



MAHARASHTRA STATE MINING CORPORATION LTD. (MSMC)
(Govt. of Maharashtra Undertaking)

Policy for Distribution of Coal to MSME consumers of Maharashtra

Dated:

Ref.No: MSMC/CDP/2016/

Background:

The Government of Maharashtra has entrusted Maharashtra State Mining Corporation Ltd. with the responsibility of distribution of coal to MSME units/consumers of the State for the year 2016-17 and 2017-18 as per the new coal distribution policy of the Government of India vide their letter dated 23rd May 2016.

Objective:

The purpose of coal distribution is to provide equal opportunity to the Micro, Small & Medium Enterprise (MSME) units situated in the state of Maharashtra to purchase coal through single window service. Online coal distribution has been introduced to facilitate access to book coal online for all sections of MSME units situated in the state of Maharashtra enabling them to buy coal through a simple, transparent and consumer friendly system of coal distribution.

1. Eligibility:

Any coal consuming MSME unit / consumer situated in the State of Maharashtra and having annual coal consumption up to 4200 MT and who do not have any FSA with any nationalised Coal Company can participate in online distribution for procurement of coal through MSMC, which is the State Nominated Agency (SNA) for distribution of coal to MSME units in the State of Maharashtra.

2. Registration:

2.1 To participate in the online coal distribution, the MSME unit / consumer shall be required to create a login id and generate a password by filling in the basic details on the website of respective technical service provider.

2.2 Subsequently the MSME unit / consumer shall be required submit directly or through post the following documents in order to complete the registration process and to qualify for participating in the coal distribution process.

| Sl. No. | Documents | Remarks |
|---------|---|--|
| 1 | Duly filled Application form (Annexure I) | Mandatory |
| 3 | PAN Card | Mandatory |
| 4 | Sales Tax/VAT registration certificate | Mandatory except for temporary brick manufacturing units |
| 5 | Entrepreneurs Memorandum / DIC Registration Certificate | Mandatory |
| 6 | Capacity assessment report from MSME/RITES/VNIT (Annexure III) | Mandatory except for brick manufacturing units |
| 7 | NOC(Consent to Operate) from Maharashtra Pollution Control Board (MPCB) | Mandatory |
| 8 | NOC from local authorities like Gram panchayats, Municipality | Mandatory |
| 9 | Notarized "Sworn in affidavit" (Annexure II) on Rs. 100.00 stamp paper – In Original | Mandatory |
| 10 | Audited balance sheet and P/L account for last 3 years | Mandatory except for temporary brick manufacturing units |
| 11 | Previous coal allocation certificate (if available) | Optional |
| 12 | List of installed plant machineries certified by chartered engineer | Mandatory except for brick manufacturing units |
| 13 | Photo ID proof of Proprietor/ Director or Partner | Mandatory |
| 14 | Electricity Bill for Last 3 months | Mandatory except for brick manufacturing units |
| 15 | Proof of ownership of land/lease hold for the unit from the concerned authority. (in case of private land purchased from the owner directly, copy of registered sale deed and copy of 7/12 document, in case of other copy of transfer deed / lease deed agreement) | Mandatory |

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| 16 | Non Agricultural (NA) permit for commercial use of land. | Mandatory |
| 17 | Royalty permit/transport permit for minor minerals. For permanent brick manufacturing unit's copy of agreement or interim order issued by mining department has to be attached. | Mandatory for brick manufacturing units only |
| 18 | Royalty payment receipts for last 3 years for permanent Brick Manufacturing | Mandatory for brick manufacturing units only |
| 19 | Food & Drug administration permit for food product/edible oil and similar industries | Mandatory for food processing units and similar industries only |
| 20 | Proof of existence of business entity like registered partnership deed / certificate of incorporation issued by the registrar of companies of the concerned state, - wherever applicable, | Optional |
| 21 | Bankers certificate with the attested photo and signature of the applicant. | Mandatory |
| 22 | Demand Draft / Pay Order of Rs.10000.00 in favour of Maharashtra State Mining Corporation, payable at Nagpur (Annual processing fees of Rs.2500.00 + Onetime registration fees of Rs.7500.00 | Mandatory |

NOTE:

a) All requisite documents have to be notarized except Annexure I, II, III & IV which have to be submitted in original.

b) All completed documents must be submitted at MSMC head office before the last working day of a month and the same will be processed and the MSME unit / consumer will be allowed to participate in the coal distribution from the subsequent month.

All the MSME units / consumers(Except Brick Manufacturing Units) intending to participate in the coal distribution process must compulsorily get the latest capacity assessment done from MSME/RITES/VNIT as per annexure III on or before 31st Dec 2016, failure to do so may result in suspension of supplies, MSMC also reserves the right to take further suitable legal action in this regard including but not limited to forfeiture of the full security deposit and blacklisting of the MSME consumer/unit.

2.3 The MSME unit / consumer will have an option to authorize a person to act on its/their behalf for managing the coal procurement process under the distribution policy. The consumer will be required to submit the duly notarized "Affidavit for Authorization" in the prescribed format as per annexure VI for this purpose. All acts and deeds performed by the authorized person will be considered to be accepted and ratified by the consumer himself under the authorization.

2.4 After the registration, consumers will get an auto generated "Unique User ID" & a "password" based on which they can log in their account. Details of the registration process with the technical service provider will be available on the respective websites.

2.5 The technical service provider will issue "Photo Identity Card" to the registered MSME unit duly authenticating the identity & signature, indicating a "Unique Registration Number" allotted to them.

3. Coal Quantity Assessment:

3.1 All MSME units, except the Brick Manufacturing Units, will be required to compulsorily get their technical assessment done from any of the nominated technical agencies viz. MSME, RITES or VNIT. The MSME units/consumers are required to directly contact the above mentioned technical agencies. The agencies will visit and inspect each unit and provide their report as per format V, wherein the grade and quantity required for each MSME units will be suggested based on the technical assessment done. The concerned District Industry Centre (DIC) will provide the necessary assistance in this regard including that for identification of units and conducting joint visits with technical agencies at the time of inspections.

3.2 The Brick manufacturing units having temporary minor mineral permit, may be provided 35 MT Coal against 100 Brass soil for the period between October to May. The allocation will be done against the advance/direct royalty paid amount.

3.3 The brick manufacturers having permanent kiln and permanent minor mineral permit may be provided coal on the basis of last three years average actual production.

4. Security Deposit:

4.1 All interested registered consumers shall be required to deposit in advance non-interest bearing Security Deposit as per their recommended/contracted quantity of coal. The amount of the security deposit to be paid by the consumer will be decided by the following formula

Annual Contract Qty or 4200 MT (whichever is lower) * Base price of G6 grade coal*5%

i.e. When the Base price of G6 coal is Rs. **2590.00**, the security deposit payable for a consumer having annual recommendation of 4200 MT would be

$$= (4200.00 * 2590.00)*5\% = \text{Rs. } 5,43,900/-$$

This Security Deposit favouring "Maharashtra State Mining Corporation Limited, payable at Nagpur" has to be paid upfront by way of Bank Draft / Bankers P.O / RTGS or NEFT at the time of registration.

4.2. MSMC can suitably increase/ decrease the value of security deposit from time to time at its own discretion to match the changes in the basic price of coal or in the demand and availability factors. The revised value of security deposit will be informed to the consumers for making payments or taking refunds of the additional amount.

4.3 Security deposit shall be refundable only at the end of the contract agreement period subject to successful completion of, and complete reconciliation and settlement of the claims of MSMC.

4.4 Security deposit is also liable to be forfeited as per the terms and conditions of the contract agreement between MSMC and the consumer.

5. Booking of coal from WCL:

5.1 As per the monthly colliery wise grade wise coal offer from WCL, MSMC will book the coal quantity based on the requirement received from the registered MSME units / consumers.

6. Allocation Process

6.1 The MSME unit / consumer will have to mandatorily submit their preference of WCL collieries online in the system. The MSME unit / consumer will be able to change the preferences themselves from time to time.

6.2 The colliery wise preference as provided by the consumers is being captured for only for accessing the demand and to ensure best possible booking of coal quantity from the respective collieries, However the coal allocation to the MSME units / consumers is entirely dependent upon the allotment received by MSMC from WCL and therefore, MSMC does not guarantee to supply / allocate the quantity / quality from any particular colliery as demanded by the MSME unit / consumer.

6.3 Based on the coal allotment by WCL to MSMC, the same would be allocated to the registered MSME unit / consumers. The allocation to the consumers will be based on the following factors:

- i. On the basis of unit wise grade and quantity recommended by the technical assessment agency.
- ii. Slack type coal will be given to Brick manufacturing Units.
- iii. Validity of Documents of each units
- iv. Submission of previous lifting details and required supporting documents
- v. The proportionate pro-rated allotment done by WCL against the consolidated quantity and grade demanded by MSMC.
- vi. Distance of the unit from the Colliery
- vii. Full payment made by customer before the due date (or clear availability/balance of required funds in customers ledger) against demanded quantity.
- viii. System based check for seniority of MSME consumers/units on the basis of date and time of deposit of amount by them.

6.4 The final allotment will be displayed online under consumer login.

7. Post allocation process:

7.1 MSME units / consumers will be intimated through automated e-mail / SMS on their registered email id & mobile after the closure of final allotment. However, it will be the responsibility of the MSME unit /consumer to personally check and download the details of final allocation from the website.

7.2 MSME units / consumers will be required to view and download the details of coal value payable if any, last date of payment, and pay in slip etc. from the website for making the payment against their final allocated quantities.

8. Terms of Coal Value Payment:

8.1 All registered MSME units / consumers will be provided a Virtual Account No for submitting Coal Value Payments. The virtual accounts details will be provided on the completion of registration formalities.

8.2 MSME units / consumers will have to deposit the full amount of coal value including service charge (5% of basic price) and all taxes and duties as applicable in advance within the due date as notified by MSMC. The full coal value has to be deposited by way of RTGS / NEFT, to the designated bank account of MSMC.

8.3 The coal value submitted within the notified date to MSMC designated bank account will be only considered and MSMC will apply for booking to WCL accordingly.

8.4 If the consumers fail to submit coal value within the notified period MSMC can decide on case to case basis to offer the quantities against the allocation to other consumers for revised booking. In such cases the consumers will be informed over their registered email id and consumers will have to apply through email on first come first serve basis. MSMC may also decide to take necessary action as per law on non-submission of payments within the notified period.

9. Procedure of Coal Delivery

9.1 MSMC shall obtain Monthly Receipt cum Delivery Orders (MRDO) from Western Coalfields Limited (WCL) on the basis of the allotment done by WCL to MSMC and as per the payment received from the consumers.

9.2 Delivery Orders (DO) endorsing the MRDO of WCL will be issued by MSMC in favour of the consumers authorizing them to lift coal from the colliery.

9.3 The validity period to complete lifting of coal by road shall be 45 days from the date of issue of MRDO by WCL. Validity extension of MRDO/ DO will not be permitted in any case.

9.4 The weight recorded at the WCL weighbridge and mentioned in the despatch document shall be final and binding for all commercial purposes.

10. Submission of Lifting Statement & Delivery Challans

10.1 The consumer / authorized person will be required to submit the following towards the lifting done against their allotment.

- a) Online return giving particulars of the WCL Invoice No, Date, Quantity, Amount, Truck No, Way Bill details etc. immediately after lifting of coal.
- b) Monthwise Lifting Statement through email in the prescribed format within 10th day of the next month of lifting closure.
- c) Original Delivery cum Invoice Challans issued by WCL within within 10th day of the next month.

10.2 For any delay or non submission of Lifting Statement/ Original Delivery cum Invoice Challans by consumers, any penal interest payable on taxes due shall have to be borne by them and consumers will be held responsible for delay in issuance of sale invoices.

10.3 Sale Invoices will be issued based on the details provided in the return statement by consumers hence consumers are required to mention the correct ID / name and other details in the lifting return sheet. For any omission, commission & error in return sheet MSMC/Service Provider will not be held responsible.

10.4 MSMC will issue Tax Invoices to consumers only on receipt of Invoices from WCL and completion of the necessary reconciliation. The Tax Invoices will be issued by MSMC to the consumers similar to the WCL Tax Invoices for the corresponding financial quarter.

11. General Terms & Conditions:

11.1 The coal procured under online distribution is for the own use of the registered consumer within the State of Maharashtra and not for Sale, Transfer or export.

11.2 Consumers must always ensure to keep their email address/ contact nos valid. In any case Consumers 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/sms from the Service Provider.

11.3 Consumers must be extremely careful to avoid any error in filling up the details (whether typographical or otherwise) and they are fully responsible to check and rectify their lifting details before submitting the statement. The consumer shall be solely responsible for all consequences arising out of the statement submitted by him and no complaint /representation will be entertained by the Service Provider/MSMC in this regard.

11.4 The decision of MSMC in matters related to this online distribution shall be final and binding on the consumers.

11.5 In case of price revision by CIL/WCL the consumer shall be liable to pay the revised price of coal as and from the date the revised rates become effective.

11.6 The coal allocated to the consumers is dependent upon the allotment received by MSMC from WCL and therefore, MSMC does not guarantee to offer quantity/quality as per the actual demand of the consumer. The consumers will have no choice in respect of the allotment of colliery and grade of coal.

11.7 The quantity and quality of coal as per the final allocation by MSMC has to be lifted by the consumers and utilized entirely at their registered unit only.

11.8 The credit balance, if any, against delivery will be refunded to the consumer only after the receipt of credit balance from WCL and on completion of the.

11.9 MSMC 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.

11.10 Distribution under each online coal distribution shall be an individual, independent, unique and complete transaction.

11.11 The distribution of coal to the consumers shall be guided by the **"Fuel Supply Agreement for Distribution of Coal"** between MSMC and the Consumers.

12. Dispute Resolution/Arbitration:

12.1 In the event of any dispute, Bidder / Buyer is necessarily required to represent in writing to the MSMC/ Service Provider, who would deal with the same in a period of one month from such representation. Thereafter, if required the matter be determined by the Managing Director of MSMC. Any interpretation of any clause of this will be subject to clarification by MSMC, which will be deemed as firm and final. All disputes arising out of this policy or in relation thereto in any form whatsoever shall be dealt exclusively by way of arbitration in terms of the Arbitration and Conciliation Act, 1996. The arbitration shall be conducted at Nagpur at a place to be notified by MSMC. The arbitrator shall be appointed by MSMC upon written request in this behalf. The award rendered by the Arbitrator shall be final and binding on the parties.

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