

**NOTICE**

**SUB: Modifications of FSA provisions**

CIL Board in its 332<sup>nd</sup> meeting held on 13<sup>th</sup> Sep'2016 has approved certain modifications (Annex. - 1) in the FSA provisions of New Power Plants for Interplant Transfer of coal beyond the ceiling of ACQ of the transferee of New Power Plants for Interplant Transfer of coal beyond the ceiling of ACQ of the transferee plant. Besides the above, certain other provisions have also been modified from time to time for existing Pre-NCDP and LOA route customers, which needs modification in signed FSAs.

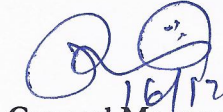
Therefore, all the Central/State GENCOs and IPPs having FSA with MCL are hereby informed to make it convenient to approach this office for executing the necessary amendments to their FSAs. Modified provisions are available on the website of CIL (Link - "Our Business-Sales & Marketing - NCDP FSA- Interplant transfer beyond ceiling of ACQ of the transferee plant).

The authorized official of the concerned central/state GENCOs/IPP may visit the office of the undersigned with prior intimation along with following documents to execute the addendum for aforesaid amendments:

- I) Two non-judicial stamp papers of ₹ 100 each for signing the addendum.
- II) Board resolution / Power of attorney indicating the name and designation of the authorized signatory who would sign the addendum & other relevant documents.

This is for information of all concerned.

Encl. - As above.

  
16/12/16,  
General Manager (S&M)  
MCL  
AP

Copy to -  
All concerned Power Utilities.

Distribution -

- **G.M (Systems), MCL** - is requested to hoist the above notice on MCL website under the link "Our Business" ->"Sales & Marketing" -> "Notices"-> "Notices for FSA"

The comparative of modified clause of the FSA for new power plants

Existing Provision [clause 3.2 for SEB Model/4.2 for IPP Model]	Modified Provision [clause 3.2 for SEB Model/4.2 for IPP Model]
<p>The total quantity of Coal supplied pursuant to this Agreement is meant for use at the [[•] name &amp; 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, for which the Purchaser shall be fully responsible and such act shall warrant suspension of coal supplies by the Seller in terms of clause 14.1(b).</p> <p>However, interplant transfer of coal may be considered provided:</p> <ul style="list-style-type: none"> <li>a) Transfer of coal shall be allowed only between the power plants wholly owned by the Purchaser or its wholly owned subsidiary. No transfer of coal shall be allowed for a Joint Venture (JV) company of the Purchaser. The supply of coal, shall for all commercial purpose under the FSA remain unchanged and on account of the original Power Plant.</li> <li>b) Both the Power Plants should have executed FSA in the modified FSA Model applicable for new power plants and not having any supplies linked to coal blocks. In case of IPPs both the plants must have valid long term PPAs with DISCOMS.</li> <li>c) In no case the transferred quantity to a plant together with the quantity supplied under the applicable FSA shall exceed the ACQ of the transferee Plant for a particular year which is proportional to the long term PPA with DISCOMS.</li> <li>d) Transfer of coal will not be allowed to those plants who are allotted coal blocks under this arrangement.</li> <li>e) In case of change in the ownership and no environmental clearance of the plant this facility shall stand withdrawn, and</li> <li>f) Penalty/Incentive under this arrangement would be considered in terms of (a) above.</li> </ul>	<p>The total quantity of Coal supplied pursuant to this Agreement is meant for use at the [[•] name &amp; 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, for which the Purchaser shall be fully responsible and such act shall warrant suspension of coal supplies by the Seller in terms of clause 14.1(b).</p> <p>However, interplant transfer of coal may be considered provided:</p> <ul style="list-style-type: none"> <li>a) Transfer of coal shall be allowed only between the power plants wholly owned by the Purchaser or its wholly owned subsidiary. No transfer of coal shall be allowed for a Joint Venture (JV) company of the Purchaser. The supply of coal, shall for all commercial purpose under the FSA remain unchanged and on account of the original Power Plant.</li> <li>b) Both the Power Plants should have executed FSA in the modified FSA Model applicable for new power plants and not having any supplies linked to coal blocks. In case of IPPs both the plants must have valid long term PPAs with DISCOMS.</li> <li>c) Transfer of coal will not be allowed to those plants who are allotted coal blocks under this arrangement.</li> <li>d) In case of change in the ownership and no environmental clearance of the plant this facility shall stand withdrawn, and</li> <li>e) Penalty/Incentive under this arrangement would be considered in terms of (a) above.</li> </ul> <p><b>Note:</b> <i>In addition to the above conditions, the transferee plant would also require to provide an affidavit to CIL(Supplying coal company) affirming that the additional coal supply beyond the ACQ shall only be used for generating power for distribution under long term PPAs with DISCOMS.</i></p>