

Suggestions for review of Model FSA

S. no	Clause no.	Existing Clause	Suggested changes
1.	Clause 2 Period of FSA	Valid for 20 years from Effective date or Life of the Power Plant, whichever is earlier. FSA can be extended after expiry of 20 years with mutual consent.	Validity of FSA should be for the entire life of the power plant. Further, the following may be added: <i>“Coal drawl shall only be against valid Long term /Medium term PPA. In case of termination or completion of tenure of any medium / long term PPA due to any reasons, Purchaser can restart/continue the supplies against FSA by executing a fresh PPA or extend the original PPA.”</i>
2.	Clause 3.1 Security Deposit (SD)	The Purchaser is required to 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	In case of multiple grades indicated in Schedule-III, the computation of Security Deposit should be based on weighted average grades instead of highest grade. This would be in line with the provision of advance payment according to Clause 12.1.2 (a)

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		Security Deposit shall be non interest bearing.	
3.	Clause 4.1.1 Annual Contracted Quantity (ACQ)	The Annual Contracted Quantity of Coal agreed to be supplied by the Seller and undertaken to be purchased by the Purchaser, shall be XXXX lakh tones per year from the Seller's mines and / or from international sources, as per Schedule I. For part of Year, the ACQ shall be prorated accordingly	<p>Suggestion: Annual Contracted Quantity should be re-determined on the basis of norms issued by CEA on 20.07.2021 for computation of ACQ. Further, ACQ should be trued up prior to start of every quarter in accordance with quality of coal received during the preceding year. This exercise may be carried out for all the plants without any distinction between pre-NCDP and post-NCDP FSAs.</p> <p>Rationale: The present values of ACQ as contained in the FSA were computed based on extant CEA norms at the time, wherein the quantum of coal required in a boiler was worked out on 'as fired basis' and did not take into account the heat loss value of coal occurring between the loading point and coal firing point.</p>

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			<p>In this regard, it may be recalled that the Union Cabinet in March 2022 had laid down some important safeguards to ensure the availability of adequate and affordable coal for the power sector. One safeguard stipulated that - <i>“The coal to meet full PPA requirement of all the existing linkage holders of Power Sector shall be made available by the coal companies irrespective of the trigger and Annual Contracted Quantity (ACQ) levels.”</i>. This stipulation to meet the full PPA requirement makes it abundantly clear that the quantum of coal supply has to be determined after taking into account all losses (in terms of heat value and weight) occurring till the point the coal gets fired so that sufficient power can be generated to meet the full PPA requirement (normative PLF).</p> <p>Further, in view of recurring grade slippages, the ACQ quantum should be trued up prior to start of every quarter in accordance with quality of coal received during the preceding year in order to make up for the lost heat value of coal not delivered by providing additional quantum of coal. This would ensure that the generator gets the required calorific value of coal since power production is not the function of weight of coal but rather the calorific value.</p>

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4.	Clause 4.5.3 Variation in SQ	Seller shall have the right to make good the short supplies in a particular month in the succeeding month(s) of the same Quarter to the extent of 5 % of the SQ. Similarly, Purchaser shall have the right to make good the short lifting in a particular month in the succeeding months of the same quarter to the extent of 5 % of the SQ.	<p>Suggestion: The FSA should allow short lifting or excess lifting to extent of 5 % month in the same Financial Year instead of same quarter.</p> <p>Rationale: Coal purchased by Consumer depends on the demand of electricity by Discom which is varying day to day and which cannot be predicted in advance.</p>
5.	Clause 4.6 Compensation for short delivery/Lifting	If for a Year, the Level of Delivery by the Seller, or the Level of Lifting by the Purchaser falls below ACQ with respect to that Year, the defaulting Party shall be liable to pay compensation to the other Party for such shortfall in Level of Delivery or Level of Lifting, as the case may be ("Failed Quantity") in terms of the following: 	<p>Looking at penetration of RE, and the increasing seasonal changes (changing rainfall patterns, enormous temperature variations etc.), it is very difficult for any developer to stick entirely to the ACQ quantum for lifting. For example, this year after all calculations the plan had been prepared for meeting requirement of 235 GW, however the peak only touched 222 GW on one day.</p> <p>Keeping in view the current dynamics, it would be appropriate to drop any compensation for short lifting.</p> <p>However, if the above is not acceptable, we would like to point out that at present there are a lot of ambiguities regarding the calculations of deemed delivered quantities, calculation of compensation for short lifting and level of lifting considering deemed delivered quantities etc.</p> <p>It is suggested that comprehensive clarifications/illustrations may</p>

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			be mentioned in the FSA for the calculations and it should be reconciled yearly in a timebound manner.
6.	Clause 4.11.1 Deemed Delivered Quantity for supply of coal by Rail	-	<p>An additional clause may be considered for incorporation in clause no-4.11.1 as sub clause (vi) as below:</p> <p><i>“In case if Purchaser is not willing to re-indent the lapsed rake of previous month program, the quantity of carry forward rakes should not be considered as DDQ.”</i></p> <p>Rationale: There could be situations where there are lapsed rakes of previous month’s program but the Purchaser was compelled to arrange coal from alternate sources in order to ensure sufficiency of coal stocks. In such situations, the Purchaser might not be willing to re-indent the lapsed rake(s) and it should not be treated as deemed delivered.</p>
7.	Clause 4.11.2 Deemed Delivered Quantity for supply of coal by road	In case of supply of coal via road and rail, the quantity not received to the purchaser due to any reason as stated in the specified clauses are considered as Deemed delivered quantity.	Actual quantity received by the Purchaser should be taken into consideration and not said to be ‘deemed delivered’. The quantity should be carried forward or refund should be made on the specified quantity.

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8.	Clause 4.12 Performance Incentive	Purchaser to pay to the Seller an incentive ("Performance Incentive") for the excess coal supplied excess of ninety (90%) of the ACQ/AACQ in a particular Year.	No Performance Incentive should be charged.
9.	Clause 5.2, 5.3 Quality	<p>5.2 The Seller shall make adequate arrangements to assess the quality and monitor the same to endeavor that un-graded Coal (GCV of less than 2200 Kcal/Kg for non-coking coal) is not loaded into the Purchaser's Containers. If the Seller sends any quantity of such Coal, the Purchaser shall limit the payment of cost of Coal to Re. 1/- (Rupee one only) per tonne. Statutory Charges shall, however, be paid as per the Declared Grade. In this regard, any credit in respect of the Statutory Charges, if and when received by the Seller, shall be adjusted through issuance of credit note(s). Railway freight shall be borne by the Purchaser.</p> <p>5.3 The Seller shall deliver sized Coal with size conforming to specifications laid in Schedule III. The Seller shall make reasonable efforts to remove stones from Coal.</p>	<p>The following changes may be made:</p> <p><i>"5.2 The Seller shall make adequate arrangements to assess the quality and monitor the same to endeavour that un-graded Coal Coal having GCV of less than 2200 Kcal/Kg for non-coking coal is not loaded into the Purchaser's Containers. If the Seller sends any quantity of such Coal, it shall be treated as ungraded coal. Also, the Purchaser shall limit the payment of cost of Coal to Re. 1/- (Rupee one only) per tonne. Statutory Charges shall, however, be paid as per the Declared Grade. In this regard, any credit in respect of the Statutory Charges, if and when received by the Seller, shall be adjusted through issuance of credit note(s). Railway freight shall be borne by the Seller for delivering GCV below 2200 Kcal/kg.</i></p> <p><i>5.3 The Seller shall endeavour to deliver Coal with grade and size conforming to specifications set out in Schedule II and shall make reasonable efforts to remove stones/extraneous material from the</i></p>

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			<p data-bbox="1258 240 1344 268"><i>Coal.”</i></p> <p data-bbox="1258 376 1391 403">Rationale:</p> <p data-bbox="1258 443 2029 571">The above changes are crucial since CIL revised the pricing system of coal with GCV below 2200 kcal/kg vide its notice no. M&S /1325 dated 18-Jul-22 as follows:</p> <table border="1" data-bbox="1258 608 1668 919"> <thead> <tr> <th data-bbox="1265 608 1464 775">GCV Band (Below grade Coal) Kcal/kg</th> <th data-bbox="1464 608 1662 775">Notified Price (Rs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1265 775 1464 847">1900 to 2200</td> <td data-bbox="1464 775 1662 847">435</td> </tr> <tr> <td data-bbox="1265 847 1464 919">1500 to 1899</td> <td data-bbox="1464 847 1662 919">412</td> </tr> </tbody> </table> <p data-bbox="1258 991 2029 1374">With the above change, coal with GCV less than 2200 Kcal/Kg is not considered ‘un-graded’ anymore and the consumer is charged against supply of such coal. Coal having GCV of 1500 to 2200 Kcal/Kg is not useful for power plants and hence this provision needs to be amended to explicitly provide that no coal having GCV less than 2200 Kcal/Kg should be loaded and if any quantity of such coal is sent, then the Purchaser should not be charged for the coal price or railway freight.</p>	GCV Band (Below grade Coal) Kcal/kg	Notified Price (Rs.)	1900 to 2200	435	1500 to 1899	412
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10.	Clause 5.5 Re-declaration of grade by the Seller	If the Grade analysed pursuant to Clause 5.7 shows variation from the Declared Grade, consistently over a period of three (3) Months, the Purchaser shall request the Seller for re-declaration of Grade, which shall be duly considered by the Seller.	The following changes to this clause are suggested: <i>“If the Grade analysed pursuant to Clause 5.7 shows variation from the Declared Grade, consistently over a period of three (3) Months, the Purchaser shall request the Seller for re-declaration of Grade ,which shall be duly considered by the Seller with retrospective effect.</i> <i>Accordingly, mines/ siding should be re-graded on the basis of loading end results of total coal despatched from siding in last three months with retrospective effect, i.e. previous 3 months.”</i>
11.	Clause 5.7.6 Assessment of Quality of Coal at Loading End	(a) In the event of any reason whatsoever third Party sampling & analysis could not be conducted, joint sampling & analysis shall be carried out by the Seller in presence of the Purchaser at the loading end. (b) In the event that no sample is collected either by the Third Party or Seller as mentioned at (a) above from dispatches by a rake or on any day, as the case may be, from a source for any reason, the weighted average of the most recent results available in any preceding month against respective Source and Grade shall be adopted for such dispatches for which samples were not collected.	An additional clause may be considered for incorporation in clause no- 5.7.6 as sub clause (c) as below: <i>“In the event that sample is collected by third party from dispatches by a rake or on any day, as the case may be and the third party sample result is either rejected or could not be settled jointly by seller and purchaser for any dispute, the weighted average of the most recent results available in any preceding month against respective Source and Grade shall be adopted for such dispatches for which sample result were rejected/unsettled.”</i> Rationale: Huge amount of credit/debit notes are pending in cases where the third party sample result is rejected or could not be settled due to lack of suitable provision in the FSA.

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12.	Clause 6.1 Weighment of coal	<p>For dispatch of Coal by Rail, all the wagons loaded for the Purchaser shall be weighed at the loading end at the electronic weighbridge of Seller and electronic print out of actual weight recorded shall be provided. Such weighment shall be final and binding for determination of the quantity delivered. The Purchaser shall have the right to witness the weighment of the wagons at the weighbridge, if desired.</p>	<p>The following changes are suggested in this clause:</p> <p><i>“For dispatch of Coal by Rail, all the wagons loaded for the Purchaser shall be weighed at the loading end at the electronic weighbridge of Seller and electronic print out of actual weight recorded shall be provided. Such weighment shall be final and binding for determination of the quantity delivered. The Purchaser shall have the right to witness the weighment of the wagons at the weighbridge, if desired. However, in case en-route re-weighment is conducted by Railways and there is a change in weighment, such weighment as per the Railway Receipt shall be final and binding for determination of the quantity delivered and coal bills shall be raised on such quantity. Any overloading charges shall be borne by the coal company.”</i></p> <p>Rationale: It is noticed that due to enroute re-weighment, some coal is unloaded for weight adjustment. In this case if quantity considered in bills is as per initial weighment, seller ends up paying higher coal value in respect to the actual quantity received at plant.</p>

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13.	Clause 6.2 If weighbridge at loading end is not working	Only in the absence of weighment of Coal on electronic weighbridge at the loading end, the weight recorded at the Purchaser's electronic weighbridge with an electronic print-out facility at the Unloading Point, if in proper working order, shall be taken as final. In respect of unweighed consignments/ wagons at the Delivery Point on electronic weighbridge and weighed on electronic weighbridge at the Purchaser's end, the Purchaser shall submit the associated electronic printout to the Seller for such consignments wagons within thirty (30) days from the date of Railway Receipt, beyond which time the weight of the consignment shall be considered on Railway Receipt basis.	If any overloading is detected in instances where the loading end weighbridge is not working and weighment is done enroute, then the load adjustment should be done by the coal company and overloading charges shall be borne by the coal company.
14.	Clause 7.1.2 Order booking by Rail	Subject to fulfillment of payment obligations pursuant to Clause 12.1.2 by the Purchaser, the Seller shall thereupon submit specific indent offer based on the valid rail programme(s) to the Railways as per the extant Railway rules for the allotment and placement of wagons during the concerned month in conveniently spaced intervals.	The following may be added at the end of this clause: <i>“The Seller shall ensure Pro-Rata rakes offering as per Monthly coal programme instead of more offer at the end of month.”</i> Rationale: Coal loading should be done in proportionate ratio from the beginning of the month by the coal company. This is to avoid the existing practice wherein, at the end of month, higher

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			<p>indents/offers are placed beyond their capacity to supply coal which results in lapse of rakes for power plants.</p>
15.	<p>Clause 7.2.4 Order booking by Road</p>	<p>The Seller shall ensure delivery and the Purchaser shall ensure lifting of Coal against sale order delivery order of any month within the validity period, as mentioned in the sale order.</p>	<p>The following change is suggested:</p> <p><i>“The Seller shall ensure delivery and the Purchaser shall ensure lifting of Coal against sale order delivery order of any month within the validity period, which shall be 60 days.”</i></p> <p>Rationale: Release of DO from HQ for submission to area and getting EDRM sanctions takes 8 to 10 days/ Hence, instead of the current validity of 45 days, the user gets only around 35 days for lifting coal which is insufficient for lifting.</p>
16.	<p>Clause 9.2.2 Sizing/Crushing charges</p>	<p>Where Coal is crushed/ sized for limiting the top-size to 250mm, or any other lower size, the Purchaser shall pay sizing/crushing charges, as applicable and notified by CIL Seller from time to time.</p>	<p>Suggestion: CIL should ensure that properly sized coal as per the contract is delivered to the consumer. In Case if size greater than -100 MM received at plant CIL should give credit note of amount equivalent to sizing charge taken in coal bill.</p> <p>Rationale: Despite contractual obligations regarding supply of properly sized crushed coal, coal companies often supply big stones and boulders even up to the size of -1000 MM. which damage the unloading railway infrastructure and creates delay in</p>

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			rake unloading which attracts demurrage and reduces the turnaround time of Rakes.
17.	Clause 10.2 (i) Excess Surface Moisture	In the event that Monthly weighted average Surface Moisture in Coal exceeds seven percent (7%) during the Months from October to May and nine percent (9%) during the Months from June to September, the Seller shall give credit note on account of quantity equivalent to excess Surface Moisture, calculated at the rate of the weighted average Notified Price of analyzed Grade(s) of Coal and Other Charges. The said compensation shall not include railway freight and Statutory Charges.	The following addition may be made to this clause: <i>“In the event that Monthly weighted average Surface Moisture in Coal exceeds seven percent (7%) during the Months from October to May and nine percent (9%) during the Months from June to September, the Seller shall give credit note on account of quantity equivalent to excess Surface Moisture, calculated at the rate of the weighted average Notified Price of analyzed Grade(s) of Coal and Other Charges. The above calculation should be done on the basis of initial results by third party appointed jointly by Buyer and Seller. The claim should be processed within 60 Days of claimed month. The said compensation shall not include railway freight and Statutory Charges.”</i>
18.	Clause 10.2 (iii) Excess Surface Moisture	Sampling/analysis and determination of Surface Moisture for compensation shall be done as per the procedure given in Schedule V	It may be mentioned here that Excess Surface Moisture has to be calculated source-wise/siding-wise.
19.	Clause 11.1 Over Loading and Under Loading	Any penal freight for overloading charged by the Railways for any consignment shall be payable by the Purchaser. However, if overloading is detected from any particular colliery, consistently during	This clause may be changed to: <i>“Any penal freight for overloading charged by the Railways for any consignment shall be payable by the Seller.”</i>

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		<p>three (3) continuous months, on due intimation from the Purchaser to this effect, the Seller undertakes to take remedial measures.</p>	<p>Rationale: The selling price of coal is charged on FOB basis by CIL, so loading charge if any is included and responsibility of loading rest on the seller. The consumers can only witness and have no control over the process of coal loading. Therefore, penalty towards overloading should ideally be borne by the Seller.</p>
20.	<p>Clause 11.3</p> <p>Over Loading and Under Loading</p>	<p>Idle freight resulting from under loading of wagon, as per Clause 11.2, shall be adjusted in the bills. Idle freight shall be reckoned as:</p> <p>(i). For Non coking coal of GCV exceeding 5800 Kcal/Kg and coking coal of Steel Grade I, Steel Grade II, Washery Grade I, Washery Grade II, Semi-coking Grade I, Semi-coking Grade II and washed Coal, the difference between the freight charges applicable for the stenciled carrying capacity, as shown on the wagon or carrying capacity based on the actual tare weight or permissible carrying capacity as notified by the Railways (route wise) for any particular type of wagon from time to time, in which case the stenciled carrying capacity as shown on the wagon is more</p>	<p>Suggestion: Any underloading should be calculated on the basis of difference of PCC/chargeable weight and actual weight loaded in the wagons irrespective of the Carrying Capacity (CC)/Stenciled capacity.</p> <p>Rationale: In case of under- loading, full amount is not getting refunded to the consumers because as per present FSA provision, Coal companies pay under loading charges limited to the difference of CC / stencil capacity and actual weight of coal loaded in the wagons. But Railway charges freight as per Permissible Carrying Capacity (PCC) / chargeable weight and in most cases, PCC / chargeable weight is more than the CC / stencil capacity.</p> <p>CC is printed on the wagon and serves no commercial purpose, either as limit for loading or for charging freight. PCC on the other</p>

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		<p>than the permissible carrying capacity, as the case may be, and the freight payable as per actual recorded weight of Coal loaded in the wagon; and/or</p> <p>(ii). For all other Grades of Coal, the difference between the freight charges applicable for the stenciled carrying capacity, as shown on the wagon or carrying capacity based on the actual tare weight, as the case may be, plus two (2) tonnes and the freight payable as per actual recorded weight of Coal loaded in the wagon. However, in the cases where permissible carrying capacity is less than the stenciled carrying capacity, as mentioned above, the difference shall be reckoned between the freight applicable for permissible carrying capacity and the freight payable as per the actual recorded weight of coal loaded in the wagon.</p>	<p>hand, depends on the type of wagon and strength of railway routes. PCC lays down limits of loading in a wagon, and form the basis for charging of rail freight by Railways. For calculation of Railways freight IR considers PCC of wagon and therefore this should be considered for calculation of underloading.</p>
21.	Clause 12.1.1 Bills on Declared Grade basis	The Seller shall raise source-wise bills for the Coal supplied to the Purchaser on Declared Grade basis. The Seller shall raise such bills on rake-to-rake basis for delivery of Coal by rail and on daily basis for delivery of Coal by road and other modes of	<p>Suggestion: CIL should bill for coal supplied on “As Received Basis GCV” instead of equilibrated basis GCV.</p> <p>Rationale: Billing by Coal Company is done on equilibrated</p>

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		<p>transport. Such bills shall be raised within seven (7) days of delivery.</p>	<p>basis GCV which is determined on drying coal sample at 40 degree C and 60 % relative humidity till it reaches constant weight. This is in complete variance to the international practice of measuring GCV on As Received Basis (GCV_{ARB}) for billing purposes by coal suppliers, which takes into account effect of total moisture in coal. Equilibrated GCV is higher than the GCV_{ARB} and is not reflective of the true calorific value of the coal.</p> <p>Adopting Equilibrated basis method (GCV_{EB}) results in Generators paying for a GCV mismatch of ~200-250 kcal/kg. Further, all technical calculations for Boiler efficiency, Station Heat Rate (SHR) etc., are based on GCV_{ARB} basis and not on GCV_{EB} basis, thus resulting in misalignment for tariff calculation while invoicing to DISCOMs. The Power Purchase Agreements (PPAs) entered into by the power plants provides for billing of energy charges as per the GCV mentioned in the FSA (which is on equilibrated basis), thereby leading to an under recovery of energy charges by about 5-10% throughout the term of the PPA.</p>
22.	<p>Clause 12.1.2(b) Modalities of Billing,</p>	<p>The Purchaser shall maintain with the Seller an Irrevocable Revolving Letter of Credit (IRLC) issued by a bank acceptable to the Seller and in the</p>	<p>In case of supply of more than one grade of coal, the computation of IRLC amount should be on the basis of weighted average grade instead of highest grade. This will be in line with the provision of</p>

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	Claim & Payment	format acceptable to the Seller and fully conforming to the conditions stipulated in Schedule IV for an amount equivalent to As Delivered Price of Coal for the Coal quantities that is one-ninth (1/9th) of the QQ concerned, as per Clause 4.4. The As Delivered Price of Coal in this context shall take into account the highest of Base Prices of Grades mentioned in Schedule III. The IRLC shall be maintained throughout the term of this Agreement. The amount of IRLC shall be suitably changed whenever there is a change in any component of the As Delivered Price of Coal	advance payment according to clause no. 12.1.2 (a).
23.	Clause 12.1.2(b) Modalities of Billing, Claim & Payment	In addition to the IRLC, the Purchaser shall pay advance amount equivalent to seven (7) days Coal value by way of Demand Draft/ Banker's cheque/ Electronic Fund Transfer (EFT).	The option of paying advance amount through Bank Guarantee may also be added as this will help to reduce fund blockage of the Purchasers. Further, the option of using surety bond insurance products (which are in use in the roads & highways sector) may be explored as they reduce the collateral requirement for the developer while protecting the Seller against any failure of the purchaser to perform contractual obligations.
24.	Clause 12.2.2 Modalities of Billing,	The Seller shall give regular credit note on account of Grade slippage to the extent of difference in the Base Price of Declared Grade and analysed Grade	A. Refund /credit should include statutory charges. Accordingly the following may be inserted in this clause: <i>“The Seller shall issue credit note and debit note on account</i>

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	Claim & Payment	of Coal. In case of analysed Grade being higher than the Declared Grade, bonus bill/ claim shall be raised by the Seller. The credit note on Grade slippage shall be issued by the Seller within seven (7) days of acceptance of results under joint signature.	<p><i>of Grade variation to the extent of difference in the Notified Price of Declared Grade and analysed Grade of Coal with relevant Statutory Levies (Royalty, DMF, NMET, GST & other State / Central Levies)</i>”</p> <p>Rationale: The Statutory levies, namely Royalty, DMF, NMET, GST and terminal tax are function of base price. While Purchaser is made liable to pay the statutory levies in case of Debit Note issued by the Seller, the Seller however, refunds only the difference of Declared Grade’s Notified Price and Analysed Grade’s Notified Price along with applicable GST in case of Credit Notes. If required, provisional bill may be prepared initially in order to make the process of refunds of statutory levies easier.</p> <p>B. Also, the seller should give credit/debit notes within 10 days from the mutually accepted result based on TPA report or Referee report, as applicable. If such issuance is delayed then interest on the credit/debit notes should be applicable.</p>
25.	Clause 12.4 Diverted rakes/missing wagons	In case of diversion of rakes en route or missing wagons, bills shall be paid to the seller by the purchaser.	<p>This clause should be removed.</p> <p>Rationale: Diverted rakes/missing wagons are not under the control of purchaser and non-availability of rakes/wagon is already a loss for the power generator.</p>

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26.	Clause 12.5 Annual Reconciliation / Adjustments	<p>The Parties shall jointly reconcile all payments made for the Monthly Coal supplies during the Year by end of May of the following Year. The Parties shall, forthwith, give credit/debit for the amount reconciled, if any, as assessed during such joint reconciliation. The annual reconciliation statement shall be jointly signed by the authorised representative of the Seller and the Purchaser which shall be final and binding</p>	<p>It is suggested that reconciliation of coal supplies through Rail mode and Road mode should be done separately. The following suggested clauses may be inserted:</p> <p><i>“Reconciliation for Coal Supply through Rail Mode:</i></p> <p><i>The Parties shall jointly reconcile all payments made for the Monthly Coal supplies during the half Year by end of November of that year & for annual reconciliation by end of May of that following Year.</i></p> <p><i>The Parties shall, forthwith, give credit/debit for the amount reconciled, if any, as assessed during such joint reconciliation. The half year & annual reconciliation statement shall be jointly signed by the authorised representative of the Seller and the Purchaser which shall be final and binding.</i></p> <p><i>Reconciliation for Coal Supply through Road Mode:</i></p> <p><i>The Parties shall jointly reconcile all payments made for the DO completed in period of Apr to Sept during the half Year by end of November of that year & for annual reconciliation period of Apr to Oct to Mar should be considered which needs to completed by</i></p>

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			<p><i>end of May of that following Year.</i></p> <p><i>The Parties shall, forthwith, give credit/debit for the amount reconciled, if any, as assessed during such joint reconciliation.</i></p> <p><i>The half year & annual reconciliation statement shall be jointly signed by the authorised representative of the Seller and the Purchaser which shall be final and binding.”</i></p>
27.	Clause 14.1 (d) Suspension of coal supplies	(d) fails to submit certificate to the effect that the DISCOM(s) have received consistent supply of power from the power producer.	It is proposed to accept annual self-certificate for power supply to Discoms as against current requirement of certificate from Discoms.
28.	Clause 16.2 Termination in Event of Default	<p>In the event that the Level of Delivery falls below 30% or the Level of Lifting falls below 30%, the Purchaser or the Seller, as the case may be, shall have the right to terminate this Agreement, after providing the other Party with prior written notice of not less than 30 days.</p> <p>In the event that the matter pertaining to the diversion or breach of end use of coal leads to suspension of the deliveries and the matter cannot be resolved to the satisfaction of the Seller, the Seller shall have the right to terminate the agreement forthwith without any liabilities or</p>	<p>For the purpose of abundant clarity, it may be clearly specified in this clause that termination in event of default shall not be applicable if the event of default is due to Force Majeure and beyond the Purchaser’s control.</p> <p>Further, the Purchaser should be given a time period of 12 months for submission of renewed/revalidated PPA from the date of expiry of the validity of the PPA since ground experience has shown that delays due to Regulatory process/DISCOM approval process are a frequent occurrence and are well beyond the control of the Purchaser.</p>

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		<p>damages, whatsoever, payable to the Purchaser.</p> <p>The Seller, in the event of continuation of suspension for a continuous period of 6 months due to outstanding amount not paid within due date, shall have the right to terminate this Agreement by providing a notice period of 30 days.</p> <p>In the event that either Party suffers insolvency, appointment of liquidator (provisional or final), appointment of receiver of any of material assets, levy of any order of attachment of the material assets, or any order or injunction restraining the Party from dealing with or disposing of its assets and such order having been passed is not vacated within sixty (60) days, the other Party shall be entitled to terminate this Agreement.</p> <p>In the event the Purchaser fails to submit the renewed/revalidated PPA pursuant to suspension of coal supplies within a period of 6 month from the date of expiry of the validity of PPA.</p> <p>In the event that any Party commits a breach of term or condition of this Agreement (“Defaulting Party”) not otherwise specified under this Agreement, the</p>	

S. no	Clause no.	Existing Clause	Suggested changes								
		<p>other Party (“Non-Defaulting Party”), shall have the right to terminate this Agreement after providing the Defaulting Party 30 days prior written notice and the breach has not been cured or rectified to the satisfaction of the Non-Defaulting Party within the said period of 30 days.</p>									
29.	<p>Clause 17</p> <p>Force Majeure</p>	Force Majeure	<p>The following may be added as Force Majeure events:</p> <p><i>“Failure of supply of power from power supplier(s) - If the plant is shut down for longer duration (Up to 275 Days) due to mechanical failure or any technical reasons beyond control of purchaser.</i></p> <p><i>In case if Purchaser company is referred to NCLT due to non-fulfilment of financial obligations”</i></p>								
30.	<p>Schedule V</p> <p>Detailed modalities of sample collection</p>	<p>Each rake shall be divided into sub-lots in a manner that the quantity of Coal/number of wagons in such sub-lots is more or less equal. The number of sub lots shall be determined as under :</p> <table border="1" data-bbox="633 1305 1140 1390"> <thead> <tr> <th>No. of wagons in the rake</th> <th>Number of sub lots</th> </tr> </thead> <tbody> <tr> <td>Up to 30 wagons</td> <td>4</td> </tr> <tr> <td>>30 wagons up to 50 wagons</td> <td>5</td> </tr> <tr> <td>>50 wagons and above</td> <td>6</td> </tr> </tbody> </table>	No. of wagons in the rake	Number of sub lots	Up to 30 wagons	4	>30 wagons up to 50 wagons	5	>50 wagons and above	6	<p>Instead of Wagon Top sampling from only Six wagons, Augur sampling should be done from 25 % of loaded wagons for representative coal samples.</p>
No. of wagons in the rake	Number of sub lots										
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