SCHEME DOCUMENT
FOR AUCTION OF COAL LINKAGES IN THE CEMENT SUB-SECTOR

June 11, 2016

Coal India Limited
A Government of India Undertaking

Important Notice:

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

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

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

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

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

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 a Bidder or Successful Bidder and CIL reserves the right (without incurring any liability) to reject all or any of the Bidders or Bids without assigning any reason whatsoever.

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

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1 Definitions

1.1 In this Scheme Document, in addition to the terms defined in the body of this Scheme Document, the following capitalized terms shall, unless repugnant to the meaning or context thereof, have the following meanings:

1.1.1 **"Acceptable Bank"** shall mean a Scheduled Bank as listed in the Second Schedule of the Reserve Bank of India Act, 1934 excluding those listed under the headings of Gramin Banks, Urban Co-operative Banks and State Co-operative Banks.

1.1.2 "**Adjustment**" shall have the meaning ascribed to such term in Clause 3.5.2(f).

1.1.3 **"Agreement"** shall mean the Fuel Supply Agreement as may be prescribed or published by CIL and to be executed pursuant to Clause 3.5.4. The indicative modifications to the existing formats of fuel supply agreements that are to be made a part of the Agreement have been detailed in ***Annexure I***.

1.1.4 "**Allocated Quantity**" shall have the meaning ascribed to such term in Clause 3.5.2(g).

1.1.5 **"Applicable Law"** shall mean all applicable statutes, laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directives of any governmental authority or court or other rules or regulations, approvals from the relevant governmental authority, government resolution, directive, or other government restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law in India.

1.1.6 **"Authorised Signatory"** shall mean the individual representing a Bidder who has been duly authorised on behalf of such Bidder to (i) use the Bidder's digital signature certificate; (ii) execute and submit the Bid on behalf of the Bidder; (iii) sign the undertaking set out in ***Annexure II***, the power of attorney set out in ***Annexure III*** and the affidavit set out in ***Annexure IV*** on behalf of the Bidder; and (iv) execute and submit such other documents as may be deemed necessary, in accordance with the terms hereof.

1.1.7 **"Bid"** shall mean the bid submitted by a Bidder in accordance with Clause 3.5, for a Link Quantity with respect to a Specified End Use Plant pursuant to a unique registration number given by the Service Provider.

1.1.8 "**Bid Security**" shall have the meaning ascribed to such term in Clause 6.1.

1.1.9 **"Bidder"** with respect to a Bid shall mean any resident Indian Person including a proprietorship, partnership firm registered in India or a Company.

1.1.10 **"CIL"** shall mean Coal India Limited (a Government of India undertaking).

1.1.11 "**Coal Linkages**" shall have the meaning ascribed to such term in Clause 2.3.

1.1.12 **"Company"** shall have the meaning ascribed to such term in clause (20) of section 2 of the Companies Act, 2013.

1.1.13 **"Conditions to Auction"** shall mean, with respect to each Bid, the conditions specified in Clause 3.4 and submission of the documents on the Electronic Platform of the Service Provider as specified in ***Annexure V*** and in physical form to the Service Provider in accordance with the Scheme Document.

1.1.14 **"Control"** shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

1.1.15 **"CPPs"** shall mean captive power plants.

1.1.16 **"Demand Supply Ratio"** shall mean sum of Link Quantity submitted by each bidder for a particular round divided by the total quantity of coal being offered from the Lot.

1.1.17 "**Due Date**" shall have the meaning ascribed to such term in Clause 5.6.1.

1.1.18 "**Electronic Platform**" shall have the meaning ascribed to such term in Clause 3.1.1.

1.1.19 **"Eligibility Conditions"** shall mean the eligibility conditions specified in Clause 4.

1.1.20 "**Last Round**" shall have the meaning ascribed to such term in Clause 3.5.2(f).

1.1.21 **"Link Quantity"** shall mean the quantity of coal from a particular Lot for which the Bidder has submitted a Bid in accordance with this Scheme Document.

1.1.22 "**LOI**" shall have the meaning ascribed to such term in Clause 3.5.3.

1.1.23 "**Lot**" shall mean a specified quantity of coal belonging to a particular grade which is to be offered for sale and which may be dispatched by road from a particular coal mine or by rail from a particular railway siding, the details of which are more particularly specified in ***Annexure VI***.

1.1.24 "**Minimum Quantity**" shall have the meaning ascribed to such term in Clause 4(b).

1.1.25 "**MoC**" shall mean the Ministry of Coal, Government of India.

1.1.26 "**MTPA**" shall mean million tonnes per annum.

1.1.27 **"Normative Coal Requirement"** shall mean the normative coal requirement determined

in accordance with Clause 3.3.

1.1.28 **"Notified Price"** shall mean the price of the relevant grade(s) of coal notified by CIL and as specified in ***Annexure VI***.

1.1.29 "**Penultimate Round**" shall have the meaning ascribed to such term in Clause 3.5.2(f).

1.1.30 **"Person"** shall mean any individual, Company, society or trust, whether incorporated or not.

1.1.31 "**Phase II Auction**" shall have the meaning ascribed to such term in Clause 2.1.4.

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

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

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

1.1.35 "**SCCL**" shall mean the Singareni Collieries Company Limited.

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

1.1.37 "**Selected Round**" shall have the meaning ascribed to such term in Clause 3.5.2(f).

1.1.38 "**Service Provider**" shall mean the entity that provides the Electronic Platform.

1.1.39 "**Specified End Use**" shall have the meaning ascribed to such term in Clause 2.3.

1.1.40 **"Specified End Use Plant"** shall mean one or more Kilns i.e. Clinker manufacturing units (in a single location within the same boundary) located in India and owned by the Bidder, the particulars of which are submitted in accordance with the provisions of ***Annexure V***, but shall exclude CPPs.

1.1.41 "**Subsidiary**" shall mean a subsidiary of CIL listed in ***Annexure VI***.

1.1.42 "**Successful Bidder**" shall have the meaning ascribed to such term in Clause 3.5.2(g).

1.1.43 "**TPA**" shall have the meaning ascribed to such term in Clause 3.3.1.

1.1.44 "**Tranche I Coal Linkage Auction**" shall have the meaning ascribed to such term in Clause 2.1.3.

1.1.45 "**Transport Factor**" shall have the meaning ascribed to such term in Clause 3.5.2(i)(ii).

1.1.46 "**Winning Premium**" shall mean:

(a) for the purposes of the Phase II Auction, the relevant premium of the Selected Round expressed in absolute number terms; and

(b) for the purposes of Clause 3.9, Clause 7, the Agreement and all of the Annexures to this Scheme Document, the relevant premium of the Selected Round expressed as a percentage of the Notified Price.

2 Introduction

2.1 Background

2.1.1 The Cabinet Committee on Economic Affairs, in its meeting held on February 3, 2016, decided that the allocation of coal linkages/ letter of assurances for the non-regulated sector shall henceforth be done through an auction based mechanism.

2.1.2 Subsequently, the MoC issued a letter to CIL and SCCL vide letter no. 23011/51/2015-CPD(Pt-I) dated February 15, 2016 (the "**Policy**"), for auction of coal-linkages for the non-regulated sector, where sub-sectors could be cement, sponge iron/ steel, aluminium and others (excluding fertilizer (urea) sector) including their CPPs, through a competitive bidding process. According to the Policy, the auctions are to be conducted by CIL/ SCCL and CIL has been entrusted with the task of working out the detailed procedure/ methodology for conducting the auction process. CIL/ SCCL have also been instructed to take immediate necessary action for conducting the auctions.

2.1.3 Accordingly, CIL has *inter alia* decided to auction coal linkages for an annual contracted quantity of approximately 23.25 MTPA for the various sub-sectors within the non-regulated sector except fertilizer (urea) ("**Tranche I Coal Linkage Auction**").

2.1.4 This Scheme Document is being issued by CIL for auction of coal linkages with respect to the cement sub-sector for a total quantity of approximately [●] MTPA ("**Phase II Auction**").

2.2 The Policy

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

2.3 The Coal Linkages

The coal linkages from each Lot identified in ***Annexure VI*** ("**Coal Linkages**") are being auctioned strictly for consumption by the Specified End Use Plant ("**Specified End Use**").

3 Auction Process

3.1 Electronic Auction

3.1.1 The auction of the Coal Linkages shall be conducted on the electronic platform created by the Service Provider ("**Electronic Platform**") and no physical Bids shall be accepted or considered. The interested bidders are required to seek registration on the Electronic Platform for bidding purposes against payment of a non-refundable registration fee of Rs. 10,000 (Indian Rupees Ten Thousand) plus applicable taxes.

3.1.2 The technical details and other information with respect to access to the Electronic Platform and bidding thereon are provided in ***Annexure V***.

3.1.3 In case of any technical clarification regarding access to the Electronic Platform or conduct of the auction process, the Bidders may contact the Service Provider directly at the contact details provided in ***Annexure V***.

3.2 Scheme Document

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

3.3 Normative Coal Requirement

3.3.1 The Normative Coal Requirement for each Specified End Use Plant shall be calculated as follows:

Normative Coal Requirement (MTPA)	=	[Normative Energy Requirement (kcal per annum)] *divided by* [(10^9) *multiplied by* (the average gross calorific value of a particular grade of coal as specified in ***Annexure VII***)]
Where:		
Normative Energy Requirement (kcal per annum)	=	[Annual energy requirement of the Specified End Use Plant (calculated in kcal on the basis the norms set out in ***Annexure VII***)] *minus* [(annual energy requirement of the Specified End Use Plant met through any other existing coal linkage(s)(in kcal*)) *plus* (annual energy requirement of the Specified End Use Plant met through any captive coal mine(s) (in kcal)) *plus* (annual energy requirement of the Specified End Use Plant met through any allocation of coal linkage(s) pursuant to auction process of any lot conducted by CIL under this Scheme Document and/ or by SCCL (in kcal))] *Coal requirement of the Specified End Use Plant

(in kcal) met through any other existing coal linkage(s) shall be calculated on the basis of the annual contracted quantity under the existing linkage(s) wherein such annual contacted quantity shall be deemed to be of G10 grade of coal, irrespective of actual contracted grade.

Upon submission of the documents and information specified in Clause 3.4(a), the Electronic Platform shall generate the Normative Coal Requirement for various grades of coal with respect to a Specified End Use Plant. The Normative Coal Requirement shall be subject to reduction on a progressive basis depending on the allocations made to the Bidder during the process of auction and the Bidder shall be informed about the same on the Electronic Platform. The data with respect to the existing coal linkages as well as captive coal mines allocated (together with proportionate allocation of the peak rated capacity of such captive coal mines, in case the same has been allocated for a combination of Specified End Use Plants) shall have to be reported by Bidders themselves on the Electronic Platform and the Bidders will be responsible for any misrepresentation in this regard. The Bidders shall, based on the Normative Coal Requirement related information provided on the Electronic Platform, decide the Link Quantity across various Lots for the purposes of computing the Bid Security and Process Fee payable by them.

Illustration 1: The Specified End Use Plant (Kiln A) of the Bidder is a 36,50,000 tonnes per annum ("**TPA**") Kiln with an existing linkage of 4,200 TPA. Also, a mine X with peak rated capacity of 1,00,000 TPA of G10 grade of coal has been allocated for captive consumption to the Kiln A and Kiln B whose annual coal requirement is in the ratio of 2:1. For the purpose of assessment of Normative Coal Requirement, it would be considered that the requirement of Kiln A and Kiln B has been met to the extent of 66,667 TPA and 33,333 TPA respectively i.e. 1,00,000 TPA allocated in the ratio of 2:1. The Normative Energy Requirement of the Specified End Use Plant shall be assessed as follows:

Particulars	**Unit**		
Annual Capacity of Specified End Use Plant	TPA	(A)	36,50,000
Capacity Utilisation		(B)	85%
Existing Linkage Quantity	TPA	(C)	4,200
Deemed Grade of Coal Allocated through Linkage			G10
Quantity of Coal allocated for the Specified End Use Plant from the Mine	TPA	(D)	66,667
Grade of Coal from Mine			G10
Average GCV of G10 grade of coal	kcal/kg	(E)	4,450
Consumption Norm based on G10 grade (for clinker manufacturing through Wet process)	kg of coal/tonne of Clinker	(F)	298
Annual Coal Requirement of the Specified End Use Plant (based on	TPA	(G = A*B*F/1000)	9,24,545

G10 grade)			
Annual energy requirement of the Specified End Use Plant	Kcal	(H = G*E*1000)	41,14,22,52,50,000
Annual Energy requirement of the Specified End Use Plant met through existing coal linkage	Kcal	(I = C*E*1000)	18,69,00,00,000
Annual Energy requirement of the Specified End Use Plant met through captive coal mine	Kcal	(J = D*E*1000)	2,96,66,81,50,000
Normative Energy Requirement	**Kcal**	**(K = H-I-J)**	37,98,86,71,00,000
Average GCV of G8 grade of coal	kcal/kg	(L)	5,050
Normative Coal Requirement (based on G8 grade)	**TPA**	**(M=K/(L*1000))**	7,52,251
Normative Coal Requirement (based on G8 grade)	**MTPA**	**(N=M/10^6)**	0.75

Illustration 2: Further in addition to the illustration provided above, if the bidder is successful in the Lot of G8 grade of coal for a quantity of 20,000 TPA (or 0.02 MTPA), the Normative Coal Requirement for say Lot with G9 grade coal would be as under:

Particulars	Unit		
Normative Coal Requirement (based on G8 grade)	**TPA**	**(A)**	7,52,251
Allocated Quantity in Lot with G8 grade	TPA	(B)	20,000
Available Normative Coal Requirement (based on G8 grade)	TPA	(C=A-B)	7,32,251
Average GCV of G8 grade of coal		(D)	5,050
Average GCV of G9 grade of coal		(E)	4,750
Normative Coal Requirement (based on G9 grade)	TPA	(F=C*D/E)	7,78,498
Normative Coal Requirement(based on G9 grade)	**MTPA**	**(G=F/10^6)**	**0.7784**

3.3.2 It is clarified that:

(a) in case a coal mine has been allocated for captive consumption of coal in a Specified End Use Plant, then the Normative Coal Requirement shall be net of grade adjusted coal requirement on the basis of the peak rated capacity of such captive coal mine;

(b) where a mine has been allocated for multiple plants, then, the Normative Coal Requirement of the Specified End Use Plant shall be calculated after proportionately factoring the coal consumption from the said mine.

3.4 Conditions to Auction

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

(a) the Bidders shall satisfy all the Eligibility Conditions and shall submit all documents in support thereof as specified in Clause 4(c) and shall submit the

relevant information required under ***Annexure V*** for determination of the Normative Coal Requirement of the Specified End Use Plant. The documents specified in Clause 4(c) shall be submitted in original in a sealed cover within the Due Date to the Service Provider at the address specified in ***Annexure V***. The sealed cover should clearly bear the following identification: "Original Documents for Auction of Coal Linkage in the Cement Sub-sector – Phase II of Tranche I Auction" and shall indicate the name, registration no. provided by the Service Provider and address of the Bidder; and

(b) the Bidder shall submit the Process Fee in accordance with Clause 3.10 and the Bid Security in accordance with Clause 6.

3.5 Non-Discriminatory Ascending Clock Auction Process

3.5.1 The Coal Linkages shall be auctioned Lot wise as per the sequence and schedule set out in ***Annexure VI***. In case the auction of Coal Linkages from any Lot spills over to the time of the next Lot(s), then the auction of such Lot(s) will be deferred and will be conducted at the end of auction of the Coal Linkages from the last Lot as per the auction sequence specified in ***Annexure VI***. For example: There are 15 Lots (numbered L1 to L15) for a sub-sector with a proposed auction sequence of 3 Lots per day at 11:00 HRS, 14:00 HRS and 17:00 HRS respectively. In case the auction of the Coal Linkages from Lot 1 continues till 18:00 HRS on Day 1, auction of Coal Linkages from Lot 2 and Lot 3 will be deferred and will be conducted after the auction of the Coal Linkages from Lot 15.

3.5.2 The Coal Linkages shall be auctioned through a non-discriminatory ascending clock auction procedure in the following manner:

(a) The auction process for the Coal Linkages will be conducted in multiple rounds.

(b) The floor price for the auction in the first round of the auction process shall be the Notified Price ("**Reserve Price**") and the Bidders shall Bid for a particular Link Quantity in accordance with the provisions hereunder.

(c) In round 1 of the auction, the premium shall be Rs. zero/tonne against which the Bidders will be required to indicate their Link Quantity.

(d) At the end of each round of the Bidding with respect to a Coal Linkage, the demand/ supply ratio will be assessed by the Electronic Platform and the premium for the next round of auction will be determined based on the demand/ supply ratio of the immediately preceding round in the manner specified below, and in each round of the auction, the Bidders may offer to purchase the Link Quantity against the Reserve Price plus premium for such round:

(i) if demand/ supply ratio at the end of a particular round is greater than 100%

(one hundred per cent.) and less than or equal to 125% (one hundred and twenty five per cent.), then the premium will be Rs. 10 (Indian Rupees Ten) per tonne plus the premium of the previous round;

(ii) if demand/ supply ratio at the end of a particular round is greater than 125% (one hundred and twenty five per cent.) and less than or equal to 200% (two hundred per cent.), then the premium will be Rs. 25 (Indian Rupees Twenty Five) per tonne plus the premium of the previous round;

(iii) if demand/ supply ratio at the end of a particular round is greater than 200% (two hundred per cent.) and less than or equal to 300% (three hundred per cent.), then the premium will be Rs. 50 (Indian Rupees Fifty) per tonne plus the premium of the previous round; and

(iv) if demand/ supply ratio at the end of a particular round is greater than 300% (three hundred per cent.) then the premium will be Rs. 100 (Indian Rupees One Hundred) per tonne plus the premium of the previous round.

(e) Each Bid submitted by a Bidder during any of the auction rounds shall be considered a valid and binding offer to purchase the Link Quantity at the Reserve Price plus premium applicable for the relevant round.

(f) The auction process shall stop when the demand/ supply ratio is less than or equal to 100% (one hundred per cent.) in a particular round. The round at which the auction stops ("**Last Round**") and the penultimate round of the auction ("**Penultimate Round**") will be compared and the quantity of coal to be allocated to each Bidder in each of the said rounds shall be computed as follows:

(i) if the demand/ supply ratio in any of the above mentioned rounds is less than or equal to 100% (one hundred per cent.), each Bidder would be entitled to be allocated their full Link Quantity in that round; or

(ii) if the demand/ supply ratio in any of the above mentioned rounds is more than 100% (one hundred per cent.), then each Bidder would be entitled to be allocated their pro rata share of the Coal Linkage quantity in that round.

In the event that the entitlement of a Bidder pursuant to Clause 3.5.2(f)(ii) above, is not an integer multiple of the Transport Factor, such entitlement shall be decreased and rounded off (downwards) to the nearest integer multiple of the Transport Factor (such downward adjustment in the coal entitlement may hereinafter referred to as the "**Adjustment**").

CIL shall, compute the actual coal entitlement of each Bidder for the Last Round and the Penultimate Round post the Adjustment, if any, and shall thereafter

compare the expected revenue from the Last Round and the Penultimate Round. The round generating the maximum revenue for CIL pursuant to the above computations and adjustments will be selected as the round for determination of the Successful Bidder(s) ("**Selected Round**").

(g) Each Bidder who has submitted Bids in the Selected Round shall hereinafter be referred to as a "**Successful Bidder**" and the quantity of coal to which the Successful Bidder would be entitled to in the Selected Round (as computed under Clause 3.5.2(f)(i) or Clause 3.5.2(f)(ii) 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 and that the Allocated Quantity shall be used by the Successful Bidder only for consumption by the Specified End Use Plant. In the event that the actual loaded quantity of coal is lesser than the Allocated Quantity, such under-loading shall be dealt with in the manner specified in the Agreement.

An illustrative example is provided below for a Lot Size of 0.2 MTPA

Round	Demand/ Supply Ratio	Round Premium (Rs./Tonne)	
		Step up in Round Premium	Total Round Premium
1	324.00%	-	-
2	274.00%	100.00	100.00
3	204.00%	50.00	150.00
4	174.00%	50.00	200.00
5	150.00%	25.00	225.00
6	130.00%	25.00	250.00
7	126.00%	25.00	275.00
8	124.00%	25.00	300.00
9	122.00%	10.00	310.00
10	120.00%	10.00	320.00
11	106.00%	10.00	330.00
12	102.00%	10.00	340.00
13	102.00%	10.00	350.00
14	98.00%	10.00	360.00

Thus, the auction will stop at round 14 where the demand/supply ratio falls below 100% (one hundred per cent.). At this stage, CIL will compare the expected revenue from round 14 (i.e. the Last Round) and round 13 (i.e. the Penultimate Round). The round generating the maximum revenue will be selected. For calculating the revenue generated from the aforesaid rounds where demand supply ratio is greater than 100% (i.e. round 13 in this example), the final Allocated Quantity, after factoring in the rounding off due to Transport Factor limitations will be considered. An illustrative example is worked out for rail

mode of dispatch below:

Allocation and revenue Calculations for Round 13			
Description	**Bidder 1**	**Bidder 2**	**Bidder 3**
Link Quantity (TPA)	52,900	47,100	1,04,000
Pro-rata allocated quantity (TPA)	51,863	46,176	1,01,961
Final Allocated Quantity (TPA)	**51,800**	**46,100**	**1,01,900**
Total Quantity Available for Sale			**1,99,800 TPA**
Reserve Price (assuming G8 grade)			Rs. 1,700 per tonne
Applicable Round Premium			Rs. 350 per tonne
Total Applicable Price			Rs. 2,050 per tonne
Total Revenue			**Rs. 40.96 Crore**

Allocation and revenue Calculations for Round 14			
Description	**Bidder 1**	**Bidder 2**	**Bidder 3**
Link Quantity (TPA)	48,700	45,300	102,000
Final Allocated Quantity (TPA)	48,700	45,300	102,000
Total Quantity Available for Sale			**1,96,000 TPA**
Reserve Price (assuming G8 grade)			Rs. 1,700 per tonne
Applicable Round Premium			Rs. 360 per tonne
Total Applicable Price			Rs. 2,060 per tonne
Total Revenue			**Rs. 40.38 Crore**

Since revenue under Round 13 is more than under Round 14, CIL may choose this Round and allocate each Bidder their pro-rata share with a premium of Rs. 350 per tonne.

(h) In case demand/ supply ratio is 100% (one hundred per cent.) or less in round 1 of the auction, each Bidder shall be allocated their Link Quantity for that round at the Reserve Price.

(i) The Bidders will have to abide by the following conditions in each round of the auction:

(i) for road mode of dispatch, the Link Quantity shall be equal or greater than 100 TPA and shall neither exceed the Normative Coal Requirement nor the quantity offered in a particular Lot. For rail mode of dispatch, the Link Quantity shall be equal or greater than 4000 TPA and shall neither exceed the Normative Coal Requirement nor the quantity offered in a particular Lot;

(ii) the Link Quantity will be integer multiple of 100 TPA (hereinafter referred to as the "**Transport Factor**"); and

(iii) the Link Quantity in a particular round shall be lower than or equal to the Link

Quantity quoted in the previous round.

(j) In the event that any coal remains unallocated pursuant to completion of the Phase II Auction, CIL reserves the right to dispose of such coal in the Tranche I Coal Linkage Auction and/ or the subsequent tranche of auction for the non-regulated sector conducted by CIL.

3.5.3 Issuance of Letter of Intent

The relevant Subsidiary shall, within 15 (fifteen) days of completion of the Phase II Auction, issue a letter of intent in the format set out in ***Annexure VIII*** ("**LOI**") to each of the Successful Bidders in respect of *inter alia* the cumulative Allocated Quantity of such Bidder from the Subsidiary pursuant to the Phase II Auction. The terms of this Scheme Document shall be deemed to be incorporated in the LOI by reference and to form a part of the LOI and the relevant Subsidiary shall be entitled to exercise all its rights and remedies as stipulated in this Scheme Document.

3.5.4 Execution of the Agreement

The Successful Bidder shall, within 45 (forty five) days of issuance of the LOI to it, submit the Performance Security to the relevant Subsidiary. The Agreement shall be executed between the Successful Bidder and the relevant Subsidiary in respect of the Allocated Quantity (from a particular Lot) from such Subsidiary within 30 (thirty) days of:

(a) receipt of the Performance Security; and

(b) submission of the documents specified in ***Part A of Annexure IX*** to the relevant Subsidiary together with any other documents as may be requested by the relevant Subsidiary from amongst the documents specified in ***Part B of Annexure IX***.

The indicative modifications to the existing formats of fuel supply agreements that are to be made a part of the Agreement have been detailed in ***Annexure I***.

The Successful Bidder shall not be entitled to seek any deviation, modification or amendment in the Agreement, except with the prior written approval of the relevant Subsidiary. The terms of this Scheme Document shall be deemed to be incorporated in the Agreement by reference and to form a part of the Agreement and the relevant Subsidiary shall be entitled to exercise all its rights and remedies as stipulated in this Scheme Document. In the event of any inconsistency or difference in the provisions of the Scheme Document and those of the Agreement, the provisions of the Agreement shall prevail. It is clarified that the Successful Bidders will be allowed to off-take the Allocated Quantity only through the mode specified for a particular Lot and would not be given the flexibility to switch the mode specified for a particular Lot.

3.6 **Tests of Responsiveness**

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

(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 conditions or and/ qualifications;

(f) have been provided in relation to one Specified End Use Plant; and

(g) are generally not considered to be non-responsive in terms of any other parameters as may be considered relevant by CIL.

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

3.7 **Pre-Bid Conference**

3.7.1 Pre-Bid conference(s) of the prospective bidders shall be convened at a time and place

specified by CIL. A maximum of 2 (two) representatives of each prospective bidder shall be allowed to participate in the Pre-Bid conference(s) on production of duly issued authority letter from the prospective bidder and identity documents. During the course of Pre-Bid conference(s), the prospective bidders will be free to seek clarifications and make suggestions for the consideration of CIL.

3.7.2 CIL shall endeavour to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive auction process. Each query should contain complete details of facts, information and Applicable Law germane to the query and also the particulars of the person posing the query. CIL reserves the right to not answer any query, including any query which is incomplete or anonymous.

3.7.3 CIL may also on its own motion, if deemed necessary, issue interpretations and clarifications to all prospective bidders. All clarifications and interpretations issued by CIL shall be deemed to be part of the Scheme Document. However, any non-written clarifications and information provided by CIL, its employees or representatives in any manner whatsoever shall not in any way or manner be binding on CIL.

3.8 Schedule of the Auction Process

The schedule of the auction process pursuant to this Scheme shall be as per the estimated timelines specified below:

Event	Date
Publication of Notice Inviting Application	Saturday, June 11, 2016
Upload of Scheme Document	Saturday, June 11, 2016
Start of Registration Process	Monday, June 13, 2016
Pre-Bid Conference	Friday, June 17, 2016
Period for submission of information, documents and payments pertaining to Conditions to Auction	Saturday, June 18, 2016 to at least 1 (one) business day prior (till 17:00 hours IST) to the date of auction of the Lot in which the Bidder intends to participate
Scheduled Start of e-auction	Thursday, June 23, 2016

Any change in the above mentioned timeline will be communicated through an addendum and/or corrigendum to the Scheme Document.

3.9 Periodic Payments by the Successful Bidder

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

{[aggregate of the Notified Price (or latest Indexed Notified Price, as the case may be)] and [the Winning Premium multiplied by the Notified Price (or latest Indexed Notified

Price, as the case may be]} multiplied by [the Allocated Quantity supplied under the Agreement].

3.9.2 The Winning Premium (i.e. the relevant percentage of the Notified Price as defined in Clause 1.1.46(b)) shall remain constant during the tenure of the Agreement. The Notified Price or the Indexed Notified Price (as defined) shall be reviewed by CIL semi-annually, and it may make such modifications as may be deemed appropriate. The price pursuant to any such modification ("**Indexed Notified Price**") shall be notified by CIL and such modification shall be regarded as an indexation. The Notified Price, or the Indexed Notified Price, as the case may be, shall be payable in the manner contemplated in Clause 3.9.1 above over the tenure of the Agreement.

An illustration w.r.t. to the computations envisaged in Clause 3.9.1 and Clause 3.9.2 is provided below:

Notified Price (Rs./tonne) **(A)**	1,700
Premium (Rs./tonne) **(B)**	250
Total Price Payable by Successful Bidder (Rs./tonne) **(C=A+B)**	1,950
% Premium over Notified Price (to remain constant) **(D=B/A)**	14.71%
SCENARIO 1	
Upward Revised Notified Price (Rs./tonne) **("Indexed Notified Price") (E)**	2,000
Premium Payable @ 14.71% of Rs. 2,000 / tonne **(F=D*E)**	294
Total Price Payable by Successful Bidder after Price Revision (Rs./tonne) **(G=E+F)**	2,294
SCENARIO 2	
Downward Revised Notified Price (Rs./tonne) **("Indexed Notified Price") (H)**	1,500
Premium Payable @ 14.71% of Rs. 1,500 / tonne **(I=D*H)**	214
Total Price Payable by Successful Bidder after Price Revision (Rs./tonne) **(J=H+I)**	1,714

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

(a) all royalties, taxes, duties, cesses and such statutory levies due to the State Government, Central Government and/ or to any other statutory authority in connection with the supply, dispatch or delivery of the specified grade of coal; and

(b) sizing charges, transportation charges up to the relevant delivery point, loading charges and such other charges as may be specified in the Agreement.

3.10 **Process Fee**

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

3.10.2 The Process Fee payable shall be as per the following formula:
Rs. 2.5 (Indian Rupees Two and Paisa Fifty) per tonne (inclusive of service tax) multiplied by the Link Quantity across various Lots.

3.10.3 The Bidder shall ensure that the Process Fee shall, at any time during the auction process, correspond to its Link Quantity. In case a Bidder decides to change the bidding strategy by opting to Bid for a different Link Quantity in a specific Lot, which requires additional Process Fee to be paid, the Bidder shall be required to top up the Process Fee no later than 1 (one) business day prior to the scheduled auction of the Coal Linkages from the relevant Lot.

3.10.4 The payments made by Bidders towards the Process Fee will be paid into a bank account, the details of which are provided in ***Annexure V***.

3.10.5 The Process Fee pertaining to the Allocated Quantities of each Successful Bidder will be debited towards transaction expenses for running the auction process and the balance Process Fee shall be refunded from the bank account (details of which are provided in ***Annexure V***), without interest, to the relevant Successful Bidder after completion of the Phase II Auction. In the event that a Bidder does not qualify as a Successful Bidder, the entire amount of the Process Fee, without any interest, shall be refunded to such Bidder after completion of the Phase II Auction.

4 Bid Criteria and Eligibility Conditions

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

(a) **Basic Eligibility Conditions**

(i) a Bidder must be a consumer of coal engaged in the Specified End Use;

(ii) the Bidder should be the owner of the Specified End Use Plant for which it is submitting the Bid; and

(iii) Bidders shall 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.

(b) **Status of Specified End Use Plant**

The Specified End Use Plant for which the Bidder is submitting the Bid, should have commenced commercial operations as on the date of issuance of this Scheme Document and should have a Normative Coal Requirement of not less than 4200 TPA ("**Minimum Quantity**"). Further, in the event that the Specified End Use Plant registered on the Electronic Platform by the Bidder combines one or more Kilns i.e. Clinker manufacturing units, the Bidder will not be able to split such units subsequently and submit different Bids in respect thereof.

(c) **Power of Attorney, Affidavit and Undertaking**

Bidders will be required to upload the scanned copies of the following documents on the Electronic Platform and also submit the documents (to the Service Provider at the address specified in ***Annexure V***) in original, as part of the Conditions to Auction specified in Clause 3.4(a):

(i) an undertaking in the format set out in ***Annexure II***, wherein the Bidder shall undertake to *inter alia* comply with all Applicable Laws including environmental laws;

(ii) a power of attorney in the format set out in ***Annexure III*** along with a certified true copy of the relevant authorizations in support thereof e.g. letter of authority, resolution of the board of directors, resolution of the shareholders etc.; and

(iii) an affidavit in the format set out in ***Annexure IV*** certifying *inter alia* that they meet all the Eligibility Conditions required for participation in the auction process hereunder.

5 Instructions to Bidders

5.1 General Terms of Bidding

5.1.1 Notwithstanding anything to the contrary contained in this Scheme Document, in the event of a conflict, the relevant provisions of the Agreement when executed, shall have overriding effect.

5.1.2 The Bid and all communications in relation to or concerning the Scheme Document and the Bid are required to be in the English language.

5.1.3 The documents including this Scheme Document and all attached documents, provided by CIL are and shall remain or become the properties of CIL and are transmitted to the Bidders solely for the purpose of preparation and the submission of a Bid in accordance herewith. Bidders are required to treat all such information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. The provisions of this Clause 5.1.3 shall also apply *mutatis mutandis* to Bids and all other documents submitted by the Bidders in relation to the Bid, and CIL will not return to the Bidders any Bid, document or any information provided along therewith.

5.1.4 Any issuance of the LOI and execution of the Agreement pursuant to this Scheme Document shall be subject to the terms hereof and any documents issued pursuant to this Scheme Document and/ or any other document referred herein.

5.2 Change in Control and transfer

5.2.1 **Change in Control or transfer subsequent to determination of Successful Bidder**

Change in Control of the Successful Bidder and/ or any transfer of the Specified End Use Plant along with the rights in relation to the Allocated Quantity shall be permissible with prior approval of the relevant Subsidiary if:

(a) such change in Control does not result in the Successful Bidder becoming non-compliant with any of the Eligibility Conditions or the transferee of the Specified End Use Plant along with the rights in relation to the Allocated Quantity continues to satisfy all of the Eligibility Conditions; and

(b) such change in Control and/ or transfer occurs in accordance with Applicable Law and the conditions for transfer and/ or assignment contained in the Agreement.

5.2.2 **Change in Control prior to determination of Successful Bidder**

5.2.2.1 Upon submission of the documents and payments relating to the Conditions to Auction but prior to determination of the Successful Bidder, no change in Control of a Bidder

shall be permitted without the prior approval of CIL.

5.2.2.2 CIL shall grant such approval only if such change in Control does not result in the Bidder becoming non-compliant with any of the Eligibility Conditions.

5.2.2.3 The Bidder acknowledges and agrees that in the event of a change in Control of a Bidder during the auction process until the determination of the Successful Bidder, the Bidder would be deemed to have knowledge of the same and shall be required to inform CIL forthwith along with all relevant particulars about the same.

5.2.3 **Consequences of default**

Any change in Control of the Successful Bidder and/ or any transfer of the Specified End Use Plant along with the rights in relation to the Allocated Quantity which is not in conformity with this Scheme Document or Applicable Laws shall be deemed to be void *ab-initio.* CIL or the relevant Subsidiary, as the case may be, may in such situations, in its sole discretion, appropriate the Bid Security, Performance Security and/ or the Process Fee, disqualify the Bidder, terminate the Agreement and/ or cancel the LOI and allocations, as the case may be.

5.2.4 **Security**

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

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

5.3 Cost of Bidding

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

5.4 Verification of information by the Bidders

5.4.1 It shall be deemed that by participating in the auction process, the Bidder has:

(a) made a complete and careful examination of the Scheme Document and unconditionally and irrevocably accepted the terms thereof;

(b) reviewed all relevant information provided by CIL, as may be relevant to the auction process;

(c) satisfied itself about all matters regarding the auction process required for submitting an informed Bid in accordance with this Scheme Document and performance of all of its obligations hereunder;

(d) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the Scheme Document or ignorance of any of the matters related to the auction process or the Lots hereinabove shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc., from CIL, or a ground for termination of the Agreement by the Successful Bidder; and

(e) agreed to be bound by the undertakings provided by it under and in terms hereof.

5.4.2 CIL shall not be liable for any omission, mistake or error in respect of any of the information provided or on account of any matter or thing arising out of or concerning or relating to the Scheme Document or the auction process, including any error or mistake therein or in any information or data given by CIL.

5.5 Verification and Disqualification

5.5.1 CIL and the relevant Subsidiary reserve the right to verify all statements, information and documents submitted by the Bidder in response to the Scheme Document and the Bidder shall, when so required by CIL or the relevant Subsidiary, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification by CIL or the relevant Subsidiary shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of CIL or the relevant Subsidiary thereunder.

5.5.2 Without prejudice to any other right or remedy that may be available to CIL or the relevant Subsidiary under the Scheme Document and/ or the Agreement, CIL and the relevant Subsidiary reserve the right to disqualify the Bidder, cancel the LOI and/ or terminate the Agreement, as the case may be, and to appropriate the entire Bid Security or Process Fee or Performance Security, as the case may be, if:

(a) at any time, a misrepresentation on part of the Bidder is made or uncovered,

(b) the Bidder does not provide, within the time specified by CIL or the relevant Subsidiary, the supplemental information sought by CIL or the relevant Subsidiary,

or

(c) any act or omission of the Bidder results in violation of or non-compliance with the Policy, the LOI, the Agreement, this Scheme Document and/ or any other document referred therein or issued pursuant thereto or any Applicable Law relevant for the auction process.

5.5.3 In the event of any exercise of its rights by CIL under Clause 5.5.2, CIL may also in its discretion, disqualify the Bidder for participating in the Tranche I Coal Linkage Auction and the subsequent tranche of auction for the non-regulated sector conducted by CIL.

5.6 Amendment of the Scheme Document

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

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

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

5.7 Due Date and Extension

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

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

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

5.8 **Rejection**

5.8.1 Notwithstanding anything contained in this Scheme Document, CIL reserves the right to

reject any Bid and/ or to annul the auction process relating to one or more Lots and reject all Bids at any time without any liability or any obligation for such acceptance, rejection or annulment and without assigning any reasons thereof.

5.8.2 CIL reserves the right not to proceed with the auction process at any time, without notice or liability, and to reject any Bid without assigning any reasons.

5.8.3 Without prejudice to the generality of the foregoing, CIL reserves the right to reject any Bid on any criteria specified in this Scheme Document, including without limitation, the following:

(a) Bids have not been submitted with all the information and details listed in this Scheme Document;

(b) the information, documents and/ or payments with respect to the Condition to Auction are determined to be non-responsive in terms of Clause 3.6;

(c) Bids have been submitted without Bid Security and Process Fee; and

(d) Bids have otherwise not been submitted in accordance with the Scheme Document.

6 Bid Security

6.1 Each Bidder shall furnish, as part of the Conditions to Auction, a bid security in the form of an earnest money deposit ("**Bid Security**"). The Bid Security shall be Rs. 100 (Indian Rupees One Hundred) per tonne of the Link Quantity across various Lots. The payments made by Bidders towards the Bid Security will be made into a designated bank account, the details of which are specified in ***Annexure V***. The payments made towards Bid Security in the above mentioned bank account shall be transferred to the relevant Subsidiaries or shall be refunded in accordance with the provisions of Clause 6.3.

6.2 The Bidder shall ensure that at any time during the auction process, its Bid Security is adequate vis-à-vis the intended Link Quantity. In case a Bidder decides to change the bidding strategy by opting to Bid for a different Link Quantity in a specific Lot, which requires additional Bid Security, the Bidder will be provided with the flexibility to top up the Bid Security at least 1 (one) business day prior to the scheduled auction of Coal Linkages pertaining to the Lot.

6.3 Save and except as provided in this Scheme Document, the refund of Bid Security submitted by a Bidder will be as under:

(a) the Bid Security pertaining to the Allocated Quantity of the Successful Bidder will be returned by the relevant Subsidiary to the Successful Bidder, without any interest, post submission of executed copies of Agreement to the relevant Subsidiary; and

(b) the balance Bid Security of the Successful Bidder (net of amounts retained under Clause 6.3(a) above), if any, and the entire Bid Security of other Bidders shall be returned by the Service Provider to the Successful Bidder or Bidder, as the case may be, without any interest, post completion of the Phase II Auction.

6.4 The Bid Security shall be liable to be forfeited and appropriated *inter alia* in any of the events specified in Clause 6.5 or elsewhere in this Scheme Document. The Bidder, by participating in the auction process pursuant to this Scheme Document, shall be deemed to have acknowledged and confirmed that CIL and the relevant Subsidiary will suffer loss and damage on account of any default by the Bidder during the period of Phase II Auction. No relaxation of any kind on Bid Security shall be given to any Bidder.

6.5 The Bid Security shall be forfeited as damages without prejudice to any other right or remedy that may be available to CIL and/ or the relevant Subsidiary under the Scheme Document and/ or under the Agreement, or otherwise, under, *inter alia*, the following conditions:

(a) The information, documents and/ or payments with respect to the Conditions to Auction are determined to be non-responsive in terms of Clause 3.6;

(b) If a Bidder engages in a Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice as specified in Clause 8 of this Scheme Document;

(c) In the case of a Successful Bidder, if it fails within the time limits specified in Clause 3.5.4:

(i) to furnish the Performance Security;

(ii) to submit the documents specified in ***Annexure IX*** together with such other documents as may be requested by CIL or the relevant Subsidiary; or

(iii) to execute the Agreement,

in which case, the Bidder will also cease to be a Successful Bidder.

7 Performance Security

7.1 Performance Security

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

Performance Security = {[Allocated Quantity of the Successful Bidder] multiplied by [6% of the aggregate of the Notified Price (or the latest Indexed Notified Price, as the case may be) and Winning Premium multiplied by (Notified Price (or the latest Indexed Notified Price)]}.

7.1.2 The Performance Security shall be provided to the relevant Subsidiary to the extent of the Allocated Quantity from such Subsidiary. The Performance Security shall remain valid till 3 (three) months from the date of expiry of the Agreement.

7.1.3 The amount of Performance Security stipulated in Clause 7.1.1 shall be suitably revised in case of change in Notified Price in accordance with Clause 3.9.2. Upon such revision, the Successful Bidder may:

(a) provide a new bank guarantee issued by any Acceptable Bank for the revised value; or
(b) provide an additional/ top up bank guarantee issued by any Acceptable Bank for an amount corresponding to the incremental value of the Performance Security.

Alternatively, the bank guarantee constituting the Performance Security shall may be suitably amended for the revised value computed as per Clause 7.1.1. The revised/ amended/ top up bank guarantee shall be provided within a period of 7 (seven) days of notification of change in the Notified Price (or latest Indexed Notified Price, as the case may be).

7.1.4 The Performance Security shall be in substantially the form as provided in ***Annexure X.***

7.2 Forfeiture of Performance Security

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

8 Fraud and Corrupt Practices

8.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the auction process and subsequent to the issue of the LOI and during the subsistence of the Agreement. Notwithstanding anything to the contrary contained herein, or in the LOI or the Agreement, CIL may reject a Bid, cancel the LOI, or terminate the Agreement, as the case may be, without being liable in any manner whatsoever to the Bidder or the Successful Bidder, as the case may be, if CIL determines that the Bidder or Successful Bidder, as the case may be, has, directly or indirectly or through an agent, engaged in Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice in the auction process. In such an event, CIL shall be entitled to forfeit and appropriate the Performance Security, Bid Security or Process Fee, as the case may be, as damages, without prejudice to any other right or remedy that may be available to CIL under the Scheme Document and/ or the Agreement, or otherwise.

8.2 Without prejudice to the rights of CIL under Clause 8.1 and under the LOI or the Agreement, or otherwise if a Bidder or Successful Bidder, as the case may be, is found to have directly or indirectly or through an agent, engaged or indulged in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice during the auction process, or after the issuance of the LOI or the execution of the Agreement, such Bidder or Successful Bidder shall be disqualified from participating in the Tranche I Coal Linkage Auction and the subsequent tranche of auction for the non-regulated sector conducted by CIL.

8.3 For the purposes of this Clause 8, the following terms shall have the meaning hereinafter respectively assigned to them:

(a) "**Corrupt Practice**" means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any Person connected with the auction process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of CIL who is or has been associated in any manner, directly or indirectly, with the auction process or the LOI or has dealt with matters concerning the Agreement or arising therefrom, before or after the execution thereof, at any time prior to the expiry of 1 (one) year from the date such official resigns or retires from or otherwise ceases to be in the service of CIL, shall be deemed to constitute influencing the actions of a Person connected with the auction process); or (ii) save and except as permitted under this Scheme Document, engaging in any manner whatsoever, whether during the auction process or after the issue of the LOI or after the execution of the Agreement, as the case may be, any Person in respect of any matter relating to the auction process or the LOI or the Agreement, who at any time has been or is a legal, financial or technical adviser of CIL in relation to any matter concerning the auction process;

(b) "**Fraudulent Practice**" means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the auction process;

(c) "**Coercive Practice**" means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any Person's participation or action in the auction process;

(d) "**Undesirable Practice**" means (i) establishing contact with any Person connected with or employed or engaged by CIL with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the auction process; (ii) having a conflict of interest; or (iii) violating of any Applicable Law; and

(e) "**Restrictive Practice**" means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the auction process.

9 Other Provisions

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

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

(a) suspend and/ or cancel the auction process with respect to Coal Linkages from one or more Lots and/ or amend and/ or supplement the auction process or modify the dates or other terms and conditions relating thereto;

(b) consult with any Bidder in order to receive clarification or further information;

(c) retain any information and/ or evidence submitted to CIL by, on behalf of, and/ or in relation to any Bidder; and/ or

(d) independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder.

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

9.4 **Proprietary data**

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

Annexure I – Indicative modifications to the existing formats of fuel supply agreements that are to be made a part of the Agreement

<table>
<tr><th>S. No.</th><th>Salient Features</th><th>Details</th></tr>
<tr><td>1.</td><td>Duration and Lock-in</td><td>(a) The Agreement shall come into force from the date of its execution and shall be valid for a term of 5 (five) years from the date of signing of the Agreement. Upon expiry of the aforesaid period of 5 (five) years, the Agreement may be extended for a further period of 5 (five) years on mutually agreed terms.

(b) The Agreement shall have a lock-in period of 2 (two) years.</td></tr>
<tr><td>2.</td><td>Exit Options</td><td>(a) Post the expiry of lock-in period, the Successful Bidder may seek an exit after serving a prior written notice of 3 (three) months.

(b) If the Successful Bidder exits the Agreement prior to expiry of the lock-in period of 2 (two) years, the Performance Security shall be forfeited in its entirety and the Successful Bidder shall be disqualified from participating in the immediately subsequent tranche of auction for the non-regulated sector conducted by CIL.</td></tr>
<tr><td>3.</td><td>Performance Security</td><td>(a) The Successful Bidder shall submit a Performance Security in accordance with Clause 7 of the Scheme Document.

(b) The Performance Security shall be forfeited inter alia in the event of termination of the Agreement (resulting from clauses (d) to (g) of the termination events (as provided herein below in item 10).</td></tr>
<tr><td>4.</td><td>Price of Coal and Periodic Payments</td><td>The price of the coal and other periodic payments shall be as specified in Clause 3.9 of the Scheme Document.</td></tr>
<tr><td>5.</td><td>Quantity and Compensation for short delivery/ lifting</td><td>(a) The schedule of the supply of the Allocated Quantity to the Successful Bidder shall be determined under the Agreement.

(b) If level of delivery by the relevant Subsidiary or level of lifting by the Successful Bidder falls below 75% (seventy five per cent.) then the defaulting party shall be liable to pay compensation to the other party in the following manner:

<table>
<tr><th>Level of Delivery/ Lifting of Coal in a Year</th><th>Percentage of Penalty for the failed quantity (at the price payable under Clause 3.9 of the Scheme Document)</th></tr>
<tr><td>Below 75% but up to 70% of Allocated Quantity</td><td>0 -5</td></tr>
<tr><td>Below 70% but up to 65% of</td><td>5-10</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>S. No.</th><th>Salient Features</th><th>Details</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>Allocated Quantity</td><td></td></tr>
<tr><td>Below 65% but up to 60% of Allocated Quantity</td><td>10-20</td></tr>
<tr><td>Below 60%</td><td>20-40</td></tr>
</table>

The penalty 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 a linear basis within each slab.
</td></tr>
<tr><td>6.</td><td>End Use of Coal</td><td>The Allocated Quantity supplied pursuant to the Agreement shall be for the utilisation only in the Specified End Use Plant.</td></tr>
<tr><td>7.</td><td>Sources of Supply</td><td>The primary and secondary sources of supply of the Allocated Quantities shall be as specified in Annexure VI.</td></tr>
<tr><td>8.</td><td>Grade Variation</td><td>In case of a variation of grade of coal (decided on the basis of third party sampling) as compared to the Allocated Quantity grade, Bidder shall pay the Notified Price (or the latest Indexed Notified Price as the case may be) of the supplied grade plus the Winning Premium (in percentage terms) on the Notified Price (or the latest Indexed Notified Price as the case may be) of the supplied grade, without factoring in royalty payments, taxes etc.

Illustration:

<table>
<tr><td>Allocated Quantity grade</td><td>G6</td></tr>
<tr><td>Notified Price/ Indexed Notified Price (Rs./ Tonne) (B)</td><td>2,280</td></tr>
<tr><td>Winning Premium (Rs./ Tonne) (C)</td><td>300</td></tr>
<tr><td>Winning Premium as % of Notified Price/Indexed Notified Price (D=C/B)</td><td>13.16</td></tr>
<tr><td>Actually Supplied Grade</td><td>G7</td></tr>
<tr><td>Indexed Notified Price of Supplied Grade (Rs./ Tonne) (E)</td><td>1,920</td></tr>
<tr><td>Premium of Supplied Grade (Rs./ Tonne) (F=E*D)</td><td>252.63</td></tr>
<tr><td>Price Payable for G7 Grade (Rs/Tonne) (I = E+F)</td><td>2,172.63</td></tr>
</table>

A similar procedure to calculate the applicable price will be followed in case of a grade upgrade.</td></tr>
<tr><td>9.</td><td>Termination Events</td><td>The Agreement may be terminated inter alia in the following events:
(a) Failure of a party to perform its obligations under the Agreement because of a Force Majeure (to be defined in the Agreement), for a period beyond 90 (ninety) days in any continuous period of 180 (one hundred eighty) day;
(b) Successful Bidder being prevented/ disabled under Applicable Law from using coal, for reasons beyond their control, owing to changes in</td></tr>
</table>

S. No.	Salient Features	Details
		applicable environmental and/ or statutory norms; (c) Any material change in the coal distribution system of the relevant subsidiary of CIL due to a Government directive/ notification, at any time after the execution of the Agreement; (d) The Successful Bidder resells, transfers or diverts the Allocated Quantity other than for use in the Specified End Use Plant; (e) In certain events of encashment of the Performance Security or suspension of coal supplies; (f) In the event a 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; (g) A party commits a breach of terms or conditions of the Agreement; and/ or (h) Such other situations as may be specified in the Agreement
10.	**Change in Control**	Any change in Control of the Successful Bidder and/ or any transfer of the Specified End Use Plant along with the rights in relation to the Allocated Quantity shall be undertaken as per the provisions of Clause 5.2 of the Scheme Document and as per the procedure and subject to the conditions set out in the Agreement.
11.	**Independent Third Party Sampling**	Each Successful Bidder off-taking coal via rail mode may choose an agency from the following: ▪ list of independent third parties provided by CIL from time to time or ▪ CIMFR or CIMFR appointed agencies. Bearing logistical issues, in case of Off-take of coal via road mode, a single independent third party sampling agency will be appointed by respective CIL subsidiary for sampling coal supplied to various purchasers from a particular source. Third party sampling, if requested by the Successful Bidder, shall be done from the delivery/ loading point at supplier's end and the costs in this regard shall be borne equally in case of transport via rail mode and in case of transport via road 50% of the cost of Third Party Sampling will be borne by respective CIL subsidiary and the residual 50% cost shall be shared by the parties who have requested for Third Party Sampling on a proportionate basis. The procedure for conduct of Third Party Sampling shall be as detailed in the Agreement.
12.	**Lifting of Allocated Quantity for**	In case the Successful Bidder (with respect to a rail mode) is unable to lift the scheduled quantity due to shortfall in the quantity necessary for formation of rake for transportation through rail mode, the balance

S. No.	Salient Features	Details
	rail mode	scheduled quantity will be carried forward to the subsequent month(s)/year(s). As and when such carried forward quantity is adequate to form a rake for transportation through rail mode, the same shall be supplied to the Successful Bidder. If at the end of the term of the Agreement, any residual scheduled quantity remains (including any quantity which has been carried forward as aforesaid), the same shall be dealt with in the following manner: - In case the residual quantity is less than 2000TPA, such quantity will lapse. - In case the residual quantity is 2000TPA or more, bidder will be supplied with the quantity equivalent to one rake.
13.	**Performance Incentive**	There shall be no performance incentive under the Agreement
14.	**Indemnification**	The relevant Subsidiary shall be indemnified by the Successful Bidder for any claims or action that may arise inter alia on account of any misrepresentation of the Bidder misrepresentation, unwilling or otherwise.

Annexure II – Format of Undertaking
(On the letter head of the Bidder)

Date:

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

Ref: Scheme Document dated [insert Date] ("**Scheme Document**")

Dear Sir,

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

1. we satisfy and shall continue to satisfy all the Eligibility Conditions prescribed in Clause 4 of the Scheme Document;

2. all information provided by us to CIL is and shall be true and correct and nothing has been omitted which renders such information misleading. If we submit or produce any document and it is discovered subsequently that such document was false, misleading, or incorrect, then we shall be liable under Applicable Laws for the time being in force and subject to the consequences envisaged in the Scheme Document;

3. the Bid shall be unconditional and unqualified;

4. 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;

5. 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;

6. all documents submitted by us (other than originals submitted by us) are true copies of their respective originals;

7. we shall make available to CIL any additional information it may find necessary or require to supplement or to authenticate our Bid or eligibility to submit the Bid;

8. CIL shall have the right to reject our Bid without assigning any reason or otherwise and hereby waive, to the fullest extent permitted by Applicable Law, our right to challenge the same on any account whatsoever;

9. we have not and shall not be engaged in or indulge in, either directly or indirectly or

through an agent, any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice, as defined in Clause 8 of the Scheme Document;

10. we have taken steps to ensure that in conformity with the provisions of Clause 8 of the Scheme Document, no person acting for us or on our behalf has engaged or will engage in any Corrupt Practice, Fraudulent Practice, Coercive Practice, Undesirable Practice or Restrictive Practice;

11. we understand that you may cancel the auction process at any time and that you are neither bound to accept any Bid that you may receive nor to invite the Bidders to Bid for Coal Linkages from the Lots, without incurring any liability to the Bidders, in accordance with the Scheme Document;

12. we hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by CIL in connection with the selection of the Successful Bidder or in connection with the auction process itself and the terms and implementation thereof;

13. in the event of our being declared as the Successful Bidder, we agree to enter into the Agreement in accordance with the Scheme Document, comply with the terms of such Agreement and all Applicable Laws and to pay such amounts and provide such performance security and other security as required therein;

14. 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;

15. we acknowledge that we shall not be entitled to participate in the auction process in the event that the Normative Coal Requirement of the Specified End Use Plant registered by us on Electronic Platform is less than the Minimum Quantity;

16. we will ensure that all documents required to be submitted electronically on the Electronic Platform and the documents required to be submitted physically with CIL under Clause 4(c) of the Scheme Document are duly submitted;

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

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

S. No.	Name of Captive Coal Mine	Peak Rated Capacity (MTPA)	Grade of Coal
1.			
2.			
3.			

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

Yours faithfully,

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

Date:
Place:

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

Power of Attorney for participation in auction process

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

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

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

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

For……..

(Signature, name, designation and address)

Witnesses: 1.
2.

Accepted Notarised

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

Notes:

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

Annexure IV – Format of Affidavit

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

Affidavit

I,_____aged_years, resident of_____working as____an Authorised Signatory on behalf of_____(name of bidder) (the "**Bidder**") hereby state as under:

1. I say that I am the [Insert designation of the deponent] of the Bidder. I am conversant with the facts and circumstances surrounding the subject of this Affidavit and have been authorized to depose to the same pursuant to the power of attorney dated_____.

2. I am filing this Affidavit to place on record verification of facts and documents in connection with the auction process.

3. [Insert separate paragraphs for each document brought on record on the website of the Service Provider or physically submitted with CIL, in a chronological sequence].

4. That nothing has been concealed in the information submitted as mentioned above.

Solemnly affirmed and verified on this____day of (month) 201[●] at (place).

(Signature)

Name, Designation & Seal

VERIFICATION

I, [●], the [Insert designation of the deponent] of the Bidder above named, having my office at [●], do hereby solemnly declare that what is stated above in paragraphs [●] to [●] are on the basis of the books and records of the Bidders, and verify that the contents of the above affidavit are true and correct, no part of it is false and nothing material has been concealed therefrom. Verified at _____day of (month) 201[●] at (place).

Deponent
(Signature)
Name, Designation & Seal

Annexure V - Technical Details with respect to electronic auction

1. Registration Methodology

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

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

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 Kilns i.e. Clinker manufacturing units located within the same plant boundary are allowed to be registered as one Specified End Use Plant. However, once the units are combined and registered as single Specified End Use Plant, they cannot be split subsequently.

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

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

1. Self-attested Income Tax PAN Card. In case of a registered Company or Firm, the Firm's PAN card and in case of a proprietorship firm, proprietor's personal PAN card is required. In case of partnership firm, PAN of the firm and that of the authorized partner are to be submitted.

2. Self-attested copy of VAT/ CST Registration certificate.

3. Copy of the confirmation email Letter received from MSTC after successful completion of on-line registration and containing buyer registration details of the Bidder.

4. A non-refundable registration fee of Rs 10,000/- plus applicable service tax to be paid by NEFT to the following bank account.

   Beneficiary Name: MSTC Limited
   Bank Details: United Bank of India, Tivoli Park Branch, Kolkata
   Account Details: A/c.No. 0068210300192
   IFSC Code No.: UTBI0TVP142

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

coallinkage@mstcindia.co.in

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

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

2. Submission of Information/ Documents for Conditions to Auction

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

(i) Details of Specified End Use Plant

On the next screen, Bidders are required to submit information about the capacity of the Specified End Use Plant (in Tonnes Per Annum i.e. TPA) for which Coal Linkage is being sought along with the annual contracted quantity (in tonnes) of coal available to them through existing coal linkage(s) and the Peak Rated Capacity (in tonnes per annum) and grade of coal available to them from their captive coal mine(s). This is a pre-requisite for participating in the Non-Discriminatory Ascending Clock Auction Process. The responsibility of submitting correct

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

Based on the capacity of the Specified End Use Plant, the Electronic Platform shall calculate the annual requirement of coal in G10 equivalent grade and display the same on screen. It is clarified that where a Bidder has specified one or more Kilns (in a single location within the same boundary) as the Specified End Use Plant, the Normative Coal Requirement shall be assessed on the basis of configuration of each such individual Kilns based on the consumption norms. The Electronic Platform shall also display the balance energy requirement of the Specified End Use Plant in kcal and also the maximum quantity of coal of each grade from G1 to G14 for which the Bidder shall be eligible to bid.

Bidders should note that utmost care should be taken to submit the above information as the details once submitted can't be changed/ modified/ amended/ edited/ recalled.

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

The Bidders shall have to deposit Bid Security before non-discriminatory ascending clock auction process to MSTC. The Bid Security shall be Rs 100/- per tonne of the Link Quantity that the Bidder is willing to bid for. In addition, the Bidder shall also have to deposit a Process Fee of Rs 2.50 per tonne of coal that it intends to bid for. Thus, the Bidders shall have to pay Rs 102.50 per tonne of the Link Quantity that it intends to bid for.

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

Beneficiary Name: MSTC Ltd
Credit Account No. MSTCER075000
Center: Mumbai
Bank: HDFC Bank Ltd
Branch: Sandoz Branch
Account Type: Current
IFSC Code No.: HDFC0000240

It is further clarified that the Credit Account No contains and represents bidder's registration number with MSTC portal for coal linkage auction.

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

coallinkage@mstcindia.co.in

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

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

Calculation of Bid Security and Process Fee:

If a Bidder wishes to bid for Q (tonne) quantity of coal for a Specified End Use Plant, then it must have a balance EMD (Bid Security plus Process Fee) of Rs 102.5Q before the start of the auction. For example, if a Bidder wishes to bid for 1,00,000 tonnes of coal, it must have a balance EMD amount of Rs. 1,02,50,000/- before the start of auction.

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

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

a. an undertaking in the format set out in ***Annexure II***;
b. a power of attorney in the format set out in ***Annexure III****;*
c. Certified true copy of the relevant authorizations authorizing the execution of power of attorney e.g. letter of authority, resolution of the board of directors, resolution of the shareholders etc.; and

d. an affidavit in the format set out in ***Annexure IV***.

In order to upload the documents, the Bidder shall have to click on the link "Upload Documents" provided under their logins and upload the appropriate files against the options given therein.

(iv) Submission of Documents as per Clause 4(c)

The Bidder shall also be required to submit original physical copies of the documents referred to in Clause 4(c) of the Scheme Document at the following address:

MSTC Limited
Third Floor, 225-F, A.J.C Bose Road,
Kolkata - 700020

3. Bid Submission

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

Each auction round will be of 8 (eight) minutes duration. 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 8 minutes 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 8 minutes of the auction round and not wait for the last moment to submit their Bids. CIL and/ or MSTC shall not be responsible for non-recording of any Bid due to delay in submission of Bid by any Bidder or due to delayed receipt of Bid in the server of MSTC. In case of any complaint or dispute regarding this, the data available at the server of MSTC shall be final and binding on the Bidders.

In round 1 of the auction, the premium shall be Rs. zero/ tonne. Thereafter, the premium of the subsequent auction rounds will be decided depending on the demand registered in the previous auction round (as per rule Clause 3.5.2 of the Scheme Document). The Bidder may note that it is entitled to submit only one Bid in an auction round. Bid once submitted in an auction round can't be edited/ modified/ amended/ changed/ recalled. Hence, Bidders are advised to exercise extreme caution while bidding so as to avoid making any mistake. Bidders are also advised to protect the secrecy of their login id and password because Bid recorded against any user id or login id will be deemed to have been submitted by the Bidder concerned. No representation/ complaint stating the misuse/ unauthorized usage of login id and password will be entertained at any stage.

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

Digital Signature Certificate

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

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

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

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

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

auction portal.

The system requirements are as follows:

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

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

- Java (JRE7 and above)

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

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

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

4. Contact Details

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

Name	Vikash Jaiswal	Shruti Sharma
Email ID	vikash@mstcindia.co.in	shruti@mstcindia.co.in
Contact No.	9903042449	7044064654

Annexure VI- Details regarding Link Quantity offered for each Lot

S. No.	Subsidiary Name	Source (Mine in case of Road & Siding in case of Rail)	Mode	Grade*/Size	Quantity (Tonnes)	Notified Price (Rs./Tonne)	Secondary Source (to be used in cases of a Force Majeure Event)

*Declared Grade

Annexure VII – Consumption Norms

Process		**Wet**	**Semi-dry**	**Dry**
Grade	**Average GCV (kcal/kg)**	**kg of coal/ ton of clinker**	**kg of coal/ ton of clinker**	**kg of coal/ ton of clinker**
G1	7,150	185	129	111
G2	6,850	193	135	116
G3	6,550	202	141	121
G4	6,250	212	148	127
G5	5,950	223	156	134
G6	5,650	235	164	141
G7	5,350	248	173	149
G8	5,050	262	183	157
G9	4,750	279	195	167
G10	4,450	298	208	179
G11	4,150	319	223	192
G12	3,850	344	240	207
G13	3,550	373	261	224
G14	3,250	408	285	245

It is clarified that where a Bidder has specified one or more Kilns i.e. Clinker manufacturing units (in a single location within the same boundary) as the Specified End Use Plant, the Normative Coal Requirement shall be assessed on the basis of configuration of each such individual Kiln based on the abovementioned consumption norms. The Normative Coal Requirement shall be calculated based on an assumption of 85% (eighty five per cent.) capacity utilization on an annual basis. Any existing linkage quantity (deemed to be G10 grade of coal) shall be reduced from the Normative Coal Requirement arrived based on the above. Further, the peak rated capacity of any coal mine allocated under Coal Mines (Special Provisions) Act, 2015 and/or Mines and Minerals (Development and Regulation) Act, 1957 as amended (pro-rated for the Specified End Use Plant in the event of a combination of end use plants to which the mine was allocated), adjusted for grade, shall be reduced from the Normative Coal Requirement arrived based on the above.

Annexure VIII – Format of LOI

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

_____, Kolkata
Dated: the [insert date]

To
[Name of Authorized Signatory]
[Designation of Authorized Signatory]
[Name of Successful Bidder]
[Address of the Specified End Use Plant]

Subject: Declaration of Successful Bidder pursuant to Phase II Auction Process

Dear Sir/ Madam,

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

Details of the Specified End Use Plant, allocated quantity of coal, the Winning Premium and other details are set out in ***Schedule1***.

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

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

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

Document. The Subsidiary reserves the right to cancel this LOI, disqualify the Bidder and forfeit the Process Fee and the Bid Security if it is of the opinion that the requirements of the Scheme Document and the LOI in this regard have not been duly satisfied.

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

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

_____

(Signatory)

Acknowledged and Accepted by:

_____

(Signatory)

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

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

Name of Successful Bidder: [Name of Successful Bidder]

Details of Specified End Use Plant

Name of Specified End Use Plant	Address	Capacity

Allocated Quantity under Phase II Auction and other details pertaining thereto

S.No.	Subsidiary Name	Primary Source	Secondary Source (to be used in cases of a force majeure event)	Mode Of Despatch	Allocated quantity (Tonnes)	Winning Premium

Annexure IX – Documents to be submitted to the relevant Subsidiary prior to execution of the Agreement

Part A – Documents to be mandatorily submitted to the relevant Subsidiary prior to execution of the Agreement

1. Relevant Corporate Authorizations of the Successful Bidder for execution and performance of his obligations under the agreement such as:
    - Notarised Power of Attorney.
    - Certified true copy of Board Resolution or Certified true copy of Shareholders Resolution etc.
2. Commissioning certificate with respect to the Specified End Use Plant from a certified chartered engineer.
3. Self-attested copy of valid Factory License with respect to the Specified End Use Plant or copy of application filed for renewal of the same, in case the Factory License has recently expired.
4. Self-attested copy of Consent to Operate with respect to the Specified End Use Plant issued under the relevant pollution control laws or copy of application filed for renewal of the same, in case the Consent to Operate has recently expired. Alternatively, a valid no-objection certificate from the relevant State Pollution Control Board may be submitted. Wherever, the relevant State Pollution Control Board does not specify the validity of the certificate issued by them to the Specified End Use Plant, such a certificate will be considered acceptable and an intimation will be sent by relevant Subsidiary to the authority responsible for the issuance of the certificate.
5. Self-attested copy of TIN and PAN number of the Successful Bidder.

Part B – Documents that may be requested by the relevant Subsidiary prior to or post execution of the Agreement

1. Income-tax return of the Successful Bidder (for latest available financial year);
2. Value added tax registration certificate for the Specified End Use Plant for value added tax paid by the Successful Bidder during the last two years. This certificate would not be required for newly established Specified End Use Plants. In case of non-submission of the certificate on value added tax/ excise duties by existing old Specified End Use Plants, the Successful Bidder is required to submit a copy of value added tax returns duly

certified by a practicing Chartered Accountant or a self-certified statement of the payments already made in this regard during the last two years which would necessarily contain few sample copies;

3. Valid small scale industries/ industrial registration certificate;
4. Documentation with respect to existing coal linkages, assurance of linkages and/ or allocation of mine;
5. Audited accounts of the Successful Bidder for the immediately preceding three financial years;
6. Copies of licenses to operate the Specified End Use Plant including production licence, constitution status, SSI Registration, factory license, value added tax, excise registration and other statutory registration and/ or documents necessary in this regard. Any change in the status or validity of any licenses and/ or registration from previous year;
7. Copy of current valid pollution control certificates (including consent to establish and consent to operate);
8. Details of critical machinery/ equipment responsible for capacity calculation of the Specified End Use Plant such as details of boilers/ furnaces/ kiln with capacity of consumption;
9. Coal Consumption certificate of the Specified End Use Plant, containing the following details, shall be furnished by the Successful Bidder and duly certified by a Chartered Accountant:

    Coal (Qty wise)

    Opening stock

        Add: Purchase

            From CIL sources under FSA

            From any other source:

        Less:

            Consumption

            Year end closing stock

10. Copies of electricity bills for the last six months, wherever applicable;
11. Any other relevant information/ documentation as may be deemed necessary for ascertaining bona fide usage of coal.

Annexure X – Format of Performance Security

[Reference number of the bank] *[date]*

To
[insert name and address of the relevant Subsidiary]

WHEREAS

A. **[Name of the Successful Bidder],** a company incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN of the Successful Bidder], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office] **OR [Name of the Individual]**, an individual residing at [address] and carrying on a sole proprietorship business under the name style of , **[Name of Successful Bidder]** at [address of sole proprietorship], **OR** [**Name of the Successful Bidder**], a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008, with its registered office at [address of registered office] **OR** [**Name of the Individual**], an individual residing at [address], [**Name of the Individual**], an individual residing at [address] and [**Name of the Individual**], an individual residing at [address] all carrying on a partnership business under the name style of [**Name of the Successful Bidder**] registered under [name of Act under which the firm is registered] **OR** [**Name of the Successful Bidder**], a [insert legal nature of the Successful Bidder (e.g. trust, society etc.)] incorporated under the [insert statute under which the Successful Bidder is incorporated] with its registered office/ principal place of business/ office at [address of registered office/ principal place of business/office] (hereinafter referred to as the "**Purchaser**") is required to provide an unconditional and irrevocable bank guarantee for an amount equal to INR [*figures*] (Indian Rupees [*words*]) as a performance security valid until [*date of expiry of performance bank guarantee*] ("**Expiry Date**").

B. The Performance Security is required to be provided to **[insert name of the relevant Subsidiary]** (the "**Seller**") for discharge of certain obligations of the Purchaser under the Scheme Document dated, [date] with respect to Auction of Coal Linkages in the Cement Sub-sector – Phase II of Tranche I of Auction and the fuel supply agreement to be executed between the Seller and the Purchaser (hereinafter collectively referred to as the "**Agreement**)".

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

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

Guarantee Amount:

1. The Bank for the purpose hereof unconditionally and irrevocably undertakes to pay to the Seller without any demur, reservation, caveat, protest or recourse, immediately on receipt of first written demand from the Seller, a sum or sums (by way of one or more claims) not exceeding the Guarantee Amount in the aggregate without the Seller needing to prove or to show to the Bank grounds or reasons for such demand for the sum specified therein and notwithstanding any dispute or difference between the Seller and Purchaser on any matter whatsoever. The Bank undertakes to pay to the Seller any money so demanded notwithstanding any dispute or disputes raised by the Purchaser in any suit or proceeding pending before any court or tribunal relating thereto the Bank's liability under this present being absolute and unequivocal.

2. The Bank acknowledges that any such demand by the Seller of the amounts payable by the Bank to the Seller shall be final, binding and conclusive evidence in respect of the amounts payable by Purchaser to the Seller under the Agreement.

3. The Bank hereby waives the necessity for the Seller from demanding the aforesaid amount or any part thereof from the Purchaser and also waives any right that the Bank may have of first requiring the Seller to pursue its legal remedies against the Purchaser, before presenting any written demand to the Bank for payment under this Guarantee.

4. The Bank further unconditionally agrees with the Seller that the Seller shall be at liberty, without the Bank's consent and without affecting in any manner the Bank's obligation under this Guarantee, from time to time to: (i) vary and/ or modify and of the terms and conditions of the Agreement; (ii) extend and/ or postpone the time for performance of the obligations of the Purchaser under the Agreement, or (iii) forbear or enforce any of the rights exercisable by the Seller against the Purchaser under the terms and conditions of the Agreement and the Bank shall not be relieved from its liability by reason of any such act or omission on the part of the Seller or any indulgence by the Seller to the Purchaser or other thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving the Bank of its obligations under this Guarantee.

5. Any payment made hereunder shall be made free and clear of and without deduction for, or on account of, any present or future taxes, levies, imposts, duties, charges, fees, commissions, deductions or withholdings of any nature whatsoever.

6. The Bank agrees that Seller at its option shall be entitled to enforce this Guarantee against the Bank, as a principal debtor in the first instance without proceeding at the first instance against the Purchaser.

7. The Bank further agrees that the Guarantee herein contained shall remain in full force and effect during the period that specified in the Agreement and that it shall continue to be enforceable till all the obligations of the Purchaser under or by virtue of the said Agreement with respect to the Performance Security have been fully paid and its claims satisfied or

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

8. The payment so made by the Bank under this Guarantee shall be a valid discharge of Bank's liability for payment thereunder and the Seller shall have no claim against the Bank for making such payment.

9. This Guarantee is subject to the laws of India. Any suit, action, or other proceedings arising out of this Guarantee or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at [where the Subsidiary registered office/ principal place of business is located], India.

10. The Bank has the power to issue this Guarantee in favour of the Seller. This Guarantee will not be discharged due to the change in the constitution of the Bank

11. The Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of the Seller in writing.

12. The Seller may, with prior intimation to the Bank, assign the right under this Guarantee to any other person or entity. Save as provided in this Clause 12, this Guarantee shall not be assignable or transferable.

13. Notwithstanding anything contained herein,
    a) the liability of the Bank under this Guarantee shall not exceed the Guarantee Amount; and
    b) this Guarantee shall be valid up to the Expiry Date.

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

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)f