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Date: 21-3-2014

Re:CIL:S&M:47252(NewPol): 262

To

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

Dear Sirs,

Sub: Basis of charging incentive and compensation from Non Power FSA consumers under the provision of FSA (existing and New)

The provision for computing Compensation and Incentive under FSA models applicable for the Non power Consumers (A/B/C Models) for the existing as well as new consumers have been modified. From the existing provision for computing the compensation / incentive on the basis of the 'Base Price of the Highest Grades of coal mentioned in the Schedule' it will now be computed on the basis of 'Weighted Average base price of grades of coal supplied'. The applicable FSA provisions shall stand modified accordingly.

The above modification has been approved by the competent authority and shall be effective from 1st April 2014 i.e the modification shall be applicable from the year 2014-15. You are requested to notify the concerned FSA consumers accordingly.

Yours faithfully

General Manager(S&M)

Copy to:-Dir(Mktg),CIL GM(New Delhi) GM(S&M/Commercial) GM(S&M/Op)GM (Finance/S&M)