

May 2024(updated)

**STANDARD SCHEME DOCUMENT  
FOR AUCTION OF COAL LINKAGES TO POWER PRODUCERS/IPPs WITHOUT PPAs**

**(For the Auction Windows:3 months, 6 months, 12 months)**

**Paragraph B(viii)(a) of SHAKTI Policy covering Paragraph B(iii) of SHAKTI Policy**

**Coal India Limited  
A Government of India Undertaking**



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## 1. Disclaimers:

*This Scheme Document contains information, eligibility norms, methodology and other key information for auction of coal linkages for a short term period by Coal India Limited (“CIL”) to Power Producers (as defined hereinafter) and IPPs (as defined hereinafter) without PPAs (as defined hereinafter) (“Scheme Document”). The information contained in this Scheme Document or any information subsequently provided to any Person (as defined hereinafter) whether a, participant, applicant or interested party (collectively referred to as the “Prospective Bidder”), whether verbally or in documentary or any other form by or on behalf of CIL and/or any of its employees or advisors, is provided to the Prospective 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 Prospective Bidders with information that may be referred by them in registering their Specified End Use Plant(s) (as defined hereinafter) on the Electronic Platform (as defined hereinafter), establishing their eligibility for participating in the Auction (as defined hereinafter) and making their Bids (as defined hereinafter) for the Auction. This Scheme Document includes statements which reflect various assumptions and assessments made by CIL. Such statements do not purport to contain all the information that each Prospective Bidder may require. This Scheme Document may not be suitable 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 refers to this Scheme Document. The assumptions, assessments, statements and information contained in the Scheme Document may not be complete, accurate or adequate. Each Prospective 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.*

*The information in this Scheme Document has been collated from several sources, including interpretation of Applicable Law. The information given is not intended to be an exhaustive account of all statutory requirements and should not be regarded as comprehensive advice. 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 Prospective Bidder under any law, statute, rule or regulation 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 on account of 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 the Auction Process.*

*CIL also accepts no liability of any nature, whether resulting from negligence or otherwise, howsoever caused, arising from reliance of any Prospective 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, assessment, process or assumptions contained in this Scheme Document.*

*The issue of this Scheme Document does not imply that CIL is bound to select or shortlist any 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 Prospective Bidder (including, any Eligible Bidder (as defined hereinafter) and/or Successful Bidder (as defined hereinafter)) shall bear all its costs associated with or relating to its participation in the Auction 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 (as defined hereinafter) and the Bid Security (as defined hereinafter). This Scheme Document is not transferable. Nothing contained in this Scheme Document shall be binding on CIL or confer any right on the Prospective Bidders. The examples set out in this Scheme Document are for illustrative purposes only.*

*In the event of any inconsistency or difference between the provisions of this Scheme Document, the Notice Inviting Registration (as defined hereinafter) and/or the Notice (as defined hereinafter), this Scheme Document shall prevail.*

## 2. Introduction

### 2.1 Background and Policy guidelines(Policy):

- i. *SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) policy issued by Ministry of Coal (“MoC”) vide letter (23011/15/2016-CPD/CLD) dated May 22, 2017 for allocation of coal to power sector.*
- ii. *Amendment of SHAKTI policy issued by MoC vide letter (CLD -23028/10/2018-CLD- Part (1) dated March 25, 2019.*

*Further Amendment of SHAKTI policy issued by MoC vide letter (CLD -23028/10/2018-CLD- Part (1) dated November 08, 2023. Para B(viii a) of SHAKTI policy stands amended as under:*

“All such power plants including private generators which do not have PPAs, shall be allowed coal linkage under SHAKTI Policy for a period of minimum 3 months and upto a maximum of 1 year, provided further that the power generated through that linkage is sold through any product in power exchanges or in short term through a transparent bidding process through Discovery of Efficient Energy Price (DEEP) portal. A methodology in this regard shall be formulated by Ministry of Power, in consultation with Ministry of Coal.”

- iii. Methodology issued by Ministry of Power(MoP): (“**MoP Methodology**”)
  - a. Vide letter No. 23/30/2019-R&R dated December 2, 2019(Methodology for allocation of coal as per provisions of Para B(viii)(a) covering Para B(iii) of SHAKTI Policy of Ministry of Coal amended as per Para 2.1(a) of HLEC Recommendations)
  - b. Amendment issued vide letter No. 23/30/2019-R&R dated May 12, 2020.
  - c. Further Amendment vide letter No. FU-8/2015-IPC(Vol-V);CN:243554 dated April 06, 2022 allowing auction of coal linkages across three separate Auction Windows of 3 months, 6 months and 12 months corresponding to the capacity for which the Specified End Use Plant has participated in a particular Auction Window
  - d. Methodology issued with respect to 2.ii above by MoP vide letter no. FU-8/2015-IPC(Vol-V) dated 15.03.2024.
- iv. CEA Guideline: (the “**Guidelines**”)
  - a. CEA guideline issued on January 14, 2020
  - b. Amendment issued vide letter No. 294/SHAKTI B(viii) (a)/TPP&D/CEA/2020/ dated May 26, 2020
  - c. Further amended vide MoP letter No. FU-8/2015-IPC(Vol-V)(Part-3) dated May 25, 2022 allowing auction of coal linkages across three separate Auction Windows of 3 months, 6 months and 12 months corresponding to the capacity for which the Specified End Use Plant has participated in a particular Auction Window.
- v. Coal Linkages: Each Lot identified in Annexure V is being auctioned strictly for prospective consumption at the registered Specified End Use Plant(s) of the Bidders for generation of power through the Allocated Quantity to be sold in any product in power exchanges or in short term through a transparent bidding process through DEEP Portal (“Specified End Use”); and any transfer, and/or sale of any Allocated Quantity, shall not be permitted, in any manner whatsoever. Any swapping and/or rationalisation of the Allocated Quantity shall be in accordance with extant applicable policy. In case of any diversion of Coal from the Allocated Quantity, the Successful Bidder shall not be given coal under any policy for a period of three years. The net surplus, after meeting operating expenses, generated pursuant to the Specified End Use of the Allocated Quantity in the aforesaid manner, shall be entirely used for servicing debt in the first place, in accordance with the mechanism prescribed by the MoP vide Office Memorandum (No. L-2/2018-IPC(Part-4)) dated August 5, 2019 and Office Memorandum (No. L-2/2018-IPC(Part-6)) dated August 20, 2019, as amended from time to time.
- vi. The relevant links of the policies and guidelines as mentioned above:
  - a. <https://coal.gov.in/sites/default/files/2019-10/220517.pdf>
  - b. <https://coal.gov.in/sites/default/files/2020-01/25-03-2019.pdf>
  - c. [https://powermin.gov.in/sites/default/files/Amendment\\_on\\_Methodology\\_for\\_allocation\\_of\\_coal\\_as\\_per\\_provisions\\_amended\\_as\\_per\\_Para\\_of\\_HLEC\\_Reco.pdf](https://powermin.gov.in/sites/default/files/Amendment_on_Methodology_for_allocation_of_coal_as_per_provisions_amended_as_per_Para_of_HLEC_Reco.pdf)

- d. [https://powermin.gov.in/sites/default/files/Methodology\\_for\\_allocation\\_of\\_coal\\_as\\_per\\_provisions\\_of\\_ParaB\\_SHAKTI\\_Policy\\_of\\_Ministry\\_of\\_Coal\\_amended.pdf](https://powermin.gov.in/sites/default/files/Methodology_for_allocation_of_coal_as_per_provisions_of_ParaB_SHAKTI_Policy_of_Ministry_of_Coal_amended.pdf)
- e. [https://cea.nic.in/wp-content/uploads/tpp\\_d/2022/05/Procedure\\_for\\_Operationalization\\_of\\_MoP\\_Methodology\\_for\\_all\\_ocation\\_of\\_coal\\_linkage\\_under\\_Para\\_B\\_viii\\_a\\_of\\_SHAKTI\\_Policy\\_reg.pdf](https://cea.nic.in/wp-content/uploads/tpp_d/2022/05/Procedure_for_Operationalization_of_MoP_Methodology_for_all_ocation_of_coal_linkage_under_Para_B_viii_a_of_SHAKTI_Policy_reg.pdf)
- f. [https://cea.nic.in/wp-content/uploads/2020/04/CEA\\_Guidelines\\_for\\_coal\\_linkage\\_auction\\_under\\_SHAKTI\\_Bviiiia.pdf](https://cea.nic.in/wp-content/uploads/2020/04/CEA_Guidelines_for_coal_linkage_auction_under_SHAKTI_Bviiiia.pdf)
- g. [https://cea.nic.in/wp-content/uploads/tpp\\_d/2020/07/Rev%20Amendment%20in%20Guidelines%20for%20coal%20aut ion.pdf](https://cea.nic.in/wp-content/uploads/tpp_d/2020/07/Rev%20Amendment%20in%20Guidelines%20for%20coal%20aut ion.pdf)
- h. [https://powermin.gov.in/sites/default/files/Mechanism\\_dated\\_05\\_08\\_2019.pdf](https://powermin.gov.in/sites/default/files/Mechanism_dated_05_08_2019.pdf)  
[https://powermin.gov.in/sites/default/files/Corrigendum\\_dated\\_to\\_Mechanism\\_0.pdf](https://powermin.gov.in/sites/default/files/Corrigendum_dated_to_Mechanism_0.pdf)  
[https://powermin.gov.in/sites/default/files/Methodology\\_for\\_allocation\\_of\\_coal\\_as\\_per\\_provisions\\_of\\_ParaB\\_SHAKTI\\_Policy\\_of\\_Ministry\\_of\\_Coal\\_amended.pdf](https://powermin.gov.in/sites/default/files/Methodology_for_allocation_of_coal_as_per_provisions_of_ParaB_SHAKTI_Policy_of_Ministry_of_Coal_amended.pdf)

- 2.1.1 CEA publishes a notice inviting requisition from interested bidders for B(viii a) Auction of 3/6/12 monthly period(the “**Notice**”).
- 2.1.2 CIL/Subsidiary intends to provide offer for Coal Linkages for the respective and concerned Auction Windows(3/6/12 monthly) under each tranche as per Paragraph B(viii)(a) of the Policy covering Paragraph B(iii) of the Policy in accordance with the MoP Methodology and the Guidelines, pursuant to a non-discriminatory ascending clock auction process to be conducted on the Electronic Platform. A separate notification shall be uploaded for each tranche of B(viii a) auction under this scheme mentioning concerned auction period(3/6/12 months) (“**Auction**”).
- 2.1.3 This Scheme Document is being issued by CIL for the B(viii a) Auction which is applicable for three Auction Windows of (3/6/12 months) .

### **3. Auction Process**

#### **3.1 Submission of Requisition**

- 3.2.1 Pursuant to the Notice by CEA as mentioned in clause 2.1.1 above, each Bidder is required to submit the details, documents and/or information to CEA as requisitioned in and no later than the timeline, as has been prescribed in the Notice.
- 3.2.2 The information submitted by a Bidder in response to the Notice shall be verified by the CEA, on the basis of the documentation/information submitted by each such Bidder. In case any additional information is required from a Bidder, the same shall be provided by the Bidder within the specified timeframe.

#### **3.2 Registration:**

Pursuant to the Notice Inviting Registration, a Power Producer/IPP, meeting the Eligibility Conditions set out in Clause 4 and which is desirous of participating in the Auction through its Specified End Use Plant(s), is required to register such Specified End Use Plant(s) on the website of the Service Provider appointed by CIL (“**Electronic Platform**”), within the timeline as has been prescribed in the Notice Inviting Registration, against payment of a one time non-refundable fee of Rs. 10,000/- plus applicable taxes (“**Registration Fee**”). Already registered bidders under previous tranches of B(viii a) (prior to tranche XVII) shall be required to register again in the mjunction portal but Registration fee will not be chargeable for such one time registration. However, the bidders once registered in the Mjunction portal will not be required to registered again. An IPP/Power Producer which registers its Specified End Use Plant(s) on the Electronic Platform in accordance with this Clause 3.1 shall be referred to as a “**Bidder**”.

In the event that the Specified End Use Plant registered under this Clause 3.1 by a Bidder combines 1 (one) or more units, for the purposes of the entire Auction, the Bidder shall not be permitted to (a) split

such units and (b) submit separate Bid(s) in respect of such unit(s), at any subsequent stage.

The link for the registration, as already provided in the Notice Inviting Registration, is provided below:

<https://auction.coaljunction.com/CoalWeb/getLinkageSignUpAction.do>

or any other link uploaded/notified time to time.

The technical details and other information with respect to access to the Electronic Platform and bidding thereon and contact details of auction service provider are provided in **Annexure IV**

### 3.3 Normative Coal Requirement

3.3.1 CEA shall (i) verify and confirm the eligibility of the Bidders as per the Eligibility Conditions set out in Clause 4; and (ii) calculate (on the basis of the formula set out below in Clause 3.3.3) and provide the Normative Coal Requirement (*as defined hereinafter*) of each of such Bidders for the applicable/concerned Auction Window(3/6/12 months period, as applicable) for which the Bidders have submitted their details pursuant to the Notice.

3.3.2 Each registered Bidder, who meets the Eligibility Conditions (as verified by the CEA) and for whom the Normative Coal Requirement (as calculated by the CEA) is set out on the Electronic Platform as per Clause 3.3.3, shall be referred to as an “**Eligible Bidder**”.

3.3.3 The normative coal requirement for each Specified End Use Plant of the Eligible Bidders corresponding to each Auction Window shall be calculated as follows and the figure so calculated shall be referred to as the “**Normative Coal Requirement**”:

Normative Coal Requirement for an Auction Window (MT) in G13 grade equivalent = [Normative Energy Requirement (in kcal for the Auction Window of applicable period(3/6/12 months))] divided by [(10<sup>9</sup>) multiplied by (the gross calorific value of G13 grade of coal as specified in **Annexure VI**)]

#### Where:

Normative Energy Requirement (in kcal) for an Auction Window = [100% x {energy requirement (calculated in kcal on the basis of the consumption norms set out in **Annexure VI**) of the Specified End Use Plant for the Auction Window of applicable period(3/6/12 months) and for the capacity<sup>#</sup> for which the Bidder has participated in the Auction Window and against which the Bidder does not have a PPA less the energy requirement for the Auction Window of applicable period(3/6/12 months) for sale of power on merchant basis met through the captive coal mine/coal block }]

<sup>#</sup>For the purpose of computation of Normative Coal Requirement, capacity shall be gross capacity at generation end.

It is further clarified that, for the purposes of computation of the Normative Energy Requirement basis the abovementioned formula, at any stage of the Auction Process, if the energy requirement of the Specified End Use Plant for the Auction Window of applicable period(3/6/12 months) met through any allocation of coal linkage(s) pursuant to the Auction of any Lot conducted by CIL and/or by SCCL under Paragraph B(viii)(a) of the Policy covering Paragraph B(iii) of the Policy shall be deducted, irrespective of the status of issuance of the Intimation Letter or Commencement of Coal Supply.

3.3.3.1 Upon submission of the details, documents and information in response to the Notice as specified in Clause 3.5.1, the Normative Coal Requirement for each Auction Window of applicable period(3/6/12 months) in which the Bidder has participated and for various grades of coal with respect to a Specified End Use Plant of Eligible Bidders shall be set out on the Electronic Platform. The Normative Coal Requirement for an Auction Window of applicable period(3/6/12 months) shall be subject to reduction on a progressive basis depending on the allocations made to the Eligible Bidder during the Auction Process for the respective Auction Window and the Eligible Bidder shall be informed of the same on the Electronic Platform.

3.3.3.2 The Eligible 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 the Process Fee payable by them.

### **3.4 Pre-Auction Consumer Conference -**

Pre-auction consumer conference(s) may be convened at a time and place specified by CIL in physical/electronic mode (“Pre-Auction Consumer Conference(s)”). However, decision for conducting the consumer conference shall be sole discretion of CIL. During the course of Pre-Auction Consumer Conference(s), the Prospective Bidders/Bidders will be free to seek clarifications and make suggestions for the consideration of CIL

### **3.5 Conditions to Auction**

Subject to satisfaction of the following conditions, the Eligible Bidder shall be entitled to participate in the Auction, the procedure of which is set out in Clause 3.6:

3.5.1 the Eligible Bidder has submitted the necessary details in response to the Notice and the other documents/information in accordance with Clause 3.2;

3.5.2 the Eligible Bidder shall submit all documents/information in support thereof as specified in Clause 4.1.6 and shall submit the relevant information required under **Annexure IV**. and

3.5.3 the Eligible Bidder shall submit the Process Fee in accordance with Clause 5.1 and the Bid Security in accordance with Clause 5.2 within the specified timeframe.

### **3.6 Auction**

3.6.1 The Coal Linkages shall be auctioned Lot wise as per the sequence and schedule of B(viii a) auction notified by Service Provider. In case the Auction of Coal Linkages of any Lot of a particular Supply Period 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 from the last Lot for such Supply Period as per the auction sequence specified in **Annexure V**. Correspondingly, auction of Lots for the remaining Supply Period, if any in the sequence, shall also be deferred and shall be conducted post completion of auction of Lots in the preceding Supply Period.

#### ***Example 1:***

*There are 15 Lots (numbered L1 to L15) with a proposed auction sequence of 4 Lots per day at 11:00 HRS, 13:00 HRS, 15:00 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, Lot 3 and Lot 4 will be deferred and will be conducted after the Auction of the Coal Linkages from Lot 15*

3.6.2 The Auction Process for Auction of Coal Linkages shall be conducted in the following manner:

3.6.2.1 The Auction for Coal Linkages from every Lot will be conducted in multiple rounds.



- 3.6.2.2 The floor price for the Auction in the first round of the Auction Process shall be the Notified Price (for cost plus sources, the price mentioned by WCL in the offer/notification) (“**Reserve Price**”) and the Eligible Bidders shall submit its Bid for a particular Link Quantity in accordance with the provisions hereunder.
- 3.6.2.3 In round 1 of the Auction, the premium shall be Rs. zero/tonne against which the Eligible Bidders will be required to indicate their Link Quantity.
- 3.6.2.4 At the end of each round of 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 Eligible Bidders may offer to purchase the Link Quantity against the Reserve Price plus premium for such round.
- 3.6.2.5 Each Bid submitted by an Eligible 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.
- 3.6.2.6 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 an Eligible Bidder pursuant to Clause 3.6.2.6 above, is not as per the Transport Factor, such entitlement shall be decreased and rounded off (downwards) to fit as per Transport Factor (such downward adjustment in the coal entitlement may hereinafter referred to as the “**Adjustment**”).

Each Eligible 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 computed under Clause 3.6.2.6 above) post Adjustment, if any, shall be referred to as the “**Allocated Quantity**”.

It is clarified that each Successful Bidder shall be entitled to receive only the Allocated Quantity subject to fulfilment of the conditions set out in this Document and that the Allocated Quantity shall be used by the Successful Bidder only for the Specified End Use.

In case Demand Supply Ratio is 100% (one hundred per cent) or less in round 1 of the Auction, each Eligible Bidder shall be allocated their Link Quantity for that round at the Reserve/Floor Price.

- 3.6.2.7 The Eligible Bidders will have to abide by the following conditions in each round of the Auction:
- 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;
  - 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
  - the Link Quantity in a particular round shall be lower than or equal to the Link Quantity quoted in the previous round.

### **3.6.3 Issuance of Intimation Letter to Successful Bidders**

On behalf of concerned Coal company, the auction service provider, on Completion of the Auction Process (wholly/partially) for any tranche of the Auction & upon receipt of clearance/order/advice/intimation from CIL/Coal company for issuing Intimation Letter, will issue, within 3 days, a system generated intimation (in

the format set out in **Annexure X**) (“**Intimation Letter**”) by the Electronic Platform to each of the Successful Bidders in respect of *inter alia* the cumulative Allocated Quantity of such Successful Bidder with lot-wise details..

### **3.6.4 Submission by Successful Bidder(s) and Commencement of Coal Supply**

#### 3.6.4.1

- (a) Within 21(Twenty One) days of issuance of Intimation Letter to a Successful Bidder pursuant to Clause 3.6.3 above, such Successful Bidder shall submit a Performance Security(for RTGS/cash, in electronic mode; for BG in electronic and physical mode) as specified in Clause 5.4 and an affidavit confirming availability of necessary documents and information (in the format specified in **Annexure XVII**), to the auction service provider; and
- (b) The auction service provider will be responsible for verification/vetting/crosschecking of documents/details submitted by the bidder for the purpose of signing Fuel supply agreement. On due completion of the above formalities, within maximum 10 days, the FSA (in the format of model FSA specified in **Annexure III**) with the relevant Subsidiary in respect of the Allocated Quantity from a particular Lot will be executed in digital/electronic/online mode through the portal/platform of auction service provider.

3.6.4.2 The FSA shall be executed between the Successful Bidder and the relevant Subsidiary in respect of the Allocated Quantity from a particular Lot, upon being satisfied of the fulfilment of all the conditions set out in this Scheme Document including the condition set out in Clause 3.6.4.1.

3.6.4.3 The Successful Bidder shall not be entitled to seek any deviation, modification or amendment in the Scheme Document including key terms of Coal Supply, except with the prior written approval of the relevant Subsidiary. The terms of this Scheme Document shall be deemed to be incorporated in the executed FSA by reference and to form a part of the executed FSA and the relevant Subsidiary shall be entitled to exercise all its rights and remedies as stipulated in this Scheme Document.

### **3.6.5 Tests of Responsiveness**

3.6.5.1 At any time prior to or post issuance of Intimation Letter through portal/platform of auction service provider, CIL/relevant Subsidiary/auction service provider may determine whether the documents, information submitted and/or payments made by the Bidder are as per the Scheme Document. CIL/relevant Subsidiary reserves the right to disqualify any Bidder, and withdraw the entitlement to the Allocated Quantity, forfeit the Bid Security, Performance Security and/or Process Fee, as the case may be, and in such event the Intimation Letter shall stand revoked, if CIL and/or the relevant Subsidiary is of the opinion that the Conditions to Auction or any other requirements for subsequent submissions have not been duly satisfied. While making any determination with respect to responsiveness of any documents, information and/or payments submitted or received from a 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:

- (a) are as per the prescribed formats and have been submitted or paid in the manner stipulated in this Scheme Document;
- (b) have been submitted by the Due Date including any extension thereof;
- (c) contain all the information (complete in all respects) as requested in this Scheme Document;
- (d) are not incorrect, false or misleading etc.;
- (e) do not contain any inconsistency, error, omission, condition and/or qualification;
- (f) have been provided in relation to each Specified End Use Plant;

- (g) are generally not considered to be non-responsive in terms of any other parameters as may be considered relevant by CIL;
- (h) are strictly in compliance with this Scheme Document and the provisions contained herein; and
- (i) are not liable to be disqualified pursuant to any disqualification event(s) set out at Clause 6.4

3.6.5.2 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 3.6.5.

#### 3.6.6 **Schedule of the Auction Process**

The schedule of the Auction Process shall be as per the estimated timelines of the concerned auction tranche(of specific window of 3/6/12 months period) as specified separately. The said timelines are merely indicative and tentative in nature. The same are subject to change as per the sole discretion of CIL. Any change in the said timelines will be set out on the Electronic Platform, which will be considered as part of this Scheme Document. Bidders are advised to regularly check the Electronic Platform in order to be informed of the same.

### **4. Eligibility Conditions**

4.1 A Bidder would be required to comply with the following eligibility conditions for participating in each Auction Window:

- 4.1.1. As on the last date for submission of details specified in the Notice, the Specified End Use Plant of the Bidder should have an untied(without PPA) commissioned capacity for which the plant shall be allowed to participate for auction of Coal Linkage for short term period(maximum upto one year) as per applicable methodology/policy/guideline/Scheme. Where 'untied(without PPA) commissioned capacity' of a Specified End Use Plant shall be the capacity which is already commissioned and subject to the following:
  - i. Which do not have Power Purchase Agreements(PPAs); or
  - ii. Having PPA(s) which is expiring within one month of date of EOI publication;
  - or
  - iii. Having a PPA which has been signed but is not effective on the date of EOI publication and also not likely to be effective during the duration of coal supply;

It is clarified that the effective date of PPA shall be the date of PPA adoption by appropriate Regulatory Commission or the date of commencement of power supply as per PPA, whichever is later.

4.1.2. It is hereby clarified that any Bidder having existing linkage/letter of assurance/FSA/Coal Block in respect of its Specified End Use Plant may participate in the Auction if it qualifies under Clause 4.1.1.

4.1.3. It is hereby further clarified that a Bidder which was a successful bidder in respect of its Specified End Use Plant under the auction conducted by CIL under Paragraph B(iii) of the Policy may participate in the Auction if it qualifies under Clause 4.1.

4.1.4. The Bidder should be the owner of the Specified End Use Plant registered under Clause 3.1.

4.1.5. The Bidder should not have been convicted for wrongful utilization of coal by the Central Bureau of Investigation or any other governmental authority or statutory or judicial body.

#### 4.1.6. **Power of Attorney, Affidavit cum Undertaking**

4.1.6.1. The Eligible Bidder will be required to upload scanned copies of the following documents on the

Electronic Platform, as part of the Conditions to Auction specified in Clause 3.5.2:

- (a) an affidavit cum undertaking in the format set out in **Annexure I**, wherein the Eligible Bidder shall undertake to *inter alia* comply with all Applicable Laws including environmental laws
- (b) power of attorney in the format set out in **Annexure II** in favour of the Authorised Signatory, 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. authorising such person to issue a power of attorney in favour of the Authorised Signatory to act on behalf of the Bidder

## **5. Payments**

### **5.1 Process Fee**

5.1.1 The Eligible Bidder shall be required to deposit a process fee into a designated bank account, the details of which are provided in Annexure IV, within the timelines to be stipulated in this regard, as per the following formula ("**Process Fee**"):

*Rs. 30/- (Indian Rupees Thirty) per tonne (inclusive of goods and services tax) multiplied by the Link Quantity across various Lots.*

5.1.2 The Eligible Bidder shall ensure that the Process Fee shall, at all times during the Auction, correspond to its Link Quantity. Eligible Bidder can top-up the Process Fee prior to the scheduled Auction of the Coal Linkages from the relevant Lot.

5.1.3 The Process Fee pertaining to the Allocated Quantities of each Successful Bidder shall 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 IV**), without interest, to the relevant Successful Bidder after Completion of the Auction Process. In the event that an Eligible Bidder does not qualify as a Successful Bidder, the entire amount of the Process Fee, without any interest, shall be refunded to such Eligible Bidder after Completion of the Auction Process.

5.1.4 The Process Fee shall be forfeited and appropriated *inter alia* in any of the following events or event(s) elsewhere in this Scheme Document:

5.1.5.1 the Bid, information, documents, and/or payments with respect to the Conditions to Auction are determined to be non-responsive in terms of Clause 3.6.5;

5.1.5.2 if a Bidder engages in Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice as specified in Clause 7 of this Scheme Document;

5.1.5.3 in case a Successful Bidder, fails to, or does not fulfil, the conditions set out at Clause 3.5 in the manner prescribed therein;

5.1.5.4 any assignment/transfer which is not in accordance with Clause 6.2;

5.1.5.5 the Bidder has been disqualified for any reason set out in Clause 6.4;

5.1.5.6 the Bidder has participated in the Auction, other than in accordance with the Scheme Document; and/or

5.1.5.7 the Bidder has breached confidentiality in terms of Clause 18.3.

### **5.2 Bid Security**

5.2.1 Each Eligible Bidder shall furnish, as part of the Conditions to Auction, a bid security, within the timelines

to be stipulated in this regard as per the following formula (“**Bid Security**”):

*Rs. 100 (Indian Rupees One Hundred) per tonne of the Link Quantity across various Lots.*

- 5.2.2 The Eligible Bidder shall ensure that the Bid Security shall, at all times during the Auction, correspond to its Link Quantity. In case an Eligible Bidder decides to change the bidding strategy by opting to Bid for a different Link Quantity in a specified Lot, which requires payment of additional Bid Security, the Eligible Bidder shall be required to top-up the Bid Security prior to the scheduled Auction of Coal Linkages pertaining to the Lot.
- 5.2.3 The payments made by the Eligible Bidders towards the Bid Security will be deposited into a designated bank account, the details of which are specified in **Annexure IV**. 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 5.2.4.
- 5.2.4 The refund of the Bid Security submitted by an Eligible Bidder(s) shall be as under:
- 5.2.4.1 The Bid Security for the Allocated Quantity of the Successful Bidder will either be (a) returned to the Successful Bidder, without any interest, post submission of Affidavit & Performance Security to the auction service provider & execution of FSA; or or (b) Successful Bidders may get their Bid Security converted into a Performance Security after issuance of Intimation Letter in accordance with Clause 3.6.3.; and
- 5.2.4.2 the balance Bid Security of the Successful Bidder (net of amounts retained under Clause 5.2.4.1 above), if any, and the Bid Security of other Eligible Bidder(s) (who is not a Successful Bidder) shall be returned by the Service Provider to the Successful Bidder or Eligible Bidder(s), as the case may be, without any interest, after Completion of the Auction Process.
- 5.2.5 The Bid Security shall be liable to be forfeited and appropriated *inter alia* in any of the events specified in Clause 5.2.6 or elsewhere in this Scheme Document.
- 5.2.6 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, or otherwise, under, *inter alia*, the following conditions:
- 5.2.6.1 the Bid, information, documents, and/or payments with respect to the Conditions to Auction are determined to be non-responsive in terms of Clause 3.6.5 ;
- 5.2.6.2 if a Bidder engages in Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice as specified in Clause 7 of this Scheme Document;
- 5.2.6.3 in case a Successful Bidder, fails to, or does not fulfil, the conditions set out at Clause 3.6.4 in the manner prescribed therein;
- 5.2.6.4 any assignment/transfer which is not in accordance with Clause 6.2;
- 5.2.6.5 the Bidder has been disqualified for any reason set out in Clause 6.4;
- 5.2.6.6 the Bidder has participated in the Auction, other than in accordance with the Scheme Document; and/or
- 5.2.6.7 the Bidder has breached confidentiality in terms of Clause 18.3.

### **5.3 Periodic Payments by the Successful Bidder(s)**

- 5.3.1 The Successful Bidder(s) shall be required to make periodic payments for the coal supplied under this Scheme Document on the basis of the following formula:

*[(Aggregate of the Notified Price) and (the Winning Premium % multiplied by the Notified Price) ] multiplied by (the corresponding Allocated Quantity supplied under the FSA)]. (“As Delivered Price of Coal”)*.

*Note: For cost plus sources of WCL:*

- The supply price of cost plus source shall be fixed by WCL using applicable source specific mechanism. Such price shall be notified by WCL at periodic intervals as per the relevant mechanism of respective cost plus mine*
- The Winning Premium(%) fetched at the time of auction (over Reserve/Floor Price ) will remain constant and shall be applicable as a percentage over the concerned Price notification of cost plus source, applicable at the time of supply of coal.*
- CIL/WCL reserves the right to change/amend/modify the above 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 = [aggregate of the cost plus source specific price notified by WCL) and (the Winning Premium(%) multiplied by cost plus source specific price notified by WCL)] multiplied by [the relevant quantity of the Contracted Grade/GCV of Coal supplied].*

- 5.3.2 All the payments shall be made through electronic fund transfer payable as per details communicated by the Seller.
- 5.3.3 The Winning Premium(%) shall remain constant during the Supply Period and shall be payable by the Successful Bidder corresponding to the grade of coal actually supplied by the relevant Subsidiary. The Notified Price may be reviewed by CIL/Coal company periodically and any modification shall be notified to the Purchaser.
- 5.3.3.1 The As Delivered Price of Coal computed as above shall exclude sizing charges, transportation charges up to the Delivery Point, Evacuation Facility charges, statutory charges, levies and any other charges notified by CIL/Subsidiary, which shall be payable additionally by the Purchaser.
- 5.3.3.2 All royalties, taxes, duties, cesses, and such statutory levies payable to the State Government, Central Government and/or to any other statutory authority on the supply, dispatch and delivery of Contracted Grade of Coal shall be borne by the Purchaser.
- 5.3.3.3 The Purchaser shall be liable to make payment to the Seller in terms of the Scheme Document on the basis of Grade and 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.
- 5.3.4 **Transportation charges** - Where Coal is transported by the Seller from the Pithead to the Delivery Point, the Purchaser shall pay for such transportation charges which are notified by CIL/the Seller from time to time. It is clarified that the distance of transportation on surface from the Pithead to the Colliery Loading Point shall be measured along the route of Coal transportation.
- 5.3.5 **Sizing/Crushing charges** - Where Coal is crushed/sized for limiting the top-size, the Purchaser shall pay sizing/crushing charges, as applicable and notified by CIL/the Seller from time to time.
- 5.3.6 **Evacuation facility charges.**
- 5.3.7 **Statutory Charges** - The Statutory Charges shall become effective and payable by the Purchaser from the date as notified by the relevant government/statutory authority.

5.3.8 **Freight Charges** - The entire freight charges shall be solely borne by the Purchaser, without any exception.

5.3.9 **Any other charges, as notified & applicable time to time.**

#### **5.4 Performance Security**

5.4.1 The Successful Bidder shall provide (in accordance with the timelines in Clause 3.6.4), a performance security in the form of i) an irrevocable and unconditional performance bank guarantee) issued by an Acceptable Bank in favour of the relevant Subsidiary or ii) a non-interest bearing security deposit, for the performance of such Successful Bidder's obligations against supply of coal ("**Performance Security**"). The amount of Performance Security shall be computed as follows:

*Performance Security = {[Allocated Quantity of the Successful Bidder] multiplied by [X]}. Where, X is (i) the difference between the notified price of the relevant grade of coal for regulated sector and the corresponding notified price of the relevant grade of coal for the non-regulated sector; or (ii) 6% of the notified price of the relevant grade of coal for the regulated sector, whichever is higher.*

5.4.2 The Successful Bidder, if it so desires, can replace the non-interest bearing security deposit with an irrevocable and unconditional performance bank guarantee (in the format provided in **Annexure X** hereof) issued by an Acceptable Bank in favour of the relevant Subsidiary/CIL at a later stage and upon submission of the performance bank guarantee, Successful Bidders shall have the option to get the refund of security deposit or adjust the security deposit against the periodic payments for the coal supplied as per terms of the Scheme Document.

5.4.3 The Performance Security shall remain valid till 11/14/20 months from the date of Commencement of Coal Supply with respect to 3/6/12 monthly windows or any extended timeline decided by coal company, as the case may be, and shall be returned or refunded to the Purchaser at the end of its validity or on submission of Coal Utilization Certificate as per terms and conditions of the Scheme Document, subject to successful completion of and complete settlement of all claims of the Seller.

5.4.4 The Purchaser shall have the option to submit a common performance security corresponding to Allocated Quantity from multiple Lots for the same Supply Period (3/6/12 months) from the Seller i.e. concerned coal company, the amount of Performance Security to be calculated as above. In such case, the validity period of the Performance Security shall be maximum period as mentioned in point 5.4.3.

5.4.5 **Revision of Performance Security**

5.4.5.1 In the event of any increase in the Notified Price, then:

- (a) In case the Performance Security was provided in the form of a bank guarantee, the Purchaser may provide a new bank guarantee issued by any Acceptable Bank for the revised value; or provide an additional/ top up bank guarantee issued by any Acceptable Bank for an amount corresponding to the incremental value of the Performance Security.
- (b) In case the Performance Security was provided in the form of a non interest bearing security deposit, the Purchaser shall deposit additional amount towards the security deposit.

5.4.5.2 In the event of any decrease in the Notified Price:

- (a) In case the Performance Security was provided in the form of a bank guarantee, the Purchaser may provide a new bank guarantee issued by an Acceptable Bank in the format specified in Annexure X for the revised value. The Seller shall, within 7 (seven) days of receipt of such new bank guarantee, return the original Performance Security to the Purchaser.

- (b) In case the Performance Security was provided in the form of a security deposit, the Seller shall refund the excess value of the security deposit.

5.4.5.3 Any failure of the Purchaser to replenish the Performance Security in the manner specified herein above within 7 (seven) days of notification of change in the Notified Price shall entitle the Seller to suspend the Coal Supply. Further, if the Purchaser fails to replenish the Performance Security within 30 (thirty) days of such suspension of Coal supplies, the Coal Supply shall stand automatically terminated without any further act on the part of the Seller and the Seller shall also have the right to invoke the existing Performance Security.

#### 5.4.6 Invocation/Forfeiture of Performance Security

The Seller shall be entitled to forfeit / invoke the whole or a part of the Performance Security in the following situations:

- (a) in the event that the Purchaser fails to submit the revised incremental Performance Security to the Seller within the timeline stipulated
- (b) non-payment of compensation for Failed Quantity within stipulated timelines
- (c) non-payment of interest on delayed payment
- (d) upon suspension of coal supplies
- (e) failure to replenish Performance Security
- (f) proportionate forfeiture in case any portion of the Allocated Quantity supplied by the Seller (supplied quantity) is not certified by the CEA to have been utilized by the Purchaser;
- (g) Purchaser's failure to submit Coal Utilization Certificate as per stipulated timelines for the reason attributable to Purchaser.
- (h) in the event of any diversion of Coal
- (i) in the event of breach of Clause on (Fraud and Corrupt Practices) of this Scheme Document
- (j) in the event that the Seller becomes entitled to exercise its right to terminate or actually exercises its right to terminate Coal Supply for any other reasons specified in this Scheme Document

5.4.7 In the event of any partial or complete invocation of the Performance Security, the Purchaser would have to replenish the Performance Security within 30 (thirty) days of its invocation hereunder, failing which the Seller shall be entitled to terminate Coal Supply. In the event that the Acceptable Bank issuing the Performance Security does not permit a partial invocation of the Performance Security, the Seller shall be entitled to invoke the whole Performance Security and recover thereunder, the amounts due to it and the balance amount, if any, shall be refunded immediately to the Purchaser within 1 (one) day of replenishment of the Performance Security to the Seller.

## **6. Instructions to Bidders**

### **6.1 General Terms of Bidding**

- 6.1.1 The Bid and all communications in relation to or concerning the Scheme Document, the Bid and the Auction are required to be in the English language.
- 6.1.2 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 shall also apply *mutatis mutandis* to the 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.

6.1.3 Any issuance of Intimation Letter and Commencement of Coal Supply 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.

6.1.4 CIL/its Subsidiary shall be free to amend or repeal this Scheme Document and/or the Intimation Letter without any liabilities or damages, whatsoever, payable to any Bidder.

6.2 **Assignment/Transfer:** The Bidder shall not, without the express prior written consent of CIL, assign to any Person, any right, benefit, obligation or interest arising under or in respect of this Scheme Document.

6.3 **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.

#### **6.4 Verification and Disqualification**

6.4.1 It is hereby clarified that, since the bidder was found eligible by CEA for participation in the Auction, CIL and the relevant Subsidiary shall rely on the Affidavit (in the format set out in **Annexure VII**) submitted by the Successful Bidder. However, CIL/the relevant Subsidiary reserve the right seek any information/document as deemed appropriate by it. In case the issue pertains to the eligibility of the Bidder, the same shall be referred to CEA/or such other relevant Authority.

6.4.2 CIL and the relevant Subsidiary reserve the right to disqualify a Bidder, revoke the Intimation Letter and withdraw the entitlement to the Allocated Quantity and/or terminate the Coal Supply as the case may be, and/or to appropriate/forfeit the entire Bid Security and/or the Performance Security or Process Fee, as the case may be, if:

6.4.2.1 at any time, a misrepresentation, fraud, inconsistency, error and/or omission on part of the Bidder is made or uncovered;

6.4.2.2 the Bidder does not provide, within the time specified by CIL or the relevant Subsidiary, the documents/information sought by CIL or the relevant Subsidiary;

6.4.2.3 the documents, information submitted and/or payments made by the Bidder are not as per the stipulations contained in this Scheme Document;

6.4.2.4 any act or omission of the Bidder results in breach of, violation of or non-compliance with the Policy, the Intimation Letter, this Scheme Document and/or any other document referred therein or issued pursuant thereto or any Applicable Law relevant for the Auction Process;

6.4.2.5 the Bidder has, directly or indirectly or through an agent, engaged or indulged in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice and/or Restrictive Practice as specified in Clause 7 of this Scheme Document during the Auction Process;

6.4.2.6 the Bid, information, documents and/or payments with respect to the Conditions to Auction are determined to be non-responsive in terms of Clause 3.6.5;

6.4.2.7 the Successful Bidder, fails to or does not fulfil any of the conditions of Clause 3.6.4, in the manner prescribed therein;

- 6.4.2.8 any assignment/transfer which is not in accordance with Clause 6.3;
- 6.4.2.9 at any time, any misrepresentation, fraud, inconsistency, error and/or omission in respect of the documents and/or information set out or provided in connection with the Notice and/or thereafter is made or uncovered; and/or
- 6.4.2.10 the Bidder has breached confidentiality in terms of Clause 18.3.
- 6.4.2.11 on finding anything adverse in the bidding behaviour/bid outcome
- 6.4.3 CIL/Subsidiary may also, in its sole discretion, disqualify the Bidder from participating in any subsequent tranche of the Auction.
- 6.5 **Amendment of the Scheme Document:** At any time prior to the Due Date, CIL/Subsidiary may for any reason, modify the Scheme Document by the issuance of an addendum and/or corrigendum and/or updated Scheme Document and/or notification which shall be deemed to be part of this Scheme Document.
- 6.6 Due Date and Extension**
- 6.6.1 The information, documents and payments pertaining to Conditions to Auction shall be submitted/uploaded by the Bidder at least 1 (one) business day prior (till 17:00 hours IST) to the date of the Auction of the Lot for which the Bidder intends to participate in accordance with the process specified in **Annexure IV (“Due Date”)**.
- 6.6.2 CIL may, in its sole discretion, extend the Due Date by issuing an addendum and/or corrigendum, uniformly accessible for all Bidders.
- 6.6.3 Any submission of information, documents and payments pertaining to the Conditions to Auction after the Due Date shall not be eligible for consideration and shall be summarily rejected.
- 6.7 Rejection**
- 6.7.1 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.
- 6.7.2 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.
- 6.7.3 Without prejudice to the generality of the foregoing, CIL reserves the right to reject any Bid or any Bidder’s participation in the Auction on any criteria specified in this Scheme Document, including without limitation, the following:
- 6.7.3.1 Bidder has not submitted all the documents, information, payments and/or details listed in this Scheme Document in the manner prescribed in the Scheme Document;
- 6.7.3.2 the information, documents and/or payments with respect to the Conditions to Auction are determined to be non-responsive in terms of concerned clause;
- 6.7.3.3 Bidder has not submitted the Bid Security and/or the Process Fee;
- 6.7.3.4 Bidder has participated in the Auction, other than in accordance with the Scheme Document;
- 6.7.3.5 Bidder has, directly or indirectly through an agent, resorted to any unfair means and/or engaged in a Corrupt

Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice as specified in Clause 7 of this Scheme Document; and/or

6.7.3.6 Bidder has breached confidentiality in terms of concerned Clause.

6.7.3.7 on finding anything adverse in the bidding behaviour/bid outcome.

## **7. Fraud and Corrupt Practices**

7.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Auction Process, subsequent to the issuance of Intimation Letter, and during the Term of Coal Supply. CIL may reject a Bid or any Bidder's participation, have the Intimation Letter revoked and withdraw the entitlement to the Allocated Quantity, as the case may be, if CIL determines that the Bidder, the Eligible Bidder, or the 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 and/or Restrictive Practice in the Auction Process.

7.2 For the purposes of this Clause 7, the following terms shall have the meaning hereinafter respectively assigned to them:

7.2.1 **"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/its subsidiaries who is or has been associated in any manner, directly or indirectly, with the Auction Process or the Intimation Letter or has dealt with matters concerning the Scheme Document or Coal Supply 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/its subsidiaries, shall be deemed to constitute influencing the actions of a Person connected with the Auction Process); (ii) save and except as permitted under this Scheme Document, engaging in any manner whatsoever, whether during the Auction Process or after the issuance of Intimation Letter or after Commencement of Coal Supply, as the case may be, with any Person in respect of any matter relating to the Auction Process or the Intimation Letter or the Coal Supply 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; or (iii) resorting to any unfair means whether during the Auction Process or after the issuance of Intimation Letter or after the Commencement of Coal Supply, as the case may be, to derive any undue benefit or advantage for any Person that would not have otherwise been available in accordance with the terms of the Scheme Document;

7.2.2 **"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;

7.2.3 **"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;

7.2.4 **"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

7.2.5 **"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, including but not limited to anti-competitive practices such as collusion, bid rigging and/or cartelization.

## **8. Quantity**

### **8.1 Scheduled Quantity (SQ)**

8.1.1 The CQ may be supplied (a) in 3/6/12 (three/six/twelve) equal monthly instalments for 3 monthly, 6 monthly and 12 monthly B(viii a) linkage auction respectively, where each instalment shall be one third/one sixth/one twelfth (1/3rd)/(1/6th)/(1/12th) respectively of the CQ as provided in the Intimation Letter of the concerned 3/6/12 monthly auction; or (b) entirely in a single instalment in the first month of the Supply Period subject to consent by coal company for mutually agreed schedule and availability of coal .

Such instalment mentioned above may hereinafter be referred to as the “**Scheduled Quantity**” or “**SQ**”).

8.1.2 In the event the SQ is not sufficient for formation of a rake in a month, such SQ or part thereof shall be permitted to be carried forward and clubbed with the SQ of the next month or of the subsequent month, if required, until such cumulative quantity is sufficient to form a rake of Coal. However, no carry forward of any SQ or part thereof will be permitted beyond the Supply Period and the same shall lapse upon expiry of Supply Period. No Intimation Letter shall be issued to those bidders whose Allocated Quantity under an Auction Window for a particular Supply Period from a particular source (Rail source) is less than 4000 tonnes. No penalty shall be levied on the quantity which could not be lifted due to such quantity being insufficient for formation of rake.

## 8.2 Variation in SQ

8.2.1 Variation of less than 10% (ten percent) in a SQ, may be made if the same is notified to other Party prior to commencement of that Month. Variation of 10% (ten percent) or more, in SQ whether due to insufficient quantity for formation of a rake or otherwise, may be made only with the written mutual consent of the other Party, expressed prior to commencement of that Month. The total quantity of coal supplied in the Supply Period, shall not exceed the CQ.

## 8.3 Compensation for short delivery/lifting

8.3.1 If for the Supply Period, the Level of Delivery by the Seller, or the Level of Lifting by the Purchaser falls below 75% of CQ (“**Failed Quantity**”), the defaulting Party shall be liable to pay compensation to the other Party of an amount equivalent to the shortfall in Level of Delivery or Level of Lifting as the case may be (“**Failed Quantity**”) in terms of the following:

Level of Delivery / Lifting of Coal in the Supply Period	Percentage of Penalty for the failed quantity (at the rate of weighted average of Notified Prices of Grades of Coal supplied)
Below 75% but up to 65% of CQ	0 – 10
Below 65% but up to 50% of CQ	10 – 40
Below 50% of CQ	40

Such compensation for short delivery/lifting, shall, however, not be applicable for both Purchaser/Seller in the following case:

- Portion of bid quantity not sufficient to form a rake and not deliverable by Rail mode

The penalty payable shall be computed in the same manner as done slab-wise for computation of income-tax. However, unlike income tax, the percentage of compensation shall grow on linear basis within each slab

8.3.2 The Seller shall be entitled to modify/amend the penalty levels pursuant to review undertaken by the MOC.

8.3.3 Compensation for the Failed Quantity shall be payable by the defaulting Party to the other Party within a period of 15 (fifteen) days from the date of receipt of a claim in this regard from the non-defaulting Party. In the event of non-payment within the due date, the defaulting Party shall be liable to pay interest as per the terms and conditions of the Scheme Document. In the event that the compensation along with interest payable thereon is not paid within a period of 30 (thirty) days of receipt of the claim as aforesaid, the Seller shall have the right to invoke the Performance Security. No penalty shall be levied in case of short delivery/lifting due to non-formation of rake.

#### 8.4 **Level of Delivery**

Level of Delivery shall be calculated in the form of percentage as per the following formula:

$$\text{Level of Delivery (LD)} = \frac{(\text{DQ} + \text{DDQ} + \text{FM} + \text{RF}) \times 100}{\text{CQ}}$$

Where:

LD = Level of Delivery of Coal by the Seller for the Supply Period.

DQ = Delivered Quantity, namely, aggregate actual quantities of Coal delivered by the Seller.

DDQ = Deemed Delivered Quantity, reckoned as per Scheme Document

FM = Proportionate quantity of Coal which could not be delivered by the Seller during the Supply Period due to occurrence of a Force Majeure Act(s) affecting the Seller and/or the Purchaser, calculated as under:

$$\text{FM} = \frac{\text{CQ} \times \text{Number of days lost under applicable Force Majeure Act(s)}}{90}$$

Note: For the purpose of calculation of ‘Number of days lost under applicable Force Majeure Act(s)’, affecting both the Parties shall be counted only once.

RF = Quantity of Coal that could not be supplied by the Seller owing to the railways not allotting wagons or not placing wagons for loading, in spite of valid indent/offer submitted by the Seller to the railways against valid program(s) submitted by the Purchaser for the purpose.

#### 8.5 **Level of Lifting**

Level of Lifting shall be calculated in the form of percentage as per the following formula:

$$\text{Level of Lifting (LL)} = \frac{(\text{CQ} - \text{DDQ}) \times 100}{\text{CQ}}$$

Where:

LL = Level of Lifting of Coal by the Purchaser.

DDQ shall have the same meaning as given in point 8.6.

For the purpose of computing DDQ and RF, the weight per rake will be as specified by the Seller in the Intimation Letter or any other relevant document/notification, which shall be used for calculation of compensation from either the Purchaser or the Seller..

#### 8.6 **Deemed Delivered Quantity**

The aggregate of the following items shall constitute the Deemed Delivered Quantity (“**Deemed Delivered Quantity**”).

##### 8.6.1 For supply of Coal by rail

- (a) The quantity of Coal not supplied by the Seller owing to omission or failure on the part of Purchaser to submit the requisite rail programme(s) as per extant procedure with respect to the Scheduled Quantity.

- (b) The quantity of Coal not supplied by the Seller owing to cancellation, withdrawal or modification of the rail programme(s) by the Purchaser after its submission whether before or after allotment of wagon(s) by railways.
- (c) The quantity of Coal not supplied by the Seller owing to Purchaser's failure to pay and/or submit/maintain IRLC or Usance LC, as applicable
- (d) The quantity of Coal not supplied by the Seller owing to Seller exercising the right of suspension of supplies
- (e) The quantity of Coal offered by Seller from a Secondary Source not accepted by the Purchaser.

#### 8.6.2 For Supply of Coal by road/ ropeways/MGR/belt conveyor

- (a) The quantity of Coal not supplied by the Seller owing to the Purchaser's failure to pay and/or submit IRLC or Usance LC, as applicable
- (b) The quantity of Coal not supplied by the Seller owing to the Seller exercising the right of suspension of supplies
- (c) The quantity of Coal not supplied by the Seller owing to the Purchaser's failure to place the requisite number/type of transport at the Delivery Point for delivery of Coal within the Validity Period of the sale order/delivery order.
- (d) The quantity of Coal offered by Seller from a Secondary Source not accepted by the Purchaser.

### 9. Supply of coal:

#### 9.1 Source of Supply

9.1.1 The Seller shall endeavor to supply the Coal in accordance with the details mentioned in Schedule 1 of the Intimation Letter. In case the Seller is not in a position to supply the Scheduled Quantity of the Coal on account of a Force Majeure Act, the Seller shall have the option to supply the balance quantity of the Coal from the secondary source, if any, indicated in Schedule 1 of the Intimation Letter ("**Secondary Source**"). Further, in case of supply of Coal from the Secondary Source, the Purchaser shall accept the Coal directly from such Secondary Source. Additional costs incurred due to supply of the Coal from the Secondary Source shall be borne by the Purchaser.

9.1.2 No flexibility shall be given to the Purchaser to take delivery of the Coal through any mode other than the mode specified in Schedule 1 of the Intimation Letter.

9.1.3 In the event of any material change in the Coal Distribution System due to a government directive/notification, at any time after Commencement of Coal Supply, the Seller shall within fifteen (15) days of introduction of such change provide a written notice to the Purchaser. If the Parties are unable to arrive at a mutually agreed position in this regard within a period of thirty (30) days from the date of notice, the Parties shall refer the matter to the Government of India for a decision

#### 9.1.4 Modality for dealing with change of grade of the auctioned source:

##### 9.1.4.1 Change in grade after auction is conducted but LOI not issued:

LOI to be issued by the service provider in the revised grade with the following particulars:

- Revised Bid price applying percentage premium over notified/floor of revised grade, as the case may be.
- Revised(reduced) bid quantity in case of grade upgradation(considering GCV of concerned grades). No change in Bid quantity for down-gradation.
- Revised amount of performance security.

The above will be done on the basis of required information/details made available by the coal company to the auction service provider.

#### **9.1.4.2 Auction conducted and LOI issued in pre-revised grade details but FSA yet to be executed**

Addendum to the LOI (mentioning effective date from original LOI issuance date) to be issued by the service provider in the revised grade with the following particulars:

- Revised Bid price applying percentage premium over notified/floor price of revised grade, as the case may be.
- Revised(reduced) bid quantity in case of grade upgradation(considering GCV of concerned grades). No change in Bid quantity for down-gradation.
- Revised amount of performance security.
- Reference of grade change notification by coal company

The above will be done on the basis of required information/details made available by the coal company to the auction service provider.

#### **9.1.4.3 After execution of FSA:**

The addendum/amendment to the FSA to be executed between Seller and Buyer in the revised grade with the following particulars:

- Revised Bid price applying percentage premium over notified/floor price of revised grade, as the case may be.
- Revised(reduced) bid quantity in case of grade upgradation(considering GCV of concerned grades). No change in Bid quantity for down-gradation.
- Revised amount of performance security.
- Reference of grade change notification by coal company.

**9.1.4.4** In case additional performance security is required to be taken from the bidder due to grade/price change, as the case may be, then the bidder will have option to deposit the same as following:

- i. Enhancing value of existing Performance Security
- ii. Providing Top up Performance Security.

In case of performance security in BG, the bidder may enhance BG value or may submit the additional amount in electronic mode

**9.1.4.5** Acceptance of such change of grade structure, post bidding, will not be binding to the bidder. In case of non-acceptance of such grade structure prior to signing of FSA, the bidder may opt out

from the bid without any EMD forfeiture by giving a written communication to auction service provider showing their unwillingness to execute FSA in the changed grade. In case FSA is already signed, the bidder/Purchaser shall have right to terminate the Agreement, on the specific ground of change of declared grade post bidding, subject to a notice to the Seller of maximum period of 15(fifteen) days given in writing to the Seller, without security deposit forfeiture subject to final reconciliation.

## **9.2 WEIGHMENT OF COAL**

- 9.2.1 For dispatch of Coal by rail, all the wagons loaded for the Purchaser shall be weighed at the loading end at the electronic weighbridge of the Seller and electronic print-out of actual weight recorded shall be provided. Such weighment shall be final and binding for determination of the quantity delivered. The Purchaser shall have the right to witness the weighment of the wagons at the weighbridge, if desired. The Seller shall annex copy of such electronic print-outs along with the bill(s) raised by the Seller.
- 9.2.2 Only in the absence of weighment of Coal on electronic weighbridge at the loading end, the weight recorded at the Purchaser's electronic weighbridge with an electronic print-out facility at the Unloading Point, if in proper working order, shall be taken as final. In respect of unweighed consignments/wagons at the Delivery Point on electronic weighbridge and weighed on electronic weighbridge at the Purchaser's end, the Purchaser shall submit the associated electronic print-out to the Seller for such consignments/wagons within thirty (30) days from the date of railway receipt, beyond which time the weight of the consignment shall be considered on railway receipt basis.
- 9.2.3 If both the weighbridges installed by the Seller as well as the Purchaser are defective/not available for recording weight of the consignments of Coal, weighted average quantity of Coal per wagon (to be determined separately for respective types of wagons in the circuit), as per the actual weighment over a continuous period of immediately preceding seven (7) days shall form the basis for determining the quantity of Coal at that Delivery Point, till such time any one of the weighbridges is corrected and put back into operation. If the weighbridges at both the Seller's and the Purchaser's end are not available for recording weight of Coal and actual weighment over a continuous period of immediately preceding seven (7) days is also not available then weight of Coal for such unweighed wagons shall be taken as per the weight indicated in the railway receipts.
- 9.2.4 The Seller and the Purchaser shall permit access to and make facilities available at its weighbridge, for representatives of either Party to witness and note the weight for the consignment. In case the representative of any Party fails to be present, at the time of such weighment, the weight recorded by the representative of the other Party in accordance with the relevant provision of this document shall be final and binding.
- 9.2.5 The weighbridges both at the Seller's end and at the Purchaser's end shall be kept duly calibrated as per the Weights and Measures Standards. Both the Seller and the Purchaser shall have the right to witness the calibration of the weighbridge at each other's end.

## **9.3 Operation and Maintenance of Weighment System**

The Parties shall at their respective costs,

- 9.3.1 Operate and maintain their weighbridges in good working order and in accordance with the Weights and Measures Standards and other Applicable Laws;
- 9.3.2 Cause the weighbridge to be inspected, tested and certified by the statutory agencies in accordance with and at the intervals required by the Weights and Measures Standards and the Parties shall, at



their cost, extend/make available all requisite facilities required for the purpose of testing and/or calibrating the weighbridge.

- 9.3.3 For dispatch of Coal by road, the weight recorded at the electronic weighbridge of the Seller at the loading end shall be final for the purpose of billing and payment. The Purchaser shall have the right to witness the weighment at the colliery, if desired. The weighbridge shall be calibrated as per the provisions of Applicable Laws. The Purchaser shall have the right to witness such calibration.
- 9.3.4 For dispatch of Coal by belt conveyor, a weightometer shall be installed at the end of the Seller and weight recorded by the weightometer shall be the weight of Coal supplied. The weightometer shall be kept under joint seal and will be repaired/recalibrated in the presence of the representatives of the both the Parties, wherever necessary.
- 9.3.5 For dispatch of Coal by MGR system, weight recorded at the loading end through the electronic weighment system shall form the basis for determining the quantities of Coal delivered.

#### **9.4 METHOD OF ORDER BOOKING AND DELIVERY OF COAL**

The Purchaser shall submit programme either on a monthly basis or a single programme for the entire CQ, during the Supply Period, mode-wise for off-take of Coal as under:

##### **9.4.1 Order Booking by Rail**

- 9.4.1.1** The Purchaser shall submit the programme(s) and shall comply with all requisite formalities, rules and procedures as prescribed by the railways by time to time.
- 9.4.1.2** Subject to Para 9.4.1 of this document and other obligations of the Purchaser under this Agreement, the Seller shall provide consent, take allotment and place indents etc. in accordance with extant railway rules and procedures.
- 9.4.1.3** In case of formation of rakes with wagons loaded from different Delivery Points, the Seller shall make best efforts to complete documentation formalities as per railway rules and procedures so as to enable the Purchaser to avail a trainload freight rate.
- 9.4.1.4** In the event rail movement is declared/considered not feasible by railways, a joint review will be undertaken in this regard.

##### **9.4.2 Order Booking by Road**

- 9.4.2.1** During the Supply Period, the Purchaser shall offtake the CQ either by providing i) monthly programmes of 3/6/12 equal SQs, as the case may be, or ii) a one-time programme for offtake of entire CQ, for order booking/allocation in respect of the coal mine wise quantities offered, as per the procedure prescribed by the Seller from time to time.
- 9.4.2.2** Subject to fulfillment of payment obligations, as per relevant provision of this document, by the Purchaser, the Seller shall arrange to issue sale order(s)/delivery order(s) separately for each colliery and issue necessary loading programme/schedule from time to time. The Purchaser shall arrange to place the required number/type of trucks to lift the Coal as per such loading programme/schedule. The Seller shall ensure that the sale order/delivery order in favour of the Purchaser reaches the concerned colliery/weigh bridge within five (5) working days of the last day of the period notified by the Seller for booking orders.
- 9.4.2.3** The Seller shall ensure delivery and the Purchaser shall ensure lifting of Coal against sale order/delivery order of any Month or the Supply Period, as the case may be, within the Validity

Period, as mentioned in the sale order.

- 9.4.2.4** In the event of any quantity remaining undelivered/unlifted, the Purchaser shall be entitled to receive, once the Validity Period of the sale order/delivery order expires, the refund of the proportionate value of such quantity.

## **9.5 TRANSFER OF TITLE TO GOODS**

Once delivery of Coal has been effected at the Delivery Point by the Seller, the property/title and risk of Coal so delivered shall stand transferred to the Purchaser in terms of this Agreement. Thereafter, the Seller shall not be responsible or liable in any manner whatsoever, including in respect of security or safeguard of the Coal so transferred. The Seller shall have no liability, including any liability towards increased freight or transportation costs, as regards missing/diversion of wagons/rakes or road transport en route, for whatever causes, by railways, or road transporter or any other agency.

## **9.6 COMPENSATION**

### **9.6.1 Excess Surface Moisture**

- 9.6.2** In the event that monthly weighted average Surface Moisture in Coal exceeds seven percent (7%) during the Months from October to May and nine percent (9%) during the months from June to September, the Seller shall give credit note on account of quantity equivalent to excess Surface Moisture, calculated at the rate of the weighted average Notified Price of analyzed Grade(s) of Coal and Other Charges. The said compensation shall not include railway freight and Statutory Charges. In this regard, any credit in respect of the Statutory Charges, if and when received by the Seller, shall be adjusted through issuance of credit note(s).

- 9.6.3** Sampling/analysis and determination of Surface Moisture for compensation shall be done as per the procedure set out in Annexure XI.

## **9.7 OVERLOADING AND UNDER-LOADING**

- 9.7.1** Any penal freight for overloading charged by the railways for any consignment shall be payable by the Purchaser. However, if overloading is detected from any particular colliery, consistently during three (3) continuous months, on due intimation from the Purchaser to this effect, the Seller may take suitable remedial measures in future.

- 9.7.2** For non-coking coal of GCV exceeding 5800 Kcal/Kg and coking coal of Steel Grade I, Steel Grade II, Washery Grade I, Washery Grade II, Semi-coking Grade I, Semi-coking Grade II and washed Coal; any idle freight for under-loading below the stenciled carrying capacity, as shown on the wagon or minimum chargeable weight for the purpose of freight charges as notified by the railways (route-wise) for any particular type of wagon from time to time, whichever is lesser, shall be borne by the Seller. For all other Grades of Coal, any idle freight for under-loading below the stenciled carrying capacity, plus two (2) tonnes, or minimum chargeable weight for the purpose of freight charges as notified by the railways (route-wise) for any particular type of wagon from time to time, whichever is lesser, shall be borne by the Seller.

- 9.7.3** Idle freight resulting from under-loading of wagon, as per Para 9.7.2 of this document, shall be adjusted in the bills. Idle freight shall be reckoned as the difference between the freight charged by the railways/freight payable for stenciled carrying capacity/freight payable for stenciled carrying capacity plus two (2) tonnes, as applicable in terms of Para 9.7.2 of this document and the freight payable for the actual recorded weight of Coal loaded in the wagons. It is clarified that the compensation shall comprise basic railway freight and other applicable charges such as DPC, DS etc. actually levied by the railway under the respective consignment

## **10. Quality**

- 10.1 The Seller shall make adequate arrangements to assess the quality and monitor the same. In this regard, kindly refer to notifications issued by CIL from time to time. Statutory Charges shall be paid as per the Declared Grade. In this regard, any credit in respect of the Statutory Charges, if and when received by the Seller, shall be adjusted through issuance of credit note(s). Railway freight shall be borne by the Purchaser.
- 10.2 The Seller shall endeavour to deliver Coal with size conforming to specifications set out and shall make reasonable efforts to remove stones/extraneous material from the Coal.
- 10.3 In the event of any change in the Grade categorisation of Coal, the relevant modality is mentioned in clause 9.1.4.
- 10.4 Assessment of Quality of Coal at the loading end, sampling/analysis and determination of Surface Moisture for compensation shall be as per **Annexure XI**.

## **11. Utilization of Coal**

### 11.1 End use of coal:

11.1.1 The total quantity of Coal supplied to the FSA holder under FSA is strictly meant to be used in accordance with the provisions of this agreement. The power so generated by utilizing the Coal supplied shall be sold, as per B(viii a) policy provision, in:-

- a) Any product in power exchanges, as per methodology formulated by Ministry of Power, in consultation with Ministry of Coal or
- b) Short term through a transparent bidding process as per the Guidelines issued by MoP through the DEEP portal. MoP *vide* OM dated 30.03.2016 has issued guidelines for procurement of power of short term (i.e. for a period more than one day to one year) by distribution licensees through tariff based bidding process using national e-bidding portal. The same guidelines as amended from time to time shall be followed by distribution licensees for procurement of short term power.

11.1.2 The Purchaser shall not transfer and/or sell the Coal for any other purpose whatsoever. Swapping and/or rationalization of coal shall be as per the extant applicable policy/guidelines, if any. Any violation of this Clause shall be treated as a material breach of the Fuel Supply Agreement, for which the Purchaser shall be fully responsible and such act shall warrant suspension of Coal supplies by the Seller in terms of this agreement.

### 11.2 Coal utilization certificate:

11.2.1 The Purchaser shall adhere to the Guidelines including its amendments for the purpose of utilization of Coal. The Coal Utilization Certificate issued by CEA for the lifted quantity as per the Guidelines/MoP methodology (“**Coal Utilization Certificate**”) shall be submitted by the Purchaser to CIL.

11.2.2 Coal Company will intimate to CEA the amount of coal lifted by the allottee power plant within 15 days of completion of supply period of the allotted coal quantity

11.2.3 After the completion of Utilization period, allottee power plant submit signed statements to CEA stating the quantum of coal drawn under SHAKTI B(viii)(a), the power generated and sold and the balance coal remaining. Along with the above statements,

the bidders are also required to submit the self-declaration for use of the power generated from the allocated coal, in accordance with the prevailing MoP Methodology/CEA guideline

11.2.4 CEA will issue Coal Utilization Certificate for the coal supplied to the power plant as per Standard Operating Procedure with respect to the coal supplied by the Seller to the Purchaser

11.2.5 The period of auction window, duration of lifting, utilization of coal and date of issuance of coal utilization certification is as under:

<b>Auction Window</b>	<b>Lifting Period from date of signing FSA</b>	<b>Utilization period from date of signing of FSA</b>	<b>Issuing Coal Utilization Certificate from date of signing of FSA</b>
3 months	3 months	9 months	10 months
6 months	6 months	12 months	13 months
12 months	12 months	18 months	19 months

11.2.6 The Coal Utilization Certificate issued by CEA, as above, ("**Coal Utilization Certificate**") shall be submitted by the Purchaser to Concerned coal company within 15 days of such issuance.

11.2.7 Any unutilized coal quantity of the coal supplied to the power plant beyond the schedule as given above in the table will be treated as 'Remaining Balance Coal Quantity'. However, the utilization of such 'Balance Coal Quantity' shall be accounted for in the subsequent period by CEA.

11.2.8 In case it is found that the allotted coal has been diverted or has not been utilized as per intended purpose, the same shall be communicated to MoP/CEA for taking appropriate action against the allottee power plant.

11.2.9 In the event, the Purchaser fails to submit the Coal Utilization Certificate within the specified timelines, the Seller shall have the right to forfeit the Performance Security. Further, the Purchaser may be disqualified from participating in subsequent tranches of auctions till submission of such certificate.

11.2.10 The maximum period of lifting shall be up-to the Supply Period. However, in case of supply through Rail mode from Rail sources, the extant Railway rule will apply.

11.2.11 If the Purchaser submits the Coal Utilization Certificate post expiry of the timeframe provided above, Purchaser would be allowed to participate from the next tranche but in such case the Performance Security shall remain forfeited.

11.2.12 In case of any discrepancy/issue arises in respect of clause 11 of this scheme or any clarification required in this regard, CIL may issue clarification/advisory/guideline, as required, on the basis of MoP methodology, CEA guideline, and such clarification/advisory/guideline issued by CIL will be binding to Seller and Buyer.

## **12. Modalities for Billing, Claims and Payment**

## 12.1 **Bills on Declared Grade basis**

12.1.1 The Seller shall raise bills for the Coal supplied to the Purchaser on Declared Grade basis. The Seller shall raise such bills on rake-to-rake basis for delivery of Coal by rail and on daily basis for delivery of Coal by road and other modes of transport. Such bills shall be raised within seven (7) days of delivery.

12.1.2 The Purchaser shall make payment in accordance with either of the following payment mechanisms:

- (a) The Purchaser shall make advance payment against SQ, as per the payment schedule notified by the Seller. The consent in respect of rail programme(s) and/or order booking/allocation in case of road/other modes by the Seller shall be commensurate with the payments made by Purchaser.
- (b) The Purchaser shall maintain with the Seller an Irrevocable Revolving Letter of Credit (“**IRLC**”) or an Usance Letter of Credit (“**Usance LC**”) issued by a bank in a format acceptable to the Seller and fully conforming to the conditions to be stipulated as Annexure XII for an amount equivalent to As Delivered Price of Coal for the Coal quantities that is one-ninth (1/9th) of the CQ. The As Delivered Price of Coal in this context shall take into account the highest of Notified Prices of Grades mentioned in Schedule 1 to Intimation Letter plus the Winning Premium. The amount of IRLC or Usance LC shall be suitably changed whenever there is a change in any component of the As Delivered Price of Coal. In addition to the IRLC or Usance LC, the Purchaser shall pay advance amount equivalent to seven (7) days Coal value by way of electronic fund transfer.

12.1.3 All the payments shall be made through electronic fund transfer payable at ([•] to be stated by the Seller). In the event of non-payment/delayed payment of any amount(s) the Purchaser shall be liable to pay interest as per Scheme Document.

12.1.4 Advance payment made by the Purchaser shall be non-interest bearing, and it shall change in accordance with change in the As Delivered Price of Coal.

## 12.2 **Adjustment for analyzed quality/Grade**

12.2.1 The debit note/credit note with regard to adjustment for quality shall be supported by the relevant analysis report(s) of the Third Party/referee results/joint sampling/weighted average analysis, as the case may be.

12.2.2 The Seller shall issue credit note/debit note on account of Grade variation to the extent of difference in the Notified Price of Declared Grade and analysed Grade of Coal as follows:

- (a) In case of Third Party result which is not sent for referee analysis, within seven (7) days of receipt of Third Party result by the Seller;
- (b) In case of referee analysis, within seven (7) days of receipt of referee analysis results by the Seller;
- (c) In case of joint sampling, within seven (7) days of the date of jointly signed result; or
- (d) In case of weighted average analysis, within seven (7) days of the joint determination of weighted average result to be applied.

12.3 **Bills of Miscellaneous Claims:** The bills towards interest charges raised by the Parties shall be paid within fifteen (15) days of receipt of such bills.

12.4 **Diverted rakes/missing wagons:** In case of diversion of rakes en route or missing wagons, bills shall be paid to the Seller by the Purchaser.

## 12.5 **Reconciliation / Adjustments**

- 12.5.1 The Parties shall jointly reconcile all payments made for the Coal supplied during the Term, after the end of Supply Period. Subject to the Term, reconciliation of the quantity supplied/lifted shall be completed immediately after the Supply Period and the overall reconciliation shall be completed after submission of Coal Utilization Certificate by the Purchaser to the Seller. The parties shall, forthwith, give credit/debit for the amount reconciled, if any, as assessed during such joint reconciliation. The reconciliation statement shall be jointly signed by the representatives of the Seller and Purchaser which shall be final and binding.
- 12.5.2 In the event of due date of any payment obligation under this Scheme Document falls on a day other than a Business Day or on a day of nationwide strike affecting banking services, the next Business Day shall be effective due date for the purpose.

### **13. Interest on Delayed Payment**

In the event of delay in payment/adjustment of any amount payable/recoverable pursuant to the provisions of this Scheme Document, the Seller/the Purchaser shall be entitled to charge interest on such sum remaining outstanding for the period after the due date till such time the payment is made. The interest charged by the Seller/the Purchaser pursuant to this Para shall be at the Interest Rate. Without prejudice to the foregoing, in the event the Purchaser fails to pay the overdue amount along with the interest within 15 (fifteen) days, the Seller shall be entitled to invoke the Performance Security and suspend Coal supplies. For removal of doubts, it is clarified that it shall be permissible for the Seller to adjust or recover the interest due in terms of this Para from the Performance Security.

### **14. Suspension of Coal Supply**

- 14.1 The following events may result in, the Seller suspending Coal Supply:
- 14.1.1 If the Purchaser fails to pay any amount, including any interest due, within a period of five (5) days of the same falling due;
- 14.1.2 any prima facie breach, default or violation by the Purchaser in respect of end use of coal or provisions relating to Change in Constitution
- 14.1.3 any prima facie breach, default or violation or intimation from any governmental/statutory authority in relation to any breach, default or violation, by the Purchaser in relation to the terms of this Scheme Document and/or
- 14.2 The Seller shall have the right to adjust the outstanding amount against the Performance Security or from any amount of the Purchaser lying with Seller including payments made for Coal supplies; and/or suspend supplies of Coal to the Purchaser.
- 14.3 During the suspension of Coal Supply, the Seller shall be relieved of his obligations to supply Coal. However, the obligations of the Purchaser shall remain in full force and effect.
- 14.4 Suspension of Coal Supply shall continue till the occurrence of the said breach, default or violation is not duly explained by the Purchaser to the satisfaction of the Seller and the Performance Security has not been fully replenished. The Seller shall resume Coal Supply within 3 (three) days of payment/ adjustment of the outstanding amount together with interest as also the full replenishment of Performance Security.

### **15. Force Majeure**

- 15.1 “**Force Majeure Act**” shall mean any act, circumstance or event or a combination of acts, circumstances and events which wholly or partially prevents or delays the performance of obligations arising under this Scheme Document by any Party (such Party being the “**Affected Party**”), and if such act, circumstance or event is not reasonably within the control of and not caused by the fault or negligence of the Affected Party, and provided that such act, circumstance or event is in one or more of the following categories:

- 15.1.1 Flood, inundation of mine, drought, lightening, cyclone, storm, earthquake, adverse geo-mining conditions, eruption of gases, subsidence and such natural occurrences;
- 15.1.2 Explosion, mine fire and other fire, contamination of atmosphere by radioactive or hazardous substances;
- 15.1.3 Civil disturbance such as riot, terrorism etc.;
- 15.1.4 Industry wise/nationwide strikes in the sector in which either Party operates;
- 15.1.5 Any law, ordinance or order of the Central or State Government, or any direction of a statutory regulatory authority that restricts performance of the obligations hereunder;
- 15.1.6 Epidemic;
- 15.1.7 The enactment, promulgation, amendment, suspension or repeal of any Applicable Laws after the Commencement of Coal Supply;
- 15.1.8 Any delay or direction or order on the part of the Government of India or relevant State Government impacting Coal Supply which was not due to a cause attributable to the Affected Party;
- 15.1.9 Any law and order problems affecting Coal production and transportation of Coal; and/or
- 15.1.10 Failure of supply of power from power supplier(s).
- 15.1.11 **Non-acceptance of Fiery coal by Buyer, non-supply of Fiery coal by the Seller from the concerned source**
- 15.1.12 **Change of grade of coal, with due notification, of the concerned source any time post bidding till completion of Supply/Validity period**

## 15.2 **Burden of Proof**

The burden of proof as to whether a Force Majeure Act has occurred shall be upon the Party claiming the occurrence or existence of such Force Majeure Act.

## 15.3 **Effect of Force Majeure**

If either Party is rendered wholly or partially unable to perform its obligations under this Scheme Document because of a Force Majeure Act, that Party shall be excused from whatever performance is affected by the Force Majeure Act to the extent so affected., provided that:

- 15.3.1 Upon the inability of the Affected Party to perform due to the occurrence of a Force Majeure Act, the Affected Party provides a written notice to the other Party of the particulars of the occurrence, including an estimation of its expected duration and probable impact on the performance of its obligations hereunder, and continues to furnish periodic reports with respect thereto, every seven (7) days from the date of such notice, during the period of Force Majeure;
- 15.3.2 The Affected Party shall use all reasonable efforts to continue to perform its obligations hereunder and to correct or cure as soon as possible the Force Majeure Act;
- 15.3.3 The suspension of performance shall be of no greater scope and duration no longer than is reasonably necessitated by the Force Majeure Act;

- 15.3.4 The Affected Party shall provide the other Party with prompt written notice of the cessation of the Force Majeure Act giving rise to the excuse from performance and shall thereupon resume normal performance of obligations under this Scheme Document with utmost promptitude;
- 15.3.5 The non-performance of any obligation of either Party that was required to be performed prior to the occurrence of a Force Majeure Act shall not be excused as a result of such subsequent Force Majeure Act;
- 15.3.6 The occurrence of a Force Majeure Act shall not relieve either Party from its obligations to make any payment hereunder for performance rendered prior to the occurrence of Force Majeure Act or for partial performance hereunder during period of subsistence Force Majeure Act; and
- 15.3.7 The Force Majeure Act shall not relieve either Party from its obligation to comply with Applicable Laws. The Affected Party shall exercise all reasonable efforts to mitigate or limit damages to the other Party.

## **16. Termination of Coal Supply**

### **16.1 Force Majeure Act/Change in Law**

- 16.1.1 In the event either Party (“**Affected Party**”) is unable to deliver or offtake, as the case may be, any SQ or part thereof because of a Force Majeure Act, then the other Party (“**Non-Affected Party**”) shall have the right to terminate Coal Supply by giving written notice to the Affected Party of its intention to terminate Coal Supply. In such an event, unless the said notice of termination is withdrawn by the Affected Party, the termination shall take effect on expiry of the notice period or thirty (30) days whichever is later, and the Parties shall be absolved of all rights/obligations under the Scheme Document, save those that had already accrued as on the effective date of termination. It is clarified that in such an event, the Performance Security for corresponding coal quantity which remains undelivered or unlifted, as the case may be, at the end of the Supply Period will not be forfeited by the Seller.
- 16.1.2 However, if the Affected Party is able to perform its obligations before the expiry of the notice period provided above or before the expiry of Supply Period, whichever is earlier, then the Non-Affected Party shall not have a right to terminate the Coal Supply.
- 16.1.3 In the event that the Purchaser is prevented/disabled under Applicable Law from using Coal within the Term, for reasons beyond their control, owing to changes in applicable environmental and/or statutory norms, howsoever brought into force, the Purchaser shall have the right to terminate Coal Supply, subject to a prior written notice to the Seller of not less than thirty (30) days and in such cases, the Performance Security will not be terminated by the Seller.
- 16.1.4 It is hereby clarified that notwithstanding anything contained in this Clause, the CQ or any part thereof will not be delivered or lifted after the Supply Period.

### **16.2 Termination in Event of Default**

- 16.2.1 In the event that the matter pertains to Clause on End Use of Coal the Seller shall have the right to terminate this Coal Supply forthwith without any liabilities or damages, whatsoever, payable to the Purchaser.
- 16.2.2 In the event of continuation of suspension for a continuous period of thirty (30) days pursuant to Clause 14.1.1, 14.1.2 and 14.1.3, the Seller shall have the right to terminate Coal Supply by providing a prior written notice of seven (7) days to the Purchaser.
- 16.2.3 In the event that either Party suffers insolvency, appointment of liquidator (provisional or final), appointment of receiver of any of material assets, levy of any order of attachment of the material assets, or any order or injunction restraining the Party from dealing with or disposing of its assets and such order having been passed is not vacated within thirty (30) days, the other Party shall be entitled to terminate Coal Supply by giving prior written notice of seven (7) days to the first Party.



16.2.4 In the event that any Party commits a breach of term or condition of this Scheme Document (“**Defaulting Party**”) not otherwise specified under this Scheme Document the other Party (“**Non-Defaulting Party**”), shall have the right to terminate Coal Supply after providing the Defaulting Party seven (7) days prior written notice and the breach has not been cured or rectified to the satisfaction of the Non-Defaulting Party within the said period of seven (7) days.

### 16.3 **Accrued rights to survive termination**

Termination of Coal Supply shall be without prejudice to the accrued rights and obligations of either Party as at immediately prior to the termination.

## 17. **Settlement of Disputes**

17.1 In the event of any dispute, disagreement or difference arising out of or in connection with the Coal Supply, including any question regarding its performance, existence, validity, termination and the rights and liabilities of the Parties (“**Dispute**”), the Parties shall endeavour to amicably settle the same through negotiations carried out in good faith.

17.2 For the purpose of conducting negotiations, each Party shall designate in writing to the other Party a representative who shall be authorised to negotiate on its behalf with a view to resolving any Dispute (“**Representative**”). Each such Representative shall remain so authorised until his replacement has been designated in writing to the other Party by the Party he represents.

17.3 The Representative of the Party which considers that a dispute has arisen shall give to the Representative of the other Party, a written notice setting out the material particulars of the dispute (“**Dispute Notice**”). Within thirty (30) days, or such longer period as may be mutually agreed, of the Dispute Notice having been delivered to the other Party, the Representatives of both Parties shall meet in person, to attempt in good faith and using their best endeavours at all times, to resolve the Dispute. Once the Dispute is resolved, the terms of the settlement shall be reduced in writing and signed by the Representatives of the Parties.

## 18. **Other Terms**

18.1 **Governing Law and Jurisdiction:** The Auction Process and Coal Supply 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 the state where the Seller’s headquarters/registered office is located.

18.2 **Proprietary data:** All documents and other information supplied by a Bidder to CIL/ Subsidiary shall remain or become the property of CIL/ Subsidiary. It will not return any Bid or any information provided by the Bidder.

18.3 **Confidentiality:** Any document/information relating to this Scheme Document and/or any document/information provided to the Bidder(s) pursuant to this Scheme Document, including but not limited to, the Bid(s) or any document/information relating to the examination, clarification, evaluation and recommendation of the Bidder(s), shall be treated as confidential and shall not be disclosed by any Bidder to any other Person. Any breach, violation or non-compliance with the provisions of Confidentiality clause shall entitle CIL to disqualify such Bidder, forfeit the Bid Security and/or the Process Fee in accordance with the terms of this Scheme Document and seek other remedies in accordance with Applicable Law

18.4 **Notice:** Any notice to be given under this Scheme Document shall be in writing and shall be delivered by registered mail, facsimile, e-mail or by Speed Post, addressed to the signatories or the authorised representatives of the signatories nominated in accordance with the provisions of this Scheme Document.

18.5 **Change in Constitution:** In the event there is any change in constitution of the Purchaser company due to amalgamation, merger, de-merger, takeover, court order or change in ownership/shareholding pattern etc.,

in this regard, the Purchaser shall give a written notice to the Seller within seven (7) days of such change taking effect along with an affidavit (in the format prescribed in Annexure XIV) and an indemnity bond (in the format prescribed in Annexure XV) underlying such affidavit. The person submitting the affidavit (in the format prescribed in Annexure XIV) must be duly authorised by the board of directors of the Purchaser. Subject to the Seller's satisfaction in this regard, a revised Intimation Letter shall be issued to the Seller (the resultant company).

- 18.6 **Change in Name:** The Purchaser shall intimate the Seller of any change in its name, immediately upon occurrence of name change along with letter/communication from CEA acknowledging such name change. The Parties shall thereafter take necessary steps to record such change in the name of the Purchaser in the books and records of the Seller.
- 18.7 **Costs and Expenses:** Each Party shall pay its own costs and expenses in connection with this Scheme Document and the transactions contemplated hereby.
- 18.8 **Implementation:** The authorized representative of the of the Specified End Use Plant or its nominated representative shall be authorised to act for and on behalf of the Purchaser, while General Manager/HoD (Marketing and Sales) or any representative duly authorized by the Seller shall act for and on behalf of the Seller. Any other nomination of authorised representative shall be informed in writing, by the Seller and the Purchaser.
- 18.9 **Right to Seek Information:** The Seller shall have the right, throughout the Term: (i) to call for such information and/or documentation from the Purchaser (including the documentation detailed in Annexure XIII); and (ii) to obtain and seek information and/or documentation from any governmental/statutory authority, as may be necessary by the Seller from time to time, *inter alia to verify:*
- (a) the veracity of the Purchaser's claim of being a *bona fide* consumer of the Coal allocated to it in respect of the Specified End Use Plant;
  - (b) the Purchaser's compliance with the terms and conditions of the Intimation Letter, the Eligibility Conditions, the Scheme Document and this Agreement; and/or
  - (c) The Purchaser shall at all times extend necessary cooperation to the Seller in this regard and shall provide relevant information and/or documentation requested by the Seller via electronic mode at an address to be specified by the Seller or on the specified portal within such reasonable time as may be requested by the Seller
- 18.10 **Severability:** In the event any part or provision of this Agreement becomes, for any reason, unenforceable or is declared invalid by a competent court of law or tribunal, the rest of this Agreement shall remain in full force and effect as if the unenforceable or invalid portions had not been part of this Agreement.
- 18.11 **Assignment:** Except as provided in this document, the Purchaser shall not, without the express prior written consent of the Seller, assign to any third party this Agreement or any part thereof, or any right, benefit, obligation or interest therein or there under.
- 18.12 **Limitation of Liability:** Except as otherwise expressly agreed in this Agreement, neither Party shall have any right or entitlement to any consequential losses, costs or damages, loss of profit or market, as a result of a breach by the other Party of this Agreement.
- 18.13 **Waiver, Rights and Remedies:** No failure or delay by any Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof. No single or partial exercise of any right, power or remedy under this Agreement by any Party shall preclude any further exercise thereof or the exercise of any other right, power or remedy by that Party. Without limiting the foregoing, no waiver by any Party of any breach by any other Party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof

## 18.14 INDEMNIFICATION

18.14.1 In this Clause, a reference to the Seller shall include the Seller and its officers, employees, staff, advisors, representatives or agents (collectively the “Indemnified Party”) and the provisions of this Clause shall be for the benefit of the Indemnified Party, and shall be enforceable by each such Indemnified Party.

18.14.2 The Purchaser hereby indemnifies the Indemnified Party against all liabilities, costs, expenses, damages and losses (including but not limited to any interest, penalties and legal costs calculated on a full indemnity basis and all other professional costs and expenses) (collectively the “Losses”) suffered or incurred by the Indemnified Party arising out of or in connection with:

**18.14.2.1** any breach of the representations, warranties, covenants and/or undertakings of the Purchaser contained herein or in the Scheme Document;

**18.14.2.2** any information or documentation submitted by the Purchaser to the Seller pursuant to the Fuel Supply Agreement and/or the Scheme Document, being untrue, incorrect or false;

**18.14.2.3** the Purchaser’s breach or negligent performance or non-performance of the Fuel Supply Agreement;

**18.14.2.4** any claim made against the Indemnified Party for actual or alleged infringement of a third party’s rights or damage caused to a third party arising out of or in connection to the performance or non-performance of any of the Purchaser’s obligations under the Fuel Supply Agreement to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Fuel Supply Agreement, including but not limited to any claim on account of quality or quantity of Coal, by the Purchaser, its employees, agents or contractors; and/or

**18.14.2.5** any Loss or damages caused on account of breach of any Applicable Law by the Purchaser, including without limitation any costs incurred by the Seller in rectifying any damages caused by the Purchaser on account of breach, negligent performance or failure or delay in performance of the Fuel Supply Agreement, or non-compliance with Applicable Law.

18.14.3 Any indemnifiable claim under the Fuel Supply Agreement must, be asserted by the Indemnified Party by delivery of written notice thereof to the Purchaser, on discovery by the Indemnified Party of the breach of the pertinent covenant or obligation of the Fuel Supply Agreement, or of any misrepresentation or breach of any representation or warranty made by the Purchaser or of occurrence of any event specified in Clause 18.14.2 of this document. However, any delay on the part of an Indemnified Party in providing or failure to provide such notice will not relieve the Purchaser of its indemnification obligations hereunder.

18.14.4 The remedies set forth in this Clause shall be without prejudice to all the rights and remedies that the Indemnified Party may have under the Applicable Law and shall not be the sole and exclusive remedies of the Indemnified Party for any breach of the Fuel Supply Agreement or any matter relating to any representation, warranty, covenant or undertaking contained in the Fuel Supply Agreement.

## 18.15 IMPLEMENTATION OF THE AGREEMENT

- a. The respective *[[•] designation of the authorized representative]* of the Specified End Use Plant or its nominated representative shall be authorised to act for and on behalf of the Purchaser.

- b. General Manager/HOD (Marketing and Sales) or any representative duly authorized by the Seller shall act for and on behalf of the Seller.
- c. Any other nomination of authorised representative shall be informed in writing, by the Seller and the Purchaser, as the case be, within one (1) Month of execution of this Agreement or by giving thirty (30) days' notice.
- d. It shall be the responsibility of the Parties to ensure that any change in the address for service or in the particulars of the designated representative is notified to the other Party and all other concerned, before effecting a change and in any case within two (2) Business Days of such change
- e. Procedure for execution of Agreement: On submission of required documentation and performance security in electronic/digital mode, the Auction Service Provider will examine the documents and verify receipt of Performance Security. In case of any clarification/discrepancy, the Auction Service Provider/CIL/Coal company may seek necessary clarification/documentation from the bidder. On found satisfactory, the Fuel supply agreement(FSA) will be prepared in the digital/electronic platform. The duly filled up draft FSA will be made available by Auction Service Provider to the Bidder for signing the FSA document using digital signature/signature of authorized representative. The digitally signed(of bidder) and duly stamped(at stamp paper of Rs. 100 or above) FSA document will then be signed by concerned Coal Company through digital/electronic mode using their digital signature/signature of authorized representative. The completion date of signing by both Seller and Buyer will be considered as date of signing of FSA for any operational/commercial purpose. The FSA document executed by both the parties will be available in the portal of Auction Service Provider for further use. In case of any post execution correction/amendment is required in the FSA document, the same may be done by coal company and the bidder in coordination with Auction Service Provider.

Post execution of agreement, the Auction Service Provider will transfer the original documents, if any, and/or applicable amount pertaining to each bidder to the concerned coal company.

### Annexure I - 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] & Notice of relevant tranche of B(viii a) auction dated [insert date/month, if any] (“Scheme Document”)

Dear Sir,

With reference to the Scheme Document dated [●] (“Scheme Document”) & Notice of relevant tranche of B(viii a) auction dated [insert date/month, if any], I/we -----aged -----years, resident of -----working as -----an Authorised Signatory on behalf of ----- (name of 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 [insert].
2. I am filing this Affidavit to place on record verification of facts and documents in connection with the Auction Process.
3. I certify and confirm that all the Eligibility Conditions (specified in Clause 4 of the Scheme Document) required for participation in the Auction Process are satisfied and met and the Undertaking provided by us is true and accurate in all respects.
4. [Insert separate paragraphs for each document brought on record on the website of the Service Provider or physically submitted with CIL/Subsidiary [insert name], in a chronological sequence].
5. That nothing has been concealed in the information submitted as mentioned above.

I certify and confirm that

6. I, Mr./Ms. [·], the undersigned, are duly authorised to represent and act on behalf of [insert name of the Bidder] and having reviewed and fully understood all information provided in the Scheme Document, the Notice and the Notice Inviting Registration and having considered all relevant information, wish to hereby express our continued interest in the Auction;
7. we satisfy and shall continue to satisfy all the Eligibility Conditions prescribed in Clause 4 of the Scheme Document;
8. all information provided by us to CEA and/or CIL/Subsidiary [insert name] 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 or any declaration given herein 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 including inter alia disqualification from further participation in the Auction;
9. the Bid shall be unconditional and unqualified and shall be without any deviations, conditions or assumptions in all respects;

10. we undertake that in case due to any change in facts or circumstances or the Applicable Laws during the Auction we are attracted by the provisions of disqualification, we shall intimate CIL/Subsidiary [insert name] of the same immediately;
11. 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;
12. 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;
13. all documents submitted by us (other than originals submitted by us) are true copies of their respective originals and are complete, accurate and correct;
14. we acknowledge that the information provided by us pursuant to the Notice is true and correct and may be duly verified by CEA and on the basis of the same, the Normative Coal Requirement shall be computed;
15. we acknowledge that the Normative Coal Requirement shall be binding and acceptable to us;
16. we shall make available to CIL/Subsidiary [insert name] any additional information it may find necessary or require to supplement or to authenticate our Bid or eligibility to submit the Bid;
17. CIL/Subsidiary [insert name] may, in its sole, absolute and unfettered discretion, reject or accept our Bid. CIL/Subsidiary [insert name] shall have the right to reject our Bid without assigning any reason or otherwise and we hereby waive, to the fullest extent permitted by Applicable Law, our right to challenge the same on any account whatsoever;
18. 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 per Scheme Document and have taken steps to ensure that 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;
19. we understand that CIL/Subsidiary [insert name] may cancel/modify the Auction Process at any time and that CIL/Subsidiary [insert name] is neither bound to accept any Bid(s) that it 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;
20. 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/Subsidiary [insert name] in connection with the selection of the Successful Bidder or in connection with the Auction Process itself and the terms and implementation thereof;
21. in the event of our being declared as the Successful Bidder, we shall continue to comply with the terms and conditions of the Scheme Document and the Intimation Letter and all Applicable Laws and to pay such amounts and provide such security as required therein;
22. 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;
23. we will ensure that all documents required to be submitted as per the Scheme Document are duly submitted;
24. we do not have a PPA for the capacity of the Specified End Use Plant(s) registered under Clause 3.1, clause 4 and/or any other concerned clause(s) of this Scheme Document for which we are desirous of participating in the Auction and such untied capacity (capacity in respect of which we do not have a PPA) is already

commissioned, as on the last date of submission of Notice;

25. we understand that the Scheme Document is governed by and construed in all respects according to the Applicable Laws being in force in India.

Capitalized terms used but not defined herein shall have the meanings assigned to them in the Scheme Document for auction of coal linkages for Power Producers/IPP's without PPAs under Paragraph B(viii)(a) covering Paragraph B(iii) of Policy dated [insert].

Solemnly affirmed and verified on this [insert] day of, [insert], [insert] at [insert place].

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Signature of the Authorised Signatory:

Name and designation of the Authorised Signatory:

Name of the Bidder:

Stamp of the Bidder:

Date:

Place:

#### **VERIFICATION**

I, [insert], the [insert designation of the deponent] of the Bidder above named, having my office at [insert], do hereby solemnly declare that what is stated above in paragraphs [insert] to [insert] are on the basis of the books and records of the Bidder, 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 on [insert] day of [insert], [insert] at [insert place].

Deponent  
(Signature)  
Name, Designation and Seal

## Annexure II - Power of Attorney

(To be stamped in accordance with the relevant Stamp Act and notarized)

Know all men by these presents, We, [●], (name and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorise Mr./Ms [●], 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 the auction process, in response to documents, including but not limited to, the Notice Inviting Registration dated [insert date] (the “Notice Inviting Registration”) issued by Coal India Limited (“CIL”)/Subsidiary [insert name], the Notice Inviting Requisition for auction of coal linkages for Power Producers/IPPs without PPAs dated [insert date] (the “Notice”), the Scheme Document dated [insert date] and any other document(s) issued by CIL/Subsidiary [insert name], in this regard (collectively referred to as the “Documents”) 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/Subsidiary [insert name], representing us in all matters before CIL/Subsidiary [insert name], and generally dealing with CIL/Subsidiary [insert name], 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 entering into supply arrangement 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 Documents.

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 power of attorney to be submitted by the Bidder shall substantially be in the format set out above.*
- *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.*





Annexure III

**MODEL FUEL SUPPLY AGREEMENT**

**FUEL SUPPLY AGREEMENT Between [Seller: Name of the Subsidiary Company] and [Purchaser: Name of the Power Producer/IPP] under.....(tranche/ round/ month) of B(viii a) linkage auction for..... ( Period of 3/6/12 months and auction months) conducted as per SHAKTI policy dated 22.05.2017, its amendment dated 25.03.2019 & dated 08.11.2023**

1. Date of Signing (“**Execution Date**”): Date of completion of signing of both Purchaser and Seller.

<p><b><u>Seller</u></b> Name of Subsidiary coal company: Registered Address:</p>	<p><b><u>Purchaser</u></b> Name of Power Producer/IPP: Registered Address: Plant Address: Bidder ID Number: PAN: GSTIN: Plant details as mentioned in CEA eligibility list:</p>
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2. Details of Contracted Quantity (“**CQ**”) for the purpose of allocation of quantity and supply of coal by Seller and to be purchased by the Purchaser:

Sl.	Name of Primary source	Contracted Quantity (tonnes)	Other bid details (Mode/Grade/size/ Secondary source if any/any other parameter)	Price notified in auction (in Rs./tonne)	Bid price (Rs./tonne)	% premium over notified price (Winning Premium)	FSA Number

**Note: For cost plus sources:**

- *The source specific details shall be mentioned*
  - Per GCV Price of Primary cost plus sources(name of source):.... Rs/kCal(at midpoint of the primary source grade).
  - For supply of coal from Secondary source, Per GCV price of secondary source (at midpoint of the secondary source grade) should be atleast equal to per GCV price of Primary cost plus source (at midpoint of the primary source grade).
3. The Purchaser has represented and confirmed that it has fulfilled/shall fulfill and is in compliance with the conditions set out in the Scheme Document, this Model FSA of Tranche .....(details) B(viii a) uploaded in the portal of Auction Service Provider and the Intimation Letter, as the case may be, as a result of which, the Seller has agreed to supply Coal (as defined hereinafter) under this Agreement. The provisions of the Scheme Document and this Model FSA shall be individually applicable to the Contracted Quantities of the Purchaser (having unique and different FSA number) as mentioned in point 2 above.
  4. The Purchaser has also submitted the following (enclose, as required):
    - a. Affidavit as per Annexure.....of Scheme and model FSA document of Tranche .....\_B(viii a).
    - b. Performance Security
    - c. Copy of Power of Attorney and Board resolution
  5. All terms of conditions of Tranche.....(details) B(viii a) Scheme document & Model FSA document (including all annexures and schedules), as uploaded in website/portal of Auction service provider; SHAKTI policy, MoP methodology, CEA Guidelines and any other relevant policies/guidelines of

GOI/CIL(Coal India Limited & subsidiary coal company) issued time to time are referred herein in this Agreement and shall be binding to both Seller and Purchaser.

IN WITNESS WHEREOF this Agreement has been executed by the duly authorized representatives of the Parties hereto on the day and year first above written.

For and on behalf of ([●] name of the Seller)	For and on behalf of ([●] name of the Purchaser)
Signature:  Name (BLOCK LETTERS): Designation: Address: Telephone: Fax: Email:	Signature:  Name (BLOCK LETTERS): Designation: Address: Telephone: Fax: Email:

## Annexure IV- 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 the auction service provider MJUNCTION SERVICES LIMITED Limited (“**MJUNCTION SERVICES LIMITED**”). For this, the Bidder should visit the website of MJUNCTION SERVICES LIMITED namely <https://auction.coaljunction.com/CoalWeb/getLinkageSignUpAction.do> and click on the button “**Registration**”.

It may be noted that Bidders having already registered their Specified End Use Plant(s) under previous tranches of Auction on the abovementioned Electronic Platform, must also register their Specified End Use Plant(s) again on the Electronic Platform. However the Registration Fee of such Bidders shall be waived.

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.

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 separate registrations are required to be made for individual Specified End Use Plant and not for individual units within the same Specified End Use Plant. Power plant 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 Certificate mentioning GST Number
3. Copy of the confirmation email Letter received from MJUNCTION SERVICES LIMITED 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 GST to be paid.

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 MJUNCTION SERVICES LIMITED 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.

coaljunction@mjunction.in

Once the scanned documents and requisite registration fee are received from the Bidder, MJUNCTION SERVICES LIMITED shall activate Bidder’s login after verification/ scrutiny of the documents.

MJUNCTION SERVICES LIMITED 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 MJUNCTION SERVICES LIMITED's website.

It may be noted that Bidders need not visit any of the offices of MJUNCTION SERVICES LIMITED for submission of the aforementioned documents.

## **2. Payment towards Bid Security and Process Fee**

The Bidders shall have to deposit Bid Security before non-discriminatory ascending clock Auction Process to MJUNCTION SERVICES LIMITED. 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. 30 per tonne of coal that it intends to bid for. Thus, the Bidders shall have to pay Rs. 130 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:

It is further clarified that the Credit Account No contains and represents bidder's registration number (indicated by #) with MJUNCTION SERVICES LIMITED portal for coal linkage auction.

After remitting the amount, the Bidder shall have to send an intimation to MJUNCTION SERVICES LIMITED 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 MJUNCTION SERVICES LIMITED with the identity of the Bidder. Such intimation should be sent to the following email address only.

[coaljunction@mjunction.in](mailto:coaljunction@mjunction.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 MJUNCTION SERVICES LIMITED 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 MJUNCTION SERVICES LIMITED. CIL and/ or MJUNCTION SERVICES LIMITED 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 Bid Security plus Process Fee of Rs. 130 Q 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 Bid Security plus Process Fee amount of Rs. 1,30,00,000/- before the start of auction.

### Submission of Scanned Copies of Documents as per Clause 4.1.6

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 I*;
- b. a power of attorney in the format set out in *Annexure II*;
- 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

In order to upload the above 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 makes 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 MJUNCTION SERVICES LIMITED and click on the link “Click for Auctions” followed by “Live Auctions”. The Bid Floor shall display inter alia the balance Bid Security plus Process Fee 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, the grade and other details of offered coal etc. The Bidder shall quote its required quantity of coal (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 Bid Security plus Process Fee 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 MJUNCTION SERVICES LIMITED 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 MJUNCTION SERVICES LIMITED. In case of any complaint or dispute regarding this, the data available at the server of MJUNCTION SERVICES LIMITED 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 set out in Clause 3.6.2 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 Bid Security plus Process Fee 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 MJUNCTION SERVICES LIMITED’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 only one user id. 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 MJUNCTION SERVICES LIMITED / 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:

Minimum Software Requirement: Minimum Internet Speed: 2 Mbps; Browser Versions: Microsoft Edge, Mozilla Firefox 46+; Google Chrome 99+

Valid Digital Signature Certificate

Bidders are also advised to refer to the guides available on the website of MJUNCTION SERVICES LIMITED for use of DSC.

**4. Contact Details**

Please note that [eauction.cil@coalindia.in](mailto:eauction.cil@coalindia.in) with copy to [eauction1.cil@gmail.com](mailto:eauction1.cil@gmail.com) will serve as official e-mail addresses for communication relating to the Auction Process. The Bidders may contact the following officials of MJUNCTION SERVICES LIMITED Limited for seeking assistance on the login or registration process or any clarification regarding the Auction Process:

**Registration queries:-**

<i>SI No</i>	<i>Name</i>	<i>Email</i>	<i>Mobile</i>
1	Shamima Shabnam	shamima.shabnam@mjunction.in	9163348123
2	Arup Basak	Basak.Arup@mjunction.in	9163348262
3	Arijit Paul	Arijit.Paul1@mjunction.in	9163348277

**For Auction queries:-**

<i>SI No</i>	<i>Name</i>	<i>Email</i>	<i>Mobile</i>
1	Soumita Karmakar	Karmakar.Soumita@mjunction.in	8584008139

2	Arindam Majumder	arindam.majumder@mjunction.in	9051200394
3	Shrabanti Chakraborty	C.Shrabanti@mjunction.in	9163348072

Email ID for sending all coal linkage registration and general query: coaljunction@mjunction.in

All capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Scheme Document.



**Annexure V - Details regarding Link Quantity offered for each Lot and Sequence of Auction**

*(To be uploaded by each subsidiary on their website/on the Electronic Platform of the Service Provider from time to time)*

<b>S. No.</b>	<b>Subsidiary Name</b>	<b>Auction Window (3/6/12 months)</b>	<b>Primary Source</b>	<b>Mode</b>	<b>Grade/Size</b>	<b>Quantity Offered (tonnes)</b>	<b>Notified/Floor Price (Rs./Tonne)</b>	<b>Secondary Source(s)</b>

### Annexure VI - Consumption Norms

The latest coal consumption norm of CEA issued vide MoP OM no. FU-5/2019-IPC(Part-I) dated 08.03.2024

Link:

<https://cea.nic.in/thermal-project-planning-development-division/?lang=en>

### Annexure VII - Format of Affidavit

To be submitted/uploaded to the auction service provider portal/platform prior to signing of FSA for  
Commencement of Coal Supply

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

I, [insert], aged [insert] years, resident of [insert] working as [insert] an Authorised Signatory on behalf of [insert name of successful bidder] (“**Successful Bidder**”) hereby state as under:

1. I say that I am the [insert designation of the deponent] of the Successful 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 [insert].
2. I am filing this Affidavit to place on record verification of facts and documents in connection with Commencement of Coal Supply for the Allocated Quantity intimated to [insert name of successful bidder], as per Schedule 1 of the Intimation Letter.
3. I affirm my acceptance to the terms of Coal Supply as per the Intimation Letter which are reproduced below:

#### Details of Specified End Use Plant

Name of Specified End Use Plant	Address	Capacity	Auction Window (3/6/12 months)

#### Allocated Quantity under Auction and other details pertaining thereto

S. No.	Auction Window (3/6/12 months)	Subsidiary Name	Primary Source	Secondary Source(s)	Mode	Grade	Top-size of Coal (mm)	Notified Price (Rs./Tonne)	Quantity Allocated (Tonne)	Winning Premium(%)

- The Supply Period shall be [3/6/12 months (whichever is applicable)] from the date of Commencement of Coal Supply.

- Seller shall supply [insert quantity] (“Contracted Quantity” or “CQ”) of (insert grade) (“Contracted Grade of Coal” or GCV of coal for Cost Plus).
- The obligation of the Seller to supply Coal and the obligation of the Purchaser to lift Coal, under this Scheme Document and the Intimation Letter shall only be for a period of [3/6/12 (three/six/twelve), whichever is applicable] months from Commencement of Coal Supply (“Supply Period”)

4. I hereby undertake and confirm that each of the following documents required as per Annexure XIII, issued to or in the name of [*insert name of successful bidder*] and/or in respect of the [*insert details of the Specified End Use Plant*], are available with the Successful Bidder and that a true, correct and valid copy of such documents will be submitted by the Successful Bidder, as may be sought in case of any exigency/clarification/query and in accordance with timelines that may be prescribed by CIL/[*insert name of relevant Subsidiary*]; and I hereby certify and confirm the accuracy and validity of each of the following documents and that the same shall remain valid till discharge of Performance Security.
- 4.1. Relevant Corporate Authorizations of the Successful Bidder for execution and performance of his obligations against Coal Supply as such as:
- (a) Notarised Power of Attorney (PoA); and
  - (b) Certified true copy of Board Resolution or Certified true copy of Shareholders Resolution etc.
- 4.2. Self-attested copy of valid Factory License No. [·] dated [·] issued by Inspector of Factories, [·] with respect to the Specified End Use Plant or application dated [·] filed for renewal of Factory License No. [·] dated [·] issued by [·] with respect to the Specified End Use Plant, in case the Factory License has recently expired.
- 4.3. Self-attested copy of Consent to Operate No. [·] dated [·] issued by State Pollution Control Board with respect to the Specified End Use Plant issued under the relevant pollution control laws or application filed for renewal of Consent to Operate No. [·] dated [·] issued by State Pollution Control Board with respect to the Specified End Use Plant, 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.
- 4.4. Self-attested copy of GSTIN and PAN card of the Successful Bidder.
- 4.5. Certificate of Incorporation and Certificate of Commencement of Business.
- 4.6. In-principle water allocation approval from state water supply authority.
- 4.7. Certificate of Date of Commercial Operation (COD) issued by CEA.
- 4.8. Certificate of commissioning in respect of the Specified End Use Plant.
- 4.9. Documentation with respect to existing coal linkages, assurance of linkages and/or allocation of mine.
- 4.10. Self-attested copy of valid boiler license(s) No. [·] dated [·] issued by [·] with respect to the Specified End Use Plant or copy of application filed for its renewal, in case the same has recently expired.
- 4.11. Balance life of each Unit of the Specified End Use Plant as certified by CEA.
- 4.12. Any other relevant information/documentation as may be requested for by CIL/its Subsidiary.
-

5. I hereby certify and confirm that the Allocated Quantity shall be used by the Successful Bidder in the Specified End Use Plant for Specified End Use only.
6. I hereby certify and confirm that *[insert name of successful bidder]* has been in compliance with all Applicable Laws in respect of the Specified End Use Plant; and I hereby acknowledge and agree that, without prejudice to any other right available to CIL and to the *[insert name of relevant Subsidiary]*, the Coal Linkage and/or the Allocated Quantity may be suspended or withdrawn, the Process Fee/Bid Security and/or the Performance Security may be forfeited in case of any breach or non-compliance of Applicable Laws.
7. That nothing has been concealed in the information submitted as mentioned above.  
Capitalized terms used but not defined herein shall have the meanings assigned to them in the Scheme Document for auction of coal linkages for Power Producers/PPs without PPAs under Paragraph B(viii)(a) covering Paragraph B(iii) of Policy dated *[insert]*.

Solemnly affirmed and verified on this *[insert]* day of, *[insert]*, *[insert]* at *[insert place]*.

\_\_\_\_\_  
Signature of the Authorised Signatory  
Name and designation of the Authorised Signatory:  
Name of the Successful Bidder:  
Stamp of Successful the Bidder:  
Date:  
Place:

#### VERIFICATION

I, *[insert]*, the *[insert designation of the deponent]* of the Successful Bidder above named, having my office at *[insert]*, do hereby solemnly declare that what is stated above in paragraphs *[insert]* to *[insert]* are on the basis of the books and records of the Successful Bidder, 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 on *[insert]* day of *[insert]*, *[insert]* at *[insert place]*.

Deponent  
(Signature)  
Name, Designation and Seal

**Annexure VIII – Self Declaration**

(as per CEA procedure issued vide MoP letter dated 25.05.2022)

The undersigned is authorized to hereby declare that the Specified End Use Plant.....(Name of the Specified End Use Plant) of the Purchaser (company name) was allocated .....(Allocated Quantity) of coal from .....(name of the Seller) under .....(Tranche Name)..... (Auction Window) Auction conducted under Para SHAKTI B(viii)(a) covering Para B(iii) of the Policy of MOC.

Out of the Allocated Quantity, the Specified End Use Plant has lifted .....(Coal quantity lifted) of coal and has utilized.....(Coal quantity utilized) of coal quantity after selling power, generated from the above allotted coal, in any product of power exchanges and Short Term PPAs acquired through DEEP Portal. The balance coal quantity remaining unutilized is .....(balance coal quantity)..... at the end of [9/12/18 months, retain as applicable]<sup>1</sup>.

I do hereby declare that the information given above is true to the best of my knowledge and accordingly, the Coal Utilization Certificate for the said Tranche and Auction Window may please be issued. In case, any deviation is found in the above information, the Specified End Use Plant.....will be responsible for the same and necessary action in this regard may be taken as per specified guidelines.

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Signature of the Authorized Signatory

Name & Designation of the Authorized Signatory:

Name of the Power Plant:

Stamp of the Power Plant:

Date:

Place:

(Note: Details of the coal quantity allocated, lifted and utilized, along with the details of selling power in power Exchanges/ in short term PPAs through DEEP Portal are to be provided in separate Annexure.)

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<sup>1</sup> Supply Period – Utilization Period

3 months – 9 months

6 months – 12 months

12 months – 18 months

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**Annexure IX –Letter of Intimation to Successful Bidders**  
**[To be issued by Auction Service Provider, on behalf of relevant Coal company,**  
**through digital/electronic mode]**

Date: [insert date]

To

[Name of Authorized Signatory]

[Name of Successful Bidder]

[Address of the Specified End Use Plant]

**Subject: Intimation of Allocated Quantity**

Dear Sir/Madam,

Pursuant to the scheme document dated [insert date of issuance of finalized standard scheme document] issued by Coal India Limited (“**Scheme Document**”) for auction of coal linkages for a short term period - 3/6/12 months] to IPPs/Power Producers without PPAs under Paragraph B(viii)(a) covering Paragraph B(iii) of the SHAKTI Policy dated May 22, 2017 and as amended on March 25, 2019 & November 08, 2023 (“**Policy**”) and Notice Inviting Registration dated [insert date], I am directed to declare you as a Successful Bidder for award of the quantity of coal specified in Schedule 1 (“**Allocated Quantity**”). This intimation is in pursuance of Clause 3.6.3 of the Scheme Document and subject to fulfilment of the Conditions to Auction, and participation in the Auction and submission of the Bid by the Bidder in respect of the Specified End Use Plant.

Details of the Specified End Use Plant, the Allocated Quantity, the Winning Premium and other relevant details are set out in *Schedule 1*.

The Successful Bidder shall submit the Performance Security (in prescribed format) and the Affidavit (in prescribed format) in respect of the Allocated Quantity and undertake such other necessary actions, to the satisfaction of CIL/the relevant Subsidiary in accordance with the terms and within the timelines prescribed in Clause 3.6.4 of the Scheme Document.

The relevant Subsidiary may, at any time prior to Commencement of Coal Supply, 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 relevant Subsidiary reserves the right to revoke this Intimation Letter and/or withdraw the entitlement to the Allocated Quantity, disqualify the Successful Bidder and forfeit the Process Fee and/or the Bid Security as per the Scheme Document, if it is of the opinion that the requirements and conditions of the Scheme Document and/or this Intimation Letter, have not been duly satisfied.

This Intimation Letter is only indicative of the quantity allocated to you and any entitlement to such quantities of coal are subject to (a) satisfaction and continued compliance of the conditions set out in the Scheme Document and in this Intimation Letter

The terms of the Scheme Document are incorporated in this Intimation Letter by reference and form part of this Intimation Letter. CIL/the relevant Subsidiary shall be entitled to exercise all its rights and remedies as stipulated in the Scheme Document.

*The Intimation Letter set out hereinabove is merely indicative in nature. CIL/the relevant Subsidiary reserves the right to modify or amend the same at its sole and absolute discretion.*

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

**Details of Specified End Use Plant**

Name of Specified End Use Plant	Address	Capacity	Auction Window (3/6/12 months)

**Allocated Quantity under Auction and other details pertaining thereto**

S. No.	Auction Window (3/6/12 months)	Subsidiary Name	Primary Source	Secondary Source(s)	Mode	Grade	Top-size of Coal (mm)	Notified Price (Rs./Tonne)	Quantity Allocated (Tonne)	Winning Premium

**Note: For cost plus sources:**

Per GCV Price of Primary cost plus sources(name of source):.... Rs/kCal(at midpoint of the primary source grade). For supply of coal from Secondary source, Per GCV price of secondary source (at midpoint of the secondary source grade) should be atleast equal to per GCV price of Primary cost plus source (at midpoint of the primary source grade).

**Annexure X - Format of the Bank Guarantee**  
[to be stamped in accordance with the relevant Stamp Act]

To  
[insert name of the Seller]  
[insert address of the Seller]

This bank guarantee (hereinafter referred to as “**Guarantee**”) is made on .....day of .....2022 by [insert name of bank] having its head office at..... acting through its Manager/officer/Agent (hereinafter referred to as the “**Bank**” which expression shall, where the context so permits, include its administrators, executors, successors in interest and permitted assignees) on behalf of [insert name of the Purchaser], a company registered under Companies Act 1956/2013 and having its registered office at ..... (hereinafter referred to as “**Purchaser**”) which expression as the context so permits, shall include its representatives, administrators, executors, successors and permitted assignees) in favour of [insert name of Seller], a company registered under Companies Act 1956/2013 and having its registered office at ..... (hereinafter referred to as “**Seller**”) which expression as the context so permits, shall include its representatives, administrators, executors, successors and permitted assignees).

**WHEREAS** the Purchaser has been declared as the Successful Bidder for the auction of Coal linkages held for Power Producers / Independent Power Products without Power Purchase Agreements under Paragraph B(VIII)(A) of the SHAKTI Policy covering Paragraph B(III) of the SHAKTI Policy and the Seller shall supply Coal to the Purchaser as per the terms of the Scheme Document and the Intimation Letter;

**AND WHEREAS** the Bank has agreed, upon terms and subject to conditions detailed herein, to stand as a guarantor on behalf of the Purchaser and to execute this Guarantee on behalf of the Purchaser for the satisfactory fulfilment of its payment obligations as per the terms of the Scheme Document and the Intimation Letter

**NOW THEREFORE THIS DEED OF GUARANTEE WITNESSETH AS FOLLOWS:**

1. In consideration of what is stated hereinabove, the Bank hereby guarantees that the Purchaser will duly comply with all its obligations in accordance with the terms and conditions of the Scheme Document and the Intimation Letter
2. This Guarantee shall be irrevocable and remain in full force for a period of 11 /14/ 20 (eleven/fourteen/twenty)<sup>2</sup> months from the Commencement of Coal Supply i.e. [insert date] or till any other timeline prescribed by coal company.
3. Any such written demand made by the Seller stating that the Purchaser is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the Scheme Document and the Intimation Letter shall be final, conclusive and binding on the Bank.
4. We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Purchaser or any other person and irrespective of whether the claim of the Seller is disputed by the Purchaser or not, merely on the first demand from the Seller stating that the amount claimed is due to the Seller by reason of failure of the Purchaser to fulfil and comply with the terms and conditions contained in the Scheme Document and the Intimation Letter. Any such demand made on the Bank shall be conclusive as regards amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount

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<sup>2</sup> To retain as applicable



not exceeding INR [*insert amount*] (Indian Rupees [*insert amount*] only).

5. We, the Bank, further agree that the Seller shall be the sole judge to decide as to whether the Purchaser is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the Scheme Document and the Intimation Letter including, *inter alia*, the decision of the Seller that the Purchaser is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the Seller and the Purchaser or any dispute pending before any court, tribunal, arbitrator or any other authority.
6. The Guarantee shall not be affected by any change in the constitution or winding up of the Purchaser or the Bank or any absorption, merger or amalgamation of the Purchaser or the Bank with any other person.
7. In order to give full effect to this Guarantee, the Seller shall be entitled to treat the Bank as the principal debtor.
8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein.
9. We undertake to make the payment on receipt of your notice of claim on us addressed to [name of Bank along with branch address] and delivered at our above branch which shall be deemed to have been duly authorised to receive the said notice of claim.
10. It shall not be necessary for the Seller to proceed against the Purchaser before proceeding against the Bank and the Guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which the Seller may have obtained from the Purchaser. and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealized.
11. We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of the Seller in writing.
12. The Guarantee shall not be determined or effected by liquidation or winding up, dissolution or charge of constitution or insolvency of the Purchaser.
13. The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this Guarantee for and on behalf of the Bank.

IN WITNESS WHEREOF the Bank has executed this Guarantee on the date mentioned hereinabove.

Witness attesting the  
Signature of the executant  
of this document,

For & on behalf of

.....

Bank's name

- 1)
- 2)

Manager/Officer/Agent

## **Annexure XI - Procedure for Third Party Sampling and Analysis**

### **1. APPOINTMENT OF THE THIRD PARTY AGENCY**

The Purchaser may select a Third Party Agency (“TPA”) to conduct the sampling and analysis from the list of third parties empaneled by CIL from time to time including:

- (a) Quality Council of India (“QCI”)
- (b) Indian Institute of Technology (“Indian School of Mines”); or
- (c) Such other agencies as may be empaneled by CIL from time to time

The cost of sampling and analysis by TPA shall be shared on 50:50 basis by the Seller and the Purchaser.

All tools and tackles, plastic bags, sealing compounds and other items required for collection, preparation, storage and analysis of the sample shall be arranged by the TPA.

### **2. DETAILED MODALITIES FOR THIRD PARTY SAMPLING**

Modalities for collection, handling, storage, preparation and analysis of TPA samples:

#### **2.1 GENERAL**

- a) In order to commence third party sampling, a tripartite agreement will be signed between the Seller, the Purchaser and the TPA. The format of tripartite agreement will be provided by the Seller.
- b) Samples shall be collected by TPA lot-wise.
- c) Samples shall be collected, packed and transported by the TPA in such a manner so as to make these tamper proof to the satisfaction of Seller and Purchaser for which detailed procedure may be worked out at Delivery Point jointly by representatives of the Seller, the Purchaser and the TPA.
- d) Name of the colliery/Siding/Purchaser, date of collection and other identification details (eg. Rake no. in case of rail supply etc.) shall be properly recorded and a code number shall be assigned for each sample for identification and reconciliation of results.
- e) Collection and preparation of samples will be witnessed by the representative of Seller and Purchaser. In case the representative of either party is not present or do not participate, the work will be done by TPA and absence or failure of participation shall not be considered as a ground for disputing the result.
- f) Proper analysis records like print out of the results from automatic Bomb Calorimeter etc. shall be maintained at the Laboratories where the samples are analyzed by the TPA. TPA shall ensure that samples are analysed in NABL accredited labs.
- g) Laboratory samples prepared shall be in the size of 12.5 mm for the Total Moisture and for ash, Equilibrated Moisture and GCV analysis, 212 μ (micron) IS sieve. Due care shall be taken to ensure that before analysis, in test laboratory, further sieving or pulverizing is not required.
- h) Samples collected at the loading end shall be analyzed as per latest BIS Standards (IS:1350 Part I – 1984 for determination of ash and moisture content and IS:1350 Part-II-1970 for determination of GCV).

- i) The TPA shall communicate the analysis result of the sample to the Seller and Purchaser within fifteen (15) days of sample collection. The Seller/the Purchaser may raise a dispute, if any, regarding the findings of the TPA within seven (7) days of the submission of the analysis result by the TPA.
- j) Monthly statements containing the details of each and every analysis result finalized during a month based on TPA/referee analysis, as the case may be, shall be prepared indicating *inter alia* the quantity of Coal covered by the respective analysis results. The finalized results shall be applied for billing/commercial purpose. Copy of the monthly statement/report shall be submitted to Seller and Purchaser by the TPA.
- k) The final pulverized sample will be divided into four parts viz. Set – I, Set – II, Set –III and Set – IV as follows:
  - (i) Set – I shall be taken by the TPA to its NABL Accredited Laboratory for analysis of ash, moisture and GCV as per latest BIS Standards (IS: 1350 Part 1-1984) or BIS Standards (IS: 1350 Part-II-1970), as applicable;
  - (ii) Set – II and Set – III of the sample shall be handed over by the TPA to the Seller and the Purchaser respectively for their own analysis; and
  - (iii) Set – IV of the sample called Referee Sample shall be sealed jointly by the TPA and representatives of Seller and Purchaser and shall be kept in the custody of TPA at the Delivery Point under lock and key arrangements. The referee sample shall be retained in sealed condition (duly signed by the representatives of Seller and Purchaser and the TPA) for minimum of thirty (30) days from the date of sample collection, after which it may be destroyed with proper records by TPA. The sample shall be packed and transported by the TPA to referee lab, in tamper proof manner to the satisfaction of Seller and Purchaser.
- l) Total Moisture determination will be done at nearest laboratory of the Seller and remaining tests/analysis (moisture, ash, GCV on Equilibrated Basis) will be done by the TPA as per BIS Standards (IS: 1350 Part 1-1984) or BIS Standards (IS: 1350 Part-II-1970), as applicable.
- m) In the event of any dispute (which shall be raised not later than seven (7) days from the date of receipt of result from the TPA), Set – IV shall be sent for referee analysis by the TPA within seventy two (72) hours of the dispute. Referee sample results shall be declared within 15 days from the date on which sample is disputed by Seller or Purchaser. For this purpose, TPA shall ensure that referee samples are transported to the mutually agreed (Seller and Purchaser) designated laboratories of the government agencies/institutions. TPA shall follow a foolproof coding and decoding system for referee analysis and also ensure distribution of referee samples amongst designated referee labs in a judicious manner considering the workload, equitable distribution, infrastructure etc. at various labs. The cost incurred for analysis of referee sample including the cost of transportation to the referee laboratory, shall be borne totally by the Party raising the dispute. The findings of such designated laboratory(ies) shall be binding on the Purchaser and the Seller for commercial purposes.
- n) If the timelines specified herein for declaration of TPA result or raising dispute are not adhered to, then, such result or dispute, as the case may be, will not be applicable for any purpose, unless the delay is jointly waived in writing by both the Seller and the Purchaser
- o) Third Party Sampling is mandatory for supplies from Cost Plus Sources. In case third party sampling could not be carried out for any reason, carrying out joint sampling shall be mandatory

## **2.2 COLLECTION OF SAMPLES FROM WAGONS (Rail and MGR)**

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- a) For the purpose of sampling each lot of Coal supplied from one Delivery Point shall be considered as a lot.
- b) Each day's supply shall be considered as one lot for the purpose of sampling in case of coal supplies by MGR.
- c) Each lot shall be divided into sub-lots in a manner that the quantity of Coal/number of wagons in such sub-lots is more or less equal. The number of sub-lots shall be determined as under:

No. of wagons in the rake	Number of sub lots
Up to 30 wagons	4
>30 wagons up to 50 wagons	5
>50 wagons and above	6

- d) From each of the sub-lots, one (1) wagon each shall be selected as per random table of IS: 436 (Part I/Section I) 1964 for collection of increments.
- e) In each wagon selected for sampling, the sample will be drawn from the spot in a manner so that if in one (1) wagon the sample is collected at one end, in the next wagon the spot will be in the middle of the wagon and in the third wagon at the other end and this sampling procedure will be repeated for subsequent wagons.
- f) Before collecting the samples, the spot will be leveled and at least 25 cm of Coal surface shall be removed/scrapped from the top and the place will be leveled for an area of 50 cm by 50 cm.
- g) About 50 kg of sample shall be collected from each selected wagon in the lot by drawing 10 increments of approx. 5 kg each with the help of shovel/ scoop.
- h) Any stone/shale of size more than that indicated in Schedule 1 to Intimation Letter shall be removed/discarded, however all stones/shale of size in terms of Schedule 1 to Intimation Letter shall form part of the sample collected.
- i) Samples collected from all the selected wagons in a lot shall be mixed separately to form gross sample accordingly.
- j) Item (d) to (g) above shall be applicable for Coal supplied in box wagons as well as BOBR wagons where there is no live overhead traction line.
- k) In case of having live overhead traction line, TPA shall ensure that the power supply in the overhead traction is switched off to facilitate collection of joint samples from BOX/BOBR wagons pursuant to point 2.2d) to point 2.2g) above.

### 2.3 **COLLECTION OF SAMPLES OF COAL DESPATCHES BY ROAD**

- a) Sample shall be collected lot-wise on daily basis round the clock, depending upon the timings of trucks/vehicles allowed for exist by the Seller at respective dispatch point(s).
- b) The first truck for TPA sampling on a day shall be selected randomly from the first eight trucks placed for loading by the Purchaser. Every eighth (8<sup>th</sup>) truck there after shall be subjected to TPA sampling.
- c) The spot at the top of the truck, will be leveled and at least 25 cm of Coal surface shall be removed/scrapped from the top and the place will be leveled for an area of 50 cm by 50 cm for collection of sample.

- d) About 30 kg of sample shall be collected from each truck by drawing 6 increments of approx. 5 kg each with the help of shovel/scoop.
- e) All the samples collected from every eighth truck shall be mixed together to form a gross sample.
- f) Any stone/shale of size more than that indicated in Schedule 1 to Intimation Letter shall be removed/discarded, however all stone/shale of size as mentioned in Schedule 1 to Intimation Letter shall form the part of the sample collected.

**2.4 COLLECTION OF SAMPLES FROM CONVEYOR BELT/ROPEWAYS/ PIPELINES**

- a) Samples will be taken lot-wise.
- b) The sample shall be collected in increments of full cross section and thickness of the stream in one operation in a regular interval of time as mutually decided by both Seller and Purchaser and lot shall consist of samples so collected during a day i.e. 0.00 Hr to 0.00 Hr. of the following day.
- c) Before collecting the increments, the speed of the conveyer belt/ropeways/pipelines and quantum of material passing a certain point in a given time shall be ascertained so that an appropriate spacing of time between increments may be arranged over the whole of the lot.
- d) In case of supply through conveyor belt, if it is practicable to stop the belt periodically, increment may be collected from the whole cross section of the stream by sweeping the whole of the Coal lying between the sides of a suitable frame placed across the belt. The frame should be inserted in the Coal until it is in contact with the belt across its full width. If it is not possible, then sample is to be collected from falling stream of the belt at a suitable transfer point where coal is being released from one point to other.
- e) Minimum 150 kgs of samples to be collected for daily gross sample.
- f) Any stone/shale of size more than that indicated in Schedule 1 to Intimation Letter shall be removed/discarded, however all stone/shale of size as mentioned in Schedule 1 to Intimation Letter shall form the part of the sample collected.

**2.5 COLLECTION OF SAMPLES FROM STOCKPILE**

- a) For the purpose of sampling, a lot shall comprise of sub-lots as set out in point 2.5b) below.
- b) The quantity of Coal in the stock pile shall be divided into a suitable manner of sub-lots as specified in the following table:

Approximate quantity of the stock pile (MT)	No. of Sub-lots
Up to 500	2
501 to 1000	3
1001 to 2000	4
2001 to 3000	5
Over 3000	6

- c) The surface of each sub-lot shall be leveled and one point for approximately every 250 MT of material in the sub-lots shall be chosen at random for taking gross sample as per the following procedure:

- (i) In case height of the stockpile is not more than 1.5 metre, the material shall be collected at every selected point by taking the whole section of Coal from top to bottom over the area of a circle of 30 cm diameter.
  - (ii) In case the height of the stock pile is more than 1.5 metre, the sample shall be collected at every selected point by taking the material over an area of a circle of 30 cm diameter and up to a depth of 1.5 metre.
- d) Any stone/shale of size more than that indicated in Schedule 1 to Intimation Letter shall be removed/discarded, however all stone/shale of size as mentioned in Schedule 1 to Intimation Letter shall form the part of the sample collected.

## **2.6 PREPARATION OF COLLECTED SAMPLES:**

- a) The gross sample collected at the loading end by the TPA will be divided into two portions. One portion (one fourth of the gross sample) called Part – 1 will be used for analysis of Total Moisture and the other portion (three fourth of the gross sample) called Part – 2 for determination of ash, moisture and GCV on Equilibrated Basis.
- b) The Part-2 Sample shall be reduced into laboratory sample either manually or mechanically or a combination of these two methods. The final laboratory samples will be divided into four parts viz. Set – I, Set – II, Set – III and Set – IV as per point 2.1k). Further preparation of sample is to be done as per latest version of IS 436 (Part I-Sec. II)-1976.

## **3. ANALYSIS OF SAMPLE(S)**

Analysis of sample(s) is to be done as per latest version of IS 1350 (Part-I)-1984 for determination of Total Moisture, Equilibrated Moisture, Ash and Volatile Matter and GCV as per latest version of IS 1350 (Part-II), 1970.

## **2. 4 OVERSIZED COAL/STONES**

In the unlikely event of supply of any oversized Coal/stones beyond the specifications set out in Schedule 1 to Intimation Letter, the Purchaser shall inform the Seller of such incident(s) in any specific consignment(s), immediately on its detection at the Delivery Point and/or Unloading Point and the Seller shall take all reasonable steps to prevent such ingress at its end. If, in the Purchaser's reasonable assessment, the incidents of oversized Coal and/or stones are causing operating or maintenance problems at the Specified End Use Plant, then, upon the request of the Purchaser, the Purchaser and the Seller shall meet and prepare a mutually acceptable plan for effectiveness of the Seller's endeavours to avoid such instances.

## **5 ASSESSMENT OF QUALITY OF COAL AT THE LOADING END**

(a) Samples of Coal shall be collected by the Third Party either manually or through any suitable mechanical sampling arrangement, including Augur Sampling method, if physically operable at each of the Delivery Points for determining the quality of Coal in the presence of representatives of the Seller and the Purchaser.

(b) For the purpose of sampling, each rake of Coal supplied from one Delivery Point shall be considered as a lot. However, if a rake comprises Coal from more than one (1) coal mine and/or Grade, then the number of lots for sampling will be coal mine/Grade wise, as

the case may be.

(c) Each day's supply to the Purchaser from a Delivery Point shall be considered as one lot for the purpose of sampling in case of Coal supplies by road, ropeways, belt and MGR system etc. However, if such Coal supplies comprise Coal from more than one (1) coal mine and/or Grade, then the number of lots for sampling will be coal mine/Grade wise, as the case may be.

(d) Detailed modalities for collection, handling, storage, preparation and analysis of samples by Third Party shall be as per Annexure XI. (e) Each sample shall be assigned with a code number and will be identified by such code only and no other particulars will be indicated or written on the tag attached with the relevant bag containing the sample. Detailed modalities of coding/de-coding for the purpose of sampling and analysis may be worked out separately by the Parties to facilitate confidentiality and reliability of the process.

(f) (i) In the event, for any reason whatsoever, Third Party sampling and analysis could not be conducted, joint sampling and analysis shall be carried out by the Seller in presence of the Purchaser at the loading end; and

(ii) In the event that, no sample is collected either by the Third Party or Seller and Purchaser jointly as mentioned at sub-clause (i) above, from dispatches by a rake or on any day, as the case may be, from a Delivery Point for any reason, the weighted average of the most recent results available in any preceding Month against respective Delivery Point/Grade shall be adopted for such dispatches for which samples were not collected.

(g) For Cost Plus source: Third Party Sampling is mandatory for supplies from Cost Plus Sources. In case third party sampling could not be carried out for any reason, carrying out joint sampling shall be mandatory.

(h) For commencement of third party sampling a Tripartite agreement shall be signed by the purchaser, seller and the third party within a time frame as decided mutually by the parties involved as per format available with Coal Company.

(i) 50% share of the cost of third party sampling shall be borne by the purchaser in terms of the tripartite agreement. Such payment shall be made by the purchaser directly to the third party agency.

(j) In case of a variation of Grade of Coal (decided on the basis of third party sampling by a the Third Party Agency/joint sampling/referee lab as applicable) as compared to the contracted grade of coal, the winning premium(%) shall be applied on the Price of the supplied grade of coal.

(k) For Cost Plus Source:

In case of a variation of Analyzed GCV of coal supplied (decided on the basis of third party sampling by a the Third Party Agency/joint sampling/referee lab, as applicable) as compared to the Base GCV of the contracted coal, the winning premium(%) shall be applied on the applicable Price on the Analysed GCV of the coal supplied as illustrated below:

$$\frac{\text{Applicable Price notification (x) Analysed GCV of cost plus source}}{\text{Base GCV of cost plus source}}$$

## **6 EXCESS SURFACE MOISTURE**

In the event that monthly weighted average Surface Moisture in Coal exceeds seven percent (7%) during the Months from October to May and nine percent (9%) during the months from June to September, the Seller shall give credit note on account of quantity equivalent to excess Surface Moisture, calculated at the rate of the weighted average Notified Price of analyzed Grade(s) of Coal and Other Charges. The said compensation shall not include railway freight and Statutory Charges. In this regard, any credit in respect of the Statutory Charges, if and when received by the Seller, shall be adjusted through issuance of credit note(s).

**Annexure XII - IRLC or Usance LC Stipulations**

*(IRLC or Usance LC Stipulations shall be separately intimated by the Seller to the Purchaser in case the Purchaser opts to submit IRLC or Usance LC as per the payment provisions)*



### **Annexure XIII - List of Documents**

1. Relevant Corporate Authorizations of the Purchaser for execution and performance of his obligations under the Scheme Document and the Intimation Letter such as:
  - (a) Notarised Power of Attorney (PoA); and
  - (b) Certified true copy of Board Resolution or Certified true copy of Shareholders Resolution etc.
2. Self-attested copy of valid Factory License No. [·] dated [·] issued by Inspector of Factories, [·] with respect to the Specified End Use Plant or application dated [·] filed for renewal of Factory License No. [·] dated [·] issued by [·] with respect to the Specified End Use Plant, in case the Factory License has recently expired.
3. Self-attested copy of Consent to Operate No. [·] dated [·] 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.
4. Self-attested copy of GSTIN and PAN card of the Purchaser.
5. Certificate of Incorporation/ Certificate of Commencement of Business.
6. In-principle water allocation from state water supply authority.
7. Certificate of Date of Commercial Operation (COD) issued by CEA.
8. Certificate of commissioning in respect of the Specified End Use Plant.
9. Documentation with respect to existing coal linkages, assurance of linkages and/or allocation of mine.
10. Self-attested copy of valid boiler license(s) with respect to the Specified End Use Plant or copy of application filed for its renewal, in case the same has recently expired.
11. Balance life of each Unit of the Specified End Use Plant as certified by CEA.
12. Any other relevant information/documentation as may be requested for by the Seller.

### Annexure XIV- Format of Affidavit for Change in Constitution

(to be stamped in accordance with Indian / State Stamp Act, as may be applicable, and duly sworn before Notary public)

#### Affidavit

I, [insert], s/o [insert], aged [insert] years, resident of [insert] working as [insert] an Authorised Signatory on behalf of [insert name of Purchaser] (“**Purchaser**”) hereby state as under:

1. I am the [insert designation of the deponent] of the Purchaser. 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 board resolution dated [insert].
2. I am filing this Affidavit to place on record facts and documents in connection with the Coal Supply to my Specified End Use Plant [to insert details of plant, Contracted Quantity, Auction Window, Seller, Supply Period – from Month—Year-- to Month-- Year--]
3. I certify and confirm that the constitution of the Purchaser was changed pursuant to [amalgamation, merger, de-merger, takeover, court order or change in ownership/shareholding pattern etc.] on [insert effective date of the change in constitution].
4. I hereby undertake and confirm that [insert name of Purchaser] has complied with all applicable laws, rules and regulations in relation to change in the constitution of the [insert name of the Purchaser] and in accordance with the Office Memorandum dated April 7, 2015, issued by the Ministry of Coal and/or any other directive or guidelines which may be issued by the Ministry of Coal, all documents have been validly executed in this regard, and a true, correct and valid copy of such document are available with [insert name of Purchaser].
5. That an indemnity bond has been executed by [insert name of Purchaser] in favour of [insert name of the Seller] and the same is enclosed along with this affidavit.
6. I hereby undertake and confirm that [insert name of the Purchaser] will execute a novation agreement or deed of assignment with [insert name of the Seller]
7. That nothing has been concealed in the information submitted as mentioned above.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Scheme Document for Coal Linkages for Power Producers/IPPs without PPAs under Paragraph B(viii)(a) covering Paragraph B(iii) of Policy dated [insert].

Solemnly affirmed and verified on this [insert] day of, [insert], [insert] at [insert place].

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Signature of the Authorised Signatory  
Name and designation of the Authorised Signatory:  
Name of the Purchaser:  
Stamp of the Purchaser:  
Date:  
Place:

**VERIFICATION**

I, [insert], the [insert designation of the deponent] of the Purchaser above named, having my office at [insert], do hereby solemnly declare that what is stated above in paragraphs [insert] to [insert] are on the basis of the books and records of the Purchaser, 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 on [insert] day of [insert], [insert] at [insert place].

Deponent  
(Signature)  
Name, Designation and Seal

### Annexure XV - Format of the Indemnity Bond

(To be furnished in stamp paper of appropriate value in accordance with the Indian / State Stamp Act, as may be applicable)

(Stamp Paper to be purchased in the name of the New Entity)

(At present not less than Rs. 50/- stamp paper)

This indemnity bond is executed on this day [insert] [insert name of the Purchaser] having its registered corporate office at [insert address of the Purchaser] represented through [insert name of authorised signatory] s/o [insert name] its duly authorized representative (hereinafter referred to as '**Indemnifier**') in favour of M/s Coal India Limited/[insert name of Seller] (hereinafter referred to as the '**Indemnified**') having its registered office at [insert address of the Seller].

Whereas the Indemnified herein has contracted to supply coal to [insert previous name of the Purchaser] as per terms of the Intimation Letter dated [insert date];

And Whereas, [insert previous name of the Purchaser] has changed its name from [insert previous name of the Purchaser] to [insert new name of the Purchaser] on account of [insert reason for change in name];

And Whereas the [insert new name of the Purchaser] has complied with all applicable laws, rules and regulations in relation to [insert reason for change in name].

The Indemnifier irrevocably agrees to indemnify for any liability to the Indemnified accruing on account of the (Name of earlier Entity) & (Name of Present Entity) and for any false statement in the Affidavit date [insert date].

The Indemnifier irrevocably agrees to indemnify for any liability to the Indemnified by virtue of non-compliance of any law, rules and regulations and any consequential liability arising out of such non-compliance in relation to the [insert explanation for change of name event].

The Indemnifier hereby irrevocably agrees from time to time and all times to save and keep harmless and to indemnify Coal India Limited/[insert name of the Seller] from any loss or damage caused to the Indemnified due to any act/omission/misrepresentation of the Indemnifier in relation to the [insert explanation for change of name event].

Station:

(Signature with Name and Designation)

Date:

Company Seal (New Entity)

Witness:

1. Signature with Name, Designation & Address
2. Signature with Name, Designation & Address

## **Annexure XVI – Definitions AND INTERPRETATIONS**

### **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 3.6.2.6.
- 1.1.3 “**Allocated Quantity**” shall have the meaning ascribed to such term in Clause 3.6.2.6.
- 1.1.4 “**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, or determination, or any interpretation or adjudication having the force of law in India.
- 1.1.5 “**Affected Party**” shall have the meaning ascribed to it in Clause 15.1
- 1.1.6 “**As Delivered Price of Coal**” shall mean the price of coal computed in accordance with Clause 5.3.1
- 1.1.7 “**Auction**” shall mean the auction for allocation of Coal linkages to power producers/independent power producers without PPA(s), conducted in accordance with the Scheme Document.
- 1.1.8 “**Auction Process**” for each Auction Window shall mean the process for conduct of the Auction as set out in Clause 3.
- 1.1.9 “**Auction Window**” shall mean the Auction for Supply Period, as applicable.
- 1.1.10 “**Authorised Signatory**” shall mean the individual who has been duly authorised, pursuant to execution of a power of attorney (in the format prescribed in **Annexure II**) by a Bidder in favour of such individual to do all such acts, deeds and things as may be necessary or required in the Auction Process on behalf of such Bidder, including but not limited to: (i) affixing such Bidder’s digital signature certificate; and/or (ii) executing and submitting a Bid on behalf of such Bidder; and/or (iii) executing the affidavit cum undertaking (set out in **Annexure I** on behalf of such Bidder; and/or (iv) executing and submitting such other documents as may be deemed necessary, in accordance with the terms hereof.
- 1.1.11 “**Bid**” shall mean the bid submitted by the Eligible Bidder in accordance with Clause 3.6, for a Link Quantity with respect to a Specified End Use Plant, pursuant to a unique registration number given by the Service Provider.
- 1.1.12 “**Bid Security**” shall have the meaning ascribed to such term in Clause 5.2.1
- 1.1.13 “**Bidder**” shall have the meaning ascribed to such term in Clause 3.1.1.
- 1.1.14 “**Business Day**” shall mean each Monday, Tuesday, Wednesday, Thursday, Friday and Saturday that is not declared a holiday in the State of the Seller
- 1.1.15 “**CEA**” shall mean Central Electricity Authority.
- 1.1.16 “**CIL**” shall mean Coal India Limited (a Government of India undertaking). the holding company of the Seller, having its registered office at Coal Bhawan, Premise No - 04 MAR, Plot-no-AF-III, Action Area-

1A, Newtown, Rajarhat, Kolkata - 700156 its subsidiary coal companies.

- 1.1.17 “**Coal**” shall mean non-coking(including coal from cost plus sources) as well as coking coal, produced by the Seller and categorized into different classes, GCV bands, Grade(s) and sizes, as per the notification/order issued for such purpose by Government of India/CIL/Seller and it is clarified that Coal shall also include the middlings arising out of washing of coking coal and non-coking coal, as the case may be.
- 1.1.18 “**Coal Distribution System**” shall mean the coal distribution system of the Seller including any distribution system in force and shall include directions issued thereon by the Government from time to time.
- 1.1.19 “**Coal Linkages**” shall have the meaning as intended at Clause 2.3.
- 1.1.20 “**Coal Supply**” shall mean supply of Coal to the Purchaser as per terms of the Scheme Document and the Intimation Letter
- 1.1.21 “**Coal Utilization Certificate**” shall have the meaning ascribed to it in Clause 11.1
- 1.1.22 “**Coercive Practice**” shall have the meaning ascribed to such term in Clause 7.2.3.
- 1.1.23 “**Colliery Loading Point**” shall mean:
- Silo, or
  - Mid-point for wharf wall loading at the colliery, or
  - Truck loading point, or
  - Ropeways loading point, or
  - Transfer point to the customer’s belt conveyor etc., as the case may be, or
  - Any other point at which the Coal is transferred to the Purchaser’s Container.
- 1.1.24 “**Commencement of Coal Supply**” shall mean the date from which Seller commences supply of Coal to the Purchaser as per terms of the Scheme Document and the Intimation Letter.
- 1.1.25 “**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.
- 1.1.26 “**Completion of the Auction Process**” shall mean, with respect to a particular tranche of the Auction Process being conducted by a Subsidiary, the completion of the Auction for the last Lot of that tranche.
- 1.1.27 “**Conditions to Auction**” shall mean, with respect to this Auction, the conditions specified in Clause 3.5 and submission of the documents on the Electronic Platform of the Service Provider and in physical form to the Service Provider at the address specified in **Annexure IV**, in accordance with the Scheme Document.
- 1.1.28 “**Corrupt Practice**” shall have the meaning ascribed to such term in Clause 7.2.1.
- 1.1.29 **Deleted.**
- 1.1.30 “**Declared Grade**” shall mean the particular Grade(s) (GCV of coal for cost plus sources) under different categories of Coal mined from any seam or section of a seam in the Seller’s collieries from which Coal is produced and supplied during the Supply Period, as declared by CIL or the Seller.
- 1.1.31 “**DEEP Portal**” shall mean the following e-bidding portal for Discovery of Efficient Energy Price, available at <https://www.MJUNCTION SERVICES LIMITEDecommerce.com/auctionhome/ppa/index.jsp>.
- 1.1.32 “**DISCOM**” shall mean the distribution licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in its area of supply.

- 1.1.33 “**Demand Supply Ratio**” shall mean the sum of Link Quantity submitted by each Eligible Bidder for a particular round divided by the total quantity of coal being offered from the Lot.
- 1.1.34 “**Deemed Delivered Quantity**” or “**DDQ**” shall have the meaning ascribed to it in Clause 8.6
- 1.1.35 “**Defaulting Party**” shall have the meaning ascribed to it in Clause 16.2.4
- 1.1.36 “**Delivery Point**” shall mean any of the colliery sidings or Colliery Loading Points, as the case may be, of the Seller, and/or the location(s) identified by the Seller.
- 1.1.37 “**DISCOM**” shall mean the distribution licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in its area of supply.
- 1.1.38 “**Dispute**” shall have the meaning ascribed to it in Clause 17.1
- 1.1.39 “**Dispute Notice**” shall have the meaning ascribed to it in Clause 17.3
- 1.1.40 “**Due Date**” shall have the meaning ascribed to such term in Clause 6.6.1.
- 1.1.41 “**Electronic Platform**” shall have the meaning ascribed to such term in Clause 3.1.1.
- 1.1.42 “**Eligible Bidder**” shall have the meaning ascribed to such term in Clause 3.3.2.
- 1.1.43 “**Eligibility Conditions**” shall mean the eligibility conditions specified in Clause 4.
- 1.1.44 “**Equilibrated Basis**” shall mean determination/computation of various quality parameters such as but not limited to ash, volatile matter, fixed carbon, Gross Calorific Value etc. determined at equilibrated level i.e. 60% relative humidity (RH) and 40 degree Celsius (°C).
- 1.1.45 “**Equilibrated Moisture**” shall mean moisture content, as determined at equilibrating level i.e. sixty percent (60%) relative humidity (RH) and 40 degree Celsius (°C) as per the relevant provisions of BIS 1350 of 1959 or amendment thereof.
- 1.1.46 “**Failed Quantity**” shall have the meaning ascribed to it in Clause 8.3.1
- 1.1.47 “**Force Majeure Act**” shall have the meaning ascribed to it in Clause 16.1
- 1.1.48 “**Fraudulent Practice**” shall have the meaning ascribed to such term in Clause 7.2.2
- 1.1.49 “**Grade**” shall mean the grade/class in which the coking coal and non-coking coal is categorised and/or to be categorised in terms of and in accordance with the relevant notification issued by the Seller and/or by the Government of India and published in the public domain and/or the Gazette of India, as applicable. The basis of grading for different categories of Coal are as under:
- Non-coking coal : based on GCV bands. ( for cost plus source-mentioned GCV of coal)
  - Coking coal : based on ash percentage
  - Semi-coking coal : based on (ash + moisture) percentage.
- 1.1.50 “**GCV**” shall mean gross calorific value. shall mean the heat value determined in any calibrated combustion Bomb Calorimeter, in accordance with the procedure laid down in IS: 1350 (Part-II) 1970 dated April 1971 or any subsequent revision thereof, and such results shall be reported on Equilibrated Basis (sample equilibrated at 40 degree Celsius and sixty percent (60%) relative humidity (RH)).

Note: In case of Cost Plus Source:

- i. **Analyzed GCV**” shall mean the actual GCV of the coal based on the assessment of quality of coal supplied by the seller from the mine at the loading point.
- ii. **“Base GCV”** shall mean the ..... Kcal/Kg (To be indicated in the FSA for the Cost Plus project).

- 1.1.51 **“Guidelines”** shall have the meaning ascribed to such term in Clause 2.1.4.
- 1.1.52 **“Interest Rate”** shall mean the repo rate of the Reserve Bank of India as applicable on the due date of payment/adjustment plus three percent (3%).
- 1.1.53 **“Intimation Letter”** shall have the meaning ascribed to such term in Clause 3.6.3.
- 1.1.54 **“IPP”** shall mean an independent power producer which is a generating company not owned/controlled by the Central/State Government.
- 1.1.55 **“IRLC”** shall have the meaning ascribed to it in Clause 12.1.2 b
- 1.1.56 **“IS”** shall mean the standard specifications issued by the Bureau of Indian Standards.
- 1.1.57 **“IST”** shall mean Indian Standard Time.
- 1.1.58 **“Kilo Calorie”** or **“Kcal”** shall mean the amount of heat required to raise the temperature of one kilogram (1 Kg.) of pure water at fifteen degrees Celsius (15°C), by one degree Celsius (1°C).
- 1.1.59 **“Last Round”** shall have the meaning ascribed to such term in Clause 3.6.2.6.
- 1.1.60 **“Level of Delivery”** shall have the meaning ascribed to it in Clause 8.4
- 1.1.61 **“Level of Lifting”** shall have the meaning ascribed to it in Clause 8.5
- 1.1.62 **“Link Quantity”** shall mean the quantity of coal from a particular Lot for which the Eligible Bidder has submitted a Bid in accordance with this Scheme Document.
- 1.1.63 **“Lot”** shall mean a specified quantity of coal which is to be offered from a particular Source the details of which are specified in **Annexure V**.
- 1.1.64 **“Merry Go Round”** or **“MGR”** shall mean the Purchaser’s captive rail transportation system for transportation of Coal.
- 1.1.65 **“MoC”** shall mean the Ministry of Coal, Government of India.
- 1.1.66 **“Month”** shall mean a calendar month and **“Monthly”** shall mean accordingly.
- 1.1.67 **“MoP”** shall mean the Ministry of Power, Government of India.
- 1.1.68 **“MoP Methodology”** shall have the meaning ascribed to such term in Clause 2.1.4.
- 1.1.69 **“MT”** shall mean million tonnes.
- 1.1.70 **“Non-Affected Party”** shall have the meaning ascribed to it in Clause 16.1.1
- 1.1.71 **“Non-Defaulting Party”** shall have the meaning ascribed to it in Clause 16.1.1
- 1.1.72 **“Normative Coal Requirement”** shall have the meaning ascribed to such term in Clause 3.3.3.



1.1.73 “**Notice Inviting Registration**” shall mean the notice inviting registration of the Specified End Use Plant for the Auction, issued by CIL/Subsidiary on the Electronic Platform for each tranche of Auction.

1.1.74 “**Notice**” shall have the meaning ascribed to such term in Clause 2.1.5.

1.1.75 “**Notified Price**” shall mean the price of the relevant grade(s) of coal notified by CIL and/or its Subsidiaries as the case may be, from time to time.

For cost plus source(guidelines enclosed as Annexure XVIII):

- “**Notified Price**” shall mean the price of the cost plus mine coal as notified by WCL from time to time or as mentioned in the offer of linkage, as the case may be.

1.1.76 “**Parties**” shall mean the Seller and the Purchaser referred to collectively and “**Party**” shall mean either the Seller or the Purchaser.

1.1.77 Deleted

1.1.78 “**Performance Security**” shall have the meaning as intended at Clause 5.4.

1.1.79 “**Person**” shall mean and include any individual, Company, entity, society or trust, whether incorporated or not.

1.1.80 “**Pithead**” shall mean any of the following as the context may admit:

- In case of an underground coal mine, Pithead shall mean the point of entry into the mine on the surface of coal mine at the ground level and would be a place or point distinct from Delivery Point.
- In case of an open-cast coal mine, Pithead shall mean the exit point of Coal on surface (mouth/entry of the main access trench or an auxiliary access trench). In case of open-cast mines with more than one exit points of Coal, there will be as many ‘Pitheads’ and will apply respectively to the amount of Coal egressing from a particular exit point.

1.1.81 “**Policy**” shall have the meaning ascribed to such term in Clause 2.1.1.

1.1.82 “**Power Producer**” shall mean a power producer which is a generating company owned/controlled by the Central/State Government.

1.1.83 “**PPA**” shall mean the medium term (exceeding 1 year but up to 7 years) and/or long term (7 years and above) power purchase agreement between the power generating source and the power procurer(s), i.e. DISCOM(s)/SDA either directly or through PTC(s) who has/have signed back to back PPA(s) with DISCOMs/SDA. However, the same shall not be applicable for the portion which is sold under market driven price.

1.1.84 “**PTC**” shall mean a power trading company, which is an electricity trader who has been granted a license to undertake trading in electricity under Section 12 of the Electricity Act, 2003.

1.1.85 “**Process Fee**” shall have the meaning ascribed to such term in Clause 5.1.1.

1.1.86 “**Prospective Bidder**” shall mean any Power Producer/IPP, prospective bidder, Bidder, Person, party, participant, applicant or interested party.

1.1.87 “**Purchaser**” shall have the meaning assigned to it in the Intimation Letter issued by the Seller.

“**Purchaser’s Container**” shall mean the railway wagon, truck, receiving hopper, belt conveyor, bunker etc. owned by and/or placed on behalf of the Purchaser for movement of Coal by the Purchaser to its Specified End Use Plant.

- 1.1.88 “**Registration Fee**” shall have the meaning ascribed to such term in Clause 3.1.1.
- 1.1.89 “**Representative**” shall have the meaning ascribed to it in Clause 17.2
- 1.1.90 “**Reserve Price**” shall have the meaning ascribed to such term in Clause 3.6.2.2.
- 1.1.91 “**Restrictive Practice**” shall have the meaning ascribed to such term in Clause 7.2.5.
- 1.1.92 “**SCCL**” shall mean the Singareni Collieries Company Limited.
- 1.1.93 “**Scheduled Quantity**” or “**SQ**” shall have the meaning ascribed to it in Clause 8.1
- 1.1.94 “**Scheme Document**” shall mean this document, including its Annexures, appendices, schedules, amendment(s), addenda or corrigendum to this Scheme Document and/or any other document issued pursuant hereto.
- 1.1.95 “**SDA**” shall mean any agency appointed / designated by a State for the purpose of power procurement.
- 1.1.96 “**Secondary Source**” shall have the meaning ascribed to it in Clause 9.1
- 1.1.97 “**Selected Round**” shall have the meaning ascribed to such term in Clause 3.6.2.6.
- 1.1.98 “**Seller**” shall mean the CIL Subsidiary conducting the Auction and issuing the Intimation Letter
- 1.1.99 “**Service Provider**” shall mean the entity that provides the Electronic Platform for activities related to pre-bidding, bidding and post-bidding purpose including execution of FSA.
- 1.1.100 “**Source**” shall mean details of source of supply of coal(including cost plus source specific details, if applicable), for the purposes of the Auction, more particularly - specified in **Annexure V**
- 1.1.101 “**Specified End Use**” shall have the meaning ascribed to such term in Clause 2.3.1
- 1.1.102 “**Specified End Use Plant**” shall mean 1 (one) or more power generating units (but does not mean and include a captive power plant as defined under Rule 3 of the Electricity Rules, 2005) situated in a single location within the same boundary located in India and owned by the Bidder.
- 1.1.103 “**Statutory Charges**” shall mean and include royalties, cesses, duties, taxes, levies etc., if any, payable as per and in accordance with Applicable Laws.
- 1.1.104 “**Subsidiary**” shall mean a subsidiary of CIL - listed in **Annexure V**.
- 1.1.105 “**Supply Period**” shall mean 3/6/12 months from Commencement of Coal Supply, as applicable
- 1.1.106 “**Successful Bidder**” shall have the meaning ascribed to such term in Clause 3.6.2.6.
- 1.1.107 “**Surface Moisture**” shall mean the moisture content present in Coal that is derived as the difference between Total Moisture and Equilibrated Moisture, and expressed in percentage terms.
- 1.1.108 “**Third Party**” shall mean an agency selected by the Purchaser in accordance with the Scheme Document, from the agencies empaneled by the Seller from time to time, for collection, preparation of Coal samples at loading points, analysis and relevant documentation and with whom relevant agreement(s) are executed in this regard.
- 1.1.109 “**Total Moisture**” shall mean the total moisture content (including Surface Moisture) expressed as

percentage present in Coal and determined on “as delivered basis” in pursuance to IS: 1350 (Part – I) - 1984.

- 1.1.110 “**Transport Factor**” shall have the meaning ascribed to such term in Clause 3.6.2.7(a).
- 1.1.111 “**Unloading Point**” shall mean the place/point at the Purchaser’s Specified End Use Plant end at which the Coal is received/unloaded.
- 1.1.112 “**Undesirable Practice**” shall have the meaning ascribed to such term in Clause 7.2.4
- 1.1.113 “**Usance LC**” shall have the meaning ascribed to it in Clause 12.1.2 b
- 1.1.114 **Validity Period**’ shall mean -
- 1.1.115 “**Weights and Measures Standards**” shall mean the standards, as prescribed under Applicable Laws.
- 1.1.116 “**Winning Premium**” shall mean:
- for the purposes of the Auction, the relevant premium of the Selected Round expressed in absolute number terms; and
  - for the purposes of payment by the Purchaser for coal supplied, the relevant premium of the Selected Round expressed as a percentage of the Notified Price.
- 1.1.117 “**Year**” shall mean the financial year of the Seller, commencing on April 1<sup>st</sup> and ending on the following March 31<sup>st</sup>.

## **1.2 Rules of Interpretation**

- a. A reference to the Fuel Supply Agreement includes reference to all recitals, Schedules and Annexures (including Details Terms and Conditions of the Fuel Supply Agreement and Standard Terms of Agreement) to the Fuel Supply Agreement. The recitals, Schedules and Annexures (including the Details Terms and Conditions of the Fuel Supply Agreement and Standard Terms of Agreement) to the Fuel Supply Agreement shall form an integral part of the Fuel Supply Agreement and shall be read along with the Fuel Supply Agreement;
- b. A reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinated legislation issued under, that legislation or legislative provision;
- c. Headings do not affect the interpretation of the Fuel Supply Agreement;
- d. A reference to Rs., INR or Rupees is to the lawful currency of the Republic of India unless specified otherwise;
- e. A reference to an agreement, deed, instrument or other document include the same as amended, novated, supplemented, varied or replaced from time to time;
- f. The expressions “including”, “includes” and “include” have the meaning as if followed by “without limitation”;
- g. Words imparting the singular only also include plural and vice-versa where the context so requires;
- h. The expression “writing” or “written” shall include communications by facsimile and letter;

- i. If any definition in Clause 1.1 is a substantive provision conferring a right or imposing an obligation on any Party, effect shall be given to it as if it were a substantive provision in the body of the Fuel Supply Agreement; and
- j. The words and expressions beginning with or in capital letters used in the Fuel Supply Agreement and not defined herein, but defined in the Scheme Document shall, unless repugnant to the context, have the meaning respectively assigned to them in the Scheme Document. However, in case of any conflict between the terms of the Fuel Supply Agreement and the Scheme Document, the Fuel Supply Agreement shall prevail.

### 1.3 REPRESENTATIONS, WARRANTIES, COVENANTS AND UNDERTAKINGS

- a. Each Party represents and warrants to the other Party that:
  - i. it has the capacity to enter into the Fuel Supply Agreement and perform its obligations, and all transactions and undertakings contemplated herein;
  - ii. all corporate or other required action necessary for the authorisation and execution of the Fuel Supply Agreement have been duly obtained; and
  - iii. the Fuel Supply Agreement has been duly executed by it and is valid and binding on it in accordance with its terms.
- b. The Purchaser hereby further warrants and represents to the Seller:
  - i. it is duly organized and validly existing under the Applicable Laws and has all powers and authorities to own its property and to carry on its business as now conducted;
  - ii. it has the full legal right, capacity and authority to enter into the Fuel Supply Agreement and the Fuel Supply Agreement constitutes its legal, valid and binding obligation;
  - iii. the execution, delivery and performance by it of the Fuel Supply Agreement and the compliance by it with the terms and provisions hereof do not and will not:
    - 1. contravene any provision of any Applicable Law, statute or any order, writ, injunction or decree of any court or governmental instrumentality to which it is subject; or
    - 2. conflict with or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under any other agreement, contract or instrument to which it is a party or by which it is bound or to which it may be subject; or
    - 3. violate any provision of its constitutional documents;
  - iv. there are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to it, which could reasonably be expected to prevent it from fulfilling its obligations set out in the Fuel Supply Agreement or arising from the Fuel Supply Agreement;
  - v. the Fuel Supply Agreement is enforceable against it in accordance with its terms; and/or
  - vi. the undertakings of the Purchaser pursuant to the Scheme Document, pursuant to the Intimation Letter and undertakings in the affidavit submitted prior to the execution of the Fuel Supply Agreement are true and correct and all information provided by the Purchaser under the Scheme Document, in connection with the Intimation Letter, and the affidavit submitted prior to the execution of the Fuel Supply Agreement, as requested by CIL and/or the Seller, is not untrue, incorrect or misleading in any way.

- c. The Purchaser hereby also covenants and undertakes to the Seller as follows:
- i. it does and shall continue to satisfy all of the Eligibility Conditions and shall comply with all its obligations, covenants, undertakings and all other terms and conditions required to be complied by it under the Scheme Document and the Intimation Letter; and/or
  - ii. all licenses, registrations, consents, permissions and other authorisations required by the Purchaser for or in connection with its business have been obtained and are validly held by the Purchaser and each of the licenses, registrations, consents, permissions and other authorisations as aforesaid are in full force and effect and the Purchaser shall take necessary steps to renew the Licenses from time to time in accordance with the provisions of Applicable Laws.
  - iii. The Purchaser hereby also represents and warrants to the Seller that it has read all Annexures and Schedules to the Fuel Supply Agreement and that by executing the Fuel Supply Agreement, the Purchaser acknowledges and accepts the Standard Terms of the Agreement as provided in Annexure C to the Detailed Terms and Conditions of the Fuel Supply Agreement.

## Annexure XVII – 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] (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 (a) Scheme Document dated [date] issued by Coal India Limited for the auction of short term coal linkages to power generating companies without PPAs under Paragraph B(viii)(a) of the “Signing of Fuel Supply Agreement (FSA) with Letter of Assurance (LoA) holders of Thermal Power Plants - Fading Away of the existing LoA-FSA Regime and Introduction of a New More Transparent Coal Allocation Policy for Power Sector, 2017 - SHAKTI (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) Policy and as amended *vide* letter (CLD -23028/10/2018-CLD- Part (1) dated March 25, 2019 (“Policy”); and (b) the fuel supply agreement to be executed between the Seller and the Purchaser (hereinafter collectively referred to as the “FSA”).

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 FSA 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 forum, court, tribunal, arbitrators or any other statutory authority on any matter whatsoever, and the Bank’s liability under this Guarantee is 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 FSA.
3. The Bank shall not require the Seller to demand 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 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 FSA; (ii) extend and/ or postpone the time for

performance of the obligations of the Purchaser under the FSA, or (iii) forbear or enforce any of the rights exercisable by the Seller against the Purchaser under the terms and conditions of the FSA 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. This Guarantee shall not be affected by any event including:
  - (a) any change in the constitution, re-organisation, bankruptcy, insolvency, winding up, liquidation and / or change of ownership of the Bank;
  - (b) any change in the constitution, re-organisation, bankruptcy, insolvency, winding-up, liquidation and/or change in ownership of the Purchaser;
  - (c) any change in the management of the Seller, the Purchaser or of the Bank; and
  - (d) the absence or deficiency of powers on the part of the Bank to give guarantees and/or indemnities.
6. 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.
7. 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.
8. The Bank further agrees that the Guarantee shall remain in full force and effect during the period specified in the FSA and that shall continue to be enforceable till all the obligations of the Purchaser under or by virtue of the FSA with respect to the Performance Security have been fully paid and/or its claims satisfied or discharged or till the Seller certifies that the terms and conditions of the FSA with respect to the Performance Security have been duly 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.
9. 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.
10. 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.
11. 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 requisite authority to do so.
12. This Guarantee will not be discharged due to the change in the constitution of the Bank. The Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of the Seller in writing.
13. 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, this Guarantee shall not be assignable or transferable.
14. 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.

15. The Bank is liable to pay the Guaranteed Amount or any part thereof under this Guarantee only if the Seller serves upon the Bank a written claim or demand on or before the Expiry Date.

16. 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 XVIII – (Modalities for Cost Plus sources)**

**1. The floor/Reserve Price/supply price(Modulated Price) of cost plus sources:**

The floor/Reserve Price/Notified Price of cost plus sources shall be fixed by WCL using applicable mechanism for the concerned cost plus mine. These prices shall be notified/informed by WCL at periodic intervals.

**2. Secondary Source:**

The Secondary Source(s) of cost plus primary source, if any, shall be mentioned in the offer notification. For supply of coal from Secondary source, Per GCV price of secondary source (at midpoint of the secondary source grade) should be atleast equal to per GCV price of Primary cost plus source (at midpoint of the primary source grade).

**3. Bidding mechanism:**

The bidding in cost plus source shall start at the above mentioned Floor price. From the final bid price, the percentage premium shall be calculated over the Floor price which(%) will remain constant over the contract period. The % premium shall be applicable over and above the price notified by WCL time to time of the concerned cost plus source.