



**Coal India Limited**  
A Maharatna Company  
www.coalindia.in

## CENTRAL COALFIELDS LIMITED

(Govt. of India Undertaking)

SALES & MARKETING DIVISION

DARBHANGA HOUSE, RANCHI 834 001

Phone: (0651)236 0606 (10 Lines), 236 0123



No. CCL/HQ/C-4 /RS/ 1951

Date: 14-10-2022

### NOTICE

The Cabinet Committee on Economic Affairs (CCEA), in their meeting dated 26.02.2022, has approved for a single window mode agnostic e-auction policy clubbing all existing sector specific e-auction windows. MoC vide reference no. CPD 2301111812021-CPD dated 21-03-2022 circulated the new auction policy guideline in this regard. A new e-auction scheme namely 'CIL e-auction scheme 2022' has been developed in terms of the new policy. Coal India Limited and its subsidiary coal companies is going to commence e-auctioning of coal in accordance with the new Single window mode agnostic e-auction policy and scheme, shortly. The 'CIL e-auction scheme 2022' is enclosed along with a brief note on the salient features of the scheme. It may be noted that existing registered bidders with e-auction service providers shall not be required to do fresh registration for participating under the new e-auction scheme.

In this regard, CCL is going to conduct an online meeting with customers to illustrate this scheme along with its modalities and key features on 18-10-2022 at 11:30 a.m. Link for the online meeting will be shared soon.

*[Signature]* 14/10/22  
General Manager (M&S), CCL

**Copy to :**

1. Director (Tech./Op.), CCL, Ranchi
2. TS to CMD, CCL, Ranchi
3. GM(M&S), CIL, Kolkata
4. All Area GMs
5. GM (E&T), CCL- with a request to provide meeting link and presentation facility at Board Room, old Building
6. Ch. Manager (M&S/Rail-Oprn)(Fin./CSC) (M&S/Coordn.), CCL, Ranchi
7. All ASMs
8. Sr. Manager(M&S/CSC), CCL, Ranchi
9. Manager (M&S/FSA), CCL, Ranchi
10. Notice Board, M&S Deptt/ Notice Board, CSC, CCL, Ranchi

**Salient points of the modalities for Single Window transport mode agnostic e Auction**

**Model for transport mode agnostic e auction:**

- Two stage auction process.
- First stage will identify the successful bidder, quantity, price along with bid seniority.
- Second stage will fix mode of supply through a system driven algorithm on the basis of choice of mode and loading points submitted by the bidder and bid seniority arrived in the first stage.

**First Stage:**

- **Offer structure:**

- **Source of Supply :**

- Offer to be made in cluster consisting of one or more CIL Railway loading point(s) and one or more feeding collieries(Road loading points).
- Collieries presently having no transportation facility to railway siding may be offered as single source cluster with Road mode of dispatch with option of lifting through RCR mode .

- **Offer Quantity:** The coal company will offer the total quantity of the cluster to be put under auction mentioning maximum evacuation capacity for each loading point.

- **Representative Grade:** Lowest grade of the feeding Road despatch points and declared grade(s) of the siding(s) if any.

- **Floor price:** The floor price(reserve price) shall be based on the applicable non power notified price of the representative Grade & Size.

- **Auction methodology:**

- The present auction methodology of quantity, bid price based bidding will continue.

- Each bidder shall be allowed to place single bid against each Cluster. However, the bidder may place improved bid once out bided.

- The seniority of the bid will continue to be determined on the basis of price, quantity & time and the logic is as under:

(a) Precedence will be accorded to the highest Bid price in the descending order (H1, H2, H3 and so on) as long as the offered quantity is available for allocation.

(b) If two or more Buyers Bid the same highest price, precedence for allotment will be accorded to the Buyer who has placed the Bid for the higher quantity.

(c) In case two or more Buyers Bid the same price and the same quantity, precedence will be given to the Buyer who has accorded his Bid first with reference to time.



- On completion of the auction, the provisionally successful bidder shall be intimated about cluster wise winning bid quantity, bid price and bid seniority along with the date and time of Second stage of auction process, by the service provider.

### **Second Stage:**

- After first stage, a window of 6 hours, will be provided to the provisionally successful bidders to register their choice of mode and order of preference of the sources for Rail and Road modes.
- The bidder choice will be obtained in the following manner:

Sl.	Choice	1st option	2nd option	Order of preference of Rail loading points	Order of preference of Road loading points of cluster
A	No Choice	Rail (by default)	-	The order of Rail loading points of notification shall be the default of preference	
B	Rail	Rail	-		√
C	Rail/Road	Rail	Road	√	√
D	Road/Rail	Road	Rail	√	√
E	Road	Road	-		√

Guideline for submitting choice by bidder:

- ❖ The bidders not registering their choice (A above) and registering mode of Choice as 'Rail' (B above) should have a successful bid quantity in multiple of rake fit quantity (4000 tes). In case the bid quantity is not in multiple of rake fit size and the bidder opt for (A) or (B) above, the equivalent Bid Security for the quantity for which rake cannot be formed will stand forfeited.
- ❖ The bidders should compulsorily register their order of preference for all the loading points of Rail and Road mode, as the case may be, for multiple rail/road point offer.
- ❖ Once a bidder submits his choice following the above guideline, Bid Security will not liable to be forfeited in case coal could not be allotted (wholly/partially) due to non-availability of mode/ source-wise offer quantity.
- Logic of the algorithm is as under:
  - ❖ Allocation of the quantity loading point wise will be based on seniority of the bid and choice of mode. In case of multiple loading points within a mode the order of preference of loading points provided by provisionally successful bidder of first stage of auction will be considered. However, the total allocated quantity on any individual loading point shall be to the extent of the capacity of evacuation of that loading point.
  - ❖ For the customers who would not register any choice, Rail mode, being the default mode, will be considered as the choice of supply. In case of multiple Rail loading points, the sequence of loading points of notification will be considered as the order of preference in such case.
  - ❖ The allocation of mode and loading points will be done in the following manner.
    - The bid having the highest seniority will be allocated first considering order of mode and preference of loading points.
    - Once the allocation for the senior most bid is made, allocation for the second senior most bidder will be taken up and so on.

- Allocation of individual loading points, both Rail and Road, will be made to the extent of evacuation capacity indicated in the offer.
- After the above processes, if some quantity of the bidder remains unallocated, equivalent Bid security will be refunded to the concerned bidder by the service provider.

Post auction actions: The service provider shall send the allocation details mentioning % premium over notified price for each bid to the respective coal company and to individual successful bidder.

- Post auction processes:

- From the bid price, % premium over the notified price of the representative grade shall be derived.
- In case the grade of the despatch point is different from that of the representative grade, the percentage premium over notified price of the representative grade will be applied on the notified price of the grade of despatch point to arrive at bid price.
- In case Steam coal is allotted for auctions held on the representative size of ROM coal, the % premium derived will also be applicable over the price differential between ROM & Steam coal.
- The successful bidder will be depositing the balance coal value (over and above the Bid Security submitted) and this will include applicable transportation charge, sizing charge, any other charge.
- Although the auction will be held on the representative grade and size, the successful bidder shall be bound to accept coal for any grade and size from the allotted source within the cluster.



**Illustration of the algorithm of second stage of auction process:**

Total Offer of cluster: **380000 tes**,

Evacuation capacity of loading points:

Rail siding R1: 100000 tes; Rail siding R2: 140000 tes

Road loading points: C1:50000 tes C2:70000 tes, C3: 80000 tes

Total successful bid: **379000 tes**.

Bid seniority	Winning qty(tes)	Choice	Order of source preference	Loading point wise allocation	Loading pointwise residual qty	Allotted qty Rail	Allotted qty Road	Total Allotted qty	Qty remain unallocated
1	60000	Road/Rail	C1,C2,C3 R1,R2	C1-50000, C2-10000	R1-100000 R2-140000 C1-NIL, C2-60000, C3-80000		60000	60000	0
2	30000	Rail/Road	R2,R1 C3,C1,C2	R2-28000 C3-2000	R1-100000 R2-112000 C1-NIL, C2-60000, C3-78000	28000	2000	30000	0
3	67000	Road/Rail	C1,C2,C3 R1,R2	C2-60000, C3-7000	R1-100000 R2-112000 C1-NIL, C2-NIL, C3-71000		67000	67000	0
4	68000	No Choice	R1,R2	R1-68000	R1-32000 R2-112000 C1-NIL, C2-NIL, C3-71000	68000		68000	0
5	10000	Road	C3,C2,C1	C3-10000	R1-32000 R2-112000 C1-NIL, C2-NIL, C3-61000		10000	10000	0
6	18000	Road	C1,C3,C2	C3-18000	R1-32000 R2-112000 C1-NIL, C2-NIL, C3-43000		18000	18000	0
7	24000	Rail	R2,R1	R2-24000	R1-32000 R2-88000 C1-NIL, C2-NIL, C3-43000	24000		24000	0
8	52000	Road/Rail	C2,C3,C1 R1,R2	C3-43000 R1-8000	R1-24000 R2-88000 C1-NIL, C2-NIL, C3-NIL	8000	43000	51000	1000
9	42000	Rail/Road	R1,R2 C2,C3,C1	R1-24000 R2-16000	R1-NIL R2-72000 C1-NIL, C2-NIL, C3-NIL	40000		40000	2000
10	8000	Road/Rail	C1,C2,C3 R2,R1	R2-8000	R1-NIL R2-64000 C1-NIL, C2-NIL, C3-NIL	8000		8000	0
Total	379000					176000	200000	376000	3000



## CIL e-Auction Scheme 2022

**Background:** The policy for e-auctioning of coal through a single window mode agnostic offer has been introduced in terms of MoC guidelines circulated vide letter no. CPD-23011/18/2021-CPD dated 21.03.2022 on approval from Cabinet Committee of Economic Affairs(CCEA).

**Objective:** E-auction of coal will facilitate easy availability of coal through a simple, transparent and consumer friendly on line system to all sections of coal Buyers across the country.

### Terms & Conditions

#### 1. Eligibility:

1.1 Any Indian Buyer (viz. individual, partnership firm, companies etc.) can participate in e-Auction for procurement of coal.

1.2 Before the bid is accepted, the bidder shall pay in full all sums of money due to the seller in regard to any previous supply of coal to the bidder. If there are any arrears the seller shall be entitled not to consider such bids.

#### 2. Registration:

2.1 Before participation in the e-Auction, a prospective Buyer shall be required to get itself / himself registered with the Service Provider appointed by the CIL / Coal Companies for the purpose, by submitting an application in the prescribed format available on the Website of the Service Provider. The application shall be made along with the required documents such as PAN Number, GSTIN Certificate, Passport size photograph, etc. as prescribed by the Service Provider. This one time Registration can be done either online, or at the notified front office(s) of the Service Provider.

2.2 After the registration, all-prospective Buyers will be provided an auto generated "Unique User ID" & a "password" based on which they can log in. Details of the registration process with the Service Provider will be available in their website.

2.3 The Service Provider shall issue "Photo Identity Card" to their registered Bidders duly authenticating the identity & signature, indicating a "Unique Registration Number" allotted to them. The "Unique registration number" of the registered Bidders shall be communicated to the Coal Companies by the Service Provider.

2.4 Only one registration will be done against one PAN number. However, based on more than one valid GST registration certificate, more than one registration against a PAN Number can be considered. In such cases, the details of GST number will be indicated in each 'Photo Identity Card'.

**2.5 Bid Security:** All registered bidders shall be required to submit in advance Bid security in the form of a non-interest bearing deposit at the rate of Rs.300/- per ton with service provider for participation in e-auction

Bid Security may be paid upfront by way of e-transfer

or,

The Bidder shall have the option to furnish the Bid Security in the form of Bank Guarantee (BG).

(i) Such BG is required to be submitted separately for each subsidiary to the Service Provider, if the Bidder intends to participate in e-auction for more than one subsidiary.

(ii) The Service Provider shall arrange to send the scanned copy of the BG to the respective Coal Co. through e-mail to expedite taking SFMS confirmation of the BG by the Coal Co.,

(iii) The BG should be drawn on any SFMS enabled schedule Bank located at the HQ of the concerned coal company or such place as specified by the coal company and to be furnished as per the timeline notified by the coal company.

(iv) The validity of BG shall be six months from the date of e-auction initially. It will have to be kept valid throughout the pendency of lifting and to be further extended till discharged/returned by the Coal Company after final settlement of dues if any.

(v) SFMS Confirmation of the BG shall be taken by respective Coal Co. and shall intimate the Service Provider about the same. However, in spite of effort if the coal company fails to get required SFMS conformation before the scheduled auction date, the bidder shall not be eligible to participate in the bidding and the reason for non-confirmation of BG shall be attributed to the bidders.

(vi) After completion of auction the original BG of the successful Bidders will be sent to concerned subsidiary along with the bid sheet by the Service Providers, where supply of coal will start only after payment of the coal value.

(vii) In the event of failure of the Bidder to deposit the coal value for lifting of coal or any other reason as per the scheme the BG will be encashed by the concerned subsidiary.

(ix) BG against which no quantity could be successfully bided shall be returned to the bidder by the Service Provider.

(x) BG format shall be provided by the respective Coal Company.

**2.6. Process Fee:** In addition with the bid security, the Bidders shall also be required to submit a Process Fee, in cash through e-transfer, prior to participation in e-auction at the rate of Rs.20/- per ton for the intended bid quantity, inclusive of applicable taxes, with service provider for participation in e-auction. The Process fee shall be non-refundable to the extent of provisionally successful bid quantity in the First stage of bidding process.



2.7 As long as Bid security & Process Fee (both in the form of cash) is available in the registered buyer's account with the Service Provider, the bidder can participate in e-Auction conducted by any coal company of CIL through the Service Provider. In other words, it may be a global Bid security for participating in e-Auction conducted by the Service Provider. However, such option will not be available in case company wise BG is submitted by the Bidder in place of cash bid security.

2.8 The bid security and the Process Fee shall have to be deposited by the bidder by 23:59 hrs. of the day prior to the scheduled date of auction for participation. For example: If the auction is scheduled on 4<sup>th</sup> April, the bidder can deposit Bid Security & Process fees (both in cash) till 23:59 hrs. of 3<sup>rd</sup> April.

### 3. Notification:

3.1 Coal companies shall notify the event of e-auction, minimum 7(seven) days in advance, through display on the Company's notice board and putting the same on the Coal Company's websites for wide publicity. The program will be intimated to the Service Provider accordingly for hoisting the same on their websites also.

3.2 The auction shall be transport mode agnostic with default mode as Rail. However, coal may be lifted by the bidder through Road mode/other modes depending upon their choice and suitability without paying any additional charges and discount on account of basic price of coal.

The minimum bid quantity shall continue to be 50 tonnes. However, for movement by Rail mode, the bid quantity has to be in multiple of rake fit quantity.

3.3 The Buyer should satisfy itself / himself about the Rake fit stations / destinations from the Railways before participation in e-Auction for movement by rail.

Non-acceptance of the programme, even after the option exercised under extant Railway rules, on account of rake-fit stations / destinations being not accepted by the Railways shall be treated as a failure of the Buyer leading to forfeiture of related bid security.

### 4. Auction Methodology:

#### 4.1 Offer structure

4.1.1 The auction will be held in two stages. First stage will identify the successful bidder through a mode agnostic e-auction process and second stage will settle the mode(s) & source(s) of supply on the basis of seniority of the bid of the first stage and choice of the bidder.

4.1.2 The offer will be provided by the coal company as a cluster of despatch points. The cluster may include one or more CIL Railway loading point(s) and one or more feeding collieries(Road loading points).

The mines, having no transportation arrangement to CIL Railway siding, may be offered as a single source cluster with mode of dispatch by Road. However, the bidder will be free to transport coal through Road-cum Rail mode on his own arrangement and responsibility.



4.1.3 The capacity of each loading point against the cluster offer are also to be indicated in the offer separately. The total capacity of the loading points shall be equal or more than the total offer quantity of the cluster.

4.1.4 Auction will be held in a mode agnostic system for the offer of the cluster on the representative grade and size.

The representative grade of the cluster shall be the lowest grade of the feeding Road despatch points and declared grade of the siding(s) if any.

If the size of the coal offered (Steam/ROM) is identical for all the loading points under the cluster, the same can be used as representative size of the cluster. In case, more than one size is offered within the cluster, ROM may be considered as the representative size.

#### **4.2. Bidding Process:**

4.2.1 The registered Bidders shall be required to record their acceptance after login, of the Terms & Conditions of the e-Auction before participation in the actual Bidding Process.

4.2.2 Before participating in e-Auction, Bidders are to satisfy themselves with the quality of coal being offered.

4.2.3 Prospective Bidders are entitled to Bid for the quantity to the extent of amount of Bid Security plus Process Fee (Bid security + Process fee=Rs. 320/ton) which is available with the Service Provider in the Bidder's account at the time of Bidding.

#### **4.2.4 First stage of bidding:**

4.2.4.1 The Buyers while Bidding shall quote their "Bid price" per tonne in Indian Rupee as base price for coal/coal products on FOR/FOB colliery basis, exclusive of other charges like statutory levies, surface transportation charges, sizing/beneficiation charges, taxes, cess, royalty, SED, & any other charges as will be applicable at the time of delivery. These charges as well as freight etc. shall be on the Buyers' account.

4.2.4.2 The Bidder has to Bid for a price equal to or above the Reserve Price(Floor price) to secure consideration in the concerned e-Auction.

4.2.4.3 The date, time and period of e-Auction as notified in advance including closing time on portal of Service Provider shall be adhered to but for the event of force majeure. However, the closing time of e-Auction will be automatically extended up to last Bid time, plus 5 minutes, so that opportunity is given to other Bidders for making an improved Bid on that item.

4.2.4.3 The Bidder shall offer his Bid price (per tonne) in the increment of Rs.20/- (Rs. twenty) or multiple thereof during the Normal e-Auction period. During the extended period, the Bidder shall offer his Bid price in the increment of Rs.50/-(Rs. Fifty) or multiple thereof

4.2.4.4 While maintaining the secrecy of Bidder's identity, the web site shall register and display on screen the lowest and the highest successful Bid price at that point of time. The system will not allow a Bidder to Bid in excess of his entitled quantity as per the amount corresponding to bid security + process fee. Each bidder is entitled to register single bid for each cluster. However once a Bidder is out-Bided by another (in part or full) the particular Bidder shall become eligible for making an improved Bid.

4.2.4.5 Following criteria would be adopted in deciding the successful Bidders:-

- (a) Precedence will be accorded to the highest Bid price in the descending order (H1, H2, H3 and so on) as long as the offered quantity is available for allocation.
- (b) If two or more Buyers Bid the same highest price, precedence for allotment will be accorded to the Buyer who has placed the Bid for the higher quantity.
- (c) In case two or more Buyers Bid the same price and the same quantity, precedence will be given to the Buyer who has accorded his Bid first with reference to time.

The Bid Seniority of the successful bidders shall also be decided following the above criteria.

4.2.4.6 On completion of the first stage of bidding, the provisionally successful bidder shall be intimated about winning bid quantity, bid price and bid seniority along with the date and time of Second stage of auction process, by the service provider.

#### 4.2.5 Second stage of bidding:

The provisionally successful bidder of first stage shall be provided with a window of 6 hours to register their choice of mode(s) & source(s). In case the cluster contains more than one Rail and/or Road loading points, the bidder shall also be required to register their order of preference of all the loading points for Rail and Road mode.

The provisionally successful bidders of first stage of bidding may register any one of the following choices:

Sl.	Choice	1st option	2nd option	Order of preference of Rail loading points	Order of preference of Road loading points of cluster
A	No Choice	Rail(by default)		The order of Rail loading points of notification shall be the default of preference	
B	Rail	Rail	-	√	
C	Rail/Road	Rail	Road	√	√
D	Road/Rail	Road	Rail	√	√
E	Road	Road	-		√

*Choice of preference shall not be required if the Cluster is having only one Road Loading point or one Rail loading point.*



Guideline for submitting choice by bidder:

- a. The bidders not registering any choice (A above) and registering mode of Choice as Rail only (B above) should have a successful bid quantity in multiple of rake fit quantity(4000 tes). In case the bid quantity is not in multiple of rake fit size and the bidder opt for (A) or (B) above, the equivalent Bid Security for the quantity for which rake cannot be formed will stand forfeited.
- b. The bidders should compulsorily register their order of preference for all the loading points of Rail and Road mode, as the case may be. The same will be ensured by the system.
- c. It is mandatory for the bidder having bid quantity less than 4000 tonnes(rake fit) to register their choice of order of preference of road loading point, else bid security of the bidder for the bid quantity will stand forfeited.
- d. Once a bidder submits his choice following the above guideline, Bid Security will not be liable to be forfeited in case coal could not be allotted(wholly/partially) due to non-availability of source-wise offer quantity.

4.2.5.1 On the basis of the bid seniority and the choice of mode and loading points registered by the bidders, the mode of supply of coal along with the source (in case of multiple Rail and Road loading points) will be settled through an algorithm.

4.2.5.2 The logic of the algorithm will be as under:

- ❖ Allocation of the quantity loading point wise will be based on seniority of the bid and choice of mode. In case of multiple loading points within a mode the order of preference of loading points provided by provisionally successful bidder of first stage of auction will be considered. However, the total allocated quantity on any individual loading point shall be to the extent of the capacity of evacuation of that loading point.
- ❖ For the customers who would not register any choice, Rail mode, being the default mode, will be considered as the choice of supply. In case of multiple Rail loading points, the sequence of loading points of notification will be considered as the order of preference in such case.
- ❖ The allocation of mode and loading points will be done in the following manner
  - The bid having the highest seniority will be allocated first considering order of mode and preference of loading points.
  - Once the allocation for the senior most bid is made, allocation for the second senior most bidder will be taken up and so on.
  - Allocation of individual loading points, both Rail and Road, will be made to the extent of evacuation capacity indicated in the offer.
  - After the above processes, if some quantity of the bidder remains unallocated, equivalent Bid security will be refunded to the concerned bidder by the service provider.

5. **Post e-Auction process:**

5.1 Each successful Bidder will be intimated through e-mail / SMS by the Service Provider on the same date after the closure of e-Auction. However, it will be the responsibility of the Bidder to personally see and download the result displayed on website, on the same date after close of e-Auction.

5.2 **Determination of coal supplying price:**

- a) From the bid price, % premium over the notified price of the representative grade shall be derived.
- b) In case the grade of the despatch point is different from that of the representative grade, the percentage premium over notified price of the representative grade will be applied on the notified price of the grade of despatch point to arrive at bid price.
- c) In case Steam coal is allotted for auctions held on the representative size of ROM coal, the % premium derived will also be applicable over the price differential between ROM & Steam coal.
- d) The successful bidder will be depositing the balance coal value (over and above the Bid security submitted) and this will include applicable transportation charge, sizing charge, any other charge.
- e) Although the auction will be held on the representative grade and size, the successful bidder shall be bound to accept coal for any grade and size from the allotted source of the cluster.

5.2 The successful Bidders after the e-Auction will be required to deposit coal value with the concerned Coal Company, within a period of ten working days, after the date of closing of second stage of e-Auction. Ten working days would be reckoned as applicable to the respective Subsidiary Coal companies' office where the payment/ deposit is required to be made.

5.3 Equivalent amount of Bid Security of successful Bidder corresponding to successful Bid quantity, shall be blocked and will be transferred to Coal Company by the Service Provider along-with the Bid sheet in respect of successful Bidders.

5.4 In case there is change in declared grade (due to revision in grade declaration notification) of the dispatch point in the interim period from the date of bidding and date of dispatch, the customer may opt out from taking coal in the changed grade by submitting application within 5 days of such notification.

In case of opt out by the bidder, the equivalent bid security to the extent of proportionate bid quantity from the date of grade notification will be refundable.



6. **Terms of payment:**

6.1 The coal value to be deposited in advance by the successful Bidders shall be computed and deposited after making provision for the Bid Security amount for the successful Bid quantity already transferred by the Service Provider to the subsidiary Company. In other words, the coal value to be deposited and Bid Security amount together, shall be equivalent to the 100 % coal value.

6.2 Bid Security amount shall not be treated as an adjustment towards the coal value but would remain as a 'Security Deposit' for performance of the Bidders towards completion of the said transaction.

6.3 The above Security Deposit (as converted from the Bid Security amount) would be adjusted as coal value, only after completion of lifting of coal covered under coal value paid, excluding Security Deposit. However, in the event of any default in performance by the Bidder, the provision of forfeiture of the 'Security Deposit' (as converted from the Bid Security of Rs. 300/ton inclusive of taxes) as stipulated, would be applicable.

6.4 In case of road supplies, once the coal value is deposited by way of e-transfer or Demand Draft /Pay Order, drawn in favour of the concerned Coal Company, along-with the debit advice issued by the Bank, certifying that the DD/pay order has been issued, by debiting the account of the concerned Buyer, Sale/Delivery orders shall be issued within seven days by the Coal Company after encashment of Buyer's financial instrument/receipt of payment.

In case of successful Bidders, if the coal value is deposited for less than the allotted Quantity but not below 50% of the allotted quantity or, 50 tonnes whichever is higher, the Coal Company shall accept the payment for the said amount and forfeit the Bid Security for the failed quantity. However if the Buyer fails to deposit the coal value for at least 50% of the allotted quantity or 50 tonnes whichever is higher than the entire Bid Security of the allotted quantity shall be forfeited.

6.5 However, a successful Bidder whose allotted quantity is only 50 tonnes will be allowed to deposit coal value for minimum 90% i.e. 45 tonnes within the stipulated period of 10 days without which the amount shall not be accepted. In such event they shall be permitted to deposit the balance fractional amount, limited to 10 % of the total coal value of 50 tonne, within the subsequent period of 3(three) working days. In spite of this, if they fail to deposit full coal value of 50 tonne (minimum Bid quantity), Bid Security for entire 50 tonne shall be forfeited.

6.6 In case of rail borne supplies, there shall be two options available. While submitting program, the Bidder at his option can deposit 100 % BG on the prescribed format from the Buyers own account or else may deposit 100% amount through e-transfer or Demand Draft /pay order, drawn in favour of the concerned Coal Company, along with the debit advice, issued by the Bank certifying that the DD/Pay Order has been issued by debiting the account of the concerned Buyer.

6.7 In case of Buyers who have booked their rail programme through BG, a notice for deposition of coal value by way of e-transfer, DD/Pay order, will be displayed on the notice board

of the Coal Company, at least three working days in advance before the expected date of offer to the Railways for allotment. The Buyer will be accordingly required to deposit DD/Pay Order along with the debit advice to the tune of BG involved in the programme, within 48 hours of such notice.

In the event of non-deposition of 100% coal value by the Bidder in terms of Clause-6.7 above, the consent given against rake programme will be withdrawn by the Coal Company and Bid Security as per e-Auction scheme will be forfeited.

6.8 The successful buyer shall pay any additional sum which may become payable by the seller under any statutory provision over and above the amount claimed in the invoice. The successful bidder will also be entitled to a refund of the sum of taxes to the seller on account of reduction, if any of the statutory levies claimed in the invoice by the seller, on receipt/adjustment of the said amount by the Seller.

#### 7. Procedure of Coal Delivery

##### By Road:

7.1 Coal Company shall issue Sale / Delivery Orders to the successful Bidders in terms of Clause 6.4 after realization of payment.

7.2 The validity period to complete lifting of coal by road shall be 45 days from the date of issue of Sale/Delivery Order.

##### By Rail:

7.3 The seniority of Buyers in case of rail borne supplies shall be guided by the seniority list as provided by the Service Provider based on Buyer's Bids.

7.4 The quantity allotted against each rake is indicative quantity only and delivery shall be made on the basis of actual weighment by the Seller at the loading end.

7.5 The validity period for seeking allotment of rake in case of rail supplies shall be 45 days from the date of issue of consent by the Coal Company. Loading validity of the allotted rakes shall be 3 months after the month of allotment. The rakes which are not loaded within the loading validity will lapse and the Bid Security for the relevant quantity will be refunded. It is clarified that after rakes are sanctioned by Railways and offer is made by Coal Company to Railways, ensuring transport arrangement (rake allotment) as per bid for scheduled loading towards performance of contract is the sole responsibility of bidder and any failure in this regard will lead to forfeiture of bid security.

7.6 Although loading will be the responsibility of the Coal Company, but to avoid any complaint regarding over-loading, under loading and quality, the Buyer himself or his authorized representative may supervise loading at the loading point. The authorized representative must carry valid authority letter along with photocopy of Identity Card issued by Service Provider.



**7.7 Overloading & Under loading:**

i) Any penal freight for overloading charged by the Railways for any consignment shall be payable by the Purchaser.

ii) Any idle freight for under-loading below the stenciled carrying capacity, as shown on the wagon, for non-coking coal GCV exceeding 5800 Kcal/Kg and for coking coal Steel Grade I, Steel Grade II, Washery Grade I, Washery Grade II, Semi-coking Grade I, Semi-coking Grade II and washed Coal; below the stenciled carrying capacity, as shown on the wagon, plus two (2) tonnes for all other Grades of Coal shall be payable by the Seller.

iii) Idle freight resulting from under loading of wagon, as per point no. (ii) shall be adjusted in the bills. Idle freight shall be reckoned as:

- a) the difference between the freight charges applicable for the stenciled carrying capacity, as shown on the wagon, less the freight payable as per actual recorded weight of coal loaded in the wagon GCV exceeding 5800 Kcal/Kg, Steel Grade I, Steel Grade II, Washery Grade I, Washery Grade II, Semi-coking Grade I, Semi coking Grade II and washed coal : Or
- b) the difference between the freight charges applicable for the stenciled carrying capacity, as shown on the wagon, plus two (2) tones less the freight payable as per actual recorded weight of coal loaded in the wagon for all other Grades of Coal.

7.8 The weighment at the loading end shall be final and binding for all commercial purposes.

**8. Refund of Bid Security for Unsuccessful Bidders:-**

In case of unsuccessful Bidders, The Bid Security shall be refunded fully/partially by the Service Provider after the auction is over in the following situations on the Bidders request:

- In case the bidder is unsuccessful in the auction
- In case the bidder, successful in first stage of auction, submits his choice & order of preference following the guideline mentioned in 4.2.5 but coal could not be allotted(wholly/partially) due to non-availability of source-wise offer quantity.

However, if no such request is received the Service Provider will retain the Bid Security for participation in e-Auction in future.

**9. Forfeiture of Bid Security: -**

The Bid Security submitted by the successful Bidders will be liable for forfeiture in the following cases: -

9.1 During the bidding process, if the bidder opts for Rail mode only either through 'default' or by choice [option A & B of clause 4.2.5] and the provisionally successful bid quantity of first stage auction is not in multiple of rake fit size, the equivalent Bid Security for the quantity for which rake cannot be formed will be forfeited.

9.2 In case bid quantity less than 4000 tonnes(rake fit) and the bidder fails to register their choice of order of preference of road loading point, the bid security of the bidder for the bid quantity will stand forfeited.

9.3 If after completion of e-Auction, a successful Bidder fails to make payment for the coal value including all other charges within the stipulated time, the proportionate Bid Security equivalent to the failed quantity shall be forfeited subject to the provisions at Clause 6.4 and/or Clause 6.5 of this document, and/or,

9.4 If the successful Bidders do not lift the booked quantity within the stipulated validity period, the proportionate Security @ Rs.300 per ton (as converted from the Bid Security amount) or the applicable BG amount for the unlifted quantity would be forfeited. Forfeitable Bid Security amount can be deducted from coal value also instead of BG encashment, as per choice of bidder.

In case of Road mode, forfeiture shall be made only if the balance Unlifted Quantity is equal or more than a Truck Load i.e. 9 or 10 tonnes as applicable.

Such forfeiture, however, would not take place if the Coal Company has failed to offer full or part of the successful Bid quantity within the validity period. In such cases again, no forfeiture would take place if the balance quantity is less than a truck load/rake load.

9.5 If the Buyer cancels the order/Rake after booking, the Bid Security @ of Rs. 300 per ton or the applicable BG amount shall be forfeited for the rake/order cancelled.

9.6 After rakes are sanctioned by Railways and offer is made by Coal Company to Railways, ensuring transport arrangement (rake allotment) as per bid for scheduled loading towards performance of contract is the sole responsibility of bidder and any failure in this regard will lead to forfeiture of bid security.

#### 10. Refund of Coal value:

The balance coal value of the unlifted quantity after the expiry of the validity period for supply of coal and completion of required commercial formalities shall be refunded subject to forfeiture of Bid Security if required, in terms of the forfeiture clause as above.

#### 11. General Terms & Conditions:

11.1 The coal procured under e-Auction is for use within the country and for Export. However, in case of export the onus of complying any law/government rule/regulation/statutory guideline regarding export of coal shall lie only with the buyer/exporter.

11.2 All terms and conditions of Scheme are subject to force majeure conditions as applicable.

11.3 Bidders must always ensure to keep their email address valid. In any case Buyers cannot be absolved from fulfilling the responsibility of compliance of any of the terms and conditions herein including payment terms due to non-receipt of emails from the Service Provider.

11.4 Bidders must be extremely careful to avoid any error in Bidding (whether typographical or otherwise) and they are fully responsible to check and rectify their Bid before submitting their Bid into the live e-Auction floor by clicking the "Bid" button. During the auction if the incremental



Bid price is more than 50% of the immediate preceding Bid price, then the system will seek a re-confirmation from the Bidder before the Bid is registered.

11.5 There is no provision for Bidding in decimals. The Bidder shall be solely responsible for all consequences arising out of the Bid submitted by him (including any wrongful Bidding by him) and no complaint /representation will be entertained by the Service Provider/Coal Company in this regard.

11.6 The decision of the Director-In-Charge of Marketing of CIL / Coal Company in matters related to this e-Auction shall be final and binding on the Bidders / Buyers.

11.7 Deleted

11.8 Refusal on account of non-suitability and /or sub-standard quality for the allotted quantity of coal shall not be acceptable. Notwithstanding above the buyers will have the option of third party sampling facility as detailed below:

11.8.1 The Third Party sampling facility shall be extended as an option to the buyers.

11.8.2 Notwithstanding anything to the contrary contained herein, the Buyer shall be required to give his option on whether he proposes to avail third party sampling in accordance with the terms hereof or not during bidding at the e-auction platform. Such information shall be provided by the Service Provider to the respective Coal Co. along with the bid sheet.

11.8.3 Buyers opting for third party sampling can avail such facility as per following conditions:

(i) The facility shall be extended at the Delivery Point only and such third party sampling shall be undertaken throughout the period of lifting in accordance with the procedure for third party sampling for non- power sector as per Schedule I of this scheme.

(ii) If for any reason whatsoever, the third party sampling opted but cannot be conducted in accordance with the procedure for third party sampling for non- power sector as per Schedule I, Sampling and analysis to be carried out by the Seller in presence of the purchaser at the Delivery Point in accordance with the modalities for joint sampling as noted in Schedule I. However failure of the purchaser to be present will not invalidate or be a ground for disputing the sampling and analysis carried out by the seller.

(iii) If for any reason whatsoever, the third party sampling/sampling by Seller cannot be conducted in accordance with the procedure for sampling for non - power sector as per Schedule I, the supplies will be treated in the manner as in case of buyers not desirous of third party sampling.

(iv) Buyers opting for third party sampling shall submit a financial coverage towards upgradation of coal arising out of third party sampling for the amount decided by the Coal Co. considering the likelihood of upgradation as per third party sampling based on available trends.

Such financial coverage shall be provided as following depending on whether Bid Security has been submitted in the form of cash or BG.

(v) If Bid Security in the form of cash

(a) Coal value shall be deposited considering the Bid Security amount i.e. coal value to be deposited and Bid Security amount taken together shall be equivalent to the 100% coal value as per clause 6.1 of the scheme.

(b) The differential amount as mentioned in 11.8.3(iv) above shall be furnished by Demand Draft/Pay order/e-transfer, referred to as cash prior to signing of tripartite agreement.

(vi) If Bid Security in the form of BG

(a) In case of submission of Bid Security in the form of BG, the successful bidder shall deposit the applicable coal value without any adjustment of Bid Security as per clause 6.1.

(b) No additional financial coverage shall be required if the amount of BG for Bid Security covers the differential amount as per 11.8.3(iv)

(c) In case of shortfall in financial coverage as per 11.8.3(iv) for availing third party sampling, BG or cash shall be furnished over and above the BG amount for Bid Security.

(d) SFMS confirmation shall be taken by the respective coal company. In case of any default in the BG/non receipt of SFMS confirmation of BG, the concerned buyer shall not be allowed the third party sampling facility for supplies against the relevant e-auction event.

(e) BG furnished for financial coverage towards third party sampling results and also the BG for Bid Security used as financial coverage for third party sampling results shall be for minimum six months initially. It will have to be kept valid throughout the pendency of lifting and to be further extended till discharged/returned by the Coal Co. after final settlement of dues if any.

(vii) The Buyer shall also provide an indemnity bond (format as per schedule II), indemnifying that shortfall in payment if any arising out of result of third party analysis shall be paid within 2 working days of such demand by the coal company.

(viii) Coal Company would be entitled to realize any outstanding amount from any other coal supply /payment etc. of the Bidder from any of the subsidiaries of CIL including NEC or by any other means whichever is available to the coal company.

(ix) For availing the facility of third party sampling signing of tripartite agreement as per format available with Coal Company and other required formalities shall be required to be completed within a period of ten working days, after the date of closing of e-auction. Ten working days would be reckoned as applicable to the respective Subsidiary Coal Company's office.

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



(xi) Where the third party sampling and analysis is undertaken and the same leads to variations in grade vis-a-vis declared grade as on the date of lifting, the adjustment/payment by way of debit/credit note shall be done in the following manner: -

(xii) The initial invoice shall be raised based on declared grade and notified price at the time of lifting plus percentage premium over notified price of representative grade of cluster. This invoice shall be subject to adjustment pursuant to third party sampling analysis.

In case the analysis result is different from the declared grade, the bid price shall be calculated by applying the percentage premium (over notified price of the representative grade of the cluster arrived in the auction) on the notified price of the revised grade of despatch.

The differential amount between initial invoice and the payable amount after third party sampling analysis shall be adjusted/paid through debit/credit note as the case may be within seven days after reconciliation of final results.

In case of issue of Debit note, the differential price with all applicable taxes and levies shall be payable.

In case of issue of credit note, adjustment/refund of differential price along with Goods & Services Tax (GST) shall be made as applicable. Any credit in respect of other taxes and levies, be adjusted/refunded if and when received by the Seller.

11.8.4 Notwithstanding the above, it is clarified that in case of coking coal, if pursuant to the third party sampling by a Third Party Agency, the test results establish that the Grade of Coal supplied falls outside the categorization stipulated in Table of the notification dated 24th January, 2019 issued Ministry of Coal or as modified from time to time, then the supplied coal shall be deemed to be non-coking coal. Such non-coking coal shall be graded on GCV bands and the grade for such non-coking coal shall be established on the GCV band within which it falls.

11.8.5 Bidders who did not opt for third party sampling at e-auction platform would not be entitled to avail the said facility at any time during the period of lifting under the said e-auction event.

11.8.6 Notwithstanding anything to the contrary contained herein, in the event that the Purchaser does not opt for third party sampling, it shall be obligated to pay, throughout the period of lifting, the applicable bid price and the other applicable charges in respect of the allocated Grade of Coal and shall not, in any way be entitled to benefit from or rely on the results of third party sampling availed by any other purchaser of Coal.

11.9 Coal Company / Service Provider reserve the right to cancel the sale of coal under this e-Auction from any source / location in part or whole at any stage at its sole discretion without assigning any reason thereof and no party shall have any right whatsoever to raise any claim in that regard on that count.

11.10 CIL/Coal Company reserves their rights to amend/modify and revise the terms and conditions contained herein in full or in part at any point of time and no party shall have any right whatsoever to raise any claim in that regard on that count.

11.11 While the sale under e-auction is independent both parties shall be entitled to claim and recover from the other any excess or differential tax and statutory levies as provided in clause 6.9 at any time within a period of 3 years from the date on which the sum becomes recoverable. Both parties shall have a lien on any sums of money belonging to the other, which may come to their possession or control to the extent of the sum recoverable from the other.

11.12 In the event of any dispute, Bidder / Buyer is necessarily required to represent in writing to the General Manager (Sales & Marketing) of the concerned Coal Company, who would deal with the same in a period of one month from such representation. Thereafter, if required the matter be determined by the Director-In-Charge of Marketing of the concerned Coal Company. Any interpretation of any clause of this will be subject to clarification by CIL, which will be deemed as firm and final.

11.13 Revision of bid price (payable price) in case of revision in notified price of bid grade of coal/change in grade shall be as per grade declaration.

11.13.1 The following modalities for charging the price in the event of change in grade/Change in notified price after bidding:

(i) In case of revision in declared grade of supply due to regradation after the auction, the bid price shall be calculated by applying the percentage premium (over notified price of the representative grade of the cluster arrived in the auction) on the notified price of the revised grade of despatch.

(ii) In case there is a change in notified price due to revision in price notification after the auction, the bid price shall be higher of the (a) & (b) below:

(a) bid price calculated by applying the percentage premium (over notified price of the representative grade of the cluster arrived in the auction) on the revised notified price of the supplying grade.

(b) bid price calculated by applying the percentage premium (over notified price of the representative grade of the cluster arrived in the auction) on the pre revised(original) notified price of the supplying grade.

11.13.3 In case of any increase in bid price due to revision of notified price as explained above, the bidder shall deposit within the time notified by Coal Co. The additional amount for the balance quantity pending to be delivered as on the effective date of revision. In case of non-receipt of the additional amount from the Bidder, the quantity to be dispatched shall be reduced to the extent of dues and Bid Security shall be forfeited towards such reduced quantity.

11.13.4 Any differential taxes arising out of revised bid/notified price shall be payable by the Bidder.

11.14 The buyer shall be responsible for compliance of e-way bill for which the required information shall be provided by the respective coal company.



11.15 Compliance of all laws/rules/regulation by any authority shall be responsibility of Buyer and coal company/CIL shall remain fully indemnified in this regard under any circumstances.