

COAL INDIA LIMITED

MARKETING & SALES

Coal Bhawan, Premises No. 4 MAR, Plot no. AF-III,
Action Area 1A, New Town, Rajarhat, Kolkata - 700 156
E-mail: gmsnm.cil@coalindia.in
Phone: 033 - 2324 6617 | Fax: 033 - 2324 4229/4165



CIL/M&S/ 47252 (New Pol) 1103

07.03.2019

To

The General Manager/HOD (M&S)
ECL, Sanctoria/ BCCL, Dhanbad/ CCL, Ranchi/ WCL Nagpur/ SECL Bilaspur/ MCL,
Sambalpur/ NCL Singrauli/
General Manager, NEC, Margherita.

Sub: Modifications in various clauses of Fuel Supply Agreement (FSA) for State nominated Agencies.

Dear Sir,

CIL Board in its 379th meeting held on 12.02.2019 has approved certain modifications in Model Fuel Supply Agreement for State Nominated Agencies.

Salient modifications are as under:

- The trigger for compensation from the existing level of 60% has been brought down to 30% of the Annual Contract Quantity (ACQ).
- Removal of existing provision for Security Deposit forfeiture for lifting below 30% of the ACQ.
- Carrying forward of unlifted quantity against DOs and unallotted rakes against offers, referral time period for LL/LD etc. shall be applicable on financial year basis,
- Clauses for third party sampling have been incorporated.

The revised model FSA is attached herewith. It shall replace the existing FSAs signed for the year 2018-19/2018-19 & 2019-20 and shall be applicable for future FSAs. The revised FSAs shall be signed for implementing the modifications.

The above is for kind information and necessary action at your end.

Encl: as above.

Yours faithfully,

General Manager (M&S)

Copy to:

- Director (Marketing), CIL.
- TS to Chairman, CIL Kolkata.
- GM (Systems), CIL With a request to arrange to upload the same along with enclosures on CIL Website under "Our Business" > "Marketing & Sales" > "NCDP- FSA" menu.

MODEL FUEL SUPPLY AGREEMENT
BETWEEN
SUBSIDIARY COMPANIES
AND
STATE NOMINATED AGENCIES

PREAMBLE:

This Agreement is made on this ____ day of _____ (month) ____ (year), between _____ [insert Coal India Limited or "CIL" or Name of the Company nominated by CIL], a company registered under the Companies Act, 1956 and having its registered office at _____ [Insert address of CIL/the nominated Company] hereinafter called the "Seller" (which expression shall unless excluded by or repugnant to the subject or context, include its legal representatives, successors and permitted assigns) of the one part,

AND

M/s. _____ (Name of the State nominated agency), an Agency having its registered office at _____ (Address of the State nominated agency), nominated by the Government of _____ (name of state), hereinafter called the "Purchaser" (which term shall unless excluded or repugnant to the subject or context include its legal representatives, successors and permitted assigns) of the other part.

Whereas, as per the New Coal Distribution Policy ("NCDP") issued by Ministry of Coal vide Office Memorandum no 23011/4/2007-CPD dated 18.10.07 and No.23011/90/2013-CPD dated 27.9.2016, small, medium and other consumers having annual requirement up to 10,000 tonne and having no Fuel Supply Agreement with a Subsidiary Company of CIL or CIL, can source their coal requirement from Agencies nominated by State Governments. The aforesaid shall be applicable in accordance with Paragraph 2.3 and Paragraph 3.1 of NCDP as amended from time to time. The Agency/ Association so nominated by the State Government is required to enter into a Fuel Supply Agreement with the coal company designated by CIL.

Whereas, in response to letter No. _____ dated _____ from the Office of _____ (the competent authority of the State Government concerned) of _____ State (name of the state) (**Schedule-I**) nominating M/s _____ (name of the nominated State Agency), CIL vide letter No. _____ has agreed to allow M/s. _____ (name of the State nominated agency) to purchase coal through a Fuel Supply Agreement from the coal companies, decided by CIL.

Whereas the Purchaser has agreed to purchase Coal from the Seller for distribution to units /consumers in small and medium sector located in the State of _____ (name of the state) and the Seller has agreed to make such supplies on the terms and conditions set out hereafter.

Now, therefore, in consideration of the Agreement and covenants hereafter set forth and intending to be legally enforceable, the Seller and the Purchaser (each individually a Party hereto and collectively the Parties) hereby covenant and agree as follows:

1. DEFINITIONS:

- (a) Agreement shall mean this Agreement along with all Schedules and Annexures.
- b) "Annual Contracted Quantity" or "ACQ" shall have the meaning as ascribed to it in Clause 4.1.
- c) "Applicable Laws" means all laws, brought into force and effect by the Government of India ("GoI") or the State Government including rules, regulations and notifications made thereunder, and judgements, decrees, injunctions, writs and orders of any court of record, applicable to either Seller/CIL or the Purchaser, their obligations or this Fuel Supply Agreement from time to time.