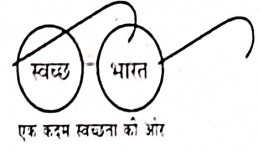


केवल नागपुर कोर्ट के अधिकार क्षेत्र में

Under Jurisdiction of Nagpur Court only



वेस्टर्न कोलफील्ड्स लिमिटेड  
Western Coalfields Limited  
(मिनी रत्न कंपनी) (A Miniratna Company)  
(कोल इंडिया लि. की अनुपंगी कंपनी)  
(A Subsidiary of Coal India Limited)



विक्रय एवं विपणन विभाग

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CIN - U10100MH1975GOI018626

पंजी. का. : कोयला विहार, सिविल लाइन्स, नागपुर (महाराष्ट्र)-440 001/

Department of Marketing & Sales

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Website: www.westerncoal.in

Regd. Off.: Coal Estate, Civil Lines, Nagpur (MS) - 440 001

Ref: NGP/WCL/M&S/ 461

Date: 21.07.2023.

**Sub: Modalities for calculation of Performance Incentive / Penalty for Short-lifting under NRS & Non-power FSAs for rail mode consumers.**

CIL vide letter No. CIL/M&S/23-24/Policy/341 dated 17.7.2023 has circulated modalities for calculation of Performance Incentive/Penalty for Short-lifting for Non Regulated Sector (NRS) & Non -Power FSAs consumer procuring coal by rail mode which are as follows:

- Two-step process shall be adopted for uniform calculations of Performance Incentive/Short-lifting Penalty across subsidiaries w.e.f. 01.04.2020; and
- Enabling Coal Companies to ask consumers to maintain non-interest bearing Performance Security / Security Deposit (SD) in the form of cash/ Bank Guarantee (BG) as mentioned in respective FSAs till reconciliation for covering any eventuality of consumers' default resulting in penalties in case of rail deliveries under NRS / Non-power FSA as under:

**a) Provisional Short-lifting Penalty Calculation based on booking:**

Sl. No.	Possible Scenarios during FSA Tenure	Proposed Action
1	Booking < 30% of ACQ	- SD forfeiture with FSA cancellation; Purchaser may keep FSA alive by paying applicable penalty as per extant guidelines - Booking for subsequent period disallowed if FSA cancelled
2	Booking between 30% of ACQ & Trigger Level	- Provisional Short-lifting Penalty bill to be raised for that year - Provisional supplementary Penalty bill(s) for further Short-lifting in case of rake cancellation beyond FY - If booking goes below 30% of ACQ a/c rake cancellation beyond FY, refund Short-lifting Penalty & forfeit SD with FSA cancellation; Purchaser may keep FSA alive by paying applicable penalty as per extant guidelines - Booking for subsequent period disallowed if FSA cancelled
3	Booking above Trigger but below 90% of ACQ	- No PI / Penalty for Short-lifting initially - If booking goes below Trigger a/c rake cancellation beyond FY, Provisional Short-lifting Penalty bill(s) to be raised for that year - If booking goes below 30% of ACQ a/c rake cancellation beyond FY, refund Short-lifting Penalty & forfeit SD with FSA cancellation; Purchaser may keep FSA alive by paying applicable penalty as per extant guidelines - Booking for subsequent period disallowed if FSA cancelled

4	<b>Booking above 90% of ACQ</b>	<p>- PI bill to be raised as and when lifting against bookings for a FY exceeds 90% of ACQ</p> <p>- If booking / lifting goes below 90% of ACQ but up to Trigger a/c rake cancellation beyond FY, no PI / Penalty for Short-lifting</p> <p>- If booking / lifting goes below Trigger but up to 30% of ACQ a/c rake cancellation beyond FY, Provisional Short-lifting Penalty bill to be raised</p> <p>- If booking / lifting goes below 30% of ACQ a/c rake cancellation beyond FY, refund Short-lifting Penalty &amp; forfeit SD with FSA cancellation; Purchaser may keep FSA alive by paying applicable penalty as per extant guidelines</p> <p>- Booking for subsequent period disallowed if FSA cancelled</p>
<p>Note: 'Trigger Level' is at 60% of ACQ in Pre-NCDP FSA, 50% of ACQ in Post.NCDP/LOA-route FSA &amp; 75% of ACQ in NRS Linkage Auction FSA</p>		

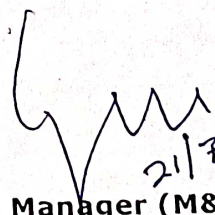
b) **Final Calculation of PI / Short-lifting Penalty based on actual lifting / cancellation:**

Upon materialization of a FY's booking through lifting and/or cancellation by consumers, a final bill for PI / Short-lifting Penalty will be raised by Coal Company taking into consideration the provisional penalty bill(s) raised in the interim period and 'Level of Delivery / Lifting' against the ACQ of respective FY to be calculated as per FSA provisions.

c) **Safeguarding Coal Company's interests through Security Deposit:**

As per FSA provisions, Performance Security / SD remains valid till three (3) months from the date of expiry of the FSA and is to 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.

However, as lifting may continue even beyond FSA tenure, Coal Companies are enabled to ask consumers to maintain non-interest bearing Performance Security / SD in the form of cash / BG as mentioned in respective FSAs till reconciliation for closure of FSA so as to cover any eventuality of consumers' default resulting in penalties in case of rail deliveries.

  
 21/7/2023  
**General Manager (M&S), WCL**  
 SG

**Copy to:**

- GM(System), WCL HQ: request to kindly upload this notice on WCL website for information of consumers.
- CM(M&S-FSA/Linkage), CIL HQ, Kolkatta.
- All Sectional Heads (M&S), WCL HQ.
- Chief Manager (Fin)/SA, WCL HQ.