal, Government of India.

1.1.27 “**MTPA**” shall mean million tonnes per annum.

1.1.28 “**Normative Coal Requirement**” shall mean the normative coal requirement determined in accordance with Clause 3.3.

1.1.29 **Price:**

- “**Notified Price**” shall mean the price of the relevant grade(s) of coal as notified by CIL from time to time.
- “**Indexed Price**” shall mean the price derived on the basis of applicable price index as per clause 3.9.
- “**Modulated Price**” shall mean the price applicable for supply of coal and is higher of the Indexed Price and the prevailing notified price for NRS consumers, as per clause 3.9.

1.1.30 Deleted

1.1.31 “**Person**” shall mean any individual, Company, society or trust, whether incorporated or not.

1.1.32 “**Policy**” shall have the meaning ascribed to such term in Clause 2.1.2.

1.1.33 “**Process Fee**” shall have the meaning ascribed to such term in Clause 3.10.1.

1.1.34 “**Reserve Price**” shall have the meaning ascribed to such term in Clause 3.5.2(b).

1.1.35 “**SCCL**” shall mean the Singareni Collieries Company Limited.

1.1.36 “**Scheduled Production**” shall mean the scheduled quantity of coal production for a year, from the captive coal mine as per the Approved Mine Plan.

1.1.37 “**Scheme Document**” shall mean this document including its Annexures, any addenda or corrigendum to this Scheme Document and/ or any other document issued pursuant hereto.

1.1.38 “**Selected Round**” shall have the meaning ascribed to such term in Clause 3.5.2(f).

1.1.39 “**Service Provider**” shall mean the entity that provides the Electronic Platform.

1.1.40 “**Specified End Use**” shall have the meaning ascribed to such term in Clause 2.3.

1.1.41 “**Specified End Use Plant**” shall mean one or more blast furnace units (with or without coke oven plant) used for the production of steel (in a single location within the same boundary) located in India and owned by the Bidder. The existing or new bidder (Owner/holding company) may also register its wholly owned End Use Plants/Units, located in same location or geographically different location under single registration. The

particulars of all EUP(s) and details of blast furnaces/coke oven plant, as the case may be, linked to each EUP are required to be submitted by the bidder in accordance with the provision of Annexure V”.

1.1.42 “**Subsidiary**” shall mean a subsidiary of CIL listed in *Annexure VI*.

1.1.43 “**Successful Bidder**” shall have the meaning ascribed to such term in Clause 3.5.2(g).

1.1.44 “**TPA**” shall mean Tonnes per Annum.

1.1.45 “**TPD**” shall mean Tonnes per Day.

1.1.46 “**Transport Factor**” shall have the meaning ascribed to such term in Clause 3.5.2(i)(ii).

1.1.47 “**Winning Premium**” shall mean:

- (a) for the purposes of the Coking Coal Auction for Steel Sub-sector July 2023 under Tranche VII, the relevant premium of the Selected Round expressed in absolute number terms; and
- (b) for the purposes of Clause 3.9, Clause 7, the Agreement and all of the Annexures/Schedules to this Scheme Document, the relevant premium of the Selected Round expressed as a percentage of the Reserve Price (Floor Price).

1.1.48 “**WPI**” shall mean Wholesale Price Index.

2 Introduction

2.1 Background

- 2.1.1 The Cabinet Committee on Economic Affairs, in its meeting held on February 3, 2016, decided that the allocation of coal linkages/ letter of assurances for the non-regulated sector shall henceforth be done through an auction based mechanism.
- 2.1.2 Subsequently, the MoC issued a letter to CIL and SCCL vide letter no. 23011/51/2015-CPD(Pt-I) dated February 15, 2016 (the “**Policy**”), for auction of coal-linkages for the non-regulated sector, where sub-sectors could be cement, sponge iron/ steel, aluminium and others (excluding fertilizer (urea) sector) including their CPPs, through a competitive bidding process. According to the Policy, the auctions are to be conducted by CIL/ SCCL and CIL has been entrusted with the task of working out the detailed procedure/ methodology for conducting the auction process. CIL/ SCCL have also been instructed to take immediate necessary action for conducting the auctions.
- 2.1.3 Accordingly, CIL has *inter alia* decided to auction coal linkages for the various sub-sectors within the non-regulated sector.
- 2.1.4 This Scheme Document is being issued by CIL for auction of coal linkages of coking coal with respect to the steel sub-sector for a total quantity of approximately [●] MTPA (“**Coking Coal Auction for Steel Sub-sector: July 2023 Tranche VI**”).

2.2 The Policy

Bidders are encouraged to familiarise themselves with the Policy. As of the date of this Scheme Document, the Policy is available at http://coal.nic.in/sites/upload_files/coal/files/curentnotices/150216.pdf.

2.3 The Coal Linkages

The coal linkages from each Lot identified in **Annexure VI** (“**Coal Linkages**”) are being auctioned strictly for consumption by the Specified End Use Plant (“**Specified End Use**”). Any swapping and/or rationalization of the Allocated Quantity shall be in accordance with extant applicable policy.

3 Auction Process

3.1 Electronic Auction

- 3.1.1 The auction of the Coal Linkages shall be conducted on the electronic platform created by the Service Provider (“**Electronic Platform**”) and no physical Bids shall be accepted or considered. The interested Bidders are required to seek registration on the Electronic Platform for bidding purposes against payment of a non-refundable registration fee of Rs. 10,000 (Indian Rupees Ten Thousand) plus applicable taxes. Bidders already registered for the coal linkage auctions of either CIL and/ or SCCL must necessarily use the same registration for the same Specified End Use Plant and should not register again.
- 3.1.2 The technical details and other information with respect to access to the Electronic Platform and bidding thereon are provided in *Annexure V*.
- 3.1.3 In case of any technical clarification regarding access to the Electronic Platform or conduct of the auction process, the Bidders may contact the Service Provider directly at the contact details provided in *Annexure V*.

3.2 Scheme Document

The Bidders shall be eligible to download the Scheme Document from website of the Service Provider free of cost.

3.3 Normative Coal Requirement

- 3.3.1 The Normative Coal Requirement for each Specified End Use Plant shall be calculated by the Electronic Platform in accordance with the following formula:

[annual coal requirement as computed by the Electronic Platform based on the Specified End Use Plant details provided by the bidder] minus [(annual coal requirement of the Specified End Use Plant met through any captive coal mine(s), which shall be computed on the basis of Washery Grade-IV grade of coal, irrespective of the grade of coal actually available from the captive coal mine(s)) plus (annual coal requirement of the Specified End Use Plant met through any allocation of coal linkage(s) pursuant to auction process of any lot conducted by CIL and/ or by SCCL or any other existing coal linkage(s) under New Coal Distribution Policy, which shall be computed on the basis of Washery Grade-IV grade of coal, irrespective of the grade of coal actually allocated pursuant to the auction process)].

It is clarified that in case the actual grade of coal available from the captive coal mine (as specified above) or from allocation pursuant to auction process conducted by CIL / SCCL is not of Washery Grade-IV, then the Washery Grade-IV grade equivalent quantity shall be computed as follows:

$$\begin{aligned} \text{Washery Grade-IV} &= \text{(Annual coal requirement met from the given source)} \\ \text{equivalent quantity} & \text{ multiplied by (Indigenous Coking coal requirement per tonne} \\ & \text{of hot metal of Washery Grade-IV grade of coal as per} \\ & \text{Annexure VII)} \\ & \frac{\text{Indigenous Coking coal requirement per tonne of hot metal of}}{\text{the relevant grade of coal as per Annexure VII}} \end{aligned}$$

It is clarified that for the purposes of computation of the normative coal requirement basis the above mentioned formula, the annual coal requirement of the Specified End Use Plant of the Bidder met through any allocation of coal linkage(s) pursuant to auction process of any lot conducted by CIL and/ or by SCCL shall be deducted irrespective of the status of issuance of the letter of intent or signing of the fuel supply agreement.

3.3.2 Annual coal requirement of the Specified End Use Plant met through any captive coal mine(s):

- (a) Each Bidder who has been allocated captive coal mine(s) (whether having only coking grade of coal or combination of non-coking and coking grade of coal) for its Specified End Use Plant(s), shall for each such captive coal mine, submit a self-certificate for scheduled production of coking coal from such mine as per the format in **Annexure XI**.
- (b) If the mine opening permission has been granted by the Coal Controllers' Organisation (CCO) coal requirement of the Specified End Use Plant (in TPA) met through such captive coal mine(s) shall be considered in the manner prescribed below:
 - (i) Bidder shall submit the Scheduled Production of coking coal from its captive coal mine(s) for the 15 financial years commencing from the financial year in which this Scheme Document has been published, in accordance with 3.3.2(a)
 - (ii) The Electronic Platform shall adjust the annual coal requirement of the Specified End Use Plant met through the captive coal mine(s) (in TPA). Such adjustment shall be corresponding to the minimum Scheduled Production of coking coal from Bidder's captive coal mine(s) as per the Scheduled Production of coking coal for 15 financial years submitted by the Bidder in accordance with Clause (i) of 3.3.2(b)above.
- (c) In case the mine opening permission has not been granted by CCO, then, the coal requirement met through the captive coal mine shall be considered as zero. Accordingly, the Electronic Platform shall adjust the annual coal requirement of the Specified End Use Plant met through the captive coal mine(s) (in TPA).
 - (i) In the event, mine opening permission has been granted post completion of the Coking Coal Auction for Steel Sub-sector: July 2023 Tranche VI, the Successful Bidder, shall simultaneous to the grant of mine opening permission by CCO submit the same to the relevant Subsidiary along with self-certificate as per format (A) of **Annexure XI**. In case the Successful Bidder fails to submit the mine opening permission by CCO and/or self-

certificate in accordance with this Clause, relevant coal company shall have right to terminate LOI and/ or the FSA, as the case may be, and forfeit the Bid Security or Performance Security as the case may be.

- (d) In case of any modification in the Production Schedule of coking coal of a captive coal mine by approval of competent authority during the subsistence of the Agreement, the same shall be notified simultaneously to the coal company by re-submitting the self-certificate at *Annexure XI* with the revised Production Schedule for coking coal. Accordingly, an amendment to the Agreement shall be executed to this effect. In case the Production Schedule for coking coal is revised post completion of auction but prior to execution of the FSA, then, upon submission of the revised Production Schedule of coking coal to the relevant coal company immediately post approval from the competent authority, the FSA shall be executed for the Allocated Quantity for the year computed based on the revised Production Schedule of coking coal.
- (e) In the event the Bidder who has been allocated captive coal mine(s) for its Specified End Use Plant(s), does not submit a self-certificate in accordance with Clause 3.3.2(a) above and/or doesn't provide the Production Schedule for coking coal as stated in *Annexure V* of this Scheme Document, then the Normative Coal Requirement shall be net of grade adjusted coal requirement on the basis of the peak rated capacity of such captive coal mine(s) and provisions of Clause 3.3.2(b), 3.3.2(c) and 3.3.2(d) shall not apply.
- (f) Where a coal mine has been allocated for multiple plants, then the Normative Coal Requirement of the Specified End Use Plant shall be calculated after proportionately factoring the Scheduled Production of coking coal from the said mine.
- (g) Upon submission of the documents and information specified in Clause 3.4(a), the Electronic Platform shall generate the Normative Coal Requirement for various grades of coal with respect to a Specified End Use Plant. The Normative Coal Requirement shall be subject to reduction on a progressive basis depending on the allocations made to the Bidder during the process of auction and the Bidder shall be informed about the same on the Electronic Platform. The data with respect to captive coal mines allocated (together with annual coal requirement of Specified End Use Plants being met from such captive coal mines) shall have to be reported by the Bidders themselves on the Electronic Platform and the Bidders will be responsible for any misrepresentation in this regard. The Bidders shall, based on the Normative Coal Requirement related information provided on the Electronic Platform, decide the Link Quantity across various Lots for the purposes of computing the Bid Security and Process Fee payable by them.

Illustration 1: The Specified End Use Plant (blast furnace Unit A) of the Bidder is a 1,000 tonnes per day of hot metal (“TPD”) blast furnace unit. A mine X with maximum projected production of coking coal of 1,00,000 tonnes per annum (“TPA”) of Washery Grade-I grade of coal has been allocated for captive consumption to the blast furnace Unit A and blast furnace Unit B whose annual coal requirement is in the ratio of 2:1.. The Coal Requirement of the Specified End Use Plant shall be assessed as follows:

Case I: Mine Opening Permission has not been granted by CCO for the Mine

No adjustment shall be made for the annual coal requirement of the Specified End Use Plant met through Mine X and the Normative Coal Requirement of the Specified End Use Plant shall be assessed as below:

Particulars	Unit		
Capacity of Specified End Use Plant	TPD	(A)	1,000
Annual Capacity of Specified End Use Plant	TPA	(B) = A*365	3,65,000
Capacity Utilisation		(C)	85%
Consumption Norm based on Washery Grade-IV	kg of coal/tonnes of hot metal	(D)	820
Consumption Norm based on Washery Grade-I	kg of coal/tonnes of hot metal	(E)	365
Annual Coal Requirement of the Specified End Use Plant (based on Washery Grade-IV)	TPA	(F) = B*C*D/100 0	2,54,405
Annual Coal requirement of the Specified End Use Plant met through captive coal mine	TPA	(G)	0
Annual Coal requirement of the Specified End Use Plant met through captive coal mine converted to Washery Grade-IV	TPA	(H) = G*D/E	0
Normative Coal Requirement based on Washery Grade-IV	TPA	(I) = F - H	2,54,405
Normative Coal Requirement based on Washery Grade-I	TPA	(J) = I*E/D	1,13,241

Case II: Mine Opening Permission has been granted by CCO for Mine X and the Scheduled Production of coking coal is provided as under:**15 Year Scheduled Production of coking coal for Mine X**

(Based on the Self-Certificate submitted by the Bidder)

Financial Year	Scheduled Production (TPA)
FY 2023-24 (Year 1)	10,000
FY 2024-25 (Year 2)	15,000
FY 2025-26 (Year 3)	50,000
FY 2026-27 (Year 4)	100,000
FY 2027-28 (Year 5)	100,000
FY 2028-29 (Year 6)	100,000
FY 2029-30 (Year 7)	100,000
FY 2030-31 (Year 8)	100,000
FY 2031-32 (Year 9)	100,000
FY 2032-33 (Year 10)	100,000
FY 2033-34 (Year 11)	100,000
FY 2034-35 (Year 12)	100,000
FY 2035-36 (Year 13)	100,000
FY 2036-37 (Year 14)	100,000
FY 2037-38 (Year 15)	100,000
Minimum Scheduled Production of coking coal	10,000

The minimum of the Scheduled Production of coking coal in accordance with Clause 3.3.2(b) is 10,000 TPA. For the purpose of assessment of Normative Coal Requirement, it would be considered that the of the Specified End Use Plant has been met to the extent of 6667 TPA. The Normative Coal Requirement of Unit A shall be assessed as follows:

Particulars	Unit		
Capacity of Specified End Use Plant	TPD	(A)	1,000
Annual Capacity of Specified End Use Plant	TPA	(B) = A*365	3,65,000
Capacity Utilisation		(C)	85%
Consumption Norm based on Washery Grade-IV	kg of coal/tonnes of hot metal	(D)	820
Consumption Norm based on Washery Grade-I	kg of coal/tonnes of hot metal	(E)	365
Annual Coal Requirement of the Specified End Use Plant (based on Washery Grade-IV)	TPA	(F) = B*C*D/1000	2,54,405
Annual Coal requirement of the Specified End Use Plant met through captive coal mine	TPA	(G)	6,667
Annual Coal requirement of the Specified End Use Plant met through captive coal mine converted to Washery Grade-IV	TPA	(H) = G*D/E	14,977
Normative Coal Requirement based on Washery Grade-IV	TPA	(I) = F - H	2,39,428
Normative Coal Requirement based on Washery Grade-I	TPA	(J) = I*E/D	1,06,575

Illustration 2: In addition to the illustration provided above, if the Bidder is successful in the Lot of Washery Grade-I grade of coal for a quantity of 10,000 TPA, the Normative Coal Requirement for say a Lot with Washery Grade-II grade coal would be as under:

Particulars	Unit		
Normative Coal Requirement (based on Washery Grade-I)	TPA	(A)	1,06,575
Allocated Quantity in Lot with Washery Grade-I	TPA	(B)	10,000
Available Normative Coal Requirement based on Washery Grade-I	TPA	(C)=A-B	96,575
Consumption Norm based on Washery Grade-II	kg of coal/tonnes of hot metal	(D)	470
Consumption Norm based on Washery Grade-I	kg of coal/tonnes of hot metal	(E)	365
Normative Coal Requirement based on Washery Grade-II	TPA	(F)=C*D/E	1,24,356

3.4 Conditions to Auction

Subject to satisfaction of the following conditions, the Bidders shall be entitled to submit their Bid through a non-discriminatory ascending clock auction procedure set out in Clause 3.5:

- (a) the Bidders shall satisfy all the Eligibility Conditions and shall submit all documents in support thereof as specified in Clause 4(c) and shall submit the relevant information required under **Annexure V.**; and
- (b) the Bidder shall submit the Process Fee in accordance with Clause 3.10 and the Bid Security in accordance with Clause 6.
- (c) The Bidder shall comply the provision of Cut-off date i.e. 30.09.2023 i.e. any Bidder of Steel subsector having expiring linkage/FSA on or before 30.09.2023 shall be allowed to participate in the auction of tranche VI Steel subsector for the expiring quantity subject to eligibility. However, the quantity in no case should exceed the normative eligible quantity of the Bidder.
- (d) The Bidder unconditionally agrees all the actions taken/would be taken by coal companies/CIL with respect to their successful bids of previous tranche(s) of NRS Linkage auction, if any, relevant guidelines/conditions with respect to bids in earlier tranches of NRS Linkage auction and present tranche of auction.

3.5 **Non-Discriminatory Ascending Clock Auction Process**

- 3.5.1 The Coal Linkages shall be auctioned Lot wise as per the sequence and schedule set out in **Annexure VI**. In case the auction of Coal Linkages from any Lot spills over to the time of the next Lot(s), then the auction of such Lot(s) will be deferred and will be conducted at the end of auction of the Coal Linkages after the last Lot as per the auction sequence specified in **Annexure VI**. For example: There are 15 Lots (numbered L1 to L15) for a sub-sector with a proposed auction sequence of 3 Lots per day at 11:00 HRS, 14:00 HRS and 17:00 HRS respectively. In case the auction of the Coal Linkages from Lot 1 continues till 17:01 HRS on Day 1, auction of Coal Linkages from Lot 2 and Lot 3 will be deferred and will be conducted after the auction of the Coal Linkages from Lot 15.
- 3.5.2 The Coal Linkages shall be auctioned through a non-discriminatory ascending clock auction procedure in the following manner:
 - (a) The auction process for the Coal Linkages will be conducted in multiple rounds.
 - (b) The floor price for the auction in the first round of the auction process shall be the Notified Price (“**Reserve Price**”) and the Bidders shall Bid for a particular Link Quantity in accordance with the provisions hereunder.
 - (c) In round 1 of the auction, the premium shall be Rs. zero/tonne against which the Bidders will be required to indicate their Link Quantity.
 - (d) At the end of each round of the Bidding with respect to a Coal Linkage, the demand/ supply ratio will be assessed by the Electronic Platform and if demand/ supply ratio at the end of a particular round is greater than 100% (one hundred per cent.) then the

auction will move on to next round with a premium of Rs. 75 (Indian Rupees Seventy Five) per tonne plus the premium of the previous round. In each round of the auction, the Bidders may offer to purchase the Link Quantity against the Reserve Price plus premium for such round.

- (e) Each Bid submitted by a Bidder during any of the auction rounds shall be considered a valid and binding offer to purchase the Link Quantity at the Reserve Price plus premium applicable for the relevant round.
- (f) The auction process shall stop when the demand/ supply ratio is less than or equal to 100% (one hundred per cent.) in a particular round. The round at which the auction stops (“**Last Round**”) shall be considered as final round (Selected Round) and allocation shall be made based on the bids received in the Last Round.

In the event that the entitlement of a Bidder pursuant to Clause 3.5.2(f) above, is not as per Transport Factor, such entitlement shall be decreased and rounded off (downwards) to fit it as per Transport Factor (such downward adjustment in the coal entitlement may hereinafter referred to as the “**Adjustment**”).

- (g) Each Bidder who has submitted Bids in the Selected Round shall hereinafter be referred to as a “**Successful Bidder**” and the quantity of coal to which the Successful Bidder would be entitled to in the Selected Round (as per Clause 3.5.2(f) above) shall be referred to as the “**Allocated Quantity**”.

It is clarified that each Successful Bidder shall be entitled to receive only the Allocated Quantity and that the Allocated Quantity shall be used by the Successful Bidder only for consumption by the Specified End Use Plant. In the event that the actual loaded quantity of coal is lesser than the Allocated Quantity, such under-loading shall be dealt with in the manner specified in the Agreement.

- (h) In case demand/ supply ratio is 100% (one hundred per cent.) or less in round 1 of the auction, each Bidder shall be allocated their Link Quantity for that round at the Reserve Price.
- (i) The Bidders will have to abide by the following conditions in each round of the auction:
 - (i) for road mode of dispatch, the Link Quantity shall be equal or greater than 100 TPA and shall neither exceed the Normative Coal Requirement nor the quantity offered in a particular Lot. For rail mode of dispatch, the Link Quantity shall be in multiple of 4000 TPA and shall neither exceed the Normative Coal Requirement nor the quantity offered in a particular Lot;
 - (ii) the Link Quantity will be integer multiple of 4000 TPA for Rail mode &

minimum 100 TPA for Road mode(hereinafter referred to as the “**Transport Factor**”); and

- (iii) the Link Quantity in a particular round shall be lower than or equal to the Link Quantity quoted in the previous round.
- (j) In the event that any coal remains unallocated pursuant to completion of the Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI, CIL reserves the right to dispose of such coal in any other instance of auction of coking coal linkages for the non-regulated sector conducted by CIL.
- (k) **Coal Requirement as entered on the auction platform for Bidders who have participated in earlier tranches:**

For Bidders who have participated in earlier tranches of coal linkage auction under Steel sub-sector, , the auction platform currently does not permit any modification in the value submitted under Coal Requirement. For such cases, three categories of Bidders can be considered:

- (a) First time Bidders.
- (b) Bidders who have Bid in earlier tranches and won a quantity equal to their Normative Coal Requirement, and are therefore ineligible to Bid.
- (c) Bidders who have bid in earlier tranches and still have some Normative Coal Requirement left over against which they can bid.

For case (a), Bidders have to enter fresh information. Bidders under case (b) are ineligible to bid. For case (c): The Bidder may bid up to the balance Normative Coal Requirement as displayed on the auction platform. The Deficit Percentage calculated in earlier tranches as applicable will be applied to calculate the Allocated Quantity in this tranche.

Example:

The Bidder has the following allocation (W-IV equivalent quantities) in Tranche I/ Tranche II/Tranche III/Tranche IV/ Tranche V:

		(tonnes)
Coal Requirement specified by the Bidder	(A)	1,20,000
Verification obtained for	(B)	1,02,000
Existing Linkage under NCDP	(C)	20,000
Normative Coal Requirement	$D = A - C$	1,00,000
Provisional Allocated Quantity in Tranche I/ Tranche II/Tranche III/Tranche IV/Tranche V	(E)	50,000
Deficit Percentage	$F = (A - B)/D$ *100 %	18%
Allocated Quantity	$G = E - (E * F)$	41,000

The following is an example for Steel sub-sector Tranche VI Coal Linkage Auction for a case where the Bidder has bid for and was allocated the entire balance quantity as permitted by the auction platform:

		(tonnes)
Normative Coal Requirement (For Tranche VI)	$H = D - E$	50,000
Provisional Allocated Quantity	(I)	50,000
Allocated Quantity	$J = I - (I * F)$	41,000

The following is an example where either the Bidder has chosen to bid for or has been allocated a quantity which is lesser than his balance requirement as permitted by the auction platform:

		(tonnes)
Normative Coal Requirement (For Tranche VI)	$K = D - E$	50,000
Provisional Allocated Quantity	(L)	10,000
Allocated Quantity	$M = L - (L * F)$	8,200

- (1) Allocated Quantity for the year on the basis of Scheduled Production of coking coal
- (i) Each Successful Bidder shall be entitled to the Allocated Quantity for the year post adjustment of the Scheduled Production of coking coal (year-on-year) submitted by such Successful Bidder as part of **Annexure XI**. The adjustment with respect to the year-on-year Scheduled Production of coking coal shall be Lot-specific and on the basis of the annual coal requirement of the Specified End Use Plant met through the Scheduled Production of coking coal for the year. The Allocated Quantity for each year for a particular Lot under the Coking Coal Auction for Steel Sub-sector: July 2023 tranche VI shall be computed in accordance with the following formula:

$$\text{Allocated Quantity for the year} = \text{Adjustment Factor} \times \text{Coal Requirement for the year in TPA}$$

Wherein,

Adjustment Factor =

Coal requirement of Specified End Use Plant met from a particular Lot in TPA
divided by

Total coal requirement of Specified End Use Plant met from Coking Coal Auction for Steel Sub-sector: July 2023 tranche VI in TPA

Coal Requirement for the year =

(Normative Coal Requirement of the Specified End Use Plant for Coking Coal Auction for Steel Sub-sector: July 2023 tranche VI in TPA + coal requirement of the Specified End Use Plant corresponding to the minimum of the Scheduled Production of coking coal in TPA

– coking coal requirement of the Specified End Use Plant corresponding to the

Scheduled Production of coking coal for the year in TPA)

- (ii) Adjustment in the Allocated Quantity for the year shall be carried out in case the Coal Requirement for the year as computed above is less than the total coal requirement booked for the Specified End Use Plant during the Coking Coal Auction for Steel Sub-sector: July 2023 tranche VI. Provided however, in the event the coal requirement of the Specified End Use Plant for the year as computed above is less than 0, then Allocated Quantity for that year shall be 0.
- (iii) In the event the coal requirement for the year is equal to or more than the total coal requirement of the Specified End Use Plant met from the Coking Coal Auction for Steel Sub-sector: July 2023 tranche VI there shall be no adjustment in the Allocated Quantity for the year.

Illustration

For example, if the Normative Coal Requirement of the Bidder corresponding to its Specified End Use Plant for Coking Coal Auction for Steel Sub-sector: July 2023 is 250,000 TPA W-IV grade and the Bidder had a captive coal mine of W-IV grade with minimum production of 50,000 TPA. Suppose the Scheduled Production of coking coal for a particular year is 75,000 tonnes. The Coal Requirement for the Year shall be 225,000 TPA ($250,000 + 50,000 - 75,000$).

Assume the total quantity booked by the Bidder in the auction is 100,000 tonnes, there shall be no adjustment in the quantity allocated to the Bidder (as the Coal Requirement of the Year, 225,000 TPA is more than total coal requirement booked for the Specified End Use Plant during the Auction under the particular auction of the tranche viz. 100,000 tonnes).

In case the coal requirement of the Bidder for a particular year after adjustment to the production of coking coal from the captive coal mine for that year is 60,000 TPA instead of 225,000 TPA, then there will be adjustment in the Allocated Quantity of the Year and the quantity allocated to the Bidder shall be revised from 100,000 to 60,000 tonnes.

- (iv) In the event that the Allocated Quantity for the year pursuant to this Clause, is not as per Transport Factor, such Allocated Quantity shall be decreased and rounded off (downwards) to fit it as per Transport Factor.
- (v) In the event the mine opening permission is received subsequent to completion of the Coking Coal Auction for Steel Sub-sector: July 2023 tranche VI, the Allocated Quantity for the remaining period of the Agreement shall be computed in the manner prescribed above, based on the Scheduled Production of coking coal submitted by the Successful Bidder to the coal company, as per format at *Annexure XI* immediately on receipt of such information from the Successful Bidder. An amendment to the Agreement shall be executed between the Successful Bidder and the coal company to this effect.

Provided however, in accordance with Clause 3.3.2(e) in the event the Bidder who has been allocated captive coal mine(s) for its Specified End Use Plant(s), does not submit a self-certificate as specified in Clause 3.3.2(a) and/or doesn't provide the Production Schedule for coking coal as stated in *Annexure V* of this Scheme Document, then there shall be no adjustment to the Allocated Quantity in accordance with this Clause 3.5.2 (l) and Allocated Quantity shall be as determined under Clause 3.5.2 ((g).

Illustration 1: The Specified End Use Plant of the Bidder is a 2,000 tonnes per day of hot metal (“TPD”) blast furnace unit. The Bidder has an existing FSA with an ACQ of 75,000 TPA in W-II grade. Further, a mine of W-III grade of coal has been allocated for captive consumption to the Specified End Use Plant Unit, and mine opening permission has been granted by CCO on 1 February 2021. The yearly production of coking coal from the Approved Mine Plan is as below:

25 Year Coking Coal Production from Approved Mine Plan

Year	Year Start Date	Year End Date	Scheduled Production (TPA)
Year 1	01-02-21	31-01-22	0
Year 2	01-02-22	31-01-23	25,000
Year 3	01-02-23	31-01-24	55,000
Year 4	01-02-24	31-01-25	80,000
Year 5	01-02-25	31-01-26	1,00,000
Year 6	01-02-26	31-01-27	1,00,000
Year 7	01-02-27	31-01-28	1,00,000
Year 8	01-02-28	31-01-29	1,00,000
Year 9	01-02-29	31-01-30	1,00,000
Year 10	01-02-30	31-01-31	1,00,000
Year 11	01-02-31	31-01-32	1,00,000
Year 12	01-02-32	31-01-33	1,00,000
Year 13	01-02-33	31-01-34	1,00,000
Year 14	01-02-34	31-01-35	1,00,000
Year 15	01-02-35	31-01-36	1,00,000
Year 16	01-02-36	31-01-37	1,00,000
Year 17	01-02-37	31-01-38	1,00,000
Year 18	01-02-38	31-01-39	1,00,000
Year 19	01-02-39	31-01-40	1,00,000
Year 20	01-02-40	31-01-41	1,00,000
Year 21	01-02-41	31-01-42	1,00,000
Year 22	01-02-42	31-01-43	1,00,000
Year 23	01-02-43	31-01-44	75,000
Year 24	01-02-44	31-01-45	50,000
Year 25	01-02-45	31-01-46	20,000

The financial-year wise pro-rated Production Schedule of coking coal is approximately as below:

Financial Year	Year Start Date	Year End Date	Scheduled Production (TPA) (Pro-rated)
2021	01-04-2020	31-03-2021	-
2023	01-04-2021	31-03-2022	4,167
2023	01-04-2022	31-03-2023	30,000
2024	01-04-2023	31-03-2024	59,167
2025	01-04-2024	31-03-2025	83,333
2026	01-04-2025	31-03-2026	1,00,000
2027	01-04-2026	31-03-2027	1,00,000
2028	01-04-2027	31-03-2028	1,00,000
2029	01-04-2028	31-03-2029	1,00,000
2030	01-04-2029	31-03-2030	1,00,000
2031	01-04-2030	31-03-2031	1,00,000
2032	01-04-2031	31-03-2032	1,00,000
2033	01-04-2032	31-03-2033	1,00,000
2034	01-04-2033	31-03-2034	1,00,000
2035	01-04-2034	31-03-2035	1,00,000
2036	01-04-2035	31-03-2036	1,00,000
2037	01-04-2036	31-03-2037	1,00,000
2038	01-04-2037	31-03-2038	1,00,000
2039	01-04-2038	31-03-2039	1,00,000
2040	01-04-2039	31-03-2040	1,00,000
2041	01-04-2040	31-03-2041	1,00,000
2042	01-04-2041	31-03-2042	1,00,000
2043	01-04-2042	31-03-2043	95,833
2044	01-04-2043	31-03-2044	70,833
2045	01-04-2044	31-03-2045	45,000
2044	01-04-2045	31-03-2046	16,667

15 Year Scheduled Production of coking coal for mine
(Based on the Self-Certificate Submitted by the Bidder)

Financial Year (FSA Year)	Scheduled Production (TPA)
FY 2023-24 (Year 1)	59,167
FY 2024-25 (Year 2)	83,333
FY 2025-26 (Year 3)	1,00,000
FY 2026-27 (Year 4)	1,00,000
FY 2027-28 (Year 5)	1,00,000
FY 2028-29 (Year 6)	1,00,000
FY 2029-30 (Year 7)	1,00,000
FY 2030-31 (Year 8)	1,00,000
FY 2031-32 (Year 9)	1,00,000
FY 2032-33 (Year 10)	1,00,000
FY 2033-34 (Year 11)	1,00,000
FY 2034-35 (Year 12)	1,00,000
FY 2035-36 (Year 13)	1,00,000
FY 2036-37 (Year 14)	1,00,000
FY 2037-38 (Year 15)	1,00,000

It is seen from the Production Schedule above that the minimum production of coking coal over the next 15 years is 59,167 tonnes, corresponding to coking coal production for the current year.

The Normative Coal Requirement of the Specified End Use Plant in W-IV grade is as per the table below:

Particulars	Unit		
Capacity of Specified End Use Plant	TPD	(A)	2,000
Annual Capacity of Specified End Use Plant	TPA	(B) = A*365	7,30,000
Capacity Utilisation		(C)	85%
Consumption Norm based on Washery Grade- II	kg of coal/tonnes of hot metal	(D)	470
Consumption Norm based on Washery Grade- III	kg of coal/tonnes of hot metal	(E)	600
Consumption Norm based on Washery Grade- IV	kg of coal/tonnes of hot metal	(F)	820
Annual Coal Requirement of the Specified End Use Plant (based on Washery Grade-IV)	TPA	(G) = B*C*F/1000	5,08,810
Annual Coal requirement of the Specified End Use Plant met through captive coal mine (based on Washery Grade III)	TPA	(H)	59,167
Annual Coal requirement of the Specified End Use Plant met through captive coal mine converted to Washery Grade-IV	TPA	(I) = H*F/E	80,861
Annual Coal requirement of the Specified End Use Plant met through existing linkage (based on Washery Grade II)	TPA	(J)	75000
Annual Coal requirement of the Specified End Use Plant met through existing linkage converted to Washery Grade-IV		(K) = J*F/D	130851.0638
Normative Coal Requirement based on Washery Grade-IV	TPA	(L) = G - I - K	2,97,098

This Bidder participates in the Coking Coal Auction for Steel Sub-sector: July 2023 tranche VI across various lots. Allocated Quantity for each lot, is as per the table below:

S.No.	Lot	Allocated Quantity (TPA)	Actual Grade	Allocated Quantity in W-IV (TPA)	Adjustment Factor = C/Sum of Allocated Quantity across all lots under current auction in W-IV grade
(A)	(B)	(C)	(D)	(E)	(F)
1	Lot 1	50000	W-I	112329	42.46%
2	Lot 2	60000	W-I	134795	50.95%
3	Lot 3	10000	W-II	17447	6.59%
	Total	120000	W-IV	264571	100.00%

The total coal requirement of the Specified End Use Plant to be met from Allocated Quantity under the Coking Coal Auction for Steel Sub-sector: July 2023 shall be updated in accordance with the

Normative Coal Requirement and the Scheduled Production of coking coal, as below:

Financial Year	Scheduled Production (W-IV)	Normative Coal Requirement of SEUP for the particular auction tranche (W-IV)	Coal requirement of SEUP in WIV corresponding to:		Coal Requirement in the FY in W-IV	Total coal requirement of SEUP to be met from the particular auction tranche in W-IV	Allocated Quantity			
			Minimum of the Scheduled Production	Scheduled Production of the year			Lot 1, W-I	Lot 2, W-I	Lot 3, W-II	
							Adjustment Factor			
							42.46%	50.95%	6.59%	
							Initial Lotwise Allocated Qty			
							50000.00	60000.00	10000.00	
(A)	(B)	(C)	(D)	(E)	(F) = (C) + (D) - (E)	(G)	IF F>G, then initial Lotwise Allocated Quantity otherwise = F*Adjustment Factor*Consumption Norm of the grade/Consumption Norm for W-IV			
2024	80861	2,97,098	80861	80861	2,97,098	2,64,571				
2025	113889	2,97,098	80861	113889	2,64,070	2,64,571	50,000	60,000	10,000	
2026	136667	2,97,098	80861	136667	2,41,292	2,64,571	49,900	59,800	9,900	
2027	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2028	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2029	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2030	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2031	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2032	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2033	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2034	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2035	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2036	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2037	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	
2038	136667	2,97,098	80861	136667	2,41,292	2,64,571	45,600	54,700	9,100	

All values in TPA, W-IV grade of coking coal

SEUP – Specified End Use Plant

As may be seen from the table above, adjustment in the allotted quantity was done from Year 2, i.e, from the year where the Coal Requirement for the year as computed above is less than the total coal requirement booked for the Specified End Use Plant

3.5.3 Issuance of Letter of Intent

The relevant Subsidiary shall, within 15 (fifteen) days of completion of the Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI & subsequent intimation of bid

details from auction service provider, issue a letter of intent in the format set out in **Annexure VIII** (“LOI”) to each of the Successful Bidders in respect of *inter alia* the cumulative Allocated Quantity of such Bidder from the Subsidiary pursuant to the Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI. The terms of this Scheme Document shall be deemed to be incorporated in the LOI by reference and to form a part of the LOI and the relevant Subsidiary shall be entitled to exercise all its rights and remedies as stipulated in this Scheme Document.

3.5.4 Execution of the Agreement

The Agreement shall be executed between the Successful Bidder and the relevant Subsidiary in respect of the Allocated Quantity (from a particular Lot) from such Subsidiary within 90 (ninety) days of completion of Coking Coal Auction for Steel Sub-sector: July 2023 tranche VI or intimation of bid outcome to coal companies by Auction Service Provider, whichever is later, based on the following:

- (a) receipt of the Performance Security by the coal company from the successful Bidder post issuance of LOI; and
- (b) receiving documents specified in Annexure IX from the Bidder by the relevant Subsidiary. The relevant documents can be made available to the concerned coal company by the Successful Bidder through electronic mode also as per extant notification, if any.
- (c) Submission of clarification/additional documents, sought by coal company from the Bidder

Coal company may issue notification, time to time, in this regard

The Successful Bidder shall not be entitled to seek any deviation, modification or amendment in the Agreement, except with the prior written approval of the relevant Subsidiary. The terms of this Scheme Document shall be deemed to be incorporated in the Agreement by reference and to form a part of the Agreement and the relevant Subsidiary shall be entitled to exercise all its rights and remedies as stipulated in this Scheme Document. In the event of any inconsistency or difference in the provisions of the Scheme Document and those of the Agreement, the provisions of the Agreement shall prevail.

The Fuel Supply Agreement (FSA), executed thereof, shall be valid for the entire tenure of the agreement. Any premature exit by the Consumer/Buyer except for the reasons of exigencies/force majeure/operational issues faced by supplying coal company including change in contracted grade/Govt. regulation shall attract following penal provisions for the Consumer/Buyer:

- (a) Forfeiture of security deposit
- (b) Debarment from participation in immediately next/subsequent tranche of linkage auction after exit from FSA.

In case the Successful Bidder fails to execute Fuel Supply Agreement (FSA) with the concerned Coal Company (Seller) post bidding except for the reasons of exigencies/force majeure/operational issues faced by supplying coal company including change in contracted grade/Govt. regulation, the following penal provisions shall be applicable for the Consumer/Buyer:

- (a) Forfeiture of Earnest Money Deposit (EMD)/Bid Security & Process fee
- (b) Debarment from participation in immediately next/subsequent tranche of linkage auction of the concerned tranche where the Bidder has participated.

3.6 Tests of Responsiveness

CIL may at any time prior to issuance of the LOI and the relevant Subsidiary may at any time post issuance of the LOI, determine whether the documents, information and/ or payments in relation to the Conditions to Auction or the Bids have been submitted or received from the Bidder in accordance with the requirements of this Scheme Document. CIL or the relevant Subsidiary, as the case may be, reserves the right to disqualify any Bidder, cancel the LOI, terminate the Agreement and forfeit the Bid Security, Process Fee and/ or Performance Security, as the case may be, if it is of the opinion that the Conditions to Auction or any other requirements for subsequent submissions have not been duly satisfied and no request for alteration, modification, substitution or withdrawal shall be considered or permitted by CIL or the relevant Subsidiary, as the case may be, in respect of the documents/ information submitted with respect to the Conditions to Auction, subsequent documents or payments with respect to the Bids. While making any determination with respect to responsiveness of any documents, information and/ or payments submitted or received from the Bidder, CIL or the relevant Subsidiary, as the case may be, may consider such parameters as it may deem relevant including considerations that the same:

- (i) are as per the prescribed formats and have been submitted or paid in the manner stipulated in this Scheme Document;
- (ii) have been submitted by the Due Date including any extension thereof;
- (iii) contain all the information (complete in all respects) as requested in this Scheme Document;
- (iv) are not incorrect, false or misleading etc.;
- (v) do not contain any conditions or and/ qualifications;
- (vi) have been provided in relation to one Specified End Use Plant; and
- (vii) are generally not considered to be non-responsive in terms of any other parameters

as may be considered relevant by CIL.

Save and except as provided in this Scheme Document, CIL or the relevant Subsidiary, as the case may be, shall not entertain any correspondence with any Bidder in relation to disqualification of a Bidder in accordance with this Clause 3.6.

3.7 Pre-Auction Consumer Conference

- 3.7.1 Pre-auction consumer conference(s) of the prospective Bidders may be convened at a time and place specified by CIL in physical/virtual mode. However, conducting the same shall be sole discretion of CIL. During the course of Pre-auction consumer conference(s), the prospective Bidders will be free to seek clarifications and make suggestions for the consideration of CIL.
- 3.7.2 CIL shall endeavour to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive auction process. Each query should contain complete details of facts, information and Applicable Law germane to the query and also the particulars of the person posing the query. CIL reserves the right to not answer any query, including any query which is incomplete or anonymous.
- 3.7.3 CIL may also on its own motion, if deemed necessary, issue interpretations and clarifications to all prospective Bidders. All clarifications and interpretations issued by CIL shall be deemed to be part of the Scheme Document. However, any non-written clarifications and information provided by CIL, its employees or representatives in any manner whatsoever shall not in any way or manner be binding on CIL.

3.8 Schedule of the Auction Process

The schedule of the auction process shall be notified separately. Any change in the timeline shall be communicated through an addendum and/or corrigendum to the Scheme Document.

3.9 Periodic Payments by the Successful Bidder

The price to be paid by the Purchaser with respect to the Contracted Grade of Coal delivered shall be computed on the basis of the following:

(A) Indexation of supply price for NRS linkage auction-

- *Wholesale Price Index (WPI) will be used for indexing of the basic price of NRS Linkage auction by applying on prevailing Modulated Price as on 31st March of the year (for the first year of indexing i.e. on 1st April 2023, WPI will be applicable on Notified Price to arrive Modulated Price). Indexation of basic price may be done to the extent of 25%(1/4th) of the movement of WPI.*
- *The change in price with WPI(Indexed Price) over previous year shall have an cap*

of +5%/-2.5% at the upper end and lower end.

- *The Modulated Price, applicable for supply, shall be the Indexed Price or the prevailing notified price for NRS consumers, whichever is higher. In case of revision in Notified Price anytime during the year, the new Modulated Price shall be arrived by taking the Notified price or the prevailing Modulated Price, whichever is higher. The new Modulated Price will be effective from the date of such revision. The Modulated Price, so arrived, will be rounded off to the next higher integer.*
- *The Modulated Price will be calculated on the basis of movement of final WPI index of December every year vis a vis December last year and will be made effective from 1st of April of the following year, starting from 1st April 2023.*
- *The Winning Premium fetched at the time of auction (over Reserve Price) will remain constant and shall be applicable as a percentage over the Modulated Price.*
- *In case there is change in Modulated Price during the course of auction of a subsector, either due to change in notified price or application of new Modulated Price(in April), the ongoing auction will continue with the earlier modulated price. However, during actual supply, the new Modulated Price will be applicable.*
- *In case of upward revision of price (Modulated Price), the additional performance security (covering 6% of ACQ) shall have to be deposited by the bidder to coal company within 30 days of such revision.*
- *CIL reserves the right to change/amend/modify the above mentioned indexation methodology/parameters and the same shall be binding on Seller and Purchaser for all commercial and operational provisions under this agreement.*

As Delivered Price of Coal: In addition to the payments specified in this Scheme Document, the Successful Bidder shall be required to make periodic payments for the coal supplied under the Agreement on the basis of the following formula:

[(aggregate of the Modulated Price and (the Winning Premium multiplied by the Modulated Price) multiplied by (the Allocated Quantity supplied under the Agreement)].

An illustration with respect to the computations envisaged above in Clause 3.9 is provided below:

- *Notified price on 01.04.2023 = N1*
- *The indexed price calculated on the basis of Dec '22 (vis a vis Dec '21) WPI = W1*
- *Modulated Price (Y) w.e.f 01.04.2023 will be the higher of W1 & N1*
- *(Say) Notified price revised w.e.f. 01.10.2023 = N2*
- *Modulated Price (Z) w.e.f 01.10.2023 will be the higher of Y & N2*
- *The modulation of price (higher of WPI & notified price from 01.04.2024) will be on the basis of Z.*
- *Basic Coal supply price from 01.04.2024 = Z + (Z x %premium)*

Reserve Price(Notified Price as on 31.01.2023) of auction (Rs./tonne)	2000
Premium (Rs./tonne)	400
Bid Price of the Successful Bidder (Rs./tonne)	2400
% Premium over Reserve Price (to remain constant)	20%

Indexation of price with WPI	
Change in WPI for Dec'22 vis a vis Dec'21	14%
Applicable percentage of WPI for coal price indexing(say 25%)	3.5%
Indexed price	2070
Notified price as on 01.04.2023	2000
Modulated price applicable for supply from 01.04.2023	2070
Premium(20% of Modulated Price)	414
Basic coal supply price	2484

(B) OTHER CHARGES :

The Successful Bidder shall also be liable to pay the following pursuant to the Agreement:

- (a) all royalties, taxes, duties, cesses and such statutory levies due to the State Government, Central Government and/ or to any other statutory authority in connection with the supply, dispatch or delivery of the specified grade of coal; and
- (b) sizing charges, transportation charges up to the relevant delivery point, loading charges, statutory charges, levies and such other charges as may be applicable from time to time.
- (c) In all cases the entire freight charges, irrespective of the mode of transportation of the Coal supplied, shall be borne by and to the account of the Purchaser.
- (d) Notwithstanding anything to the contrary contained herein, the Purchaser shall be liable to make payment to the Seller in terms of this Agreement, on the basis of Contracted Grade with respect to all quantity of Coal supplied, irrespective of when and in what condition the loaded wagons/ rakes/ road transport vehicles reach or do not reach the destination.

3.10 Process Fee

3.10.1 The Bidders shall also be required to submit a process fee in the form of an earnest money deposit ("**Process Fee**") within the timelines stipulated in Clause 3.8.

3.10.2 The Process Fee payable shall be as per the following formula:

Rs. 20 (Indian Rupees Twenty) per tonne (inclusive of GST) multiplied by the Link Quantity across various Lots.

- 3.10.3 The Bidder shall ensure that the Process Fee shall, at any time during the auction process, correspond to its Link Quantity. In case a Bidder decides to change the bidding strategy by opting to Bid for a different Link Quantity in a specific Lot, which requires additional Process Fee to be paid, the Bidder shall be required to top up the Process Fee no later than 1 (one) business day prior to the scheduled auction of the Coal Linkages from the relevant Lot.
- 3.10.4 The payments made by Bidders towards the Process Fee will be paid into a bank account, the details of which are provided in ***Annexure V***.
- 3.10.5 The Process Fee pertaining to the Allocated Quantities of each Successful Bidder prior to any adjustment with respect to year-on-year scheduled production, will be debited towards transaction expenses for running the auction process and the balance Process Fee shall be refunded from the bank account (details of which are provided in ***Annexure V***), without interest, to the relevant Successful Bidder after completion of the Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI. In the event that a Bidder does not qualify as a Successful Bidder, the entire amount of the Process Fee, without any interest, shall be refunded to such Bidder after completion of the Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI.

4 Bid Criteria and Eligibility Conditions

A Bidder would be required to comply with the following eligibility conditions:

(a) Basic Eligibility Conditions

- (i) The Bidder must be the owner of Specified End Use Plant, consuming coal, for which it is submitting the Bid; and;
- (ii) The Bidder should not be precluded by the provisions under “Modalities for banning/blacklisting of NRS consumers for misutilization/misdirection of coal” as per Annexure-IV of this Scheme Document

Bidder shall provide an undertaking to this effect before participation in the auction as per Annexure-II of Scheme Document

(b) Status of Specified End Use Plant

The Specified End Use Plant of the Bidder should have commenced commercial operations and should have a Normative Coal Requirement of not less than 4,000 TPA (one rake load) for participation against Lots having rail mode, and not less than 100 TPA for participation against Lots having road mode (“**Minimum Quantity**”). Further, in the event that the Specified End Use Plant registered on the Electronic Platform by the Bidder combines one or more blast furnace units, the Bidder will not be able to split such units subsequently and submit different Bids in respect thereof.

(c) Documents to be submitted

Bidders will be required to upload the scanned copies of the following documents on the Electronic Platform as part of the Conditions to Auction specified in Clause 3.4(a):

For registration:

1. Self-attested copy of PAN
2. Self-attested copy of GSTIN

For participation:

1. RFP information & EMD in MSTC platform
 2. Details of Specified End Use Plant and existing linkage
 3. Payment towards Bid Security and Process Fee (EMD) @ Rs. 100 + process fee of Rs. 20 /ton
 4. Uploading scanned copies in MSTC platform
- (i) a power of attorney in the prescribed format set out in *Annexure III* along with a certified true copy of the relevant authorizations in support thereof e.g. letter of authority, resolution of the board of directors, resolution of the shareholders etc. Notwithstanding anything to the contrary contained herein,

Bidders shall be entitled to submit a power of attorney in a format other than that specified in **Annexure III**; provided that such power of attorney validly and unconditionally authorizes the Authorised Signatory to inter alia (i) sign documents, submit information and otherwise act for and on behalf of the Bidder; and (ii) bind the Bidder by all acts, deed and things done by him in exercise of his powers under the power of attorney; and

- (ii) an Affidavit cum undertaking in the format set out in **Annexure II** certifying the following:
- *Bidder meets all the Eligibility Conditions required under the scheme document*
 - *Compliance of all Applicable Laws by the Bidder including environmental laws and existing linkage details*

For execution of FSA:

1. Relevant Corporate Authorizations of the Purchaser for execution and performance of his obligations under the Agreement such as:
 - (a) Notarised Power of Attorney.
 - (b) Certified true copy of Board Resolution or Certified true copy of Shareholders Resolution etc.
 - (c) In case the Purchaser wants a different person (different from the one who participated in the online auction on behalf of the Purchaser) to enter into the Agreement, a power of attorney authorizing such person to enter into the Agreement on behalf of the Purchaser in the format as provided in the Annexure III of the Scheme Document.
2. Commercial operation Commencement certificate of EUP from a certified Chartered Engineer or IEM Part B acknowledgement.
3. Self-attested copy of valid Factory License with respect to the Specified End Use Plant or copy of application filed for renewal of the same, in case the Factory License has recently expired. In case Factories Act not applicable due to number of workers employed then an affidavit cum undertaking to the effect that the said unit does not qualify as a factory under the provisions of Factories Act as per stipulations under section 2(m) of Factories Act regarding number of workers/ is to be submitted.
4. Self-attested copy of Consent to Operate with respect to the Specified End Use Plant issued under the relevant pollution control laws or copy of application filed for renewal of the same, in case the Consent to Operate has recently expired. Alternatively, a valid no-objection certificate from the relevant State Pollution Control Board may be submitted. Wherever, the relevant State Pollution Control Board does not specify the validity of the certificate issued by them to the Specified End Use Plant, such a certificate will be considered acceptable and an intimation will be sent by the Seller to the authority responsible for the issuance of the certificate.
5. Self-attested copy of GSTIN and PAN number of the Purchaser.

6. Self-attested copy of the documents uploaded at the RFP stage
7. Valid SSI/industrial registration certificate
8. Documentation with respect to existing coal linkages, assurance of linkages and/ or allocation of mine, as available
9. Performance Security
10. Self-attested copy of the Boiler Fitness Certificate (if applicable) or copy of application filed for renewal of the same, in case the same has recently expired.
11. Details of the coke oven plant, in the format provided below:

Details of the coke oven plant				
Name	Address	Capacity	Quantity of coking coal converted (in Tonnes)	Output in terms of coke (in Tonnes)

The relevant Subsidiary may seek any additional information in this regard as may be deemed necessary.

5 Instructions to Bidders

5.1 General Terms of Bidding

- 5.1.1 Notwithstanding anything to the contrary contained in this Scheme Document, in the event of a conflict, the relevant provisions of the Agreement when executed, shall have overriding effect.
- 5.1.2 The Bid and all communications in relation to or concerning the Scheme Document and the Bid are required to be in the English language.
- 5.1.3 The documents including this Scheme Document and all attached documents, provided by CIL are and shall remain or become the properties of CIL and are transmitted to the Bidders solely for the purpose of preparation and the submission of a Bid in accordance herewith. Bidders are required to treat all such information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. The provisions of this Clause 5.1.3 shall also apply *mutatis mutandis* to Bids and all other documents submitted by the Bidders in relation to the Bid, and CIL will not return to the Bidders any Bid, document or any information provided along therewith.
- 5.1.4 Any issuance of the LOI and execution of the Agreement pursuant to this Scheme Document shall be subject to the terms hereof and any documents issued pursuant to this Scheme Document and/ or any other document referred herein.

5.2 Change of name

5.2.1 Change of name subsequent to determination of Successful Bidder

Any Change of name of the Successful Bidder, with or without change in control shall be taken on record provided that the nature of Specified End Use Plant and its location remains unaltered/ unchanged and new Successful Bidder complies with the eligibility conditions as per Scheme Document.

Explanation-For the purpose of Clause 5.2 change of name means any change in the names of the parties who are Successful Bidders.

Procedure & timeline:

- a) Where change in name of Successful Bidder is for a:
- i. Company registered under the Companies Act, 2013,
 - ii. Company registered under the Companies Act, 2013, and the change of name of Successful Bidder is consequent to sale of Specified End Use Plant to a Company registered under Companies Act, 2013,
 - iii. partnership firm or individual who is owner of sole proprietorship and consequent change of name is due to sale of Specified End Use Plant to a

partnership firm or sole proprietorship or vice versa,

- iv. Company registered under the Companies Act, 2013, and the change of name of Successful Bidder is consequent to sale of Specified End Use Plant to a partnership firm or sole proprietorship or vice versa.
- v. Company registered under the Companies Act, 2013 and the change of name is on account of inter alia amalgamation, merger, demerger, takeover
- vi. consequent to any event not covered under clauses (i),(ii),(iii),(iv) & (v) of 5.2.1

the Successful Bidder (new name) shall intimate the Seller about change of name within the stipulated time for execution of FSA as per the Scheme document

- b) The Successful Bidder (new entity) while intimating the Seller shall submit the following documents, in case of:

a(i) above - Certificate of incorporation

a(ii) above - Instrument evidencing sale of Specified End Use Plant/ sale deed and Board Resolutions of both the companies (vendor and Vendee of Specified EUP)

a(iii) above - Instrument evidencing sale of Specified End Use Plant/ sale deed and declaration from all partners/ sole proprietor regarding the sale of Specified end use Plant from the Vendor and Vendee of Specified EUP

a(iv) above - Instrument evidencing sale of Specified End Use Plant/ sale deed and declaration regarding the sale of Specified end use Plant from the Partners of partnership firm or from the sole proprietor and the Board resolutions of the company as the case may be,

a(v) above - approval of the amalgamation, merger, demerger, takeover by the court/tribunal of competent jurisdiction; wherever applicable

a(vi) above - relevant document

i. PAN

ii. GSTIN

iii. TAN as applicable

iv. Details of bank account

v. Amended Bank Guarantee relevant financial instrument

- c) The Successful Bidder (new entity) shall provide any further documents/details as may be sought by the Seller.

- d) In the event of change of ownership of the plant or change of control necessitating a change of name and the Successful Bidder fails to intimate about the change of name within the stipulated time for execution of FSA as per the Scheme

document, the Seller shall be entitled to cancel the bid, LOI if issued and forfeit the bid security.

- e) Seller on acceptance of such change of name shall issue an acceptance letter. A copy of acceptance letter duly acknowledged by Successful Bidders' authorized signatory shall be treated as part of LOI and deemed modification of change of name in LOI.
- f) Non acceptance of the change of name of the Successful Bidder by the Seller or any violation of the above provisions shall entitle the Seller to cancel the LOI with forfeiture of Bid Security. The reason for non-acceptance of change of name shall be communicated to the Successful Bidder by the Seller before effecting forfeiture of Bid Security.
- g) Consequent to taking change of name on record, coal company shall inform service provider for effecting change in name of such registered Bidder.

5.2.2 Change of name prior to determination of Successful Bidder

- a) The prospective Bidder shall submit a declaration to the service provider in advance in case there is a possibility of change in name, for whatsoever reason, in near future can participate in the auction in the already registered name i.e. old name.
- b) On being declared as Successful Bidder, provisions at 5.2.1 shall be complied in case of change of name

5.2.3 Deleted

5.2.4 Security

5.2.4.1 Subject to Applicable Laws, the Successful Bidder shall be entitled to create encumbrances over the Agreement or rights granted to it under the Agreement for the purposes of availing financing from a bank or financial institutions for financing the Specified End Use Plant and such security creation shall not require prior approval by relevant Subsidiary.

5.2.4.2 In the event of a default, the banks or financial institutions, as the case may be, shall be entitled to enforce their security interest in the manner provided by Applicable Law and the Agreement, provided that any transferee of the Specified End Use Plant along with the rights in relation to the Allocated Quantity meets all the Eligibility Conditions.

5.3 Cost of Bidding

The Bidders shall be responsible for all of the costs associated with the preparation of their Bids and their participation in the auction process. CIL will not be responsible or in any way be liable for such costs, regardless of the conduct or outcome of the auction process.

5.4 Verification of information by the Bidders

- 5.4.1 It shall be deemed that by participating in the auction process, the Bidder has:
- (a) made a complete and careful examination of the Scheme Document and unconditionally and irrevocably accepted the terms thereof;
 - (b) reviewed all relevant information provided by CIL, as may be relevant to the auction process;
 - (c) satisfied itself about all matters regarding the auction process required for submitting an informed Bid in accordance with this Scheme Document and performance of all of its obligations hereunder;
 - (d) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the Scheme Document or ignorance of any of the matters related to the auction process or the Lots hereinabove shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc., from CIL, or a ground for termination of the Agreement by the Successful Bidder; and
 - (e) agreed to be bound by the undertakings provided by it under and in terms hereof.
- 5.4.2 CIL shall not be liable for any omission, mistake or error in respect of any of the information provided or on account of any matter or thing arising out of or concerning or relating to the Scheme Document or the auction process, including any error or mistake therein or in any information or data given by CIL.

5.5 Verification and Disqualification

- 5.5.1 CIL and the relevant Subsidiary reserve the right to verify all statements, information and documents submitted by the Bidder in response to the Scheme Document including the self-certificate submitted in accordance with Clause 3.3.2 and the Bidder shall, when so required by CIL or the relevant Subsidiary, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification by CIL or the relevant Subsidiary shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of CIL or the relevant Subsidiary thereunder.
- 5.5.2 Without prejudice to any other right or remedy that may be available to CIL or the relevant Subsidiary under the Scheme Document and/ or the Agreement, CIL and the relevant Subsidiary reserve the right to disqualify the Bidder, cancel the LOI and/ or terminate the Agreement, as the case may be, and to appropriate the entire Bid Security or Process Fee or Performance Security, as the case may be, if:

- (a) at any time, a misrepresentation on part of the Bidder is made or uncovered,
- (b) the Bidder does not provide, within the time specified by CIL or the relevant Subsidiary, the supplemental information sought by CIL or the relevant Subsidiary, or
- (c) any act or omission of the Bidder results in violation of or non-compliance with the Policy, the LOI, the Agreement, this Scheme Document and/ or any other document referred therein or issued pursuant thereto or any Applicable Law relevant for the auction process.

5.5.3 In the event of any exercise of its rights by CIL under Clause 5.5.2, CIL may also in its discretion, disqualify the Bidder from participating in the Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI and any subsequent instance of auction for the non-regulated sector conducted by CIL.

5.6 Amendment of the Scheme Document

5.6.1 At any time prior to the last date (as specified in Clause 3.8) for submission of information, documents and payments pertaining to Conditions to Auction (“**Due Date**”), CIL may for any reason, whether at its own initiative or in response to clarifications requested by a Bidder, modify the Scheme Document by the issuance of an addendum and/ or corrigendum and/or updated Scheme Document.

5.6.2 Any addendum and/ or corrigendum and/or updated Scheme Document issued hereunder will be in writing and shall be accessible to all the Bidders and shall be deemed to be part of the Scheme Document.

5.6.3 In order to afford the Bidders a reasonable time for taking an addendum and/ or corrigendum into account, or for any other reason, CIL may, in its sole discretion, extend the Due Date in accordance with Clause 5.7.

5.7 Due Date and Extension

5.7.1 The information, documents and payments pertaining to Conditions to Auction should be submitted/ uploaded at least 1 (one) business day prior (till 17:00 hours IST) to the date of auction of the Lot in which the Bidder intends to participate in accordance with the process specified in *Annexure V*.

5.7.2 CIL may, in its sole discretion, extend the Due Date by issuing an addendum and/ or corrigendum in accordance with Clause 5.6, uniformly accessible for all Bidders.

5.7.3 Any submission of information, documents and payments pertaining to Conditions to Auction after the Due Date shall not be eligible for consideration and shall be summarily rejected.

5.8 Rejection

- 5.8.1 Notwithstanding anything contained in this Scheme Document, CIL reserves the right to reject any Bid and/ or to annul the auction process relating to one or more Lots and reject all Bids at any time without any liability or any obligation for such acceptance, rejection or annulment and without assigning any reasons thereof.
- 5.8.2 CIL reserves the right not to proceed with the auction process at any time, without notice or liability, and to reject any Bid without assigning any reasons.
- 5.8.3 Without prejudice to the generality of the foregoing, CIL reserves the right to reject any Bid on any criteria specified in this Scheme Document, including without limitation, the following:
- (a) Bids have not been submitted with all the information and details listed in this Scheme Document;
 - (b) the information, documents and/ or payments with respect to the Condition to Auction are determined to be non-responsive in terms of Clause 3.6;
 - (c) Bids have been submitted without Bid Security and Process Fee; and
 - (d) Bids have otherwise not been submitted in accordance with the Scheme Document.

6 Bid Security

- 6.1 Each Bidder shall furnish, as part of the Conditions to Auction, a bid security in the form of an earnest money deposit (“**Bid Security**”). The Bid Security shall be Rs. 100 (Indian Rupees One Hundred) per tonne of the Link Quantity across various Lots. The payments made by Bidders towards the Bid Security will be made into a designated bank account, the details of which are specified in *Annexure V*. The payments made towards Bid Security in the above mentioned bank account shall be transferred to the relevant Subsidiaries or shall be refunded in accordance with the provisions of Clause 6.3.
- 6.2 The Bidder shall ensure that at any time during the auction process, its Bid Security is adequate vis-à-vis the intended Link Quantity. In case a Bidder decides to change the bidding strategy by opting to Bid for a different Link Quantity in a specific Lot, which requires additional Bid Security, the Bidder will be provided with the flexibility to top up the Bid Security at least 1 (one) business day prior to the scheduled auction of Coal Linkages pertaining to the Lot.
- 6.3 Save and except as provided in this Scheme Document, the refund of Bid Security submitted by a Bidder will be as under:
- (a) the Bid Security pertaining to the Allocated Quantity of the Successful Bidder prior to any adjustment with respect to year-on-year scheduled production will be returned by the relevant Subsidiary to the Successful Bidder, without any interest, post submission of executed copies of Agreement to the relevant Subsidiary; and
 - (b) the balance Bid Security of the Successful Bidder (net of amounts retained under Clause 6.3(a) above), if any, and the entire Bid Security of other Bidders shall be returned by the Service Provider to the Successful Bidder or Bidder, as the case may be, without any interest, post completion of the Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI.
- 6.4 The Bid Security shall be liable to be forfeited and appropriated *inter alia* in any of the events specified in Clause 6.5 or elsewhere in this Scheme Document. The Bidder, by participating in the auction process pursuant to this Scheme Document, shall be deemed to have acknowledged and confirmed that CIL and the relevant Subsidiary will suffer loss and damage on account of any default by the Bidder during the period of Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI. No relaxation of any kind on Bid Security shall be given to any Bidder.
- 6.5 The Bid Security shall be forfeited as damages without prejudice to any other right or remedy that may be available to CIL and/ or the relevant Subsidiary under the Scheme Document and/ or under the Agreement, or otherwise, under, *inter alia*, the following conditions:

- (a) The information, documents and/ or payments with respect to the Conditions to Auction are determined to be non-responsive in terms of Clause 3.6;
- (b) If a Bidder engages in a Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice as specified in Clause 8 of this Scheme Document;
- (c) In the case of a Successful Bidder, if it fails within the time limits specified in Clause 3.5.4:
 - (i) to furnish the Performance Security;
 - (ii) to submit the documents specified in **Annexure IX** together with such other documents as may be requested by CIL or the relevant Subsidiary; or
 - (iii) to execute the Agreement,in which case, the Bidder will also cease to be a Successful Bidder.
- (d) In case prospective/ Successful Bidder does not provide information as per Clause 9.6

7 Performance Security

7.1 Performance Security

- 7.1.1 The Successful Bidder, shall provide to the relevant Subsidiary, a Performance Security in the form of an irrevocable and unconditional guarantee from an Acceptable Bank, or in the form of a non-interest bearing security deposit, for the performance of its obligations under the Agreement within such time as specified in Clause 3.5.4. The amount of Performance Security shall be computed as follows:

Performance Security = {[Allocated Quantity of the Successful Bidder] multiplied by [6% of the aggregate of the Reserve Price and Winning Premium(in %) multiplied by Reserve Price

**for the purpose of computation of the Performance Security, Allocated Quantity shall be the Allocated Quantity prior to any adjustment with respect to year-on-year scheduled production*

- 7.1.2 The Performance Security shall be provided to the relevant Subsidiary to the extent of the Allocated Quantity from such Subsidiary. The Performance Security, if provided in the form of a bank guarantee, shall remain valid till 3 (three) months from the date of expiry of the Agreement. The Performance Security, if provided in the form of a non-interest bearing security deposit, shall be refunded to the Successful Bidder 3 (three) months after the date of expiry of the Agreement.
- 7.1.3 The amount of Performance Security stipulated in Clause 7.1.1 shall be suitably revised in case of change in Price in accordance with Clause 3.9. In case the Performance Security was provided in the form of a bank guarantee, upon such revision, the Successful Bidder may:
- (a) provide a new bank guarantee issued by any Acceptable Bank for the revised value;
or
 - (b) provide an additional/ top up bank guarantee issued by any Acceptable Bank for an amount corresponding to the incremental value of the Performance Security.

Alternatively, the bank guarantee constituting the Performance Security may be suitably amended for the revised value computed as per Clause 3.9. The revised/ amended/ top up bank guarantee shall be provided within a period of 30 (thirty) days of such revision.

In case the Performance Security was provided in the form of a security deposit, upon such revision;

- (a) the Successful Bidder shall deposit additional amount towards the security deposit;
or

(b) the relevant Subsidiary shall refund the excess value of the security deposit.

7.1.4 The Performance Security, if provided in the form of a bank guarantee shall be in substantially the form as provided in *Annexure X*. The Performance Security, if provided in the form of a security deposit shall be non-interest bearing.

7.2 **Forfeiture of Performance Security**

The Performance Security may be forfeited by the relevant Subsidiary in the manner specified in the Agreement.

8 Fraud and Corrupt Practices

- 8.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the auction process and subsequent to the issue of the LOI and during the subsistence of the Agreement. Notwithstanding anything to the contrary contained herein, or in the LOI or the Agreement, CIL may reject a Bid, cancel the LOI, or terminate the Agreement, as the case may be, without being liable in any manner whatsoever to the Bidder or the Successful Bidder, as the case may be, if CIL determines that the Bidder or Successful Bidder, as the case may be, has, directly or indirectly or through an agent, engaged in Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice in the auction process. In such an event, CIL shall be entitled to forfeit and appropriate the Performance Security, Bid Security or Process Fee, as the case may be, as damages, without prejudice to any other right or remedy that may be available to CIL under the Scheme Document and/ or the Agreement, or otherwise.
- 8.2 Without prejudice to the rights of CIL under Clause 8.1 and under the LOI or the Agreement, or otherwise if a Bidder or Successful Bidder, as the case may be, is found to have directly or indirectly or through an agent, engaged or indulged in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice during the auction process, or after the issuance of the LOI or the execution of the Agreement, such Bidder or Successful Bidder shall be disqualified from participating in the Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI and any subsequent instance of auction of coal linkage for the non-regulated sector conducted by CIL or any specific tenure as may be specified in the Scheme/FSA document, as the case may be .
- 8.3 For the purposes of this Clause 8, the following terms shall have the meaning hereinafter respectively assigned to them:
- (a) “**Corrupt Practice**” means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any Person connected with the auction process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of CIL who is or has been associated in any manner, directly or indirectly, with the auction process or the LOI or has dealt with matters concerning the Agreement or arising therefrom, before or after the execution thereof, at any time prior to the expiry of 1 (one) year from the date such official resigns or retires from or otherwise ceases to be in the service of CIL, shall be deemed to constitute influencing the actions of a Person connected with the auction process); or (ii) save and except as permitted under this Scheme Document, engaging in any manner whatsoever, whether during the auction process or after the issue of the LOI or after the execution of the Agreement, as the case may be, any Person in respect of any matter relating to the auction process or the LOI or the Agreement, who at any time has been or is a legal, financial or technical adviser of CIL in relation to any matter concerning the auction process;

- (b) “**Fraudulent Practice**” means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the auction process;
- (c) “**Coercive Practice**” means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any Person’s participation or action in the auction process;
- (d) “**Undesirable Practice**” means (i) establishing contact with any Person connected with or employed or engaged by CIL with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the auction process; (ii) having a conflict of interest; or (iii) violating of any Applicable Law; and
- (e) “**Restrictive Practice**” means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the auction process.

9 Other Provisions

9.1 The auction process shall be governed by, and construed in accordance with, the laws of India and any dispute arising out of or in connection with this Scheme Document shall be subject to the exclusive jurisdiction of the courts in Kolkata, India.

9.2 CIL, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to:

- (a) suspend and/ or cancel the auction process with respect to Coal Linkages from one or more Lots and/ or amend and/ or supplement the auction process or modify the dates or other terms and conditions relating thereto;
- (b) consult with any Bidder in order to receive clarification or further information;
- (c) retain any information and/ or evidence submitted to CIL by, on behalf of, and/ or in relation to any Bidder; and/ or
 - (d) independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder including the self-certificate submitted in accordance with Clause 3.3.2(a)

9.3 It shall be deemed that by submitting the Bid, the Bidder agrees and releases CIL, its employees, subsidiaries, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder, pursuant hereto and/ or in connection with the auction process and waives, to the fullest extent permitted by Applicable Laws, any and all rights and/ or claims it may have in this respect, whether actual or contingent, whether present or in future.

9.4 Proprietary data

All documents and other information supplied by a Bidder to CIL shall remain or become the property of CIL. It will not return any Bid or any information provided by the Bidder.

9.5 Swapping/Rationalization

Notwithstanding anything above, the linkage/FSA secured/entered by a successful bidder may be considered for swapping/rationalization in line with Government policy/methodology formulated for effecting the same.

9.6 Outcome of IBC proceedings to be shared

Prospective/ Successful Bidders shall be required to inform CIL about any pending proceedings/ outcome of if any, against the Bidder under the Insolvency and Bankruptcy

Code, 2016 (“**IBC**”) (as amended from time to time), through relevant Board resolutions/intimation by Company Secretary/ self-declaration by proprietors/ partners (in case of proprietorship or partnership firm respectively). In case of non-intimation about referral/ commencement of IBC proceedings before the National Company Law Tribunal (“**NCLT**”) or Debt Recovery Tribunal (“**DRT**”), as the case may be, by the Bidder prior to participation in the auction process or execution of the Agreement, and such lapse comes to the notice of CIL, the Bid Security submitted by the Bidder shall be forfeited. The Agreement shall be executed only if the matter is resolved in favour of the Bidder by the NCLT/ DRT, as the case may be, subject to Clause 9.7 of this document.

9.7 Modalities for banning/blacklisting of NRS consumers for misutilization/ misdirection of coal:

The detailed guidelines in this regard is enclosed as Annexure IV of this Scheme Document and shall be binding to both the parties.

9.8 Tenure of Fuel Supply Agreement(FSA):

On being successful in the auction, the successful bidder shall have to fulfil all commercial and documentational formalities as per extant provision/terms of Scheme and FSA document to the satisfaction of the Seller for execution of Fuel Supply Agreement of 10 years tenure.

In case any consumer establishes Captive mode of transport (MGR, Belt, Pipe Conveyor, Rope), capable for transporting at least 80% of the FSA quantity, the consumer will have the option to extend the tenure of FSA for further 5 years. Such supply through captive mode shall attract facilitation charge of 10% over the Modulated Price applicable for coal supply. The coal company shall determine the fulfillment of eligibility criteria regarding captive mode of transport as mentioned above, prior to such extension of tenure of FSA.

Annexure I – Model Form of the Agreement

(Uploaded separately on MSTC Portal)

Annexure II – Format of Affidavit cum Undertaking

(To be stamped in accordance with the relevant Stamp act and duly sworn before Notary public)

Date:

Sub: Affidavit cum Undertaking
[insert name and Service Provider Registration No. of Bidder]

Ref: Scheme Document dated [insert Date] (“Scheme Document”)

Dear Sir,

With reference to the Scheme Document dated [●] (“Scheme Document”), I/we,-----aged----
-----years, resident of ----- working as -----as Authorized Signatory on
behalf of ----- (name of the Bidder) (“the “**Bidder**”) hereby state, certify, undertake
and confirm as follows:

1. I say that I am the [Insert designation of the deponent] of the Bidder. I am conversant with the facts and circumstances surrounding the subject of this Affidavit and have been authorized to depose to the same pursuant to the power of attorney dated
2. I am filing this Affidavit cum undertaking to place on record verification of facts and documents in connection with the auction process
3. I/we satisfy & meet and shall continue to satisfy & meet all the Eligibility Conditions prescribed in Clause 4 of the Scheme Document required for participation in the auction process; I declare that in case conditions as stated in Clause 4 of Scheme Document i.e. Eligibility Conditions are found to be false by the concerned coal company, the coal company may take any penal action including cancellation of the linkage with forfeiture of Security Deposit
4. I certify and confirm that the information pertaining to the captive coal mine(s) allocated for the Specified End Use Plant(s) as submitted as per provision of the Scheme Document is true and correct.
5. all information provided by us to CIL is and shall be true and correct and nothing has been omitted which renders such information misleading. If we submit or produce any document and it is discovered subsequently that such document was false, misleading, or incorrect, then we shall be liable under Applicable Laws for the time being in force and subject to the consequences envisaged in the Scheme Document;
6. the Bid shall be unconditional and unqualified;
7. we have reviewed the terms of the Scheme Document and hereby unconditionally and

- irrevocably accept, agree and acknowledge the terms thereof including of any addendum and/ or corrigendum to the Scheme Document issued by CIL;
8. we acknowledge that CIL will be relying on the information and documentation provided by us during the auction process for determination of the Successful Bidder;
 9. all documents submitted by us (other than originals submitted by us) are true copies of their respective originals;
 10. we shall make available to CIL any additional information it may find necessary or require to supplement or to authenticate our Bid or eligibility to submit the Bid;
 11. CIL shall have the right to reject our Bid without assigning any reason or otherwise and hereby waive, to the fullest extent permitted by Applicable Law, our right to challenge the same on any account whatsoever;
 12. we have not and shall not be engaged in or indulge in, either directly or indirectly or through an agent, any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice, as defined in Clause 8 of the Scheme Document;
 13. we have taken steps to ensure that in conformity with the provisions of Clause 8 of the Scheme Document, no person acting for us or on our behalf has engaged or will engage in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice;
 14. we understand that you may cancel the auction process at any time and that you are neither bound to accept any Bid that you may receive nor to invite the Bidders to Bid for Coal Linkages from the Lots, without incurring any liability to the Bidders, in accordance with the Scheme Document;
 15. we hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by CIL in connection with the selection of the Successful Bidder or in connection with the auction process itself and the terms and implementation thereof;
 16. in case the Coal Requirement verified by the Final Verification Agency is less than the Coal Requirement as set out on the Electronic Platform, then the Allocated Quantity shall stand reduced in the manner contemplated in the Scheme Document. We agree not to challenge the Coal Requirement as assessed/ verified by the Final Verification Agency;
 17. in the event of our being declared as the Successful Bidder, we agree to enter into the Agreement in accordance with the Scheme Document, comply with the terms of such Agreement and all Applicable Laws and to pay such amounts and provide such performance security and other security as required therein;

18. we shall not, in any case, have any claim or right of whatsoever nature if the Link Quantity is not allocated to us or our Bid is not accepted;
19. we acknowledge that we shall not be entitled to participate in the auction process in the event that the Normative Coal Requirement of each of the Specified End Use Plant as mentioned below, registered by us on Electronic Platform, is less than the Minimum Quantity:
20. we will ensure that all documents required to be submitted electronically on the Electronic Platform and the documents required to be submitted physically with CIL under Clause 4 of the Scheme Document are duly submitted;
21. we undertake that if we are the Successful Bidder for any Link Quantity under Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI Coal Linkage Auction, we shall not source coal from State Nominated Agencies (SNAs);
22. we undertake that we shall put in place the necessary washing, blending, beneficiation and/or other arrangements to reduce the ash content of coal, as required following extant GOI notification

23. we certify that the details of our End Use Plant are as follows:

Coal Based Capacity of the End Use Plant*	
Total Capacity^ of the End Use Plant	
Unit wise Capacity Break up	
Address of the End Use Plant	

*will be equal to the Total Capacity if the EUP does not use any fuel other than Coal

^ Capacity refers to Production Capacity

24. we have submitted the Mine Opening permission in relation to the captive coal mine allocated for the Specified End Use Plant.
OR
we undertake to submit the Mine Opening Permission immediately upon issuance of the same from CCO in case the Mine Opening Permission in relation to the captive coal mine allocated for the Specified End Use Plant has not been received.
25. We undertake to submit any revisions of the Production Schedule(s) of coking coal corresponding to our captive coal mine(s) in case of any modification to the Production Schedule of coking coal by approval of relevant competent authority.
26. we shall furnish all details/information about the Specified End Use Plant and more specifically in relation to the coke oven plants, as per the requirements of **Annexure IX** and

undertake to notify the relevant Subsidiary with immediate effect regarding any changes in relation to the coke oven plants from time to time; and

27. we certify that in accordance with Clause 3.3 of the Scheme Document, the details of existing linkages and captive coal mine(s) allocated for the Specified End Use Plant are as follows:

S. No.	Name of Captive Coal Mine*	Scheduled Production (Year-on-Year) (MTPA)	Grade of Coal	Date of Grant of Mine Opening Permission
1.				
2.				
3.				

**To be provided separately for each coal mine*

S. No.	Reference No. and Date of fuel supply agreement	Annual contracted quantity (MTPA)
1.		
2.		
3.		

S. No.	Reference No. and Date of fuel supply agreement/ letter of assurance	Annual contracted quantity (MTPA) lapsed/ going to lapse post the cut-off date for the most recent instance of auction where the Bidder participated as applicable* till 30.09.2023
1.		
2.		
3.		

*Bidder has to mention the lapsed quantity and linkage details from the cut-off date corresponding to the most recent instance of auction by CIL/SCCL in which it had participated.

All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Scheme Document.

Solemnly affirmed and verified on this day of (month) 202[●] at (place).

(Signature, name and designation of the Authorised Signatory)

Name and seal of Bidder

Date:

Place:

VERIFICATION

I, [●], the [Insert designation of the deponent] of the Bidder above named, having my office at [●], do hereby solemnly declare that what is stated above in paragraphs [●] to [●] are on the basis of the books and records of the Bidders, and verify that the contents of the above affidavit are true and correct, no part of it is false and nothing material has been concealed therefrom.

Verified at ___ day of (month) 202[●] at (place).

Deponent (Signature)

Name, Designation & Seal

Annexure III – Power of Attorney for participation in auction process
[To be stamped in accordance with the relevant Stamp Act and notarized]

Power of Attorney for participation in auction process

Know all men by these presents, We, (name and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorise Mr./ Ms (Name), son/daughter/wife of and presently residing at, who is presently employed with us and holding the position of, as our true and lawful attorney (hereinafter referred to as the “Attorney”) to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to participation in auction process for the Coal Linkages in response to the Scheme Document dated [●] issued by Coal India Limited (“CIL”) (“Scheme Document”) including but not limited to signing (including through affixation of digital signatures) and submission of all applications, affidavits, bids and other documents and writings, participate in Bidders’ and other conferences and providing information/ responses to CIL, representing us in all matters before CIL, and generally dealing with CIL in all matters in connection with or relating to or arising out of our bid for the Coal Linkages and/ or upon award thereof to us and/ or till the entering into of the Fuel Supply Agreement with the relevant Subsidiary.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this power of attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Scheme Document.

IN WITNESS WHEREOF WE,, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF, 20.....

For.....

(Signature, name, designation and address)

Witnesses: 1.
2.

Accepted Notarised

(Signature, name, designation and address of the Attorney)

Notes:

- *The mode of execution of the power of attorney should be in accordance with the procedure, if any, laid down by the Applicable Law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders resolution authorizing the execution of this power of attorney.*
- *For a power of attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and appropriately notarised in the relevant jurisdiction. However, the power of attorney provided by Bidders from countries that have signed the Hague Legislation Convention, 1961 are not required to be legalised by the Indian Embassy if it carries a conforming apostille certificate.*
- *The power of attorney must be issued in the name of the person whose digital signature would be used to sign the documents on the Electronic Platform. Further, in the event that the Affidavit cum Undertaking specified in Annexure II is signed by a different person, other than the person whose digital signature is being used to sign documents on the Electronic Platform, a separate power of attorney should be provided in favour of such person as well.*

Annexure IV –

Modalities for banning/blacklisting of NRS consumers for misutilization/misdirection of coal

- A. Major circumstances of Banning/Blacklisting for misutilization/misdirection of coal:
- Communication from Statutory authorities like CBI, Police, Court of law etc. containing allegations/finding/ establishing charge(s) of misutilization of coal against any non-power unit and/ or its director/management.
 - Finding of the instance of misutilization of coal internally by the coal company.
- B. Detailed Operative Guideline regarding period of suspension/banning covering the aspects of supply of coal under FSA and participation in linkage auction:
1. Complain regarding misutilization of coal received from statutory authorities/ CBI/ Investigating agencies:
- i. Supply of coal under Fuel Supply Agreement:
- a. Upon receipt of any adverse report/ order, coal supply and further transaction under Fuel Supply Agreement will be stopped for concerned non-power unit immediately.
 - b. If charge sheet is not filed before relevant adjudicating forum within 6 months of such suspension, the supply/transaction will be resumed with the rider that suspension may be re-imposed on filing of charge sheet at any point of time, under intimation to the concerned authority. In case charge sheet is issued subsequently, supply/transaction will again be suspended.
 - c. If the charge sheet is filed within six months of such suspension, the suspension of supply and transaction will continue.
 - d. In case charge sheet is filed, suspension will be re-imposed and supply of coal will only be restored as per terms of FSA only on acquittal/clearance or an order to that effect by the investigating agency or Court.
 - e. In case a unit or its director is found guilty/convicted, suspension will continue for a period of 5 years, effective from the date of commencement of last suspension or the completion of penalty, whichever is earlier.
 - f. Since any conviction amounts to material breach of the agreement, the EMD/Security deposit, as it may, in such cases shall stand forfeited.
- ii. Participation under NRS Linkage auction:
- a. On receipt of communication from statutory authority, the consumer put under suspension will be eligible to participate in the NRS Linkage auction till charge sheet is filed. However, in case the charge sheet is filed, the unit will not be eligible to participate in any auction and/ or to sign the FSA till his acquittal/clearance.
 - b. In case charge sheet is not issued within 6 months of completion of auction of the relevant subsector (where the unit has participated) FSA shall be signed and supply shall be commenced. However, such supply shall be guided by the procedure mentioned at 1(i) above.
 - c. In case charge sheet is issued within 6 months of completion of auction of the relevant subsector (where the unit has participated), the bid shall not be converted to FSA and relevant bid security shall be forfeited.
 - d. If found guilty/convicted, banning for participation will continue for a period of 5 years effective from date of commencement of last suspension/ date of conviction, whichever is earlier.

2. Misutilization of coal as per findings of coal company:
 - i. Supply of coal under Fuel Supply Agreement:
 - a. On finding the evidence/proof of diversion of coal or discrepancy in the coal stock (5% or more) against coal procured under any of present FSA, will be sufficient reason to put concerned NRS linkage holding unit under suspension.
 - b. On scrutiny within 3 months from the date of primary suspension, if misutilization is not proved, the coal supply shall be resumed.
 - c. In case misutilization of coal under any present or past FSA is proved at any point of time, supplies to the unit will be suspended for 5 years. In such case, all running FSA/LOI will be terminated as per provision of Scheme/FSA/guideline by treating it as gross material breach of the intent for which agreement(s) was/ were entered into with consequent forfeiture of EMD/ SD, as it be.
 - ii. Participation under NRS Linkage auction:
 - a. On finding the evidence/proof of diversion of coal or discrepancy in the coal stock (5% or more) against coal procured under any of present FSA, participation in linkage auction of the unit shall not be restricted. However, signing of FSA shall be put on hold for the time being.
 - b. In case misutilization is not proved within 3 months from the date of primary finding by Coal Company, FSA shall be signed. Supply shall be guided by the above mentioned methodology as at 1(i) above.
 - c. In case misutilization of coal under any present or past FSA is proved at any point of time, participation under NRS Linkage auction shall be suspended for maximum period of 5 years from the date of communication of such order to this effect.
- C. Show Cause Notice: All the above cases where coal supplies are to be suspended & signing of FSA withheld or FSA is contemplated to be terminated, a prior Show-Cause notice shall be issued to the concerned party.
- D. Change of Plant ownership: In the event of transfer of end use plant/takeover of a company/change of management/change of name etc. (including but not limited to NCLT and other Governmental proceedings) during the period of debarment, the new owner shall remain debarred for the remaining period of suspension of 5 years.
- E. Undertaking by Unit: All the bidders/ FSA holders shall submit an undertaking in the form of an affidavit sworn before appropriate authority about factual status of investigations, if any and its current status against them by investigating agency or Court of law, regularly once a year.
- F. Treatment of cases against which misutilization of coal was reported earlier and action already taken by coal companies-

The above provisions will also apply to all the units uniformly, including those suspended earlier, and based on certain reference/ findings of Coal Company / statutory authority. In case the stipulated period of suspension/ banning, as it may, has already exceeded five years, the status of such units shall stand restored automatically, in line with aforesaid recommendations. Coal company shall make necessary intimation/communication to all concerned including Linkage Auction service provider regarding invoking and revoking banning/suspension for supply/participation on any unit/consumer, as deemed required

Annexure V - Technical Details with respect to electronic auction

1. Registration Methodology

In order to participate in the auction of Coal Linkages, a Bidder would be required to register its Specified End Use Plant with the e-auction website of MSTC Limited (“MSTC”). For this, the Bidder should visit the website of MSTC namely www.mstcecommerce.com/auctionhome/coallinkage/index.jsp and click on the button “**Registration**”.

It may be noted that Bidders already registered for the coal linkage auctions of either CIL and/ or SCCL, must necessarily use the same registration for the same Specified End Use Plant.

On the next page, the Bidder shall click on the link “Register as Bidder” and an online Registration Form will appear on the screen and the Bidder would be required to fill up the same. During this process, Bidder would be required to create its “user id” and “password” and keep note of the same. Bidder should ensure that the secrecy of its user id and password is maintained at all time and Bidder shall alone be responsible for any misuse of the user id and password. Bidder may also refer to the “Bidder’s Guide” available online in the above mentioned website for assistance. The Bidder shall ensure that the entries made while filling up the Form are correct including the name of the Specified End Use Plant and should select the correct sub-sector name from the dropdown menu. For the purpose of this Auction under Tranche VI, the sub-sector shall be “Steel”.

The Bidder registration on the Electronic Platform shall be linked to Specified End Use Plant and each Specified End Use Plant may be registered only once on the Electronic Platform. It must be noted that blast furnace units located within the same plant boundary are allowed to be registered as one Specified End Use Plant. However, once the units are combined and registered as single Specified End Use Plant, they cannot be split subsequently.

Bidder should read carefully the **GENERAL TERMS & CONDITIONS OF e-AUCTION** and **BIDDER SPECIFIC TERMS & CONDITIONS (BSTC)** before submitting the Registration Form.

On successful submission of the online registration Form, Bidder shall receive a confirmation e-mail at the registered email address advising the Bidder to submit the following documents:

1. Self-attested Income Tax PAN Card. In case of a registered Company or Firm, the Firm's PAN card and in case of a proprietorship firm, proprietor’s personal PAN card

is required. In case of partnership firm, PAN of the firm and that of the authorized partner are to be submitted.

2. Self-attested copy of GSTIN Registered Certificate.
3. Copy of the confirmation email Letter received from MSTC after successful completion of on-line registration and containing buyer registration details of the Bidder.
4. A non-refundable registration fee of Rs 10,000/- plus applicable GST to be paid by NEFT to the following bank account.

Beneficiary Name: MSTC Limited

Bank Details: Punjab National Bank, Tivoli Park Branch, Kolkata

Account Details: A/c.No. 0068210300192

IFSC Code No.: PUNB0006820

The Bidder shall have to submit all the above documents along with the details of the payment made towards Registration Fee like UTR No, remitting bank name, date of payment and amount to MSTC for verification and activation of their login ids. The Bidder should send scanned copies of the above documents to the designated email id only which is given below.

coallinkage@mstcindia.co.in

Once the scanned documents and requisite registration fee are received from the Bidder, MSTC shall activate Bidder's login after verification/ scrutiny of the documents. MSTC reserves the right to call for additional documents from the Bidder if needed and the bidder shall be obliged to submit the same.

On completion of the above stated registration process, a Bidder shall be able to login to MSTC's website.

2. Submission of Information/ Documents for Conditions to Auction

To submit the information/ documents for Conditions to Auction, the Bidder shall login to the above mentioned website with its user id and password and click on the link RFP Information.

(i) Details of Specified End Use Plant

- (a) Bidders who have submitted RFP Information earlier for their respective Specified End Use Plant.

As Bidders who have submitted RFP Information earlier for the respective Specified End Use Plant (under any previous Tranche of CIL and/or SCCL), have already provided details pertaining to their existing fuel supply agreements as on a specific cut-off date (“Cut-Off Date”), such Bidders shall be required to provide the following details:

- A. Details of the annual contracted quantity of fuel supply agreements that (1) have expired post Cut-Off Date of this auction i.e. 30.09.2023 and (2) will expire till Cut-Off Date i.e. 30.09.2023. It is clarified that only details of fuel supply agreements under The New Coal Distribution Policy and NRS Linkage auction shall be considered for this purpose.

Such expired quantity of coal, deemed at Washery Grade-IV grade, will be added to the presently calculated/displayed Normative Coal Requirement of the Specified End Use Plant on the Electronic Platform. Thus, such Bidders will become eligible to participate for a new Normative Coal Requirement, which will be the sum total of the presently calculated/displayed Normative Coal Requirement and the Normative Coal Requirement arising from the lapsed fuel supply agreement quantity as mentioned above

In case more than one fuel supply agreement has expired/ shall expire during the above mentioned period between the Cut-Off Date for the most recent Tranche of auction in which the Bidder had participated and the Cut-Off Date for this auction, the Bidder should mention about the expired quantity date wise separately for each lapsed fuel supply agreement.

- B. Details of the Scheduled Production as per the Self-certificate submitted by the Bidder in accordance with Clause 3.3.2

The responsibility of submitting correct information lies entirely with the Bidder. If it is found at any later stage that the Bidder has submitted false/ incorrect information either intentionally or inadvertently, action as per the provisions of this Scheme Document will be taken against such Bidder.

- (b) Bidders who are submitting RFP Information for the first time for the respective Specified End Use Plant.

Bidders who are submitting RFP Information for the first time for the respective Specified End Use Plant (i.e. Bidders who have not submitted information pertaining to the Conditions to Auction for the respective Specified End Use Plant under any earlier instance of auction conducted by CIL and/or SCCL) are required to submit information about the capacity of each Specified End Use Plant (in Tonnes Per Day i.e. TPD of hot metal) for which Coal Linkage is being sought along with the Scheduled Production of coking coal as per the self-

certificate submitted by the Bidder in accordance with Clause 3.3.2 from their captive coal mine(s) along with the grade. This is a pre-requisite for participating in the Non-Discriminatory Ascending Clock Auction Process. The responsibility of submitting correct information lies entirely with the Bidder. If it is found at any later stage that the Bidder has submitted false/ incorrect information either intentionally or inadvertently, action as per the provisions of this Scheme Document will be taken against such Bidder.

It is clarified that for the purposes of providing information about the capacity of the Specified End Use Plants, such Bidders shall enter the fuel supply agreement quantities for only those fuel supply agreements that shall be valid and subsisting after the Cut Off date. Further, only details of fuel supply agreements under The New Coal Distribution Policy shall be considered for this purpose.

Based on the capacity of the Specified End Use Plant, the Electronic Platform shall calculate the annual requirement of coal in Washery Grade-IV equivalent grade and display the same on screen. The Electronic Platform shall also display the balance coal requirement of the Specified End Use Plant, which shall be the maximum quantity of coal of each grade of coking coal for which the Bidder shall be eligible to bid.

Bidders should note that utmost care should be taken to submit the above information.

(ii) Payment towards Bid Security and Process Fee (EMD)

The Bidders shall have to deposit Bid Security before non-discriminatory ascending clock auction process to MSTC. The Bid Security shall be Rs. 100/- per tonne of the Link Quantity that the Bidder is willing to bid for. In addition, the Bidder shall also have to deposit a Process Fee of Rs. 20 per tonne of coal that it intends to bid for. Thus, the Bidders shall have to pay Rs. 120 per tonne of the Link Quantity that it intends to bid for.

To deposit the Bid Security and the Process Fee, the Bidder shall login and click on the link “e-Payment” and fill up the RTGS Application Form. The Bidder should fill up the amount that it wishes to deposit and transfer the amount through RTGS only. Bid Security and Process Fee shall not be acceptable in any other mode. Details of designated bank account for payment of Bid Security and Process Fee are as follows:

Beneficiary Name: MSTC Ltd
Credit Account No. MSTCER#####
Center: Mumbai
Bank: HDFC Bank Ltd
Branch: Sandoz Branch
Account Type: Current
IFSC Code No.: HDFC0000240

It is further clarified that the Credit Account No contains and represents Bidder's registration number (indicated by #) with MSTC portal for coal linkage auction

After remitting the amount, the Bidder shall have to send an intimation to MSTC giving details of the payment made including Bidder Registration No, UTR No, amount, date of remittance, remitting bank etc., so that the payment can be traced at the end of MSTC with the identity of the Bidder. Such intimation should be sent to the following email address only.

coallinkage@mstcindia.co.in

It may be noted that intimation about the payment made must be sent to the above email address at least one Business day prior to the scheduled auction of the Coal Linkages from the Lot in which the Bidder intends to participate. In the absence of the intimation, payment made shall not be considered.

Bidders are advised to deposit the payment towards Bid Security and the Process Fee well in advance prior to the scheduled auction of the Coal Linkages from the said Lot. It should be noted that the payments received by MSTC in their designated bank account only up to at least one Business day prior to the scheduled auction of the Coal Linkages from the said Lot will be considered. Payment received on the day of auction for a particular Lot shall not be considered for the same day's auction. Bidders are also advised to ensure that the payment towards Bid Security and Process Fee is submitted by the Bidder from their bank accounts so that the identity of the remitter of the payment is correctly established at the end of MSTC. CIL and/ or MSTC shall not be responsible if the identity of the remitter of the payment can't be established correctly and for any subsequent loss to any Bidder.

Calculation of Bid Security and Process Fee:

If a Bidder wishes to bid for Q (tonne) quantity of coal for a Specified End Use Plant, then it must have a balance EMD (Bid Security plus Process Fee) of Rs. 120Q before the start of the auction. For example, if a Bidder wishes to bid for 1,00,000 tonnes of coal, it must have a balance EMD amount of Rs. 1,20,00,000/- before the start of auction.

(iii) Submission of Scanned Copies of Documents as per Clause 4(c)

Bidders shall upload the scanned copies of the following documents on the Electronic Platform:

- a. An Affidavit cum undertaking in the format set out in *Annexure II*;
- b. a power of attorney in the format set out in *Annexure III*;

- c. Certified true copy of the relevant authorizations authorizing the execution of power of attorney e.g. letter of authority, resolution of the board of directors, resolution of the shareholders etc.; and
- d. Self-Certificate for each captive coal mine as per *Annexure XI*
- e. In order to upload the documents, the Bidder shall have to click on the link “Upload Documents” provided under their logins and upload the appropriate files against the options given therein.

3. Bid Submission

The Bidder who satisfies the Conditions to Auction i.e. submits the required information, documents and make payment towards Bid Security and Process Fee, can participate in the non-discriminatory ascending clock auction process. For this, the Bidder shall login to the above mentioned website of MSTC and click on the link “Click for Auctions” followed by “Live Auctions”. The Bid Floor shall display inter alia the balance EMD and the maximum quantity of coal that the Bidder can bid for the particular grade of coal. The Bid Floor will also display the start time of e-auction, the number of the auction round, the premium for the auction round, the offered quantity of coal per annum, the grade and other details of offered coal etc. The Bidder shall quote its required quantity of coal per annum (Link Quantity) in the space provided for the same and click on the BID button. The Bidder shall have to sign the bid that it intends to submit with its registered Digital Signature Certificate (DSC). The Link Quantity should be less than or equal to the maximum quantity of coal that the Bidder can bid for the particular grade of coal and the balance EMD of the Bidder should be sufficient for the quantity quoted.

The first round of auction will be of 15 mins followed by subsequent round(s) of 8 mins each. There will be no time gap between two consecutive auction rounds for the same Lot. The Bidder shall have to submit its Bid within the stipulated time of any auction round. Bids received at the server before the expiry of the auction round time, as per server time, only will be considered as valid and will be recorded for further action. Therefore, Bidders are advised to submit their Bids well before the expiry of the stipulated time of the auction round and not wait for the last moment to submit their Bids. CIL and/ or MSTC shall not be responsible for non-recording of any Bid due to delay in submission of Bid by any Bidder or due to delayed receipt of Bid in the server of MSTC. In case of any complaint or dispute regarding this, the data available at the server of MSTC shall be final and binding on the Bidders.

In round 1 of the auction, the premium shall be Rs. zero/ tonne. Thereafter, the premium of the subsequent auction rounds will be decided depending on the demand registered in the previous auction round (as per rule Clause 3.5.2 of the Scheme Document). The Bidder may note that it is entitled to submit only one Bid in an auction round. Bid once submitted in an auction round can't be edited/ modified/ amended/ changed/ recalled. Hence, Bidders are advised to exercise extreme caution while bidding so as to avoid making any mistake. Bidders are also advised to protect the secrecy of their login id and

password because Bid recorded against any user id or login id will be deemed to have been submitted by the Bidder concerned. No representation/ complaint stating the misuse/ unauthorized usage of login id and password will be entertained at any stage.

Bidders may further note that bidding in subsequent auction rounds is allowed only for such Bidders who have quoted a non-zero quantity in the immediately preceding auction round. A Bidder is not allowed to increase its Link Quantity in subsequent auction rounds but can quote the same or less Link Quantity in the subsequent auction rounds. Hence, in their own interest, Bidders may quote their desired maximum quantity (subject to EMD and maximum permissible quantity) in the first auction round itself.

Digital Signature Certificate

A Bidder shall be required to possess a valid Digital Signature Certificate (DSC) of signing type to be able to submit its Bid in the electronic auction on MSTC's website. For this purpose, the authorized person should possess a class III DSC of signing type from any Certifying Authority or their authorized agencies in India.

The Bidder shall have to register its DSC through the link Register/Verify DSC provided under the login of the Bidder. Bidders may note that only one user id will be mapped with a given DSC. One DSC can be used with multiple user ids provided the PAN for all such user ids are same. DSC once mapped with a particular user id of a Bidder will normally not be changed and therefore Bidders are advised to carefully select the DSC before registering the same on the Electronic Platform.

The registered DSC will only be used to digitally sign the Bids that the Bidder will submit online. No Bid will be accepted by the system which is not signed with the registered DSC. Therefore, Bidders are advised to register their DSCs well in advance to avoid any inconvenience during the bidding process.

It will be the sole responsibility of the Bidder to maintain the secrecy of the password for the Digital Signature Certificate. The Bidder and its Authorized Signatory shall be solely responsible for any misuse of the DSC and no complaint / representation in this regard shall be entertained at any stage by MSTC / CIL.

The Bidder may note that the following configurations will be required to be undertaken in their Internet Explorer browsers for smooth functioning of the website and the e-auction portal.

The system requirements are as follows:

- Operating System- Windows 7 and above
- Web Browser- Preferred IE 7 and above.
- Active-X Controls Should be enabled as follows:

Tools =>Internet Options =>Security =>Custom Level =>Enable all Active-X Controls =>Disable “Use Pop-up Blocker”

- Java (JRE7 and above)

To disable “Protected Mode” for DSC to appear in the signer box following settings may be applied.

- Tools => Internet Options =>Security => Disable protected Mode If enabled- i.e, Remove the tick from the tick box mentioning “Enable Protected Mode”.

- Other Settings:

Tools => Internet Options => General => Click On Settings under “browsing history/ Delete Browsing History” => Temporary Internet Files => Activate “Every time I Visit the Webpage”. Bidders are also advised to refer to the guides available on the website of MSTC for use of DSC.

4. Contact Details

The Bidders may contact the following officials of MSTC Limited for seeking assistance on the login or registration process or any clarification regarding the auction process:

Sl No	Name of the Official	Email address	Mobile No	Land Line No
1	Shri Saikat Kumar Paul (RM)	rmeromstc@mstcindia.in	9007862111	(033)23400000 / 350213200 Extn: 1601
2	Shri Saurabh Satyarthi	ssatyarthi@mstcindia.co.in	9903207001	033-23400000/350213200 Extn: 1606
3	Smt. Shruti S Mahajan	shruti@mstcindia.co.in	7044064654	033-23400000/350213200 Extn: 1611
4	Shri Roushan Kumar	rkumar@mstcindia.co.in	7255896564	033-23400000/350213200 Extn: 1615
5	MSTC HELPDESK For system setting and DSC related assistance	helpdesk@mstcindia.co.in	07969066600	

Email ID for sending all coal linkage registration and general query: coallinkage@mstcindia.co.in

Annexure VI- Details regarding Link Quantity offered for each Lot

Source-wise Offer for Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI under Non-Regulated sector

(To be uploaded later on the MSTC portal)

Annexure VII – Consumption Norms

Grade of Coking Coal	Indigenous Coking coal requirement per tonne of hot metal , kg/thm
Steel Grade-I	410
Steel Grade-II	330
Washery Grade-I	365
Washery Grade-II	470
Washery Grade-III	600
Washery Grade-IV	820
Washery Grade-V*	820
Washery Grade-VI*	820
Washed Coking Coal	246

Note: * Since no norms is available for Washery V and Washery VI coking coal, for this auction, the normative requirement of an end use plant bidding for Washery V and/or Washery VI coking coal shall be determined on the norms for Washery IV grade coking coal. Subsequently, on receipt for Washery V and Washery VI norms from the concerned authority, the above table may undergo modification, if required.

The Normative Coal Requirement shall be calculated based on an assumption of 85% (eighty five per cent.) capacity utilization on an annual basis. Further, in accordance with Clause 3.3.2, the minimum Scheduled Production of coking coal over 15 years (starting from current financial year) of any coal mine allocated (pro-rated for the Specified End Use Plant in the event of a combination of end use plants to which the mine was allocated), adjusted for grade, shall be reduced from the Normative Coal Requirement arrived based on the above.

Annexure VIII – Format of LOI

[To be issued in duplicate on the letter head of the relevant Subsidiary]

_____, Kolkata
Dated: the [insert date]

To

[Name of Authorized Signatory]

[Designation of Authorized Signatory]

[Name of Successful Bidder]

[Address of the Specified End Use Plant]

Subject: Declaration of Successful Bidder pursuant to Coking Coal Auction for Steel Sub-sector: July 2023 under Tranche VI Auction Process

Dear Sir/ Madam,

Pursuant to the Scheme Document dated [insert date] (“**Scheme Document**”), I am directed to declare M/s [Name of Successful Bidder] as the Successful Bidder for award of the quantity of coal specified in **Schedule 1**. This declaration is in pursuance of the provisions contained in the Scheme Document and the fulfilment of Conditions to Auction and the Bid submitted by the Bidder for the Specified End Use Plant [insert name].

Details of the Specified End Use Plant, allocated quantity of coal, the Winning Premium and other details are set out in **Schedule 1**.

Pursuant to Clause 7 and Clause 3.5.4 of the Scheme Document, the Successful Bidder is required to submit the Performance Security within the timelines stipulated in Clause 3.5.4 and also provide the documents specified in Annexure IX to the *relevant Subsidiary* within [●] days of issuance of this letter of intent.

The Successful Bidder shall be required to depute an Authorised Signatory to execute the Fuel Supply Agreement (the “**Agreement**”) on its behalf. The Authorised Signatory deputed by the Successful Bidder should be present at the aforementioned time and place along with: (a) original documents confirming identity of such person along with a self-attested photocopy of the same; (b) true copy of power of attorney in favour of the Authorised Signatory to execute the Agreement including the extract of the charter documents or documents such as a board or shareholders resolution authorizing the execution of such power of attorney and/or the Agreement.

The Subsidiary may, at any time prior to execution of the Agreement, determine whether the documents, information and/ or payments in relation to the Conditions to Auction have been submitted or received from the Bidder in accordance with the requirements of this Scheme Document. The Subsidiary reserves the right to cancel this LOI, disqualify the Bidder and forfeit

the Process Fee and the Bid Security if it is of the opinion that the requirements of the Scheme Document and the LOI in this regard have not been duly satisfied.

The Authorised Signatory should also procure 2 (two) sets of non-judicial stamp papers of Rs. [●] each for execution of the Agreement and submit the same at the time of execution of the Agreement.

This letter of intent is only indicative of the quantity allocated to you and any entitlement to such quantities of coal are subject to execution of the Agreement in accordance with the provisions of the Scheme Document and satisfaction of the conditions prescribed in the Agreement.

(Signatory)

Acknowledged and Accepted by:

(Signatory)

Note: In the event that this letter of intent is not signed and the contents hereof are not acknowledged and accepted by the Successful Bidder within [●] hereof, the Successful Bidder shall no longer be entitled to receive the Allocated Quantity and we shall have the right to forfeit the Bid Security.

Schedule 1: Details of Specified End Use Plant and Allocated Quantity

Name of Successful Bidder: [Name of Successful Bidder]

Details of Specified End Use Plant(s)

Name of Specified End Use Plant	Address	Capacity

Allocated Quantity under Coking Coal Auction for Steel Sub-sector: July 2023 Tranche VI and other details pertaining thereto

S.No.	Subsidiary Name	Primary Source	Secondary Source(s)	Mode Of Despatch	Allocated quantity (Tonnes)*	Winning Premium

*Allocated Quantity shall be distributed across each year in accordance with Clause 3.5.2((1))

Annexure IX – Documents to be submitted to the relevant Subsidiary

For execution of FSA

1. Relevant Corporate Authorizations of the Successful Bidder for execution and performance of his obligations under the agreement such as:
 - Notarised Power of Attorney (PoA).
 - Certified true copy of Board Resolution or Certified true copy of Shareholders Resolution etc.

In case the Bidder wants a different person (different from the one who participated in the online auction on behalf of the Bidder) to enter into the Agreement, a PoA authorizing such person to enter into the Agreement on behalf of the Bidder has to be submitted in the format as provided in the *Annexure III* of this Scheme Document.

2. Commercial operation Commencement certificate of EUP from a certified Chartered Engineer or IEM Part B acknowledgement.
3. Self-attested copy of valid Factory License with respect to the Specified End Use Plant or copy of application filed for renewal of the same, in case the Factory License has recently expired. In case Factories Act not applicable due to number of workers employed then an affidavit cum undertaking to the effect that the said unit does not qualify as a factory under the provisions of Factories Act as per stipulations under section 2(m) of Factories Act regarding number of workers/ is to be submitted.
4. Self-attested copy of Consent to Operate with respect to the Specified End Use Plant issued under the relevant pollution control laws or copy of application filed for renewal of the same, in case the Consent to Operate has recently expired. Alternatively, a valid no-objection certificate from the relevant State Pollution Control Board may be submitted. Wherever, the relevant State Pollution Control Board does not specify the validity of the certificate issued by them to the Specified End Use Plant, such a certificate will be considered acceptable and an intimation will be sent by relevant Subsidiary to the authority responsible for the issuance of the certificate.
5. Self-attested copy of the Boiler Fitness Certificate (if applicable) or copy of application filed for renewal of the same, in case the same has recently expired.
6. Self-attested copy of GSTIN and PAN number of the Successful Bidder.
7. Self-attested copy of the documents uploaded at the RFP stage

8. Valid SSI/industrial registration certificate.
9. Documentation with respect to existing coal linkages, assurance of linkages and/or allocation of mine, as available.
10. Performance Security
11. Details of the coke oven plant, in the format provided below:

Details of the coke oven plant				
Name	Address	Capacity	Quantity of coking coal converted (in Tonnes)	Output in terms of coke (in Tonnes)

The relevant Subsidiary may seek any additional information in this regard as may be deemed necessary.

NOTE: FSA can be executed and/or coal supply continued for a maximum of 3 months after the date of expiry of the CTO/ Factory License/ Boiler Certificate, if the bidder has submitted proof of its application for renewal of the same.

For lifting of coal

1. Notarised power of attorney.
2. Payment of coal value as per FSA.
3. Authorization document from consumer/Bidder for lifting/supervise loading

NOTE:

Validity of the documents wherever applicable to be maintained for lifting. FSA can be executed and/or coal supply continued for a maximum of three months after the date of expiry of the CTO/Factory License if the Bidder has submitted proof of its application for renewal of the same.

After lifting:

Yearly coal consumption certificate (as per prescribed format) to be given to coal co. duly certified by chartered accountant within 3 months of completion of FY.

Coal (Qty wise)

Opening stock:

Add:

Purchase From CIL sources under FSA:

From any other source:

Less:

Consumption:

Year end closing stock:

Annexure X – Format of Performance Security

[Reference number of the bank]

[date]

To

[insert name and address of the relevant Subsidiary]

WHEREAS

- A. [Name of the Successful Bidder], a company incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN of the Successful Bidder], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office] **OR** [Name of the Individual], an individual residing at [address] and carrying on a sole proprietorship business under the name style of , [Name of Successful Bidder] at [address of sole proprietorship], **OR** [Name of the Successful Bidder], a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008, with its registered office at [address of registered office] **OR** [Name of the Individual], an individual residing at [address], [Name of the Individual], an individual residing at [address] and [Name of the Individual], an individual residing at [address] all carrying on a partnership business under the name style of [Name of the Successful Bidder] registered under [name of Act under which the firm is registered] and with its principal place of business at [address of principal place of business] **OR** [Name of the Successful Bidder], a [insert legal nature of the Successful Bidder (e.g. trust, society etc.)] incorporated under the [insert statute under which the Successful Bidder is incorporated] with its registered office/ principal place of business/ office at [address of registered office/ principal place of business/office] (hereinafter referred to as the “**Purchaser**”) is required to provide an unconditional and irrevocable bank guarantee for an amount equal to INR [figures] (Indian Rupees [words]) as a performance security valid until [date of expiry of performance bank guarantee] (“**Expiry Date**”).
- B. The Performance Security is required to be provided to [insert name of the relevant Subsidiary] (the “**Seller**”) for discharge of certain obligations of the Purchaser under the Scheme Document dated, [date] with respect to Auction of Coal Linkages for Coking Coal Sub-sector and the fuel supply agreement to be executed between the Seller and the Purchaser (hereinafter collectively referred to as the “**Agreement**”).

We, [name of the bank] (the “**Bank**”) at the request of the Purchaser do hereby undertake to pay to the Seller an amount not exceeding INR [figures] (Indian Rupees [words]) (“**Guarantee Amount**”) to secure the obligations of the Purchaser under the Agreement on demand from the Seller on the terms and conditions contained herein.

NOW THEREFORE, the Bank hereby issues in favour of the Seller this irrevocable and unconditional payment bank guarantee (the “**Guarantee**”) on behalf of the Purchaser in the Guarantee Amount:

1. The Bank for the purpose hereof unconditionally and irrevocably undertakes to pay to the Seller without any demur, reservation, caveat, protest or recourse, immediately on receipt of first written demand from the Seller, a sum or sums (by way of one or more claims) not exceeding the Guarantee Amount in the aggregate without the Seller needing to prove or to show to the Bank grounds or reasons for such demand for the sum specified therein and notwithstanding any dispute or difference between the Seller and Purchaser on any matter whatsoever. The Bank undertakes to pay to the Seller any money so demanded notwithstanding any dispute or disputes raised by the Purchaser in any suit or proceeding pending before any court or tribunal relating thereto the Bank's liability under this present being absolute and unequivocal.
2. The Bank acknowledges that any such demand by the Seller of the amounts payable by the Bank to the Seller shall be final, binding and conclusive evidence in respect of the amounts payable by Purchaser to the Seller under the Agreement.
3. The Bank hereby waives the necessity for the Seller from demanding the aforesaid amount or any part thereof from the Purchaser and also waives any right that the Bank may have of first requiring the Seller to pursue its legal remedies against the Purchaser, before presenting any written demand to the Bank for payment under this Guarantee.
4. The Bank further unconditionally agrees with the Seller that the Seller shall be at liberty, without the Bank's consent and without affecting in any manner the Bank's obligation under this Guarantee, from time to time to: (i) vary and/ or modify and of the terms and conditions of the Agreement; (ii) extend and/ or postpone the time for performance of the obligations of the Purchaser under the Agreement, or (iii) forbear or enforce any of the rights exercisable by the Seller against the Purchaser under the terms and conditions of the Agreement and the Bank shall not be relieved from its liability by reason of any such act or omission on the part of the Seller or any indulgence by the Seller to the Purchaser or other thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving the Bank of its obligations under this Guarantee.
5. Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future taxes, levies, imposts, duties, charges, fees, commissions, deductions or withholdings of any nature whatsoever.
6. The Bank agrees that Seller at its option shall be entitled to enforce this Guarantee against the Bank, as a principal debtor in the first instance without proceeding at the first instance against the Purchaser.
7. The Bank further agrees that the Guarantee herein contained shall remain in full force and effect during the period that specified in the Agreement and that it shall continue to be enforceable till all the obligations of the Purchaser under or by virtue of the said Agreement with respect to the Performance Security have been fully paid and its claims satisfied or discharged or till the Seller certifies that the terms and conditions of the Agreement with

respect to the Performance Security have been fully and properly carried out by the Purchaser and accordingly discharges this Guarantee. Notwithstanding anything contained herein, unless a demand or claim under this Guarantee is made on the Bank in writing on or before the Expiry Date the Bank shall be discharged from all liability under this Guarantee thereafter.

8. The payment so made by the Bank under this Guarantee shall be a valid discharge of Bank's liability for payment thereunder and the Seller shall have no claim against the Bank for making such payment.
9. This Guarantee is subject to the laws of India. Any suit, action, or other proceedings arising out of this Guarantee or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at [where the Seller's registered office/ principal place of business is located], India.
10. The Bank has, under its constitution, the power to issue this Guarantee in favour of the Seller and Shri [insert name of the signatory] who has signed this Guarantee on behalf of the Bank has the authority to do so. This Guarantee will not be discharged due to the change in the constitution of the Bank
11. The Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of the Seller in writing.
12. The Seller may, with prior intimation to the Bank, assign the right under this Guarantee to any other person or entity. Save as provided in this Clause 12, this Guarantee shall not be assignable or transferable.
13. Notwithstanding anything contained herein,
 - a) the liability of the Bank under this Guarantee shall not exceed the Guarantee Amount; and
 - b) this Guarantee shall be valid up to the Expiry Date.
14. The Bank is liable to pay the Guaranteed Amount or any part thereof under this Guarantee only and only if the Seller serves upon the Bank a written claim or demand on or before the Expiry Date.
15. The Guarantee is operative at our [insert name and address of Branch].

Dated the [day] day of [month] [year] for the Bank.

In witness whereof the Bank, through its authorized officer, has set its hand and stamp.

(Signature)

(Name and Designation)

(Bank Stamp)

Annexure XI – Self-Certificate for Captive Coal Mine

(To be submitted separately for each captive coal mine, on the letter head of the Bidder)

Date: [insert Date]

Ref: Scheme Document dated [insert Day/Month, Year] (“**Scheme Document**”)

Dear Sir,

With reference to the Scheme Document dated [●] (“**Scheme Document**”) we hereby certify, undertake and confirm as follows:

(A) Mine Opening Permission is Available

1. Coal Controllers’ Organisation has granted the mine opening permission for the [insert name] coal mine on [DD-MM-YY].
2. The Scheduled Production for the said coal mine for the 15 years commencing from the current financial year is as below¹:

15 Year Scheduled Production for [insert name] coal mine

Financial Year	Scheduled Production (TPA)
[Insert Year 1]*	
[Insert Year 2]	
[Insert Year 3]	
[Insert Year 4]	
[Insert Year 5]	
[Insert Year 6]	
[Insert Year 7]	
[Insert Year 8]	
[Insert Year 9]	
[Insert Year 10]	
[Insert Year 11]	
[Insert Year 12]	
[Insert Year 13]	
[Insert Year 14]	
[Insert Year 15]	
Minimum Scheduled Production	

**In the event Mine Opening Permission is granted in the current financial year, first financial year should correspond to the period between the date of grant of Mine Opening Permission and the corresponding financial year end. In the event of already producing mine, first financial year shall be the current financial year in which this auction is being held.*

Copy of the mine opening permission is enclosed herewith.

¹ Applicable in case mine opening permission has been granted for the coal mine

OR

(B) Mine Opening Permission is not Available

2. Coal Controllers' Organisation has not granted the mine opening permission for the [insert name] coal mine as on date of issuance of this certificate².

All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Scheme Document.

Yours faithfully,

(Signature, name and designation of the Authorised Signatory)
Name and seal of Bidder

Date:

Place:

² Applicable in case mine opening permission has not been granted for the coal mine