



COAL INDIA LIMITED
A Maharatna Company
(Govt. of India Undertaking)
COAL BHAWAN
Marketing Division , Ground Floor
Premises no.04MAR,Plot AF-III,
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Corporate ID No. L23109WB1973GOI028844

Re:CIL:S&M:New Pol(47252): 314

Date: 24-4-2017

To
The General Manager(S&M)
ECL/BCCL/CCL/WCL/NCL/SECL/MCL
General Manager,NEC

Dear Sir,

Sub : Option to Power producers (SEB/CPSU/IPPs) for non-termination of FSA due to lifting below 30% of ACQ

The Fuel supply agreement(FSA) with the Power Producers provides for termination of the FSA for level of Lifting(LL) falling below 30% of the Annual Contracted Quantity(ACQ) as per applicable provision under the heading "Termination of contract/Agreement" of the FSA. It has been approved that an option shall be given to such power plants facing termination due to lifting of coal below 30 % of ACQ in the immediate preceding year(FY) to keep alive their FSA. In such cases, the Purchaser may request the Seller for non-termination of the FSA. The Purchaser shall, however, have to pay the applicable compensation /penalty for the quantum of short lifting below the minimum assured level of lifting(Trigger).

Coal Companies may accordingly shall raise compensation/penalty claim as per the applicable provision under the FSA and may start dispatch of coal w.e.f. April'17. They would also arrange for uploading the letter in the website/Notice Board of their Coal Company. This is for your taking immediate further necessary action.

Yours faithfully,

General Manager(S&M)

Copy:-

- Dir(Mktg), CIL
- TS to Chairman, CIL
- CM(S&M-Fin), CIL
- GM(S&M), CIL New Delhi

For uploading in CIL website:

- GM(System), CIL