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Re:CIL:S&M:New Pol(47252): E-auction: 382

Date: 24-5-2017

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

Dear Sir,

Sub : Decision of CIL Board for continuance of the dispensations/modifications for ease of doing business in the various provisions of e-auction schemes.

Further to the communication sent vide letter No. CIL/S&M/47252/257 dated 28.03.2017 for continuance of the existing decisions taken by CIL Board in its various meetings for 'ease of doing business' for a period of two months from 1.4.2017, as interim measure, the matter was reviewed by 340th CIL Board held on 2nd May 2017. The Board while approving continuance of the measures taken for "ease of doing business" for the year 2017-18 also approved various changes that has taken place at different times for supply of coal through various schemes of e-auction to avoid ambiguity. Considering such changes, the Board has approved the following:

- a. Reserve price for Spot e-auction:** Reserve price for coking and non-coking coal (G6 and below) would be at 20% higher than the notified price for non-regulated sectors. In case of G-5 and above grades, the reserve price shall be the notified price. However, Subsidiary Board be empowered to lower the reserve price from the upper cap of 20% for any source (s), depending upon market conditions and decide the periodicity of Spot e-auction.
- b. E-auction for Power and Non-Power:** Since the Forward e-auction has been discontinued, Special forward e-auction for Power and Exclusive e-auction for Non-Power (including CPPs) to be continued at a reserve price of 10% higher than the notified price for coking and non-coking coal (G6 and below) at power and non- power price respectively. In case of G-5 and above grades, the reserve price shall be the notified price. However, Subsidiary Board be empowered to lower the reserve price from the upper cap of 10% for any source(s), depending upon market conditions and decide the periodicity of e-auction.
- c. Offering coking coal in e-auction:** Coking coal will be offered only after meeting long-term commitment of steel plants including integrated Steel Plants of SAIL & RINL and other consumers taking such coal through FSA. However Washed Coking Coal and Steel Grade –II coal can be offered for metallurgical purposes.
While subsidiaries shall be empowered to decide the reserve price, upper cap of the reserve price will be on the basis of applicable scheme of e-auction.

- d. **EMD requirement for Spot e-auction:** To continue as decided in the 324th meeting of CIL Board, all registered buyers shall be required to deposit in advance non-interest bearing EMD at the rate of Rs. 200/- per ton with respective service provider for all grades of coking coal and non-coking coal. This may be paid upfront by way of Bank Draft/Bankers P.O or by way of e-transfer.

This EMD shall not be specific for a particular subsidiary coal company and shall be available with the service provider for participation in the e-auction across the subsidiary coal companies of CIL, as long as the required amount of EMD is available in the bidders account with the service provider. Participants shall have the option to furnish EMD in the form of BG

- e. **Reserve price for WCL:** Notified price shall be the reserve price for Spot and Special Forward e- Auction for Power & Exclusive e-Auction for non- power subject to review by WCL when required. WCL Board be empowered to decide the add on over notified price for coking and non-coking coal for existing e-auction schemes depending upon market conditions subject to the applicable upper cap for the auction scheme.

Yours faithfully,


General Manager (M&S)

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