



**COAL INDIA LIMITED**  
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Ref.No.CIL/C-4B/FSA/ 707

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 the Model FSA for coal supply to existing State / Govt. Power Utilities.**

Dear Sir(s),

In the final Model FSA for coal supply to existing State / Govt. Power Utilities which was circulated vide letter no. CIL/C-4B/FSA/NTPC/350 dated the 01<sup>st</sup> June 2009, a provision has been made vide Clause 3.12 for 'Performance Incentive' payable by the Purchaser in the event the physical supply on annualized basis exceed 90% of ACQ. Such Incentive is payable by the Purchaser for supply beyond 100% of ACQ @ 40% of weighted average base price of grades of coal received by the Purchaser. Such a provision for payment of 'Performance Incentive' for supply beyond 100% of ACQ necessitated modification in Clause 3.5.5 of the Model FSA. The Clause shall stand modified as follows:-

Clause No.	Existing Provision	Modified Provision
3.5.5	In no case shall there be any variation permitted in respect of QQ either by the Purchaser or Seller.	Normally variation shall not be permitted in respect of QQ either by Purchaser or Seller pursuant to 3.5.2, 3.5.3 and 3.5.4 except with mutual consent of the Purchaser and the Seller. However, variation in QQ with corresponding variation in SQs of the Quarter concerned over & above permitted under sub clause 3.5.2, 3.5.3 and 3.5.4 can be made with mutual consent of the Purchaser & the Seller expressed in writing.

(2)

We would request you to please incorporate the above modification in the Model FSA before execution or issue necessary amendment to the FSA if already executed. You are requested to please keep this office apprised of the action taken in this regard.

Yours faithfully,

*Amitabha Ray*  
(Amitabha Ray) 02/09/09

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