



COAL INDIA LIMITED
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Ref.No.CIL/C-4B/FSA/ 708

Dated: September 02, 2009.

To
The CGM/GM(S&M)s,
ECL/BCCL/CCL/WCL/SECL/MCL/NCL.
The CGM, NEC, Margherita.

Sub: Amendment to Model FSA for existing Private Power Utilities (PPUs).

Dear Sir(s),

Model FSA for coal supply to existing Private Power Utilities (PPUs) was duly modified with the approval of competent authority in order to make the same consistent with Model FSA for coal supply to existing Govt. / State Power Utilities and the same was forwarded to you vide this office letter no. CIL/C-4B/FSA/NTPC/New Pol/47252/674 dated the 04th August 2009.

Further to above, a few more issues also needed to be addressed in the Model FSA applicable for existing PPUs to align the same with the Model FSA applicable for existing State / Govt. Gencos. Following modifications have since been approved by competent authority which may be incorporated in the Model FSA during execution or the amendments may be jointly signed, in the event the FSA has already been executed:-

Clause No.	Existing Provision	Modified Provision
4.2	The total quantity of Coal supplied pursuant to this Agreement is meant for use at the [] name & location of the Plant(s)] as listed in Schedule I. The Purchaser shall not sell/divert and/or transfer the Coal to any third party for any purpose whatsoever and the same shall be treated as material breach of Agreement. In the event the purchase engages or plans to engage into any such resale or trade, the seller may suspend the deliveries of coal pursuant to the clause 14.1(c). It is expressly clarified that the Seller shall reserve the right to verify including the right to inspect/ call for any document from the Purchaser and physically verify the end-use of Coal and satisfy itself of its authenticity. The Purchaser shall have the obligation to comply	The total quantity of Coal supplied pursuant to this Agreement is meant for use at the [] name & location of the Plant(s)] as listed in Schedule I. The Purchaser shall not sell/divert and/or transfer the Coal to any third party for any purpose whatsoever and the same shall be treated as material breach of Agreement. In the event the purchase engages or plans to engage into any such resale or trade, the seller may suspend the deliveries of coal pursuant to the clause 14.1(c). However, the purchaser may transfer the coal meant for its one Power Plant to another Power Plant fully owned by the purchaser provided that such supply of coal shall for all commercial purposes under this Agreement remain unchanged and on account of the

Clause No.	Existing Provision	Modified Provision
	with the Seller's directions/ extend full co-operation in carrying out such verification/ inspection.	original Power Plant. It is expressly clarified that the Seller shall reserve the right to verify including the right to inspect/ call for any document from the Purchaser and physically verify the end-use of Coal and satisfy itself of its authenticity. The Purchaser shall have the obligation to comply with the Seller's directions/ extend full co-operation in carrying out such verification/ inspection.
4.3	<p><u>Sources of Supply</u> The Seller shall endeavor to supply Coal from sources as mentioned in Schedule I. In case the Seller is not in a position to supply the Scheduled Quantity (SQ) of Coal from such sources as indicated in Schedule I, the Seller shall have the option to supply the balance quantity of Coal from alternate source, including Imported Coal. Further, in case of alternate sources, the Purchaser shall accept Coal directly from such alternate sources through Indian railway system and / or by alternate modes of transport depending upon operational flexibility and at such Delivery Point, as decided by the Seller. Additional cost due to supply through alternate source including the inland logistics cost of Imported Coal shall be borne by the Purchaser.</p>	<p><u>Sources of Supply</u> 4.3.1 The Seller shall endeavor to supply Coal from own sources as mentioned in Schedule I. In case the Seller is not in a position to supply the Scheduled Quantity (SQ) of Coal from such sources as indicated in Schedule I, the Seller shall have the option to supply the balance quantity of Coal from alternate source. Further, in case of alternate sources, the Purchaser shall accept Coal directly from such alternate sources through Indian railway system and / or by alternate modes of transport depending upon operational flexibility and at such Delivery Point, as decided by the Seller, <u>provided that such alternate Delivery Point for dispatch by rail/MGR shall be either Railway siding or wharfwall.</u> Additional cost due to supply through alternate source shall be borne by the Purchaser.</p> <p>4.3.2 In the event of shortfall of coal supplies from own sources, the Seller may consider supply of Imported Coal for which Seller shall inform the Purchaser three months in advance of such likely supplies and such supplies shall be made based on mutual consultation. In the event, the Purchaser declines to consider Seller's offer on Imported Coal, it shall not be considered as Purchaser's default under this Agreement.</p>
4.11.1	<p><u>For supply of Coal by rail</u> (v) The quantity of Coal offered by Seller from alternative source in terms of Clause 4.3 which is not accepted by the Purchaser.</p>	<p><u>For supply of Coal by rail</u> (v) The quantity of Coal offered by Seller from alternative source in terms of Clause 4.3.1 which is not accepted by the Purchaser.</p>

Clause No.	Existing Provision	Modified Provision
4.11.2	For supply of Coal by road /ropeways / MGR / belt conveyor (iv) The quantity of Coal not supplied by the Seller owing to Coal from alternative source in terms of Clause 4.3 not accepted by the Purchaser.	For supply of Coal by road /ropeways / MGR / belt conveyor (iv) The quantity of Coal not supplied by the Seller owing to Coal from alternative source in terms of Clause 4.3.1 not accepted by the Purchaser.

We would request you to please confirm action taken in this regard for execution of FSA or amendment made jointly in case the FSA has already been executed.

Yours faithfully,

Amitabha Ray 02/09/09.
(Amitabha Ray)

Chief General Manager(S&M/QC).

- cc to:
1. Chairman, CIL, Kolkata.
 2. D(M), CIL, Kolkata.
 3. CMDs of ECL/BCCL/CCL/WCL/SECL/MCL/NCL.
 4. D(T), CIL, Kolkata.
 5. CGMS&M-SO), CIL, Kolkata.
 6. CFM(S&M), CIL, Kolkata.
 7. GM (Commercial), CIL, Kolkata.