

**COAL INDIA LIMITED**

(A Govt. of India Undertaking)  
A Maharatna Company  
Marketing Division  
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Kolkata-700 016



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Ref: CIL:CMO:47252(New Pol) : 375

Date: 17-4-2014

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

Dear Sirs,

Sub : Modification in the FSA provision for New Power Plants regarding basis for determining Security Deposit (SD)

Under the Model FSA applicable for the Power Plants (including Tapering Models), where multiple grades of coal are indicated under the Schedule of grades/types of coal to be supplied, presently the Security Deposit amount is determined based on the base price of the highest grade of coal as mentioned in the said Schedule. The basis for determining such SD amount has been modified and shall now be based on the simple average base price of grades of coal as mentioned in the Schedule. Accordingly the relevant FSA provision shall stand modified as shown below with immediate effect.

Clause No	Existing Provision	Modified Provision
2.11.2 SEB Model	The Purchaser shall deposit with the Seller a sum of [Rs. _____ (Indian Rupees _____)] equivalent to six percent (6%) of the Base Price of such Grade of Coal, as described in Schedule-III to this Agreement, prevalent on the date of deposit multiplied by ACQ, as Security Deposit (SD), in cash / Bank Guarantee on or before the signing of this Agreement. In case of multiple Grades indicated in Schedule-III, the highest Grade shall be considered for the purpose of calculation of SD without any commitment whatsoever to supply such Grade of Coal. Such Security Deposit shall be non-interest bearing. Accordingly, the Purchaser has furnished Rs. [•] (Indian Rupees _____) towards the Security Deposit amount.	The Purchaser shall deposit with the Seller a sum of [Rs. _____ (Indian Rupees _____)] equivalent to six percent (6%) of the Base Price of such Grade of Coal, as described in Schedule-III to this Agreement, prevalent on the date of deposit multiplied by ACQ, as Security Deposit (SD), in cash / Bank Guarantee on or before the signing of this Agreement. In case of multiple Grades indicated in Schedule-III, the simple average base price of grades of coal mentioned in the Schedule-III shall be considered for the purpose of calculation of SD without any commitment whatsoever to supply such Grade of Coal. Such Security Deposit shall be non-interest bearing. Accordingly, the Purchaser has furnished Rs. [•] (Indian Rupees _____) towards the Security Deposit amount.
3.2 PPU Model		

The above is issued with the approval of the competent authority.

This is for your taking necessary action in this regard.

Yours faithfully

General Manager (S&M)

Cc:-  
Dir(Marketing),CIL  
TS to Chairman  
General Manager(New Delhi),RSO,CIL  
General Manager (S&M/Comml)/GM(SO)/GM(Fin)