

**//SPECIMAN COPY //**

No.NGP/WCL/S&M/.....

To

.....  
.....  
.....

Dear Sir,

**Sub : Supply of Imported Coal against the LoA**

This has reference to the Letter of Assurance issued to you vide our letter No..... for supply of Coal subject to fulfillment of the conditions by you as stipulated to that letter.

As mentioned in the Letter of Assurance, the quantity and grade of Coal to be supplied can be not only from the mines of the Assurer but also from imported coal.

In this connection, we have informed you that there is a prevailing negative coal balance position arising out of demand commitments being far in excess of the coal availability from our own sources. Details of such availability are already available on the Website.

As a result, delivery of coal to your unit (on fulfillment of stipulated conditions and execution of FSA), would necessitate import of coal. We shall accordingly consider supply of Imported coal alongwith indigenous coal depending on availability of the same.

We wish to make it clear that the quantity of imported coal that may be supplied shall be charged at the landed cost plus handling & service charges etc. Such handling and service charges shall be notified by CIL from time to time.

You are kindly requested to confirm your acceptance :

- i) to the supply of imported coal, and
- ii) as to the charges indicated above.

Such confirmation is required before any further action in the matter can be initiated by this office.

Your acceptance may be sent to us by endorsing the second copy of this letter attached alongwith. The letter should be endorsed by the competent authority signatory with company's seal.

Yours faithfully,

General Manager (S&M)

**We accept and confirm the above.**

(Signature of the authorized Signatory)  
(Company Seal)

***Memorandum of Understanding (MoU) - .....***

*between*  
***Western Coalfields Limited (WCL) Seller***  
*and*  
***M/s ..... (Purchaser)***

- 1) *Whereas, a Coal Supply Agreement dated ..... has been signed between Seller and Purchaser for supply of Coal to ..... of the Purchaser.*
- 2) *Whereas, the Agreement dated ....., inter-alia, provides for certain conditions precedent (CP) of the Seller as well as the Purchaser, issuance and acceptance of notices of satisfaction of these CPs by respective Parties as applicable and also the determination / declaration of “Effective Date”, “Target Start Period” and “First Delivery Date”.*
- 3) *Whereas, the Purchaser hereby declares and warrants that the Purchaser’s CPs have been achieved / fulfilled.*
- 4) *Whereas, the Seller is yet to achieve / fulfill Seller’s CP in respect of supply of imported coal / cost plus mine. Notwithstanding this, the Purchaser is desirous for commencement of indigenous coal supplies under the Said Agreement, quantum of which shall be at the absolute discretion of Seller from time to time.*
- 5) *Whereas, the Purchaser shall conveyed unconditional acceptance for supply of imported coal / from cost plus mines in the prescribed letter format.*
- 6) *Now, therefore, it is mutually agreed and declared as under:*
  - i) *This MoU shall form an integral part of the Agreement dated .....*
  - ii) *Provisions of the Agreement dated ..... regarding issuance of notice of satisfaction of Purchaser’s CPs and its acceptance by the Seller are deemed to have been complied.*
  - iii) *Provision of the Agreement dated ..... regarding issuance of notice of satisfaction of Seller’s CP and its acceptance by the Purchaser are dealt as under:*
    - a) *CP in respect of supply of domestic coal is deemed to have been waived by the Seller provided that no project is identified for supply of Coal to Purchaser on Cost Plus Basis.*
    - b) *CP in respect of supply of imported coal / from cost plus mines is deferred till the same is achieved / fulfilled by the Seller.*
  - iv) *“Effective Date” of the Agreement dated ..... shall be the date of signing this MoU.*
  - v) *“Target Start Period” under the Agreement dated ..... shall be a period of 3 months commencing from the date of signing of this MoU and “First Delivery Date” shall be after signing of this MoU.*

- vi) *Quantum of supply of Indigenous coal under the Agreement dated ..... shall be at the sole discretion of Seller from time to time, but shall not exceed 50% of ACQ in any case.*
- vii) *For the purpose of calculating the compensation arising out of short supply or short lifting, ACQ under the Agreement dated ..... shall be reckoned as reduced to 50%. In other words, compensation shall be payable if supply / lifting falls below 25% of ACQ as given in FSA.*
- viii) *As quantum of allocation of indigenous coal may vary from time to time the difference between 50% of ACQ and quantum of allocation of indigenous coal made by Seller during the corresponding period, shall be counted as deemed delivered quantity of Seller.*
- ix) *On receipt of Side Agreement regarding imported coal from CIL, Purchaser shall execute and abide by the same forthwith and any arrangement as per the provision of the Agreement dated ..... and this MoU shall be necessarily subject to being consistent and in accordance with the Side Agreement.*
- ix) *Seller reserves the right to terminate this MoU without any liability or notice whatsoever.*
- x) *As and when, if any captive coal block is allotted to the Purchaser, the same shall be intimated to the Seller. ACQ under FSA will stand modified accordingly.*

*Signed in presence of the witness /witnesses under mentioned on .....*

**For : Western Coalfields Ltd.**

**For: Purchaser**