

**THE SINGARENI COLLIERIES COMPANY LIMITED
MARKETING DEPARTMENT**

**NOTICE FOR AUCTION OF COAL LINKAGES TO THE CEMENT AND
CPP SUB-SECTORS UNDER NON-REGULATED SECTOR**

- (i) The Singareni Collieries Company Limited (SCCL) is pleased to announce the auction of coal linkages for **Cement and CPP** sub-sectors under the non-regulated sector.
- (ii) This is in furtherance to the policy guidelines issued by MOC contained in letter no. 23011/51/2015-CPD (Pt-I) dated 15.02.2016.
- (iii) The Scheme Document and Preliminary and Tentative Draft of Model E-FSA has been uploaded on the website of the service provider (M/s MSTC Ltd) and SCCL (www.scclmines.com). Registration requirements, schedule of dates for submitting applications and other details will be available on the website of service provider, at [www.mstcecommerce.com] from 16.09.2016.

GENERAL MANAGER (MARKETING)

The Singareni Collieries Co. Ltd., Hyd

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

September 16, 2016

The Singareni Collieries Company Limited
A Government Company

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 The Singareni Collieries Company Limited (“SCCL”) 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 SCCL 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 SCCL 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 SCCL, 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. SCCL accepts no responsibility for the accuracy or otherwise for any statement contained in this Scheme Document.

SCCL, 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.

SCCL 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.

SCCL 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 SCCL is bound to select a Bidder or Successful Bidder and SCCL 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 SCCL 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 SCCL 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 E-Fuel Supply Agreement (“**E-FSA**”) as may be prescribed or published by SCCL and to be executed pursuant to Clause 3.5.4.
- 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 I*, the power of attorney set out in *Annexure II* and the affidavit set out in *Annexure III* on behalf of the Bidder; and (iv) execute and submit such other documents as may be deemed necessary, in accordance with the terms hereof.
- 1.1.7 “**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 IV* 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 having the meaning as per Rule 3 of the Electricity Rules, 2005.
- 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 V*.
- 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 SCCL and as specified in *Annexure V*.
- 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 I 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 IV*, but shall exclude CPPs.
- 1.1.41 “**Successful Bidder**” shall have the meaning ascribed to such term in Clause 3.5.2(g).
- 1.1.42 “**TPA**” shall have the meaning ascribed to such term in Clause 3.3.1.
- 1.1.43 “**Tranche I Coal Linkage Auction**” shall have the meaning ascribed to such term in Clause 2.1.3.
- 1.1.44 “**Transport Factor**” shall have the meaning ascribed to such term in Clause 3.5.2(i)(ii).
- 1.1.45 “**Winning Premium**” shall mean:
- (a) for the purposes of the Phase I 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, SCCL has *inter alia* decided to auction coal linkages for an annual contracted quantity of approximately 6.33 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 SCCL for auction of coal linkages with respect to the cement sub-sector for a total quantity of approximately 3.03 MTPA (“**Phase I 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 V* (“**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 IV*.
- 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 IV*.

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:

$$\text{Normative Coal Requirement (MTPA)} = \frac{\text{[Normative Energy Requirement (kcal per annum)]}}{\text{divided by } [(10^9) \text{ multiplied by (the average gross calorific value of a particular grade of coal as specified in } \textit{Annexure VI})]}$$

Where:

$$\text{Normative Energy Requirement (kcal per annum)} = \text{[Annual energy requirement of the Specified End Use Plant (calculated in kcal on the basis the norms set out in } \textit{Annexure VI})] \text{ minus [(annual energy requirement of the Specified End Use Plant met through any other existing coal linkage(s)(in kcal*)] plus (annual energy requirement of the Specified End Use Plant met through any captive coal mine(s) (in kcal)) plus (annual energy requirement of the Specified End Use Plant met through any allocation of coal linkage(s) pursuant to auction process of any lot conducted by SCCL under this Scheme Document and/ or by CIL (in kcal))]}$$

*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 contracted 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

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

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 IV* 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 IV**. The sealed cover should clearly bear the following identification: “Original Documents for Auction of Coal Linkage in the Cement Sub-sector – Phase I 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 V**. 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 V**. 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**”).

SCCL 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 SCCL 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, SCCL 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, SCCL 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 I Auction, SCCL 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 SCCL.

3.5.3 Issuance of Letter of Intent

SCCL shall, within 15 (fifteen) days of completion of the Phase I Auction, issue a letter of intent in the format set out in *Annexure VII* (“LOI”) to each of the Successful Bidders in respect of *inter alia* the cumulative Allocated Quantity of such Bidder from SCCL pursuant to the Phase I 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 SCCL 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 SCCL. The Agreement shall be executed between the Successful Bidder and SCCL in respect of the Allocated Quantity (from a particular Lot) from SCCL within 30 (thirty) days of:

- (a) receipt of the Performance Security; and
- (b) submission of the documents specified in *Part A of Annexure VIII* to SCCL together with any other documents as may be requested by SCCL from amongst the documents specified in *Part B of Annexure VIII*.

The Successful Bidder shall not be entitled to seek any deviation, modification or amendment in the Agreement, except with the prior written approval of SCCL. 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 SCCL 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

SCCL may at any time prior to issuance of the LOI and SCCL 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. SCCL

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 SCCL 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, SCCL 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 SCCL.

Save and except as provided in this Scheme Document, SCCL 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 SCCL. 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 SCCL.

3.7.2 SCCL 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. SCCL reserves the right to not answer any query, including any query which is incomplete or anonymous.

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

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	16 th September 2016
Upload of Scheme Document	16 th September 2016
Start of Registration Process	18 th September 2016
Pre-Bid Conference	23 rd September 2016
Period for submission of information, documents and payments pertaining to Conditions to Auction	Saturday, 24 th September 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	28 th September 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:

{[Annual Contracted Quantity supplied under the Agreement] multiplied by [the sum 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, as the case may be))]}.

- 3.9.2 The Winning Premium (i.e. the relevant percentage of the Notified Price as defined in Clause 1.1.45(b)) shall remain constant during the tenure of the Agreement. The Notified Price or the Indexed Notified Price (as defined) shall be reviewed by SCCL 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 SCCL 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)	221
Total Price Payable by Successful Bidder after Price Revision (Rs./tonne) (J=H+I)	1,721

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, facility charges for Third Party Sampling 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. 5 (Indian Rupees Five) 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 IV*.
- 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 IV*), without interest, to the relevant Successful Bidder after completion of the Phase I 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 I 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 IV*) 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 I*, 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 II* 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 III* certifying *inter alia* that they meet all the Eligibility Conditions required for participation in the auction process hereunder. Notwithstanding anything to the contrary contained herein, Bidders shall be entitled to submit a power of attorney in a format other than that specified in Annexure II; provided that such power of

attorney authorizes the Authorised Signatory to inter alia (i) sign documents, submit information and otherwise act for and on behalf of the Bidder; and (ii) bind the Bidder by all acts, deed and things done by him in exercise of his powers under the power of attorney.

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 SCCL are and shall remain or become the properties of SCCL 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 SCCL 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 SCCL 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 SCCL.

5.2.2.2 SCCL 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 SCCL 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*. SCCL 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 SCCL.

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. SCCL 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 SCCL, 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 SCCL, 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 SCCL 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 SCCL.

5.5 Verification and Disqualification

5.5.1 SCCL reserves 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 SCCL, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification by SCCL shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of SCCL thereunder.

5.5.2 Without prejudice to any other right or remedy that may be available to SCCL under the Scheme Document and/ or the Agreement, SCCL reserves 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 SCCL, the supplemental information sought by SCCL, 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 SCCL under Clause 5.5.2, SCCL 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 SCCL.

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**”), SCCL 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, SCCL 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 IV*.
- 5.7.2 SCCL 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, SCCL 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 SCCL 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, SCCL 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 IV*. The payments made towards Bid Security in the above mentioned bank account shall be transferred to SCCL 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 SCCL to the Successful Bidder, without any interest, post submission of executed copies of Agreement to SCCL; 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 I 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 SCCL 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 SCCL 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 VIII* together with such other documents as may be requested by SCCL; 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 SCCL, a Performance Security in the form of an irrevocable and unconditional guarantee from an Acceptable Bank or in the form of a non-interest bearing security deposit (cash guarantee), 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 = {[Annual Contracted Quantity] multiplied by [5% of the sum 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, as the case may be))]}

- 7.1.2 The Performance Security shall be provided to SCCL to the extent of the Allocated Quantity. The Performance Security, if provided in the form of a bank guarantee, shall remain valid till 3 (three) months from the date of expiry of the Agreement. The Performance Security, if provided in the form of a non-interest bearing security deposit (cash guarantee), shall be refunded to the Successful Bidder 3 (three) months after the date of expiry of the Agreement.

- 7.1.3 The amount of Performance Security stipulated in Clause 7.1.1 shall be suitably revised in case of change in Notified Price in accordance with Clause 3.9.2. In case if the Performance Security was provided in the form of a bank guarantee, upon such revision, the Successful Bidder may:

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

Alternatively, the bank guarantee constituting the Performance Security may be suitably amended for the revised value computed as per Clause 7.1.1. The revised/ amended/ top up bank guarantee shall be provided within a period of 30 (thirty) days of notification of change in the Notified Price (or latest Indexed Notified Price, as the case may be).

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

- (a) the Successful Bidder shall deposit additional amount towards the security deposit; or
- (b) SCCL shall refund the excess value of the security deposit.

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

7.2 **Forfeiture of Performance Security**

The Performance Security may be forfeited by SCCL 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, SCCL 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 SCCL 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, SCCL 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 SCCL under the Scheme Document and/ or the Agreement, or otherwise.
- 8.2 Without prejudice to the rights of SCCL 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 SCCL.
- 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 SCCL 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 SCCL, 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 SCCL 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 SCCL 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 Hyderabad, Telangana State, India.

9.2 SCCL, 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 SCCL 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 SCCL, 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 SCCL shall remain or become the property of SCCL. It will not return any Bid or any information provided by the Bidder.

Annexure I – 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 SCCL 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 SCCL;
5. we acknowledge that SCCL 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 SCCL any additional information it may find necessary or require to supplement or to authenticate our Bid or eligibility to submit the Bid;
8. SCCL 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 SCCL 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 SCCL 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 (prior of auction process of CIL / SCCL)	Annual contracted quantity (MTPA)
1.		
2.		
3.		

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

S. No.	Quantity awarded / won pursuant to auction process of coal linkages by CIL	Annual contracted quantity (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 II – 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 The Singareni Collieries Company Limited (“SCCL”) (“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 SCCL, representing us in all matters before SCCL, and generally dealing with SCCL 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 SCCL.

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 III 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 III – Format of Affidavit

(To be submitted on stamp paper of Rs. 100 non-judicial 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. **I certify and confirm that the Bidder satisfies and meets all the Eligibility Conditions (specified in Clause 4 of the Scheme Document) required for participation in the auction process.**
4. [Insert separate paragraphs for each document brought on record on the website of the Service Provider or physically submitted with SCCL, in a chronological sequence].
5. 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 IV - Technical Details with respect to electronic auction

1. Registration Methodology

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

It may be noted that Bidders already registered on the e-auction website of MSTC Limited for the purpose of Tranche 1 of Coal Linkage Auction conducted by Coal India Limited (CIL), shall be registered with the same EUP configuration as in the auction process of CIL. [MSTC to review this provision.]

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 I 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 G17 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 5.00 per tonne of coal that it intends to bid for. Thus, the Bidders shall have to pay Rs 105.00 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.: MSTCERxxxxxx
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.

[\[coallinkage@mstcindia.co.in\]](mailto: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. SCCL 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 105.00 Q before the start of the auction. For example, if a Bidder wishes to bid for 1,00,000 tonnes of coal, it must have a balance EMD amount of Rs. 1,05,00,000/- before the start of auction.

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

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

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

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:

The Singareni Collieries Company Limited
P.B. No. 18, Khairatabad P.O.
Singareni Bhavan, Red Hills
Hyderabad – 500 004, Telangana State, India

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. SCCL 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 / SCCL.

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 V- Details regarding Link Quantity offered for each Lot

SOURCE WISE OFFERED QTY FOR CEMENT SUB SECTOR								
S. NO.	SOURCE(MINE IN CASE OF ROAD, CHP/ RLY SDG IN CASE OF RAIL)	MODE	GRADE & TYPE	SIZE	QTY IN TONNES	BASIC NOTIFIED PRICE IN RS /T	ASH %	SECONDARY SOURCE/BACKUP MINE(TO BE USED IN CASE OF FORCE MAJEURE EVENT)
1	GDK-I ,CHP(RG-I AREA, GODAVARI KHANI AREA)	RAIL	G8-CRR	-250 mm	5,20,000	2640	LESS THAN 34%	KCHP(MNG LINE-IV)
2	KCHP(MNG LINE-IV), MANUGURU AREA	RAIL	G7-CRR	-250 mm	4,00,000	2660	LESS THAN 34%	RCHP(KGM)
3	RCHP(KGM), KOTHAGUDAM AREA	RAIL	G7-CRR	-250 mm	4,00,000	2660	LESS THAN 34%	KCHP(MNG LINE-IV)
4	GKOC-KGM, KOTHAGUDAM AREA	ROAD	G7-SLK	-100 mm	3,00,000	2790	LESS THAN 34%	RCHP(KGM)
5	RCHP(KGM), KOTHAGUDAM AREA	ROAD	G7-SLK	-100 mm	3,00,000	2790	LESS THAN 34%	GKOC-KGM
6	KCHP-MNG, MANUGURU AREA	ROAD	G7-CRR	-250 mm	3,00,000	2660	LESS THAN 34%	GKOC-KGM
7	KTK-5, BHOPALPALLY AREA	ROAD	G5-ROM	-250 mm	1,30,000	3320	LESS THAN 34%	KTK-2
8	KTK-1 & 1A, BHOPALPALLY AREA	ROAD	G5-ROM	-250 mm	1,00,000	3320	LESS THAN 34%	KTK-5
9	KONDAPUR UG(MNG), MANUGURU AREA	ROAD	G5-ROM	-250 mm	1,50,000	3320	LESS THAN 34%	KTK-5
10	SRP, OC-2, SRIRAMPUR AREA	ROAD	G8-CRR	-250 mm	1,30,000	2640	LESS THAN 34%	GDK-7 LEP
11	KCHP , MNG, MANUGURU AREA	ROAD	G9-CRR	-250 mm	2,00,000	2280	LESS THAN 34%	RK-5

Scheme Document (for cement sub-sector)

12	GDK-11 INCLINE, RG-I AREA , GODAVARI KHANI AREA	ROAD	G8-RND	-50 mm	1,00,000	2580	LESS THAN 34%	SRP-OC-2
	TOTAL				30,30,000			

CRR - Crushed
SLK - Slack
ROM - Run of Mine
RND - Round

*Declared Grade

Annexure VI – 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.

Annexure VII – Format of LOI

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

_____, Hyderabad
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 I Auction Process

Dear Sir/ Madam,

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

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

Pursuant to Clause 7 and Clause 3.5.4 of the Scheme Document, the Successful Bidder is required to submit the Performance Security within the timelines stipulated in Clause 3.5.4 and also provide the documents specified in Part A in Annexure VIII to SCCL 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.

SCCL 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. SCCL 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 I Auction and other details pertaining thereto

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

Annexure VIII – Documents to be submitted to SCCL prior to execution of the Agreement

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

1. Relevant Corporate Authorizations of the Purchaser for execution and performance of his obligations under the agreement such as:
 - (a) Notarised Power of Attorney/ Notarised Control Ledger Proforma.
 - (b) Certified true copy of Board Resolution or Certified true copy of Shareholders Resolution etc. if applicable.
2. Self Attested copies of valid small scale industries/ industrial Registration certificates (IEM/ MSME certificates etc.) with respect to the Specified End Use Plant.
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 For Operation (CFO) and Boiler Certificate (if applicable) 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 along with the proof of payment for obtaining CFO/ Boiler certificate.
5. Self-attested copy of TIN and PAN number of the Purchaser.
6. Income- Tax Returns of the Purchaser (latest financial year).
7. Documentation with respect to existing coal linkages, assurance of linkages and/ or allocation of mine.
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. Any other documents requested by SCCL.

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

1. 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.
2. Self-attested copy of Consent For Operation (CFO) / 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 For Operation (CFO) /

Consent to Operate has recently expired. Alternatively, a valid no-objection certificate from the relevant State Pollution Control Board may be submitted. Wherever, the relevant State Pollution Control Board does not specify the validity of the certificate issued by them to the Specified End Use Plant, such a certificate will be considered acceptable and an intimation will be sent by the Seller to the authority responsible for the issuance of the certificate.

3. Self-attested copy of TIN and PAN number of the Purchaser.
4. Income-tax return of the Purchaser (for latest available financial year);
5. Value added tax registration certificate for the Specified End Use Plant for value added tax paid by the Purchaser 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 Purchaser 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;
6. Valid small scale industries/ industrial registration certificate;
7. Documentation with respect to existing coal linkages, assurance of linkages and/ or allocation of mine;
8. Audited accounts of the Purchaser for the immediately preceding three financial years;
9. 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;
10. Copy of current valid pollution control certificates (including consent to establish and consent to operate);
11. 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;
12. Coal Consumption certificate of the Specified End Use Plant, containing the following details, shall be furnished by the Purchaser and duly certified by a Chartered Accountant:

Coal (Qty wise)

Opening stock

Add: Purchase

From SCCL sources under FSA / E-FSA

From any other source:

Less: Consumption

Year end closing stock

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

Annexure IX – Format of Performance Security

[Reference number of the bank]

[date]

To
The Singareni Collieries Company Limited,
Kothagudem Collieries,
Khammam District,
Telangana State,
Pin - 507101

WHEREAS

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

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

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

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

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

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

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

(Signature)

(Name and Designation)
(Bank Stamp)

PRELIMINARY AND TENTATIVE DRAFT

**[MODEL E-FUEL SUPPLY AGREEMENT – NON
REGULATED SECTOR]**

BETWEEN

**The Singareni Collieries Company Limited
(A Government Company)**

AND

[Name of the Successful Bidder/ Non-Power Consumer]

[Date of Agreement]

[To be executed on stamp paper of adequate value]

This Fuel Supply Agreement is made at _____, India on this _____ day of _____ 20__ between:

1. **The Singareni Collieries Company Limited**, a company incorporated in India under the Companies Act, [1956/2013] with corporate identity number [CIN], 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 the registered office] (hereinafter referred to as the “**Seller**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors and permitted assigns) of the one part;

AND

2. [**Name of the Successful Bidder**], a company incorporated in India under the Companies Act, [1956/2013]¹ with corporate identity number [CIN], whose registered office is at [address of registered office], India and principal place of business is at [address of principal place of business, if different from registered office] (hereinafter referred to as the “**Purchaser**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors and permitted assigns) of the other part;

OR

[**Name of the individual**], an individual residing at [address] and carrying on a sole proprietorship business under the name style of [name of the **Successful Bidder**] at [address of sole proprietorship] (hereinafter referred to as the “**Purchaser**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include his/ her heirs, executors, administrators, representatives and permitted assigns) of the other part;

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] (hereinafter referred to as the “**Purchaser**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its partners, successors, representatives and permitted assigns) of the other part;

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

¹ **Note:** Delete whichever is inapplicable.

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] (hereinafter referred to as the “**Purchaser**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include all the partners of the said firm, their representatives, heirs executors, administrators and permitted assignees) of the other part;

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**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors, representatives and permitted assigns) of the other part.²

The Seller and the Purchaser may hereinafter be referred to as such, or may collectively be referred to as the “**Parties**”, and individually each may be referred to as a “**Party**”.

WHEREAS:

- A. The Purchaser has participated in an electronic auction for grant of the Coal Linkages (*as hereinafter defined*), pursuant to which the Purchaser has qualified as a Successful Bidder (*as hereinafter defined*) in accordance with the scheme document dated [*insert date*] issued by The Singareni Collieries Company Limited for auction of coal linkages in the [*insert name of the sub-sector for which auction has been conducted*] sub-sector (“**Scheme Document**”).
- B. The Purchaser has thereafter been issued a letter of intent dated [*insert date*] by the Seller (“**LOI**”) in terms of which *inter alia* the Purchaser has become entitled to enter into a fresh fuel supply agreement, which henceforth shall be called E-Fuel Supply Agreement (“**E-FSA**”) to receive the Annual Contracted Quantity (*as hereinafter defined*).
- C. In terms of the requirements of clause 3.5.4 of the Scheme Document, the Purchaser has submitted the following documents with the Seller in accordance with the timelines stipulated in the Scheme Document:
 - (a) [an unconditional and irrevocable bank guarantee dated [*insert date*] from [*insert name of bank*] issued at [*insert place*] in the format provided in **Annexure I**/ a non-interest bearing security deposit]³ for an amount equal to Rs. [*insert amount in figures*] (Rupees [*insert amount in words*] only) (“**Performance Security**”); and

² **Note:** Delete whichever is inapplicable.

³ **Note:** Deleted whichever is inapplicable.

- (b) the documents listed in *Annexure II*.
- D. Accordingly, the Parties are now entering into and executing this Agreement to record their mutual understanding with respect to the terms and conditions for supply of the Annual Contracted Quantity (*as hereinafter defined*) from the Seller to the Purchaser.

NOW THEREFORE, in consideration of the of the mutual covenants, terms and conditions and understandings set forth in this Agreement and other good and valuable consideration, the receipt and adequacy of which are hereby mutually acknowledged, the Parties with the intent to be legally bound hereby covenant and agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, in addition to the terms defined in the introduction of the Parties, the Recitals and the body of this Agreement, except where the context otherwise requires, the following words and expressions shall have the following meanings:

- (a) “**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;
- (b) “**Advance Payment**” shall have the meaning ascribed to it in Clause 8.2.1 and Clause 12.2.1;
- (c) “**Affected Party**” shall have the meaning ascribed to it in Clause 18.1;
- (d) “**Agreement**” shall mean this fuel supply agreement including all the Annexures, schedules, exhibits and attachments thereto and any subsequent supplements, amendments and/ or modifications thereof as may be issued in writing or notified by the Seller or as may be entered into in writing by the Parties in accordance with the terms and conditions hereof;
- (e) “**Annual Contracted Quantity**” or “**ACQ**” shall have the meaning as ascribed to it in Clause 5.1;
- (f) “**Applicable Laws**” shall mean all applicable statutes, laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees and/ 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;

- (g) “**As Delivered Price of Coal**” shall have the meaning ascribed to it in Clause 11.1;
- (h) “**Business Day**” shall mean each Monday, Tuesday, Wednesday, Thursday, Friday and Saturday that is not declared a holiday in the State of [*insert place*], India;
- (i) “**Claim**” shall mean, in relation to a Person, a demand, claim, action or proceeding made or brought by or against the Person, however arising and whether present, immediate or future;
- (j) “**Coal**” shall mean non-coking as well as coking coal, produced by the Seller domestically and categorized into different classes, GCV bands, Grades and sizes, as per the notifications/orders issued for such purpose by Government of India, SCCL and/ or the Seller;
- (k) “**Coal Linkages**” shall have the meaning ascribed to it in the Scheme Document;
- (l) “**Coal Mine**” shall mean the designated coal mine specified in *Annexure III*;
- (m) “**Contracted Grade**” shall mean the Grade of Coal specified in *Annexure III* to be supplied to the Purchaser in accordance with the terms of this Agreement;
- (n) “**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;
- (o) “**Deemed Delivered Quantity**” shall have the meaning ascribed to it in Clause 5.7;
- (p) “**Defaulting Party**” shall have the meaning ascribed to it in Clause 17.2(g);
- (q) “**Delivery Point**” shall mean [the colliery siding(s) or colliery loading point(s), as the case may be, in the Coal Mine as identified in *Annexure III* /the railway siding(s) or railways loading point(s), as the case may be, as identified in *Annexure III*]⁴ at which the Seller shall deliver the Annual Contracted Quantity in accordance with the terms of this Agreement;

⁴ **Note:** Delete whichever is inapplicable.

- (r) “**Dispute**” shall have the meaning ascribed to it in Clause 16.1;
- (s) “**Dispute Notice**” shall have the meaning ascribed to it in Clause 16.3;
- (t) “**E-FSA**” shall have the meaning ascribed to it in Recital B;
- (u) “**Eligibility Conditions**” shall have the meaning ascribed to it in the Scheme Document;
- (v) “**Extended Term**” shall have the meaning ascribed to it in Clause 2.4;
- (w) “**Failed Quantity**” shall have the meaning ascribed to it in Clause 5.5.1;
- (x) “**Force Majeure Event**” shall have the meaning ascribed to it in Clause 18.1;
- (y) “**GCV**” shall mean gross calorific value;
- (z) “**Grade**” shall mean the grade/class in which the coking and non-coking Coal are categorised and/or to be categorised in terms and in accordance with the relevant notifications issued by the Seller and/or the Government of India and published in the public domain and/or the Gazette of India, as applicable. The basis of grading for different categories of Coal are as under:
 - (i) non-coking Coal: based on GCV bands;
 - (ii) coking Coal: based on ash percentage; and
 - (iii) semi-coking Coal: based on (ash + moisture) percentage;
- (aa) “**Indemnified Party**” shall have the meaning ascribed to it Clause 19.1;
- (bb) “**Indexed Notified Price**” shall have the meaning ascribed to it Clause 11.2;
- (cc) “**Interest Rate**” shall mean the rate of interest that State Bank of Hyderabad, Industrial Finance Branch, Hyderabad, charges to SCCL on availment of CC limits.
- (dd) “**Level of Delivery**” shall have the meaning ascribed to it in Clause 5.6.1;
- (ee) “**Level of Lifting**” shall have the meaning ascribed to it in Clause 5.6.2;
- (ff) “**Licenses**” shall have the meaning ascribed to it in Clause 20.2(c);
- (gg) “**Link Quantity**” shall have the meaning ascribed to it in the Scheme Document;
- (hh) “**Lock-in Period**” shall have the meaning ascribed to it in Clause 17.1;
- (ii) “**LOI**” shall have the meaning ascribed to it in Recital B;

- (jj) “**Losses**” shall have the meaning ascribed to it in Clause 19.2;
- (kk) “**Lot**” shall have the meaning ascribed to it in the Scheme Document
- (ll) “**Month**” shall mean a calendar month;
- (mm) “**Non-Affected Party**” shall have the meaning ascribed to it in Clause 17.2(a);
- (nn) “**Non-Defaulting Party**” shall have the meaning ascribed to it in Clause 17.2(g);
- (oo) “**Notified Price**” shall mean Rs. [●] (Rupees [●] only) per tonne;
- (pp) “**Performance Security**” shall have the meaning ascribed to it in Recital C(a) and shall include any revised/ incremental Performance Security submitted by the Purchaser in accordance with the requirements of Clause 4;
- (qq) “**Person**” shall mean any individual, general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association, any foreign trust or any foreign business organization, or any other entity, whether or not having a separate legal personality;
- (rr) “**Representative**” shall have the meaning ascribed to it in Clause 16.2;
- (ss) “**SCCL**” shall mean The Singareni Collieries Company Limited, the Seller, having its registered office at Kothagudem Collieries, Khammam District, Telangana State, Pin - 507101;
- (tt) “**Scheduled Quantity**” or “**SQ**” shall have the meaning ascribed to it in Clause 5.4.1;
- (uu) “**Scheme Document**” shall have the meaning ascribed to it in Recital A;
- (vv) “**Secondary Source**” shall have the meaning ascribed to it in Clause 5.3;
- (ww) “**Signature Date**” shall mean the date of signing of this Agreement by the Parties;
- (xx) “**Specified End Use Plant**” shall mean one or more [insert relevant sub-sector specific] units (in a single location within the same boundary) located in India and owned by the Purchaser, the particulars of which are detailed in of *Annexure IV*;
- (yy) “**Successful Bidder**” shall have the meaning ascribed to it in the Scheme

Document;

- (zz) “**Term**” shall have the meaning ascribed to it Clause 2.2;
- (aaa) “**Third Party**” shall mean a Person who is not a Party to this Agreement;
- (bbb) “**Third Party Agency**” shall mean the independent agency appointed for conduct of third party sampling in accordance with Clause 9;
- (ccc) “**Transfer Event**” shall have the meaning ascribed to it in Clause 15.1;
- (ddd) “**Winning Premium**” shall mean [*insert in numbers*]⁵ ([*insert in words*] per cent.) of the Notified Price (or Indexed Notified Price, as the case may be); and
- (eee) “**Year**” shall mean the financial year of the Seller, commencing on April 1st and ending on the following March 31st.

1.2 Interpretation

In this Agreement, unless the context specifies otherwise:

- (a) headings and bold typeface are used for convenience only and shall not affect the interpretation of this Agreement;
- (b) reference to the singular includes a reference to the plural and vice versa, and reference to any gender includes a reference to all other gender;
- (c) references to the Recitals, Clauses and Annexure shall be deemed to be a reference to the recitals, clauses and annexures of this Agreement;
- (d) the Recitals (containing substantive provisions), Clauses and Annexures form part of this Agreement and shall have the same force, binding nature and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include any Recitals (containing substantive provisions), Clauses and Annexures to it;
- (e) the expression “this Clause” shall, unless followed by reference to a specific provision, be deemed to refer respectively to the whole Clause, not merely the sub-clause, paragraph or other provision in which the expression occurs;
- (f) references to any enactment are to be construed as referring also to any amendment or re-enactment (whether before or after the Signature Date), and to any rule, regulation, notification, circular or order issued or made thereunder;

⁵ **Note:** It is clarified that the winning premium shall be rounded up to the nearest second decimal.

- (g) references to “**include**” and “**including**” shall be construed without limitation;
- (h) reference in this Agreement to any statute or regulation made using a commonly used abbreviation, shall be construed as a reference to the short title of the statute or full title of the regulation;
- (i) references to any agreements, scheme documents, instruments and/ or documents are to be construed as references to such agreements, scheme documents, instruments and/ or documents as amended, modified or supplemented from time to time;
- (j) reference to “**writing**” or “**written**” means any method of reproducing words in a legible and non-transitory form (excluding, unless otherwise stated herein, e-mail);
- (k) the terms “**hereof**”, “**herein**”, “**hereby**”, “**hereto**” and derivative or similar words refer to this entire Agreement or specified Clauses of this Agreement, as the case may be;
- (l) the words “**directly or indirectly**” mean directly or indirectly through one or more intermediary Persons or through contractual or other legal arrangements, and “**direct or indirect**” shall have the correlative meanings;
- (m) where a wider construction is possible, the words “**other**” and “**otherwise**” shall not be construed *ejusdem generis* with any foregoing words;
- (n) time is of the essence in the performance of the Parties’ respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence. When any number of days is prescribed herein, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding Business Day;
- (o) any approval, consent, permission, license etc., to be granted by a Party under this Agreement shall be deemed to mean an approval, consent, permission, license etc., in writing; and
- (p) any capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Scheme Document.

2. COMMENCEMENT AND TERM OF THE AGREEMENT

2.1 This Agreement shall come into force with effect from the Signature Date.

2.2 Subject to Clause 17.1 and Clause 17.2, this Agreement shall remain in force and effect commencing from the Signature Date until the expiry of 5 (five) years from

the Signature Date (“**Term**”).

- 2.3 Notwithstanding the provisions of Clause 2.2, in the event of any change in the Grade structure / name (including change in the Contracted Grade of coal made necessary due to change in the physical characteristics of the mined coal, or, shifting from UHV to GCV etc.) of the Contracted Grade of Coal, such changed Grade structure shall be binding and complied with by the Parties. The Seller shall, within 7 (seven) days of introduction of such Grade change, provide a written notice to the Purchaser calling for a joint review of such provisions of this Agreement on which such change in the Grade structure has a bearing. Upon such joint review, this Agreement shall be duly amended in writing to bring it in full conformity with such change. However, if despite their efforts the Parties are unable to arrive at a mutually agreed position with respect to the subject matter of review, within a period of 3 (three) months from the date of the above mentioned notice, the aggrieved Party shall have the right to terminate the Agreement subject to a further notice of 3 (three) months given in writing to the other Party.
- 2.4 On completion of the Term, this Agreement shall expire, unless the Parties mutually agree in writing to extend the Agreement for a further duration of 5 (five) years (“**Extended Term**”), on the same or such modified terms as may be agreed upon in writing by the Parties.

3. INFORMATION RIGHTS OF THE SELLER

The Purchaser acknowledges and agrees that the Seller shall have the right, throughout the Term or Extended Term, as the case may be, to call for such information and/ or documentation from the Purchaser (including the documentation detailed in *Annexure V*) as may be required by the Seller to check:

- (a) the veracity of the Purchaser’s claim of being a *bona fide* consumer of the Contracted Grade of Coal with respect to the Specified End Use Plant; and
- (b) the Purchaser’s compliance with the LOI, the Eligibility Conditions, the terms and conditions of the Scheme Document and of this Agreement.

The Purchaser shall at all times extend necessary cooperation to the Seller in this regard and shall provide relevant information and/ or documentation requested by the Seller within such reasonable time as may be requested by the Seller.

4. PERFORMANCE SECURITY

- 4.1 The Purchaser has submitted the Performance Security to the Seller in accordance with the provisions of the Scheme Document. The amount of Performance Security is and shall continue to be for a value computed as per the following formula:

Performance Security = {[Annual Contracted Quantity] multiplied by [5% of the sum 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, as the case may be))}.

If the Annual Contracted Quantity comprises coal from multiple Lots, the Performance Security shall be computed on the basis of respective quantities, corresponding Notified Prices and Winning Premiums for each Lot.

- 4.2 The Performance Security shall remain valid till 3 (three) months from the date of expiry of the Term or Extended Term, as the case may be. The Performance Security shall be returned or refunded to the Purchaser at the end of its validity, subject to successful completion of and complete settlement of all claims of the Seller arising out of this Agreement.
- 4.3 The amount of Performance Security shall be suitably revised as follows, in case of change in the Notified Price (or the latest Indexed Notified Price, as the case may be) in accordance with Clause 11:
- 4.3.1 In the event of any increase in the Notified Price (or the latest Indexed Notified Price, as the case may be) pursuant to Clause 11, the Purchaser may:
- (a) provide a new bank guarantee issued by any Acceptable Bank for the revised value computed as per Clause 4.1; 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 computed as per Clause 4.1.

Alternatively, the bank guarantee constituting the Performance Security may be suitably amended for the revised value computed as per Clause 4.1. The new/ revised/ amended/ top up bank guarantee shall be in the format set out in ***Annexure I***.

In the event that the Performance Security has been provided in the form of a non-interest bearing security deposit (cash guarantee), then, upon any increase in the Notified Price (or the latest Indexed Notified Price, as the case may be) pursuant to Clause 11, the Purchaser shall deposit an additional amount towards the security deposit to cover for such increase.

Any failure of the Purchaser to replenish the Performance Security in the manner specified herein above within 30 (thirty) days of notification of change in the Notified Price (or the latest Indexed Notified Price, as the case may be) under Clause 11, shall entitle the Seller to suspend the supply of the Contracted Grade of Coal in accordance with Clause 14.3 without absolving the Purchaser of its obligations under this Agreement. Further, if the Purchaser fails to replenish the Performance Security within 30 (thirty) days of such suspension of Coal supplies, the Agreement shall unless otherwise agreed in writing by the Parties, stand automatically terminated without any further act on the part of the Seller and the Seller shall also have the right to invoke the existing Performance Security.

4.3.2 In the event of any decrease in the Notified Price (or the latest Indexed Notified Price, as the case may be) pursuant to Clause 11, the Purchaser may provide a new bank guarantee issued by an Acceptable Bank in the format specified in *Annexure I* for the revised value computed as per Clause 4.1. The Seller shall, within 30 (thirty) days of receipt of such new bank guarantee, return the original Performance Security to the Purchaser. In the event that the Performance Security has been provided in the form of a non-interest bearing security deposit, then, upon any decrease in the Notified Price (or the latest Indexed Notified Price, as the case may be) pursuant to Clause 11, the Seller shall refund the excess value of the security deposit to the Purchaser.

4.3.3 The period of validity of any new bank guarantee, amended bank guarantee, top up/ additional bank guarantee furnished by the Purchaser and/ or any additional security deposit provided by the Purchaser pursuant to this Clause 4.3, shall be the same as that of the initial Performance Security.

4.4 **Invocation/ Forfeiture of Performance Security**

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

- (a) in the event that the Purchaser fails to submit the revised incremental Performance Security to the Seller within the timeline stipulated in Clause 4.3 above;
- (b) in the event that the Purchaser fails to pay the costs of third party sampling;
- (c) in accordance with Clause 5.5.2, Clause 13.2, Clause 14, Clause 15.3 or Clause 17.1; and/ or
- (d) in the event that the Seller becomes entitled to exercise its right to terminate or actually exercises its right to terminate this Agreement for any of the reasons specified in Clause 17.2(d) to Clause 17.2(j).

4.4.2 In the event of any partial or complete invocation of the Performance Security under this Agreement, the Purchaser would have to replenish the Performance Security within 30 (thirty) days of its invocation hereunder, failing which the Seller shall be entitled to terminate this Agreement in accordance with Clause 17.2(e). The period of validity of the replenished Performance Security furnished by the Purchaser pursuant to this Clause 4.4, shall be the same as that of the initial Performance Security. In the event that the Acceptable Bank issuing the Performance Security does not permit a partial invocation of the Performance Security, the Seller shall be entitled to invoke the whole Performance Security and recover thereunder, the amounts due to it and the balance amount, if any, shall be refunded immediately to the Purchaser within 1 (one) day of replenishment of the Performance Security to the Seller in the manner as stipulated above.

5. ANNUAL CONTRACTED QUANTITY

5.1 Annual Contracted Quantity

The aggregate quantity of the Contracted Grade(s) of Coal agreed to be supplied at the Delivery Point(s) by the Seller to the Purchaser and undertaken to be purchased by the Purchaser from the Seller at the Delivery Point(s) shall be [*insert figures*] (*insert in words*) tonnes per Year (“**Annual Contracted Quantity**”). For part of a Year, the Annual Contracted Quantity shall be pro-rated accordingly. The Annual Contracted Quantity shall be supplied as per the provisions of this Clause 5 and Clause 8.

5.2 End-use of Coal

The total quantity of the Coal/Contracted Grade of Coal supplied pursuant to this Agreement shall only be utilized in the Specified End Use Plant. The Purchaser shall not sell, divert and/or transfer the Coal/ Contracted Grade of Coal for any purpose whatsoever and any such sale, diversion and/ or transfer shall be treated as material breach of Agreement. In the event that the Purchaser engages in any such sale, diversion, transfer and/ or trade of Coal/ Contracted Grade of Coal, the Seller shall, after giving the Purchaser a due opportunity of being heard on the matter, be entitled to terminate this Agreement without any liabilities or damages whatsoever payable to the Purchaser.

It is expressly clarified that the Seller shall reserve the right to call for any document(s) from the Purchaser to verify the end-use of the Coal/ Contracted Grade of Coal and satisfy itself of the accuracy of the contents thereof. The Purchaser shall have the obligation to comply with the Seller’s directions and shall extend full co-operation to the Seller in carrying out such verification.

5.3 Sources and Mode of Supply

The Seller shall endeavor to supply the Contracted Grade of Coal at the Delivery Point. In case the Seller is not in a position to supply the Scheduled Quantity of the Contracted Grade of Coal at the Delivery Point on account of a Force Majeure Event, the Seller shall have the option to supply the balance quantity of the Contracted Grade of Coal at the secondary source indicated in *Annexure III* (“**Secondary Source**”). Further, in case of supply of the Contracted Grade at the Secondary Source, the Purchaser shall accept the Contracted Grade of Coal directly from such Secondary Source. Additional costs incurred due to supply of the Contracted Grade of Coal at the Secondary Source shall be borne by the Purchaser.

No flexibility shall be given to the Purchaser to take delivery of the Contracted Grade of Coal through any mode other than the mode specified in *Annexure III*.

5.4 Scheduled Quantity

- 5.4.1 The Annual Contracted Quantity shall, unless otherwise agreed to in writing between the Parties, be delivered in equal quarterly quantities during the Year which shall be calculated as Annual Contracted Quantity/4 (“**Scheduled Quantity**” or “**SQ**”); provided that during the first Year of the Term, the Scheduled Quantity shall be suitably pro-rated (i.e. the Scheduled Quantity to be delivered shall be computed suitably commencing from the Signature Date till 31st March of the next Year).
- 5.4.2 In respect of a particular Lot, in case of supply by rail, the Parties agree that in case the Purchaser 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 Scheduled Quantity will be carried forward to the subsequent quarter(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 Purchaser. If at the end of the Term, 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:
- (a) in case the residual Scheduled Quantity is 2000 tonnes or more, the Purchaser will be supplied with the quantity equivalent to one rake; and
 - (b) in case the residual Scheduled Quantity is less than 2000 tonnes, such quantity will lapse.
- 5.4.3 The total variation in the quarterly Scheduled Quantity shall not, unless otherwise agreed to in writing by the Parties, exceed 10% (ten per cent.) of the Scheduled Quantity.

5.5 Compensation for short delivery/lifting

- 5.5.1 If for a Year, the Seller fails to meet the Level of Delivery, or the Purchaser fails to meet the Level of Lifting with respect to that Year, then the defaulting Party shall be liable to pay compensation to the other Party for such shortfall in Level of Delivery or Level of Lifting, as the case may be (“**Failed Quantity**”) in terms of the following:

Level of Delivery/ Level of Lifting in a Year	Rate of Compensation applicable for the Failed Quantity (at the price payable under Clause 11 for Contracted Grade of Coal supplied)
Below 100% but up to 75% of ACQ	Nil
Below 75% of ACQ	10%

The compensation shall be computed in the same manner as done slab-wise for computation of income-tax. The Level of Delivery and Level of Lifting shall be

with reference to the ACQ under this E-FSA.

- 5.5.2 Compensation for the Failed Quantity shall be payable by the defaulting Party to the other Party within a period of 90 (ninety) days from the date of receipt of a claim in this regard from the non-defaulting Party. In the event of non-payment within the due date, the defaulting Party shall be liable to pay interest as mentioned in Clause 13. In the event that the compensation along with interest payable thereon is not paid within a period of 180 (one hundred and eighty) days of receipt of the claim as aforesaid, the Seller shall have the right to invoke the Performance Security.

5.6 Level of Delivery and Level of Lifting

- 5.6.1 The Level of Delivery with respect to a Year shall be calculated in the form of percentage as per the following formula:

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

Where:

LD = Level of Delivery of the Contracted Grade of Coal by the Seller for the Year.

DQ = Delivered Quantity, namely, aggregate of actual quantities of the Contracted Grade(s) of Coal delivered by the Seller for the Year or sale order quantity obtained by the Purchaser by paying advance amount, whichever is higher.

DDQ = Deemed Delivered Quantity, reckoned in the manner stated in Clause 5.7.

FM = Proportionate quantity of the Contracted Grade of Coal which could not be delivered by the Seller for a Year due to occurrence of a Force Majeure Event affecting the Seller and / or the Purchaser, calculated as under:

$$\text{FM} = \frac{\text{ACQ} \times \text{Number of days lost under applicable Force Majeure Event}}{365}$$

Note: For the purpose of calculation of 'Number of days lost under applicable Force Majeure Event', the period affecting both the Parties shall be counted only once.

- 5.6.2 Level of Lifting with respect to a Year shall be calculated in the form of percentage as per the following formula:

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

ACQ

Where:

LL = Level of Lifting of the Contracted Grade of Coal by the Purchaser for the Year.

DDQ = Deemed Delivered Quantity, reckoned in the manner stated in Clause 5.7.

5.7 Deemed Delivered Quantity

For the purpose of this Agreement, the aggregate of the following items provided under Clause 5.7.1 to Clause 5.7.2 shall constitute the Deemed Delivered Quantity with respect to a Year:

5.7.1 *For supply of Coal by rail*

- (a) The quantity of the Contracted Grade of Coal not supplied by the Seller owing to the Seller exercising the right of suspension of supplies in terms of Clause 14.
- (b) The quantity of the Contracted Grade of Coal not supplied by the Seller owing to the Purchaser failing or omitting to fulfill the requirements under Clause 12.
- (c) The quantity of the Contracted Grade of Coal offered by the Seller which is not accepted by the Purchaser.

5.7.2 *For Supply of Coal by road*

- (a) The quantity of the Contracted Grade of Coal not supplied by the Seller owing to omission or failure on the part of the Purchaser to book orders for the Scheduled Quantity in terms of Clause **Error! Reference source not found.**
- (b) The quantity of the Contracted Grade of Coal not supplied by the Seller owing to the Purchaser's failure to place the requisite number / type of road transport at the Delivery Point for delivery of the Contracted Grade of Coal within the validity period of the sale order.
- (c) The quantity of the Contracted Grade of Coal not supplied by the Seller owing to the Seller exercising the right of suspension of supplies in terms of Clause 14.
- (d) The quantity of the Contracted Grade of Coal not supplied by the Seller

owing to the Purchaser failing or omitting to fulfill the requirements under Clause 12.

- (e) The quantity of the Contracted Grade of Coal offered by the Seller which is not accepted by the Purchaser.
- 5.7.3 Deemed Delivered Quantity in terms of Clause 5.7.1 and Clause 5.7.2 shall be calculated on annual basis.

6. QUALITY

The quality of the Contracted Grade of Coal to be supplied at the Delivery Point shall, as far as possible, be within the specifications as set out in *Annexure VI*. A complaint, if any, regarding the quality of the Contracted Grade of Coal shall be made by the Purchaser giving specific details of the consignment to the General Manager (Marketing) of the Seller.

7. WEIGHMENT OF COAL

- 7.1 If the Contracted Grade of Coal is delivered for dispatch by rail, weighment shall be done at the Delivery Point by way of pre-weigh bin / weighbridge of the Seller and the recorded weight shall be entered in the relevant dispatch document/ railway receipt. Such recorded weight shall form the basis for raising bills by the Seller. The weighment shall be on wagon to wagon basis in the manner described hereinafter:
- 7.1.1 In case wagons are weighed on a pre-weigh bin / electronic weighbridge, the weight recorded in the computerized print out shall be taken as the weight for the respective wagon. In the absence of a computerized print out facility, the weight as certified by the railways shall be reckoned as the weight and shall be binding on the Parties.
 - 7.1.2 In the absence of electronic weighbridges, the weighment shall be done on the mechanical weighbridges at the Delivery Point.
 - 7.1.3 In the cases not covered by Clause 7.1.1 or Clause 7.1.2 above, the weight recorded on the relevant dispatch document/ railway receipt as per existing practice of the railways shall be reckoned as the weight and shall be binding on the Parties. However, the wagons will be loaded up to the permissible capacity fixed by the railways for such wagons on the basis of volumetric measurement.
- 7.2 If the Contracted Grade of Coal is delivered for dispatch by road, the weight recorded at the pre-weigh bin / weighbridge of the Seller at the concerned Delivery Point and as mentioned in the dispatch document shall be binding on the Parties.
- 7.3 The Purchaser shall be entitled to depute an authorised representative to witness the weighment / loading of the wagon(s) at the Delivery Point.

- 7.4 The pre-weigh bins / weighbridges at the Delivery Point at Seller's end shall be calibrated and maintained as per Applicable Laws. The Seller shall regularly monitor the accuracy of the pre-weigh bins / weighbridges. If and when any pre-weigh bin / weighbridge is found to be out of order, after remedying the defect as expeditiously as possible, the Seller shall arrange for calibration thereof, wherever necessary, as per Applicable Laws.

8. METHOD OF ORDER BOOKING AND DELIVERY OF THE COAL

8.1 Order Booking by Rail

- 8.1.1 The Seller shall make supply of coal at the Delivery Point on ex-colliery siding basis in the Purchaser's transport system. Seller warrants that coal delivered to the Purchaser herein shall be good and marketable and its transport is lawful and that such coal shall be free and clear of any lien, claim demand, security, interest or any title risk to the coal purchased and sold hereunder shall pass from the Seller to the Purchaser at the Delivery Point. However, the Seller has the first lien and charge on the property of the coal supplied to the extent of dues from the Purchaser to the Seller.
- 8.1.2 The Purchaser shall submit a monthly programme of required quantities for Rail to the Seller as per Seller's procedures in vogue not less than three clear working days before the commencement of the relevant month for the quantity of coal for the given month. The Purchaser while submitting the monthly program in the prescribed proforma of required quantities should invariably enclose a copy of Production Report, or any other documents maintained under State and Central Govt. Rules. Electricity bill, Sales Tax paid receipt, coal consumption, coal stock details as a proof to ensure proper utilization of coal for the corresponding period. Issue of Deliver Order is subject to submission of the above details and any short supply due to non-issue of sale orders by the Seller, due to the reasons as stated above, is at the risk of Purchaser.
- 8.1.3 For rail despatches, the Seller shall despatch coal in full rake load to the Purchaser on "freight to pay" basis and the Seller shall endeavor to comply with all documentation/formalities laid down by the Indian Railways for charging freight on Train Load Rates basis only.
- 8.1.4 The Purchaser shall deposit freight value with Railways as per the Seller's rake programme at the respective sidings. In case of failure of the purchaser to pay the freight value with Railways resulting in non-movement of rakes to the Purchaser as per the rake programme, the Seller will have right to cancel such sale orders at the risk of the Purchaser.

8.2 Order Booking by Road

- 8.2.1 For road despatches, the Seller shall arrange to issue sale orders to the e-mail address of the Purchaser clearly indicating the Delivery Point, quantity, grade, price and destination with a validity period of three months against the payment of advance amount as per the price components applicable as on the date of issue of sale order. Such advance payment paid will be adjusted against the delivery of coal as per the price. The price components will be notified by Seller from time to time.
- 8.2.2 The Purchaser shall submit the sale order in Area Quality Departments of SCCL within 10 days from the date of issue of sale order. The Purchaser shall arrange to place the required number/ type of trucks to lift the Contracted grade of coal as per the loading programme/ coal allotment of SCCL.

9. DETERMINATION OF COAL QUALITY

- 9.1 To determine the quality of coal at the Delivery Point, third party sampling shall be undertaken in accordance with the procedure set out in Annexure VII. The facility charges towards Third Party Sampling will be as per SCCL price notification.
- 9.2 In case of a variation of Grade of Coal (decided on the basis of third party sampling by a the Third Party Agency) as compared to the Contracted Grade of Coal, the Purchaser shall pay the Notified Price (or the latest Indexed Notified Price, as the case may be) of the supplied Grade of Coal plus the Winning Premium of the supplied Grade of Coal, without factoring in royalty payments, taxes etc.

Illustration:

Contracted Grade	G6
Notified Price/ Indexed Notified Price (Rs./ Tonne) (B)	2,280
Winning Premium at the time of auction (Rs./ Tonne) (C)	300
Winning Premium (in % terms at the time of auction) (D=C/B)	13.16
Actually Supplied Grade	G7
Indexed Notified Price of Supplied Grade (Rs./ Tonne) (E)	1,920
Premium of Supplied Grade (Rs./ Tonne) (F=E*D)	252.67
Price Payable for G7 Grade (Rs./Tonne) (I = E+F)	2,172.67

A similar procedure to calculate the applicable price will be followed in case of a downward variation in the Contracted Grade of Coal.

10. TRANSFER OF TITLE

Once delivery of the Contracted Grade of Coal has been effected at the Delivery Point by the Seller, the property, title and risk in/ of the Contracted Grade of Coal

so delivered shall stand transferred to the Purchaser in terms of this Agreement. Thereafter, the Seller shall in no way be responsible and/ or liable for the security or safeguard of the Contracted Grade of Coal so transferred. The Seller shall have no liability whatsoever, including towards increased freight or transportation costs, as regards any diversion of wagons/ rakes/ road transport en-route for whatever causes, by the railways, road transporter and/ or any other agency.

11. PRICE OF CONTRACTED GRADE OF COAL

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

As Delivered Price of Coal = {[Annual Contracted Quantity] multiplied by [the sum 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, as the case may be))]}.

- 11.2 The Winning Premium shall remain constant during the tenure of the Agreement. The Notified Price or the Indexed Notified Price, as the case may be, shall be reviewed by SCCL 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 SCCL 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 11.1 over the tenure of the Agreement.
- 11.3 In addition to the As Delivered Price of Coal computed pursuant to Clause 11.1, the Purchaser shall have to pay sizing charges, transportation charges up to the Delivery Point, rapid loading charges, facility charges for third party sampling, statutory charges, levies and other charges as may be applicable at the time of delivery.
- 11.4 All royalties, taxes, duties, cesses, and such statutory levies payable to the State Government, Central Government and/ or to any other statutory authority on the supply, dispatch and delivery of Contracted Grade of Coal under this Agreement shall be borne by the Purchaser.
- 11.5 In all cases the entire freight charges, irrespective of the mode of transportation of the Coal supplied, shall be borne by and to the account of the Purchaser.
- 11.6 Notwithstanding anything to the contrary contained herein, the Purchaser shall be liable to make payment to the Seller in terms of this Agreement, on the basis of Contracted Grade with respect to all quantity of Coal supplied, irrespective of when and in what condition the loaded wagons/ rakes/ road transport vehicles reach or do not reach the destination.

12. BILLING, PAYMENT, OVERLOADING AND UNDER LOADING

12.1 Supply of Contracted Grade of Coal by Road

For road dispatches, Advance Payment pursuant to Clause 8.2 shall be made by way of wire transfer of the amount by way of National Electronic Funds Transfer or Real Time Gross-settlement, to the below mentioned bank account of the Seller:

[insert beneficiary name]
[insert bank account number]
[insert bank name]
[insert bank address]
[insert details of type of account]
[insert IFSC Code].

12.2 Rail Dispatches - Billing and Payment

12.2.1 All despatches through rail shall be against advance payment only. In case any customer intends to avail credit facility, such customer shall deposit one rake (4000 tonnes) coal value together with taxes and duties and other charges as applicable. In such case, payment shall be made within three days from the date of moving of rakes from SCCL's Delivery Point. Mode of payment shall be through RTGS / Demand Draft / Online transfer. In the event of delay, the seller shall be entitled to charge interest as per the Interest Rate.

12.2.2 The Seller shall regularly raise bills on rake to rake basis for coal supplied at the applicable price on the date of delivery which includes Notified price ((or the latest Indexed Notified Price, as the case may be), Winning Premium, Sizing charges, Forest land adjustment cost, forest permit fee, Engine shunting charges, Royalty, Fuel Surcharge, Surface Transport Charges, facility charges for third party sampling, statutory duties, levies and other charges notified by the Seller/State Govt./Central Govt. from time to time.

12.3 Idle and Penal Freight

12.3.1 **Idle Freight:** Any loss to the purchaser due to under loading of wagons with 'G7' and above grades (G7, G6, G5, G4, G3, G2 and G1) upto 58 tonnes of net weight shall be borne by the Seller and any idle freight beyond 58 tonnes shall be borne by the Purchaser. However, any idle freight due to under loading of wagons with 'G8' and below grades (G8, G9, G10, G11, G12, G13, G14, G15, G16 & G17) shall be borne by the Seller.

12.3.2 **Penal Freight:** The Purchaser shall be responsible to take delivery of the Contracted Grade of the coal at the Delivery Point and ensure that there is no overloading. Any loss to the Purchaser due to payment of penal freight i.e., any

penal freight for overloading charged by the Railways for any consignment shall be payable by the Purchaser. However, if overloading is detected from any particular colliery, consistently during three (3) continuous months, on due intimation from the purchaser to this effect, the Seller undertakes to take remedial measures.

12.4 Modalities for Billing, Claims and Payment

- 12.4.1 The Seller shall raise and the Purchaser shall pay the bills for Coal supplies on the Contracted Grade of Coal in accordance with Clause 12.1 and Clause 12.2 above. Necessary reconciliations shall be done between the Parties on the basis of the analyzed Grade of Coal in accordance with Clause 9.
- 12.4.2 The Seller or the Purchaser, as the case may be, shall raise their respective claims arising out of quality determination of Coal through sampling and analysis by a Third Party Agency forthwith. In the event of any such claim being made, the revised price computed as per the formula set out in Clause 9.2 shall be payable by the Purchaser or refunded by the Seller. The credit or debit bill due to grade variation, as the case may be, shall be raised within 5 (five) working days to the Purchaser / Seller after the finalization of grades as per the joint sampling protocol / third party sampling carried out at Delivery Point. The Purchaser has to make the payment within 5 working days from the date of receipt of above bill, otherwise the Interest Rate will be charged for the delayed payment. In case of Seller, the credit notes will be raised and the amount will be adjusted in the subsequent bills / sale orders.
- 12.4.3 The Parties shall jointly reconcile all payments made for the monthly Coal supplies and for third party sampling during the Year by end of April of the following Year. The Parties shall, forthwith, give credit/debit for the amounts falling due, if any, as assessed during such joint reconciliation. The annual reconciliation statement shall be jointly signed by the authorised representative of the Seller and the Purchaser, which shall be final and binding.
- 12.4.4 In the event of the due date of any payment obligation under this Agreement falling on Sunday or a gazetted holiday, the next first working day shall be the effective due date for the purpose of making the payment.

13. NOTICE OF DELAYED PAYMENT AND INTEREST ON DELAYED PAYMENT

13.1 Notice of Delayed Payment

In the event that any Party owing payment of any amount to the other Party under the terms of this Agreement, defaults in making such payments as per terms of the Agreement, the Party not in default shall give a notice in writing to the defaulting Party and the matter shall thereafter be dealt with in terms of Clause 13.2 and Clause 14.

13.2 Interest on Delayed Payment

In cases of any default in making any payment due in terms of this Agreement by any Party to the other Party, the defaulting Party shall be liable to pay interest at the Interest Rate on the total sum outstanding and for the entire period for which the payment has remained over-due. Without prejudice to the foregoing, in the event the Purchaser fails to pay the overdue amount along with the interest within 30 (thirty) days, the Seller shall be entitled to invoke the Performance Security and/ or adjust the same against the Advance Payment and suspend Coal supplies in accordance with Clause 14. For removal of doubts, it is clarified that it shall be permissible for the Seller to adjust or recover the interest due in terms of this Clause from the Performance Security and/ or the Advance Payment.

14. SUSPENSION OF COAL SUPPLIES

14.1 Notwithstanding other provisions of this Agreement (including Clause 4.3.1 and Clause 13.2), in the event the Purchaser fails to pay any amount including any interest, due to the Seller under this Agreement within a period of 30 (thirty) days of the same falling due, the Seller shall have the right to resort to any one or more of the following:

- (a) adjust the outstanding amount against the Performance Security by invoking the Performance Security or such portion of it as may be deemed necessary;
- (b) adjust the outstanding amount against the Advance Payment or any cash deposit to the extent available and necessary to meet the outstanding dues; and/or;
- (c) suspend supplies of the Contracted Grade of Coal to the Purchaser.

14.2 During the period of suspension of supplies in terms of Clause 14.1, the Seller shall be relieved of its obligations to supply the Contracted Grade of Coal to the Purchaser hereunder. However, the obligations of the Purchaser under this Agreement shall be deemed to remain in full force.

14.3 In the event of suspension of Coal supplies pursuant to this Clause, the Seller shall have the right to continue the suspension for as long as the Performance Security or the Advance Payment / cash deposit, as the case may be, has not been fully replenished. The Seller shall resume the Contracted Grade of Coal supplies within 3 (three) days of payment/ adjustment of the outstanding amount together with interest as also the full replenishment of Performance Security or Advance Payment / cash deposit, as the case may be.

15. CHANGE IN CONTROL AND TRANSFER

15.1 Change in Control and Transfer

Any change in the Control of the Purchaser and/ or any transfer of the Specified Model Fuel Supply Agreement – Non-Regulated Sector

End Use Plant along with the rights in relation to the Annual Contracted Quantity (each such event being individually referred to as a “**Transfer Event**”) shall be permissible with prior approval of the Seller if:

- (a) such change in Control does not result in the Purchaser 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 Annual Contracted Quantity continues to satisfy all of the Eligibility Conditions; and
- (b) such Transfer Event occurs in accordance with Applicable Law and the conditions for transfer and/ or assignment contained in this Agreement.

15.2 **Procedure for Change in Control or Transfer, and/or Change of Name**

15.2.1 The Purchaser shall, prior to occurrence of any Transfer Event, make an application in writing to the Seller requesting its approval in connection with the Transfer Event. The application shall be accompanied with details and documentary support (where available) in respect of the Transfer Event including:

- (a) details of the changes in Control of the Purchaser i.e. the Person to whom the securities of the Purchaser are being transferred or details of the scheme of merger, demerger, amalgamation, arrangement or other corporate restructuring exercise being undertaken by the Purchaser along with details of the resultant entity and its shareholders;
- (b) name, address and other details of the proposed transferee;
- (c) a certificate confirming continued compliance with the Eligibility Conditions by the Purchaser (or new entity formed as a result of change in Control of the Purchaser) or relevant transferee, as the case may be, post occurrence of the Transfer Event together with documentary evidence in support thereof; and
- (d) such other details as may be requested by the Seller.

15.2.2 The Seller shall, within a period of 90 (ninety) days from the date of receiving an application under Clause 15.2.1, convey its decision to approve or reject such Transfer Event for reasons to be recorded in writing. In the event that the Seller does not convey its decision for such a Transfer Event within the above mentioned period of 90 (ninety) days, for reasons other than non-submission of requisite documents by the Purchaser pursuant to Clause 15.2.1, it shall be construed that the Seller has no objection to such Transfer Event.

15.2.3 Any Transfer Event under this Agreement shall, in addition to the conditions specified in Clause 15.1 and Clause 15.2.1, be subject to the conditions that:

- (a) the Purchaser (or new entity formed as a result of change in Control of the Purchaser) or transferee, as the case may be, shall be required to submit a fresh bank guarantee from an Acceptable Bank in the format specified in

Annexure I or a fresh non-interest bearing security deposit for the value of Performance Security computed in accordance with Clause 4, and upon receipt of such Performance Security, the earlier Performance Security provided by the Purchaser shall be returned or refunded to the Purchaser; and

- (b) the Purchaser shall have paid to the Seller, all outstanding amounts due from the Purchaser to the Seller under this Agreement; and
- (c) the new entity formed as a result of change in Control of the Purchaser or the transferee, as the case may be, has accepted all the conditions and liabilities under Applicable Laws which the Purchaser is subject to in respect of this Agreement and the rights granted hereunder. Upon completion of the Transfer Event, the Purchaser (or new entity formed as a result of change in Control of the Purchaser) or transferee, as the case may be, shall be liable to the Seller with respect to any and all liabilities under this Agreement;
- (d) in case of transfer of the Specified End Use Plant along with the rights in relation to the Annual Contracted Quantity, the Purchaser and the transferee shall be required to execute a transfer deed in the format set out in *Annexure VIII* and submit the same to the Seller within a period of 30 (thirty) days from the date of (i) receipt of a letter of approval from the Seller; or (ii) expiry of period after which it is construed that the Seller has no objection to such transfer. The transfer shall be deemed completed only when the duly transfer deed is submitted to the Seller in accordance with the terms hereof;
- (e) in the event of any change in name of the Purchaser or change in Control of the Purchaser on account of *inter alia* amalgamation, merger, de-merger, takeover, court order, change in ownership/shareholding pattern etc., of the Purchaser, the approval under Clause 15.2.2 shall be subject to compliance of the following conditions:
 - (i) the Specified End Use Plant shall remain unaltered and its location should not have changed;
 - (ii) the terms and conditions of this Agreement shall remain un-altered;
 - (iii) the company secretary of the Purchaser shall issue a certificate to the Seller certifying that all procedural and legal requirements under the Companies Act, 2013 have been complied with;
 - (iv) post change in Control, the Purchaser (or new entity formed as a result of change in Control of the Purchaser) shall continue to comply with all the Eligibility Conditions and other conditions to be met with for the purposes of being entitled to receive the Annual Contracted Quantity hereunder;
 - (v) the Purchaser must, post change in Control, expressly agrees to comply with all the terms and conditions hereunder;

- (vi) the Purchaser shall pay its past dues, if any, related to supplies of the Contracted Grade of Coal;
- (vii) the Purchaser shall execute such documents and/ or agreements as may be required by the Seller in this regard.

15.2.4 In case of change of Name, the Purchaser shall submit the following documents as applicable :

- i) IEMs with new name for the EUP.
- ii) Fresh Certificate of Incorporation consequent upon conversion issued by ROC.
- iii) Board Resolution with regard to conversion of the Company into Private Limited Company.
- iv) Change incorporated in VAT & CST Certificate.
- v) Copy of Central Excise Registration certificate.

15.3 Consequences of default

Any Transfer Event which is not in conformity with this Agreement or Applicable Laws shall be deemed to be void *ab-initio*. The Seller may in such situations, in its sole discretion, appropriate the Performance Security and terminate this Agreement by giving prior written notice of 30 (thirty) days to the Purchaser.

15.4 Security

15.4.1 Subject to Applicable Laws, the Purchaser shall be entitled to create encumbrances over this Agreement or rights granted to it under this 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 the Seller.

15.4.2 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 as per the procedure specified in Clause 15.2 above; provided that any transferee of the Specified End Use Plant along with the rights in relation to the Annual Contracted Quantity, as nominated by the banks or financial institutions in this regard, meets all the Eligibility Conditions.

16. SETTLEMENT OF DISPUTES

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

16.2 For the purpose of conducting such negotiations, each Party shall designate in

- writing to the other Party, a representative who shall be authorised to negotiate on its behalf with a view to resolving any Dispute (the “**Representative**”). Each such Representative shall remain so authorised until his replacement has been notified in writing to the other Party, by the Party he represents.
- 16.3 The Representative of the Party which considers that a Dispute has arisen shall give to the Representative of the other Party, a written notice setting out the material particulars of the dispute (“**Dispute Notice**”). Within 30 (thirty) days, or such longer period as may be mutually agreed by the Parties, of the Dispute Notice having been delivered to the other Party, the Representatives of both Parties shall meet in person to attempt in good faith and using their best endeavours at all times, to resolve the Dispute. Once the Dispute is resolved, the terms of the settlement shall be recorded in writing and signed by the Representatives of the Parties. In the event that the Representatives of the Parties fail to resolve or settle the Dispute within 90 (ninety) days of their meeting, the Dispute or difference pertaining to the E-FSA between the parties may be referred by C&MD/SCCL to a retired Judicial Officer nominated by him for arbitration.
- 16.4 In the event that any Dispute is not resolved through the measures provided at Clauses 16.1, 16.2 and 16.3 above, the Parties shall be entitled to exercise the remedies available to them under Clause 21.3.

17. LOCK-IN PERIOD AND TERMINATION OF THE AGREEMENT

17.1 Lock-in Period

Subject to Clause 17.2, the Parties shall not be allowed to terminate this Agreement for a period of 2 (two) years from the Signature Date (“**Lock-in Period**”) for any reasons whatsoever. In the event that the Purchaser terminates the Agreement prior to expiry of the Lock-in Period for reasons other than on account of the Seller’s default, the Seller shall be entitled to invoke the Performance Security in its entirety and the Purchaser shall be disqualified from participating in the immediately subsequent tranche of any auction for the non-regulated sector conducted by SCCL.

17.2 Termination Events

This Agreement may be terminated in the following events and in the manner specified hereunder:

- (a) in the event that the Affected Party is rendered wholly or partially unable to perform its obligations under this Agreement because of a Force Majeure Event and such inability to perform lasts for not less than a total of 90 (ninety) days in any continuous period of 180 (one hundred eighty) days, and in the considered assessment of the other Party (“**Non-Affected Party**”) there is no reasonable likelihood of the Force Majeure Event coming to an end in the near future, the Non-Affected Party shall have the right to terminate this Agreement by giving at least 90 (ninety) days prior written notice to the Affected Party of its intention to so terminate this Agreement.

In such an event, the termination shall take effect on expiry of the notice period or 90 (ninety) days whichever is later and the Parties shall be absolved of all rights/obligations under this Agreement, save those that had already accrued as on the effective date of termination of the Agreement;

- (b) in the event that the Purchaser is prevented /disabled under Applicable Law from using the Coal delivered to it under this Agreement, for reasons beyond its control, owing to changes in applicable environmental and/or statutory norms, howsoever brought into force, the Purchaser shall have the right to terminate this Agreement by giving a prior written notice of not less than 30 (thirty) days to the Seller;
- (c) in the event of any material change in the Coal distribution system of the Seller due to Applicable Laws or a Government directive/ notification at any time after the Signature Date, the Seller shall within 7 (seven) days of introduction of such change provide a written notice to the Purchaser calling for a joint review of this Agreement. If the Parties are unable to arrive at a mutually agreed position with respect to the subject matter of review, within a period of 30 (thirty) days from the date of the above mentioned notice, the Seller shall have the right to terminate the Agreement subject to a further written notice of 30 (thirty) days being given in writing to the other Party without any obligation/liability whatsoever;
- (d) subject to Clause 5.2, in the event that the Purchaser resells or diverts the Coal purchased under this Agreement to any Third Party, the Seller shall have the right to terminate this Agreement after giving the Purchaser a due opportunity of being heard on the matter;
- (e) in the event of invocation of the Performance Security or suspension of Coal supplies pursuant to Clause 14, the Seller shall have the right to terminate this Agreement by providing prior written notice of 30 (thirty) days to the Purchaser; provided that the Purchaser has not replenished the Performance Security within the aforesaid said notice period of 30 (thirty) days;
- (f) in the event that either Party suffers insolvency, appointment of a liquidator (provisional or final), appointment of a receiver of any of its material assets, levy of any order of attachment of its material assets, or any order or injunction restraining the Party from dealing with or disposing of its assets and such order after having been passed is not vacated within 60 (sixty) days, the other Party shall be entitled to terminate this Agreement by giving prior written notice of 30 (thirty) days to first Party;
- (g) in the event that any Party (“**Defaulting Party**”) commits a breach of any covenant, term or condition of this Agreement not otherwise specified under this Clause 17.2 or of any term or provision of the Scheme Document and such breach, if curable, is not cured by the Defaulting Party to the satisfaction of the other Party (“**Non-Defaulting Party**”) within a period of 90 (ninety) days of receipt of a notice in this regard from the Non-

Defaulting Party, then the Non-Defaulting Party shall have the right to terminate this Agreement forthwith on expiry of the said 90 (ninety) day period;

- (h) in the event that the information contained in any of the documents and/ or undertakings provided by the Purchaser to the Seller and/ or to SCCL under this Agreement and/ or the Scheme Document (including information or documentation provided pursuant to the provisions of clauses 3.4 and 3.5.4 of the Scheme Document) ceases to be true and correct or is found to be misleading, untrue or incorrect, then the Seller shall have the right to terminate this Agreement by giving prior written notice of 30 (thirty) days to the Purchaser;
- (i) subject to Clause 15, in the event that the Purchaser (or the new entity formed as a result of change in Control of the Purchaser) or the relevant transferee ceases to comply with any of the Eligibility Conditions or any other conditions specified herein, then the Seller shall have the right to terminate this Agreement by giving prior written notice of 30 (thirty) days to the Purchaser;
- (j) in the event that the Specified End Use Plant ceases to remain operational for a continuous period of 12 (twelve) months or is shut down for any reason, the Seller shall have the right to terminate this Agreement by giving prior written notice of 30 (thirty) days to the Purchaser;
- (k) post expiry of the Lock-in Period, the Purchaser shall be entitled to terminate this Agreement for any reason whatsoever, by giving a prior written notice of 3 (three) months to the Seller; and/ or
- (l) pursuant to Clause 2.3, Clause 4.3.1, Clause 4.4 and Clause 15.3.

17.3 **Accrued rights to survive termination**

Termination of this Agreement shall be without prejudice to the accrued rights and obligations of either Party arising immediately prior to the termination. In the event of termination of this Agreement, the Purchaser shall return all the Confidential Information in its possession to the Seller or destroy such information in accordance with the instructions of the Seller.

18. **FORCE MAJEURE EVENT**

18.1 **Force Majeure Event**

The term “**Force Majeure Event**” as used in this Agreement shall mean any act, circumstance or event or a combination of acts, circumstances and/ or events which wholly or partially prevents or delays the performance of obligations arising under this Agreement by any Party (“**Affected Party**”) and if such act, circumstance or event or combination thereof is not reasonably within the control

of and not caused by the fault or negligence of the Affected Party, and provided that such act, circumstance or event or combination thereof falls within one or more of the following categories including:

- (a) flood, inundation of mine, drought, lightening, cyclone, storm, earthquake or geological disturbances, eruption of gases, subsidence and such natural occurrences;
- (b) explosions, mine fire and other fire, contamination of the atmosphere by radioactive or hazardous substances;
- (c) civil disturbance such as riot, terrorism etc.;
- (d) industry wise /nation-wide strikes in the sector in which either Party operates in;
- (e) any Applicable Law, ordinance or order of the Central or State Government, or any direction of a statutory regulatory authority that restricts performance of the obligations hereunder;
- (f) any epidemic;
- (g) the enactment, promulgation, amendment, suspension or repeal of any Applicable Laws after the Signature Date; and/ or
- (h) any delay or direction or order on the part of the Government of India or relevant State Government or denial or refusal to grant or renew, or any revocation, or modification of any required permit or mining lease or governmental approvals including those related to land acquisition or environment/ forest clearance provided that such delay, modification, denial, refusal or revocation was not due to a cause attributable to the Affected Party;

provided that a Force Majeure Event shall not include within its purview, any economic hardship, equipment failure and/ or breakdown other than as specifically set forth above.

18.2 Burden of Proof

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

18.3 Effect of Force Majeure

The Affected Party who is rendered wholly or partially unable to perform its obligations under this Agreement because of a Force Majeure Event, shall be excused from whatever performance is affected by the Force Majeure Event to the

extent so affected, provided that:

- (a) within 5 (five) Business Days after the occurrence of the inability to perform due to a Force Majeure Event, the Affected Party provides a written notice to the Non-Affected Party of the particulars of the occurrence, including an estimation of its expected duration and probable impact on the performance of its obligations hereunder, and continues to furnish periodic reports with respect thereto to the other Party at an interval of every 7 (seven) days during the period of a Force Majeure Event;
- (b) the Affected Party shall use all reasonable efforts to continue to perform its obligations hereunder and to correct or cure, as soon as possible, the Force Majeure Event;
- (c) the suspension of performance shall be of no greater scope and no longer duration than is reasonably necessitated by the Force Majeure Event;
- (d) the Affected Party shall provide the Non-Affected Party with prompt notice of the cessation of the Force Majeure Event giving rise to the excuse from performance and shall thereupon resume normal performance of obligations under this Agreement with utmost promptitude;
- (e) the non-performance of any obligation of either Party that was required to be performed prior to the occurrence of a Force Majeure Event shall not be excused as a result of such subsequent Force Majeure Event;
- (f) the occurrence of a Force Majeure Event shall not relieve either Party from its obligations to make any payment hereunder for performance rendered prior to the occurrence of the Force Majeure Event or for partial performance hereunder during period of subsistence the Force Majeure Event;
- (g) the Force Majeure Event shall not relieve either Party from its obligations to comply with Applicable Laws; and
- (h) the Affected Party shall exercise all reasonable efforts to mitigate or limit damages to the Non-Affected Party on account of its non-performance due to the Force Majeure Event.

19. INDEMNIFICATION

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

19.2 The Purchaser shall indemnify the Indemnified Party against all liabilities, costs, expenses, damages and losses (including but not limited to any interest, penalties

and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) (collectively the “Losses”) suffered or incurred by the Indemnified Party arising out of or in connection with:

- (a) any breach of the representations, warranties, covenants and/ or undertakings of the Purchaser contained herein or in the Scheme Document;
 - (b) any information or documentation submitted by the Purchaser to the Seller pursuant to this Agreement and/ or the Scheme Document, being untrue, incorrect or false;
 - (c) the Purchaser’s breach or negligent performance or non-performance of this Agreement;
 - (d) any claim made against the Indemnified Party for actual or alleged infringement of a Third Party’s rights or damage caused to a Third Party arising out of or in connection the performance or non-performance of any of the Purchaser’s obligations under this Agreement to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of this Agreement by the Purchaser, its employees, agents or contractors;
 - (e) any Loss or damages caused on account of breach of any Applicable Law by the Purchaser, including without limitation any costs incurred by the Seller in rectifying any damages caused by the Purchaser on account of breach, negligent performance or failure or delay in performance of this Agreement or non-compliance with Applicable Law.
- 19.3 Any indemnifiable Claim under this Agreement must, be asserted by the Indemnified Party by prompt delivery of written notice thereof to the Purchaser, delivered within 60 (sixty) calendar days of discovery by the Indemnified Party of the breach of the pertinent covenant or obligation of this Agreement, or of any misrepresentation or breach of any representation or warranty made by the Purchaser or of occurrence of the event specified in Clause 19.2. However, any delay on the part of an Indemnified Party in providing or failure to provide such notice will not relieve the Purchaser of its indemnification obligations hereunder.
- 19.4 The remedies set forth in this Clause 19 shall be without prejudice to all the rights and remedies that the Parties may have under the Applicable Law and shall not be the sole and exclusive remedies of the Parties for any breach of this Agreement or any matter relating to any representation, warranty, covenant or undertaking contained in this Agreement.

20. REPRESENTATIONS, WARRANTIES, COVENANTS AND UNDERTAKINGS

20.1 The Purchaser hereby warrants and represents to the Seller:

- (a) it duly organized and validly existing under the Applicable Laws of India and has all powers and authorities to own its property and to carry on its business as now conducted;
- (b) it has the full legal right, capacity and authority to enter into this Agreement and this Agreement constitutes its legal, valid and binding obligation;
- (c) the execution, delivery and performance by it of this Agreement and the compliance by it with the terms and provisions hereof do not and will not:
 - (i) contravene any provision of any Applicable Law, statute or any order, writ, injunction or decree of any court or governmental instrumentality to which it is subject; or
 - (ii) conflict with or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under any other agreement, contract or instrument to which it is a party or by which it is bound or to which it may be subject; or
 - (iii) violate any provision of its constitutional documents;
- (d) there are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to it, which could reasonably be expected to prevent it from fulfilling its obligations set out in this Agreement or arising from this Agreement;
- (e) this Agreement is enforceable against it in accordance with its terms;
- (f) the undertakings of the Purchaser pursuant to the Scheme Document and the LOI are true and correct and all information provided by the Purchaser under the Scheme Document and in connection with the LOI, as requested by SCCL and/ or the Seller, is not untrue, incorrect or misleading in any way; and
- (g) there has been no change in the Control of the Purchaser since the issuance of the LOI till the Signature Date.

20.2 The Purchaser hereby covenants and undertakes to the Seller as follows:

- (a) it does and shall continue to satisfy all of the Eligibility Conditions and shall comply with all its obligations, covenants, undertakings and all other terms and conditions required to be complied by it under the Scheme Document;
- (b) the Purchaser has and shall always conducted its business in compliance with all Applicable Laws; and

- (c) all licenses, registrations, consents, permissions and other authorisations required by the Purchaser for or in connection with its business (“**License**”) have been obtained and are validly held by the Purchaser and each License is in full force and effect and the Purchaser shall take necessary steps to renew the Licenses from time to time in accordance with the provisions of Applicable Laws.

21. MISCELLANEOUS

- 21.1 **Amendment:** This Agreement shall stand amended or modified pursuant to any modifications thereof as may be issued in writing or notified by the Seller or as may be entered into in writing by the Parties.
- 21.2 **Severability:** In the event that any part or provision of this Agreement becomes, for any reason, unenforceable or is declared invalid by a competent court of law or tribunal, the rest of this Agreement shall remain in full force and effect as if the unenforceable or invalid portions had not been part of this Agreement.
- 21.3 **Governing Law and Jurisdiction:** This Agreement and the rights and obligations of the Parties hereunder shall be interpreted, construed and governed by the laws of India. The courts of [*insert name of the state where the Seller’s headquarters/ registered office is located*], India shall have exclusive jurisdiction in respect of all matters arising under or in connection with this Agreement.
- 21.4 **Entire Agreement:** This Agreement together with the Scheme Document and any documents referred to therein (i) supersedes any and all oral and written agreements, drafts, undertakings, representations, warranties and understandings heretofore made in relation to the subject matter hereof; and (ii) constitutes the entire agreement and understanding of the Parties relating to the subject matter hereof. It is expressly agreed that this Agreement together with the Scheme Document and any documents referred to therein, shall supersede all previous discussions and meetings held and correspondence exchanged between the Seller and the Purchaser in respect of this Agreement and any decisions arrived at therein in the past and before coming into force of this Agreement, shall have no relevance with reference to this Agreement and no reference of such discussions or meetings or past correspondence shall be entertained by either Party for the purposes of interpreting or implementing this Agreement. In the event of any conflict between the provisions of this Agreement and the Scheme Document, this Agreement shall prevail.
- 21.5 **Counterparts:** This Agreement may be executed in any number of counterparts each of which will be deemed an original, and all of which will constitute one and the same instrument.
- 21.6 **Assignment:** Subject to the provisions of Clause 15, the Purchaser shall not without the express prior written consent of the Seller, assign to any Third Party, this Agreement or any part thereof or any of its rights, benefits, obligations and/or interests herein or hereunder.

- 21.7 **Limitation of Liability:** Except as otherwise expressly agreed in this Agreement, neither Party shall have any right or entitlement to any consequential losses, costs or damages, loss of profit or market, as a result of a breach by the other Party of this Agreement.
- 21.8 **Best Efforts:** Subject to the terms and conditions of this Agreement, each Party shall use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Applicable Laws to consummate the transactions contemplated herein. Each Party agrees to execute and deliver such other documents, certificates, agreements and other writings and to take such other lawful actions as may be necessary or desirable in order to consummate or implement expeditiously such transactions.
- 21.9 **Costs and Expenses:** Except as otherwise expressly provided for in this Agreement, each Party shall pay its own costs and expenses in connection with this Agreement and the transactions contemplated hereby.
- 21.10 **No Third Party Beneficiary:** The terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and it is not the intention of the Parties to confer third party beneficiary rights upon any other Person.
- 21.11 **Change in Name:** The Purchaser shall intimate the Seller of any change in its name (on account reasons other than a change in its Control), immediately upon occurrence of name change. The Parties shall thereafter take necessary steps to record such change in the name of the Purchaser in the books and records of the Seller and shall also execute an amendment agreement to the Agreement to record such name change.
- 21.12 **Binding Effect:** This Agreement is binding upon and will inure to the benefit of the Parties.
- 21.13 **Notices:** Any notice to be given under this Agreement shall be in writing and shall be deemed to have been duly and properly served upon the Parties hereto if delivered against acknowledgement or by registered mail with acknowledgement due or by facsimile or by e-mail, addressed to the signatories or the authorised representatives of the signatories nominated in accordance with the provisions of this Agreement at the following addresses:

1) Seller's address

2) Purchaser's address

Name and Designation:

Name and Designation:

Address:

Address:

Telephone:

Telephone:

Fax:

Fax:

Email:

Email:

Any notice given by the Purchaser under this Agreement, if delivered otherwise than by e-mail, shall always be backed by an e-mail to the above mentioned email address of the Seller. Any notice delivered to the Party to whom it is addressed as provided in this Clause 21.13 shall be deemed (unless there is evidence that it has been received earlier) to have been given and received, if:

- (a) hand delivered or sent by registered mail, at the time of acknowledgment of receipt of the same; and
- (b) sent by facsimile or e-mail, when confirmation of its transmission has been recorded by the sender's facsimile machine or delivery receipt of email has been received.

21.14 **Waiver, Rights and Remedies:** No failure or delay by any Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof. No single or partial exercise of any right, power or remedy under this Agreement by any Party shall preclude any further exercise thereof or the exercise of any other right, power or remedy by that Party. Without limiting the foregoing, no waiver by any Party of any breach by any other Party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.

21.15 **Legal and Prior Rights:** All rights and remedies of the Parties mentioned herein shall be in addition to all other legal rights and remedies belonging to such Parties and the same shall be deemed to be cumulative and not alternative to such legal rights and remedies aforesaid and it is hereby expressly agreed and declared by and between the Parties, that the determination of this Agreement for any cause whatsoever shall be without prejudice to any and all rights and claims of any Party, which shall or may have accrued prior thereto.

21.16 **No Agency:** The Parties agree that nothing in this Agreement shall be in any manner interpreted to constitute an agency for and on behalf of any other Party.

21.17 **Specific Performance of Obligations:** To the extent permitted by Applicable Law, the rights and obligations of the Parties under this Agreement shall be subject to the right of specific performance and may be specifically enforced against a defaulting Party.

22. IMPLEMENTATION OF THE AGREEMENT

22.1 The chief executive officer of the Specified End Use Plant or his nominated representative or any other representative duly authorized by the Purchaser shall be authorised to act for and on behalf of the Purchaser in respect of matters arising out of or in connection with this Agreement.

22.2 The General Manager (Marketing) or any other representative duly authorized by the Seller shall be authorised to act for and on behalf of the Seller in respect of matters arising out of or in connection with this Agreement.

22.3 Any other nomination of an authorised representative shall be informed in writing, by the Seller or the Purchaser, as the case be, within 1 (one) month of the Signature Date or by giving 30 (thirty) days prior written notice in this regard to the other Party.

22.4 It shall be the responsibility of the Parties to ensure that any change in the address for service or in the particulars of the designated representative or in any other particulars specified Clause 21.13 is notified to the other Party and all others concerned, before effecting a change and in any case within 2 (two) Business Days of such change.

Signed in presence of the witness /witnesses under mentioned on _____ day of _____.

For (_____ name of the Seller)

For (_____ name of the Purchaser)

Signature

Name
(block letters)
Designation:
Address:
Telephone:
Fax:
Email:

Signature

Name:
(block letters)
Designation:
Address:
Telephone:
Fax:
Email:

1. WITNESS

- a) Signature
- b) Name
(block letters)
- c) Address & Occupation

1. WITNESS

- a) Signature
- b) Name
(block letters)
- c) Address & Occupation

2. WITNESS

- a) Signature
- b) Name
(block letters)
- c) Address & Occupation

2. WITNESS

- a) Signature
- b) Name
(block letters)
- c) Address & Occupation

Annexure I

Format of Performance Security

[Reference number of the bank]

[date]

To

[insert name and address of SCCL]

WHEREAS

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

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

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

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

7. The Bank further agrees that the Guarantee herein contained shall remain in full force and effect during the period that specified in the Agreement and that it shall continue to be enforceable till all the obligations of the Purchaser under or by virtue of the said Agreement with respect to the Performance Security have been fully paid and its claims satisfied or discharged or till the Seller certifies that the terms and conditions of the Agreement with respect to the Performance Security have been fully and properly carried out by the Purchaser and accordingly discharges this Guarantee. Notwithstanding anything contained herein, unless a demand or claim under this Guarantee is made on the Bank in writing on or before the Expiry Date the Bank shall be discharged from all liability under this Guarantee thereafter.
8. The payment so made by the Bank under this Guarantee shall be a valid discharge of Bank's liability for payment thereunder and the Seller shall have no claim against the Bank for making such payment.
9. This Guarantee is subject to the laws of India. Any suit, action, or other proceedings arising out of this Guarantee or the subject matter hereof shall be subject to the exclusive jurisdiction of courts at [*where the Seller's registered office/ principal place of business is located*], India.
10. The Bank has, under its constitution, the power to issue this Guarantee in favour of the Seller and Shri _____ who has signed this Guarantee on behalf of the Bank has the authority to do so. This Guarantee will not be discharged due to the change in the constitution of the Bank.
11. The Bank undertakes not to revoke this Guarantee during its currency except with the previous consent of the Seller in writing.
12. The Seller may, with prior intimation to the Bank, assign the right under this Guarantee to any other person or entity. Save as provided in this Clause 12, this Guarantee shall not be assignable or transferable.
13. Notwithstanding anything contained herein,
 - a) the liability of the Bank under this Guarantee shall not exceed the Guarantee Amount; and
 - b) this Guarantee shall be valid up to the Expiry Date.
14. The Bank is liable to pay the Guaranteed Amount or any part thereof under this Guarantee only and only if the Seller serves upon the Bank a written claim or demand on or before the Expiry Date.
15. The Guarantee is operative at our **[insert name and address of Branch]**.

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

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

(Signature)

(Name and Designation)
(Bank Stamp)

Annexure II

Documents provided to the Seller by Purchaser under Clause 3.5.4 of the Scheme Document

1. Relevant Corporate Authorizations of the Purchaser for execution and performance of his obligations under the agreement such as:
 - (a) Notarised Power of Attorney/ Notarised Control Ledger Proforma.
 - (b) Certified true copy of Board Resolution or Certified true copy of Shareholders Resolution etc. if applicable.
2. Self Attested copies of valid small scale industries/ industrial Registration certificates (IEM/ MSME certificates etc.) with respect to the Specified End Use Plant.
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 For Operation (CFO) and Boiler Certificate (if applicable) 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 along with the proof of payment for obtaining CFO/ Boiler certificate.
5. Self-attested copy of TIN and PAN number of the Purchaser.
6. Income- Tax Returns of the Purchaser (latest financial year).
7. Documentation with respect to existing coal linkages, assurance of linkages and/ or allocation of mine.
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. Any other documents requested by SCCL

Annexure III

**Details of Annual Contracted Quantity, Contracted Grade of Coal, Delivery Point,
Secondary Source**

S.No.	Mode	Contracted Grade*	Size	Annual Contracted Quantity (in tonnes)	Notified Price (in Rs./tonne)	Delivery Point (Coal Mine in case of Road & Railway Siding in case of Rail)	Secondary Source (to be used in case of a Force Majeure Event)
				[Total of above columns]			

Annexure IV

Details of Specified End Use Plant

1. Name of the Specified End Use Plant : [*to be inserted*]
2. Location of the Specified End Use Plant : [*to be inserted*]
3. Configuration and capacity details of each [insert relevant sub—sector] unit in the Specified End Use Plants: [*to be inserted*]

Annexure V

Indicative list of Documents that may be called for by the Seller under Clause 3

1. 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.
2. Self-attested copy of Consent to Operate with respect to the Specified End Use Plant issued under the relevant pollution control laws or copy of application filed for renewal of the same, in case the Consent to Operate has recently expired. Alternatively, a valid no-objection certificate from the relevant State Pollution Control Board may be submitted. Wherever, the relevant State Pollution Control Board does not specify the validity of the certificate issued by them to the Specified End Use Plant, such a certificate will be considered acceptable and an intimation will be sent by the Seller to the authority responsible for the issuance of the certificate.
3. Self-attested copy of TIN and PAN number of the Purchaser.
4. Income-tax return of the Purchaser (for latest available financial year);
5. Value added tax registration certificate for the Specified End Use Plant for value added tax paid by the Purchaser 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 Purchaser 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;
6. Valid small scale industries/ industrial registration certificate;
7. Documentation with respect to existing coal linkages, assurance of linkages and/ or allocation of mine;
8. Audited accounts of the Purchaser for the immediately preceding three financial years;
9. 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;
10. Copy of current valid pollution control certificates (including consent to establish and consent to operate);

11. 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;
12. Coal Consumption certificate of the Specified End Use Plant, containing the following details, shall be furnished by the Purchaser and duly certified by a Chartered Accountant:

Coal (Qty wise)
Opening stock
Add: Purchase
From SCCL sources under FSA / E-FSA
 From any other source:
Less:
Consumption
Year end closing stock
13. Copies of electricity bills for the last six months, wherever applicable;
14. Any other relevant information/ documentation as may be deemed necessary for ascertaining bona fide usage of coal.

Annexure VI

Specifications on quality of the Contracted Grade of Coal

Contracted Grade of Coal	GCV (kCal / kg)
<i>[insert grade]</i>	<i>[insert GCV]</i>

Annexure VII

Procedure for Third party sampling

1. APPOINTMENT OF THE THIRD PARTY AGENCY

1.1 All coal supplies shall be against third party sampling only.

1.2 Third Party Agency and costs of third party sampling in case of delivery by Rail

1.2.1 In case of off-take of the Contracted Grade of Coal *via* rail mode, third party sampling will be done rake wise by a Government agency / Indian Institute of Chemical Technology (IICT, a Government institution). The facility charges toward Third Party Sampling will be charged as per SCCL price notification.

1.3 Third Party Agency and costs of third party sampling in case of delivery by Road

1.3.1 In case of offtake of the Contracted Grade of coal via road mode, a single independent third party agency, i.e. IICT or any other Government institution shall be appointed. The facility charges toward Third Party Sampling will be charged as per SCCL price notification.

2. MODALITIES FOR THIRD PARTY SAMPLING

2.1 Collection of Samples by the Third Party Agency

Samples of Coal shall be collected by the Third Party Agency from the Delivery Point as follows:

2.1.1 Collection of samples from the Railway Siding / Coal Handling Plants

- (a) In case of dispatch by rail each rake of Coal supplied to the Purchaser from the Delivery Point shall be considered as a lot for the purpose of sampling.
- (b) Samples shall be collected from the belt conveyor at the time of loading into rakes. In case where automatic samplers are installed, samples shall be collected from automatic samplers. In case of where there is no belt conveyor, the samples shall be collected from the coal yard at the siding while loading from loading area. Sampling procedure shall be as per BIS norms.

2.1.2 Collection of Samples of Coal Dispatches by Road

- (a) The sampling and analysis of coal will be done Delivery Point wise / Grade-wise in case of Road / RCR mode for the day. The result of the samples will be applied to all the customers supplied coal on that day for the grade supplied.
- (b) The first truck for sampling on a day shall be selected randomly from the first eight trucks. Every 8th (eighth) such truck thereafter shall be subjected to sampling. In the event that there are less than 8 (eight) trucks loaded on any particular day, then only 1 (one) sample shall be selected randomly from amongst loaded truck/ trucks.
- (c) The spot at the top of the truck will be leveled and at least 25 cm of Coal surface shall be removed/scrapped from the top and the place will be leveled for an area of 50 cm by 50 cm for collection of sample.
- (d) About 30 kg of the sample shall be collected from each truck by drawing 6 increments of approx. 5 kg each with the help of shovel/scoop.
- (e) All the samples collected from every truck in accordance with paragraph 2.1.2(b) above shall be mixed together to form a gross sample.

2.2 Preparation of laboratory samples

- 2.2.1 The gross sample collected at the Delivery Point by the Third Party Agency shall be divided into two portions. One portion (one fourth of the gross sample) called Part-1 will be used for analysis of total moisture and the other portion (three fourth of the gross sample) called Part-2 will be used for determination of ash, moisture and GCV on equilibrated basis. The Third Party Agency shall prepare laboratory samples (at the Delivery Point) in the size of 12.5mm for total moisture and 212 micron IS Sieve for proximate and GCV analysis. Precaution shall be taken so that before analysis in any government accredited laboratory or National Accreditation Board for Testing and Calibration Laboratories (—Laboratory), further sieving or pulverizing is not required.
- 2.2.2 The Part-2 sample shall be reduced into a laboratory sample on the date immediately following the date of collection as per BIS Standards (IS: 436 (Part I/Section I) - 1964). The final pulverized sample will be divided into three parts viz. Set – I, Set – II and Set-III as follows:
 - (a) Set – I shall be taken by the Third Party Agency to a Laboratory for analysis of ash, moisture and GCV by the Third Party Agency as per BIS Standards (IS: 1350 Part 1-1984) or BIS Standards (IS: 1350 Part-II-1970), as applicable;
 - (b) Set-II of the sample shall be handed over by the Third Party Agency to the Seller for their own analysis; and

- (c) Set-III of the sample called referee sample shall be sealed jointly by the Third Party Agency and representatives of the Parties and shall be kept with the Third Party Agency at the Delivery Point under proper and good quality lock and key arrangement. The referee sample shall be retained in double sealed condition (duly signed by the representatives of the Parties and the Third Party Agency) for 30 (thirty) days from the date of sample collection. The referee sample shall be analyzed in the situations specified in paragraph 2.2.4 below.
- 2.2.3 The Third Party Agency shall communicate the analysis result of the sample to the Parties within 18 (eighteen) working days of the sample collection. Either Party may raise a dispute, if any, regarding the findings of the Third Party Agency within 7 (seven) days of the submission of the analysis result by the Third Party Agency.
- 2.2.4 In the event that a dispute is raised by either Party within the time period stipulated at paragraph 2.2.3 above, the referee sample shall be analyzed by a mutually agreed government laboratory (other than the Laboratory at which the original sample has been analyzed by a Third Party Agency). The cost analysis of the referee sample shall be borne by the challenging/disputing Party. The non-disputing party may witness transportation and analysis of referee sample to the above mentioned government laboratory. The findings of such government laboratory, post analysis of the referee sample, shall be binding on all the Parties for commercial purposes.
- 2.2.5 In the event of dispute, raised by any Purchaser, the findings of the Refree sample (upgrade or down grade) shall be applied to all the Purchasers who have taken delivery of coal from the delivery point on that day, in case of Other Industries, i.e. sector (IV) other than Cement, CPP, and Sponge Iron sectors.
- 2.2.6 All tools and tackles, plastic bags, sealing compound and other items required for collection, preparation, storage and analysis of the sample shall be provided by the Seller.

2.3 Records of Samples/ Third Party Sampling

- 2.3.1 Proper analysis records shall be maintained at the Laboratories where the samples are analyzed by the Third Party Agency.
- 2.3.2 The name/ details of the Delivery Point, date of collection and other identification details (e.g. rake no. in case of rail supply) shall be maintained by the Third Party

Agency in a register and a proper code number shall be assigned for each sample for identification and reconciliation of results.

- 2.3.3 Monthly statements containing the details of each and every analysis result finalized during a month based on analysis by a Third Party Agency or referee analysis, as the case may be, shall be prepared indicating *inter-alia* the quantity of Coal covered by the respective analysis results. The respective analysis results shall be applied for adjustment of billing/ commercial purpose. Copies of the monthly statement / report shall be submitted by the Third Party Agency to (i) the general manager (quality control) of the Seller or his representative; and (ii) the representatives of the Purchaser (in case of rail mode) or the representatives of all the purchasers who have requested for third party sampling (in case of road mode), as applicable.

Annexure VIII

Format of Transfer Deed

The Transfer Deed (“**Deed**”) is made on this [*day*] day of [*month*], [*year*] between:

1. [**Name of the Purchaser**], a company incorporated in India under the Companies Act, [1956/2013] with corporate identity number [*CIN*], whose registered office is at [*address of registered office*], India and principal place of business is at [*address of principal place of business, if different from registered office*] (hereinafter referred to as the “**Transferor**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors and permitted assigns) of the other part;

OR

[**Name of the individual**], an individual residing at [*address*] and carrying on a sole proprietorship business under the name style of [*name of the Purchaser*] at [*address of sole proprietorship*] (hereinafter referred to as the “**Transferor**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include his/ her heirs, executors, administrators, representatives and permitted assigns) of the other part;

OR

[**Name of the Purchaser**], a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008, with its registered office at [*address of registered office*] (hereinafter referred to as the “**Transferor**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its partners, successors, representatives and permitted assigns) of the other part;

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 Purchaser**] registered under [*name of Act under which the firm is registered*] (hereinafter referred to as the “**Transferor**”, which expression shall, which expression shall unless repugnant to the meaning or context thereof, be deemed to include all the partners of the said firm, their representatives, heirs executors, administrators and permitted assignees) of the other part;

OR

[**Name of the Purchaser**], a [*insert legal nature of the Purchaser (e.g. trust, society etc.)*] incorporated under the [*insert statute under which the Purchaser 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 “**Transferor**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors, representatives and permitted assigns) of the other part;⁶ and

2. [**Name of the Transferee**], a company incorporated in India under the Companies Act, [1956/2013] with corporate identity number [*CIN*], whose registered office is at [*address of registered office*], India and principal place of business is at [*address of principal place of business, if different from registered office*] (hereinafter referred to as the “**Transferee**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors and permitted assigns) of the other part;

OR

[**Name of the individual**], an individual residing at [*address*] and carrying on a sole proprietorship business under the name style of [*name of the Transferee*] at [*address of sole proprietorship*] (hereinafter referred to as the “**Transferee**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include his/ her heirs, executors, administrators, representatives and permitted assigns) of the other part;

OR

[**Name of the Transferee**], a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008, with its registered office at [*address of registered office*] (hereinafter referred to as the “**Transferee**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its partners, successors, representatives and permitted assigns) of the other part;

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 Transferee**] registered under [*name of Act under which the firm is registered*] (hereinafter referred to as the “**Transferee**”, which expression shall, which expression shall unless repugnant to the meaning or context thereof, be deemed to include all the partners of the said firm, their representatives, heirs executors, administrators and permitted assignees) of the other part;

OR

⁶ **Note:** Delete whichever is inapplicable.

- [**Name of the Transferee**], a [*insert legal nature of the Transferee (e.g. trust, society etc.)*] incorporated under the [*insert statute under which the Transferee 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 “**Transferee**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors, representatives and permitted assigns) of the other part;⁷ and
3. [**Name of the Seller**], a company incorporated in India under the Companies Act, [1956/2013] with corporate identity number [*CIN*], 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 the registered office*] (hereinafter referred to as the “**Seller**”, which expression shall unless repugnant to the meaning or context thereof, be deemed to include its successors and permitted assigns) of the one part.

WHEREAS:

- A. The Transferor had participated in an electronic auction for grant of the Coal Linkages, pursuant to which the Transferor had qualified as a Successful Bidder in accordance with the scheme document dated [*insert date*] issued by Coal India Limited for auction of coal linkages in the [*insert name of the sub-sector for which auction has been conducted*] sub-sector (“**Scheme Document**”).
- B. The Transferor was issued a letter of intent dated [*insert date*] by the Seller and thereafter executed a fuel supply agreement dated [*insert date*] with the Seller (“**Agreement**”) in terms of which *inter alia* the Transferor has become entitled to receive the Annual Contracted Quantity.
- C. The Transferor has, pursuant to its transfer application letter dated [*date*] made in accordance with the provisions of Clause 15.2 of the Agreement, requested the Seller for its approval in connection with transfer of the Agreement to the Transferee.
- D. The Seller has, pursuant to its letter dated [*date*] approved the transfer application of the Transferor subject to compliance by the Transferee of the terms and conditions contained in this Deed.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. Capitalised terms used but not defined in this Deed shall, unless the context otherwise requires, have the respective meanings ascribed thereto in the Agreement.
2. The Transferee hereby covenants with the Seller that from and after the transfer and

⁷ **Note:** Delete whichever is inapplicable.

assignment of the Agreement, the Transferee shall be bound by, and be liable to perform, observe and conform with and be subject to all the provisions of all the covenants, stipulations and conditions contained in the Agreement in the same manner in all respects as if the Transferee was the Successful Bidder under the Scheme Document and was the Purchaser under the Agreement, and he/ it had originally executed the Agreement as such.

3. It is further hereby agreed and declared by the Transferor of the one part and the Transferee of the other part that:
 - (a) the Transferee and the Transferor declare that the Transferee meets and shall continue to meet all the Eligibility Conditions which were required to be met by the Transferor under the Scheme Document and the Agreement and documentary evidence in support thereof is enclosed as *Annexure A*;
 - (b) the Transferee acknowledges that he/ it has received a copy of, and has read and understands the Agreement and Scheme Document, and covenants, agrees and confirms that it shall be bound by all provisions of the Scheme Document and the Agreement as if it was an original party thereto;
 - (c) the Transferor hereby declares that he/ it has not assigned or in any other manner transferred the Agreement and that no other Person or Persons has any right, title or interest where under in the present Agreement; and
 - (d) the Transferee hereby declares that he/ it has accepted all the conditions, obligations, responsibilities, duties and liabilities which the Transferor was bound by and required to comply with under the Agreement.

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Agreement.

In witness whereof the parties hereto have signed on the, date and year first above written.

For and on behalf of the Seller:

Name:
Designation:

For and on behalf of the Transferor:

Name:

For and on behalf of the Transferee:

Name:

ANNEXURE A
Copy of documents evidencing compliance with Eligibility Conditions by the
Transferee

Date: September 16, 2016

Auction of Coal Linkage for Non-Regulated Sector – Tranche I

List of Frequently Asked Questions – Cement, CPP and Sponge Iron sub-sectors

S. No.	Question	Answer
1.	What are the various sub-sectors under non-regulated sector?	<p>The sub-sectors under non-regulated sector which can participate in the auction are:</p> <ul style="list-style-type: none">a) Cementb) Sponge Ironc) All Captive Power Plants (CPPs) excluding Co-generation Unitsd) Steel (Coking Coal)e) Others [excluding Fertilizer (urea) sector] <p>“Others” exclude all EUPs that fall under sub-sectors mentioned in (a), (b), (c) and (d).</p>
2.	How would the normative coal requirement of the EUPs be assessed? Would SCCL provide some norms for estimating normative coal requirement?	<p>Bidders will be required to enter data with respect to each of their EUPs on the MSTC platform based on which their normative coal requirement will be calculated and displayed.</p> <p>Normative Coal Requirement will be as defined in Clause 3.3 of the Scheme Document and shall be Normative Coal Requirement net of coal requirement met through (i) any other existing coal linkage(s), (ii) any captive coal mine(s); and (iii) allocation of coal linkage(s) pursuant to the auction process.</p>
3.	What type of units can participate under the “Cement” sub-sector?	<p>Any Bidder as defined in the Scheme Document having one or more Kilns i.e. Clinker manufacturing units (in a single location within the same boundary) located in India shall be allowed to participate. All CPPs ((excluding Co-generation units) and units other than Clinker manufacturing units will participate in the auction of their particular sub-sectors.</p>
4.	I have a CPP for my Kiln / Clinker manufacturing unit. Under the new scheme, there is a proposal to auction linkages under sub-sectors. Under which category should I apply for this CPP?	<p>All the CPPs (excluding Co-generation units) shall be eligible to participate under ‘Captive Power Plant (CPP)’ sub-sector only.</p>

S. No.	Question	Answer
5.	I have been allocated a coal mine for captive consumption in 2 clinker manufacturing units: Kiln 1 and Kiln 2. However, in the coal linkage auction, I want to participate through Kiln 1 as the Specified EUP. How do I estimate the coal requirement of Kiln 1 which has already been fulfilled through coal mine allocation?	<p>For mines which have been allocated through 'auction process', the same will be computed pro-rata on the basis of the coal requirement of each unit as was provided to the bidder during the coal mine auction process. For example, A Coal Mine with PRC of 1 MTPA and G10 grade has been allocated to a bidder through auction for its Specified EUP where the Specified EUP of the Bidder was Kiln 1 and Kiln 2 of 4 MTPA and 3 MTPA capacity respectively. The coal requirement (and not entitlement), as communicated to the Bidder during the auction process was 0.64 MTPA and 0.48 MTPA for Kiln 1 and Kiln 2 respectively i.e. in the ratio of ~57:43. In case the Bidder is wishing to participate in the coal linkage auction through Kiln 1 only, then the coal requirement of Kiln 1 as met through captive coal mine shall be 0.57 MTPA (i.e. 57%*1 MTPA PRC). For mines which have been allocated through 'allotment process', the same will be computed pro-rata on the basis of the coal requirement of each unit. In such cases, Bidder shall estimate the coal requirement of each Unit on the basis of consumption norms as provided during the coal mines auction process.</p> <p>Such consumption norms may be accessed at the following link: http://mstcecommerce.com/auctionhome/Layouts/consumptionnormscb.html</p> <p>In case the Bidder is wishing to participate in the coal linkage auction through Kiln 1 only, then the coal requirement of Kiln 1 as met through captive coal mine shall be 0.57 MTPA (i.e. 57%*1 MTPA PRC).</p>
6.	What type of units can participate under the "CPP" sub-sector?	Any Bidder as defined in the Scheme Document having one or more CPP units (in a single location within the same boundary) located in India shall be allowed to participate. CPP shall be as defined under Rule 3 of Electricity Rules, 2005.
7.	I have a CPP for my manufacturing unit. Under the new scheme, there is a proposal to auction linkages under sub-sectors. Under which category should I apply for this CPP?	All the CPPs ((excluding Co-generation units) shall be eligible to participate under 'Captive Power Plant' sub-sector only.

S. No.	Question	Answer
8.	I have been allocated a coal mine for captive consumption in 2 CPP units: Unit 1 and Unit 2. However, in the coal linkage auction, I want to participate through Unit 1 as the Specified EUP. How do I estimate the coal requirement of Unit 1 which has already been fulfilled through coal mine allocation?	<p>For mines which have been allocated through 'auction process', the same will be computed pro-rata on the basis of the coal requirement of each unit as was provided to the bidder during the coal mine auction process. For example, A Coal Mine with PRC of 1 MTPA and G10 grade has been allocated to a bidder through auction for its Specified EUP where the Specified EUP of the Bidder was CPP Unit 1 and CPP Unit 2 of 75 MW and 150 MW capacity respectively. The coal requirement (and not entitlement), as communicated to the Bidder during the auction process was 3,59,775 TPA and 6,79,200 TPA for Unit 1 and Unit 2 respectively i.e. in the ratio of ~34.63:65.37. In case the Bidder is wishing to participate in the coal linkage auction through Unit 1 only, then the coal requirement of Unit 1 as met through captive coal mine shall be 3,46,279 TPA (i.e. 34.63*1 MTPA PRC). For mines which have been allocated through 'allotment process', the same will be computed pro-rata on the basis of the coal requirement of each unit. In such cases, Bidder shall estimate the coal requirement of each Unit on the basis of consumption norms as provided during the coal mines auction process. Such consumption norms may be accessed at the following link:</p> <p>http://mstcecommerce.com/auctionhome/Layouts/consumptionnormscb.html</p> <p>In case the Bidder is wishing to participate in the coal linkage auction through Unit 1 only, then the coal requirement of Unit 1 as met through captive coal mine shall be 3,46,279 TPA (i.e. 34.63*1 MTPA PRC).</p>
9.	What type of units can participate under the "Sponge Iron" sub-sector?	Any Bidder as defined in the Scheme Document having a DRI unit (either standalone or part of an Integrated Steel Plant) will be allowed to participate. All CPPs ((excluding Co-generation units) and units other than Sponge Iron will participate in the auction of their particular sub-sectors.
10.	I have a CPP for my sponge manufacturing unit. Under the new scheme, there is a proposal to auction linkages under sub-sectors. Under which category should I apply for this CPP?	All the CPPs (excluding Co-generation units) shall be eligible to participate under 'Captive Power Plant (CPP)' sub-sector only.

S. No.	Question	Answer
11.	I have an FSA for my sponge iron unit where the ACQ is at 85% plant utilisation. In case there are new norms which come up in the new guidelines of auction and the coal requirement for my EUP is more than the currently tied ACQ, would I be eligible to participate in the auction and bid for the extra coal requirement?	Yes.
12.	What shall be the source of supply of coal? How will the auction be conducted for such supply?	Source of supply shall be individual mines (source)/ railway sidings. Auction will be conducted in "Lots". Each Lot will majorly have the following defined characteristics: a) Grade b) Quantity (in Million Tonnes Per Annum) c) Point of Delivery (road sale point/ railway siding) d) Sub-sector for which that Lot is earmarked
13.	If a railway siding is about 30 km (or such shorter distance) away from a Specified End Use Plant (EUP), whether such EUP will be allowed to off-take coal through road as off-taking coal through rail will involve logistic costs and may not be economical. Also, will SCCL provide the flexibility to the bidder to switch to Road mode in case of failure on the part of Indian Railways?	Bidders will be allowed offtake only through the mode specified for a particular Lot.
14.	What shall be tenure of the new E-FSAs?	The tenure of the E-FSA shall be 5 years which can be extended by another 5 years on mutually agreed terms upon the request of Bidder.

S. No.	Question	Answer
15.	What is "Transport Factor" and what is the minimum quantity than can be bid?	<p>Bids have to be submitted in multiples of 100 TPA ("Transport Factor").</p> <p>However, in any round, while the minimum bid quantity for Lots with road mode of transport is 100 TPA, for rail mode of transport the minimum bid quantity cannot be below 4,000 TPA.</p>
16.	I have an FSA for my unit where the ACQ is at 85% plant utilisation. In case there are new norms which come up in the new guidelines of auction and the coal requirement for my EUP is more than the currently tied ACQ, would I be eligible to participate in the auction and bid for the extra coal requirement?	Yes.
17.	I have a coal mine which has been allocated to me for use in my specified end use plant. However, the mine has not attained Peak Rated Capacity (PRC). Can I participate in the auction?	<p>In case a coal mine has been allocated for captive consumption of coal in an EUP, then the normative coal requirement shall be net of grade adjusted coal requirement, on the basis of PRC, being met from such captive coal mine.</p> <p>Where a mine has been allocated for multiple plants, then the coal supply from the mine shall be deemed to be apportioned in the proportion of coal requirement of individual plants.</p> <p><i>For example:</i> A mine "M" with PRC of 2 MTPA has been allocated for captive consumption in Plant A and Plant B with annual coal requirement of 4 MTPA and 1 MTPA respectively. For the purpose of assessment of Normative Coal Requirement, it would be considered that the requirement of Plant A and Plant B has been met to the extent of 1.6 MTPA and 0.4 MTPA respectively i.e. 2 MTPA allocated in the ratio of 4:1.</p> <p>The Bidder shall be solely responsible for making necessary calculations and submitting the correct data in the MSTC website.</p>
18.	In case the Mining Lease of a captive coal mine is not signed and the mining has not started, will such plant be considered for the present auction?	Such EUP will be allowed to participate in the auction process. However the peak rated capacity of the allocated mine (irrespective of the status of production), will be deducted for computing the normative coal requirement of that plant.

S. No.	Question	Answer
19.	Has tapering linkage been taken into consideration?	The quantity has not been included in calculations. However such plants are allowed to participate in the auction of coal linkages.
20.	What is the Floor Price of auction? In case of the new price going above the current Notified price, how would the royalty and other cess which are a percentage over the Notified price be levied?	The initial floor price shall be set at the relevant SCCL Notified price and bidders shall bid for premium above this price. While the bidding shall be on premium (in absolute number terms) on the notified price, for estimation of periodic payments premium will be considered as a % of notified price which shall get locked in for the E-FSA period. Royalty, other cess, levies etc. shall be payable as per applicable laws and guidelines.
21.	I have an existing linkage which is not expiring in FY16 under which I am being supplied coal of G7 grade from a mine of SCCL. Under the new auction scheme, the same mine may supply same Grade of coal at a higher price. What would be impact on my prices?	Under existing FSAs, coal to be supplied at the existing terms and conditions till the scheduled maturity of the existing FSA.
22.	I have an existing linkage with SCCL. Would my FSA contract be modified as per the new conditions?	No. The proposed auction will have no impact on the existing FSA contract terms.
23.	Does the under construction plant have to go through the same LoA milestones or would there be any change in milestones?	Only plants which have achieved commercial operation will be allowed to participate in the present auction.
24.	<p>Would Third Party Sampling be applicable to all categories of coal customers from now?</p> <p>Would it be applicable to existing customers of Non-Regulated sectors?</p>	Third Party Sampling will be applicable for all Purchasers.

S. No.	Question	Answer
25.	Whether separate units are required to be registered separately or combination of units within a boundary wall may be allowed to register as a single unit?	Combination of units located within the same plant boundary is allowed to be registered as one EUP. However, once the units are combined and registered as single EUP, they cannot be split up subsequently.
26.	In case the manufacturing unit (e.g. Kiln, Sponge Iron plant etc.) of the successful bidder for a G10 grade is supplied with a G8 grade and the CPP unit of such successful bidder for a G8 grade is supplied with a G10 grade, whether he may be allowed to use such G8 grade supplied for manufacturing unit in his CPP unit and the G10 grade supplied for the CPP unit in his manufacturing unit.	Swapping of Grades across EUPs is not allowed.
27.	I am already registered on the MSTC platform for the e-auction of coal. Would my credentials be valid for this new auction as well?	No. For participation in auction of linkage, Bidder shall be required to register on the website of MSTC Ltd at the following link www.mstcecommerce.com/auctionhome/coallinkage/index.jsp . Detailed process for registration may be downloaded from the above link. However, for Bidders already registered under Tranche 1 of the coal linkage auction conducted by CIL, the same registration details shall be used. All fees will however be payable as per the Scheme Documents for auction of coal linkages as provided by SCCL. [MSTC to review]
28.	Electronic platform requires bank details of the bidder at the time of registration. However, in case the bidder wants to transfer money from different bank account. Whether the same is permissible?	The same is permissible. However the refund of Bid Security & Process Fee, if any, will be made to the bank account mentioned at the time of registration.

S. No.	Question	Answer
29.	There is a list of documents which I used to submit under the LoA through E-FSA system. Is there any additional document which would need to be furnished in the new system?	The list of documents required to be submitted shall be specified in the Scheme Document as uploaded on the auction portal www.mstcecommerce.com/auctionhome/coallinkage/index.jsp
30.	Since I am willing to pay a Premium over Notified price, would the new provisions assure supply of the same grade of coal as contracted under the new E-FSA?	Yes. Appropriate provisions (including Third Party Sampling) shall be stipulated in the Scheme Document and E-FSA to protect Bidder's interest.
31.	There is a mention of Third Party Sampling in the Scheme Document. SCCL was requested to advise on who will assign Third Party for the process, i.e. whether SCCL will inform the Bidder about the Third Party or the Bidder has the option to assign the Third Party?	Kindly refer to Annexure VII - Procedure for Third party sampling as given in the E-FSA.
32.	In case the grade of coal supplied is different from the grade contracted, would there be any adjustment in the Reserve Price and Premium on this account?	Yes. In case of any upward or downward variation in the grade supplied as compared to the grade contracted, adjustment formula as prescribed in the Scheme Document shall be applicable.
33.	In case a bidder is successful for a G8 grade of coal. However he is supplied with G6 grade of coal. On the basis of which Grade will his Normative Coal Requirement for the next auction be computed?	The Normative Coal Requirement for the next auction will be computed based on the contracted Grade.

S. No.	Question	Answer
34.	The process mentions that the bidder is required to indicate his existing linkage along with its Grade for computation of Normative Coal Requirement. However certain FSAs provide a range of Grades to be supplied e.g. G8 to G12. In such a scenario which Grade should the bidder mention on the portal as the Normative Coal Requirement will be computed in energy terms which would be later converted into quantity?	In case the bidder has existing linkage, the entire Annual Contracted Quantity specified in the existing FSA will be deducted from the Normative Coal Requirement computed by the system based on the information submitted by the Bidder.
35.	Will the price determined in auction be fixed over the period of contract?	<p>The reserve price for the auction would be the notified price of the non-regulated sector. Notified price will be reviewed semi-annually and any modification in the notified price post such review shall be considered as indexation and such modified notified price will be referred as Indexed Notified Price.</p> <p>The premium determined through the auction process will be converted into percentage terms i.e. percentage of the reserve price and this percentage premium will remain constant throughout the tenure of the E-FSA. The price charged will be the sum of (a) notified price (or indexed notified price post review if any) and (b) the percentage premium on such notified price (or indexed notified price) as the case may be.</p>
36.	What happens when the Notified Prices are increased/ decreased?	In both cases, the price charged will be the sum of (a) notified price (or indexed notified price post review if any) and (b) the percentage premium multiplied by such notified price (or indexed notified price).
37.	In case of an auction, will it be sequential or simultaneous? How will the price increase on the auction platform be controlled as there would be multiple bidders?	<p>Auction of lots for a particular sub-sector will be conducted sequentially. Such sequence of auction Lots shall be provided in the Scheme Document.</p> <p>The method of auction is Non-Discriminatory Ascending Clock Auction where price increment shall be determined by the system depending upon the demand supply scenario.</p>
38.	What is the Bid Security for the auction process?	Bid Security is proposed to be submitted in the form of Earnest Money Deposit (EMD) at the rate of Rs. 100/tonne. Bid Security shall be deposited for the quantity which the bidder intends to bid across various Lots in a particular sub-sector.

S. No.	Question	Answer
39.	Can Bid Security be submitted in the form of a bank guarantee instead of EMD?	No. Bid security will be in the form of EMD.
40.	How is my schedule affected if the previous round is still continuing?	In case the auction of any Lot spills over to the timeslot of the next Lot(s), then the auction of the next Lot(s) will be deferred and will be conducted at the end of auction of the last Lot as per the auction sequence.
41.	What are the various exit provisions in the new E-FSAs upon securing coal supply in auction?	<p>a) E-FSA shall have a lock-in period of 2 (two) years. Post the expiry of lock-in period, Successful Bidder may seek an exit after serving a prior written notice of 3 (three) months.</p> <p>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 SCCL.</p>
42.	What would be the impact of short delivery/ lifting of coal?	If the level of delivery/lifting of coal falls below 75% of annual contracted quantity, the defaulting party will pay compensation to the counterparty as per the Model E-FSA. Deemed delivery/ off take provisions shall be applicable as per the Model E-FSA.
43.	Will there be any Performance Incentive charged by SCCL in case the level of supply exceeds 90% of the contracted quantity?	There shall be no Performance Incentive under the E-FSAs executed pursuant to award of linkage through auction because SCCL is committing to supply up to 100% of normative coal requirement.
44.	What will be the delivery schedule across the year in case the Annual Contracted Quantity of the bidder through Rail mode of dispatch is corresponding to 2 or 3 rakes?	The delivery schedule may be decided mutually between the successful Bidder and SCCL.
45.	Can I transfer the Coal linkage to other EUPs of the same company or other company within the same sub-sector?	No
46.	Will the prospective bidders be provided a future Auction Calendar?	SCCL may provide an auction calendar. Next tranche of auction will be held after review of notified price which will be done on six monthly basis. Next review of notified price is expected to be done in the month of December. Accordingly auction of next tranche is expected to commence post such review.

S. No.	Question	Answer
47.	What if there is a change in PRC of a captive coal mine of a bidder due to a change in the mining plan which may lead to more coal supply than normative requirement of EUP?	In case an increase in PRC leads to allocation of more coal than the normative coal requirement of the EUP, the bidder will have to surrender the linkage for excess quantity.
48.	Can I choose not to off-take coal supplied from back up mine?	No.
49.	What will be the frequency of price indexation?	Notified price will be reviewed semi-annually and any modification in the notified price post such review shall be considered as indexation.
50.	Since the linkage auction process is new to the Bidders, would mock bidding session be conducted for the Bidders?	Separate notification shall be issued for conduct of mock bidding session for the Bidders.