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File: CIL/M&S/Linkage Auction 1134

Date: 05.03.2018

NOTICE

Sub. Continuation of extant coal supply arrangements

Ref. Auction of coal linkages to non-regulated sector (NRS) as per policy guidelines dated 15.02.2016 issued by Ministry of Coal

This office is in receipt of several representations regarding continuation of coal supplies to plants having FSAs that are expiring in upcoming months, till the conduction of Tranche IV of NRS linkage auction.

In this regard, it is to inform that necessary instructions in this regard along with detailed modalities have already been issued to subsidiary coal companies of CIL vide letter no. CIL/S&M/Linkage Auction/424 dated 05.06.2017. A copy of this letter is enclosed herewith for the information of all concerned.

Enclosure: As above

3/3/18

General Manager (M&S)

Distribution, with request to get this notice published on respective websites:

1. GM (Systems), CIL
2. GM/ HoD (M&S), ECL/ BCCL/ CCL/ NCL/ SECL/ MCL/ NEC
3. MSTC Limited, Kolkata

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No. CIL/S&M/Linkage Auction/ 424

Date: 05.06.2017
By E-mail / Post

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

Subject: Extending the decisions taken by FDs of CIL for Tranche-I of Linkage Auction (non-regulated sector) to subsequent Tranches

Dear Sir,

As per the guidelines issued by MOC vide letter dated 15.02.2016, auction of linkages for non-regulated sector consumers has been launched by CIL.

Tranche-II of the auctions commenced in January 2017 keeping the **cut-off date as 31.03.2017** i.e. the linkage quantity of FSAs expiring on or before 31.03.2017 was available for bidding in Tranche-II. Linkage auction is a continuous process and the MOCs guideline clearly mandates that the extant coal supply arrangement may continue till commencement of coal supply under the auction process.

It has therefore been decided by the competent authority that for all subsequent Tranches of linkage auction for non-regulated consumers, **coal supply would continue in the manner as below:**

a) Irrespective of the date of conduct of actual linkage e-auction of a particular sub-sector, the cut-off date for that particular tranche of auction will be applicable to all sub-sectors under that tranche.

b) For linkages which have expired by the cut-off date for a particular tranche, the following policy will be followed:

   i. In the event a bidder has participated in the auction and emerges as successful bidder, the allocated quantity in the auction or linkage quantity as per the expiring FSA, whichever is lower, shall be supplied till the execution of new FSA.

   ii. In the event bidder has either not participated or emerges as unsuccessful bidder, supply in terms of the expiring FSA shall continue till the last date of the month in which the linkage action for that particular sub-sector is conducted and thereafter the expiring FSA/ linkage shall be discontinued.

c) Bidders who did not have any existing linkage and have won coal linkage under a particular tranche, shall be supplied coal only post execution of FSA.

d) In line with Para 1(iii) of the Policy i.e. *the extant coal supply arrangements may continue till commencement of coal supply under the auction process*, the extant coal supply arrangements for linkages which are due to expire post the cut-off date of a particular Tranche may continue till the next Tranche of linkage auction.

With respect to the Issue of verification of normative coal requirement of successful bidders under 'Others' sub-sector, CIL has already engaged CIMFR as the Final Verification Agency for verifying the normative coal requirement of successful bidders under 'Others' sub-sector as well as under all other sub-sectors like Sponge Iron, Cement, CPP etc. CIMFR has already commenced their work but may take some time to verify all the cases being referred to them by the coal companies. In consideration of the time required by CIMFR and expiry of the three months' period granted earlier, it has been decided by the competent authority that coal supply to all successful bidders under "Others (non-coking as well as coking coal)" sub-sector would continue based on submission of certificate from Licensed Chartered Engineer wherever they are unable to furnish certificate from DIC/State Industries Authority as per the Scheme till the final verification is undertaken by the CIMFR.

Yours faithfully,

15/6/17

General Manager (M&S)

Copy to:

1. Director (M), CIL
2. TS to Chairman, CIL