

<p><b>कोल इंडिया लिमिटेड</b></p> <p>विपणन एवं विक्रय विभाग कोल भवन, परिसर सं.- 04 MAR, प्लॉट सं.- AF-III, एक्शन एरिया -1A, न्यूटाउन, राजरहाट, कोलकाता-700156</p> <p>फ़ोन:033-23244214, फ़ैक्स:033-23244229</p> <p>कॉर्पोरेट पहचान संख्या : L23109WB1973GO1028844 ईमेल : gmqc.cil@coalindia.in वेब : www.coalindia.in</p>		<p><b>COAL INDIA LIMITED</b></p> <p>MARKETING AND SALES DEPARTMENT COAL BHAWAN, PREMISE NO- 04 MAR PLOT- NO -AF-III, ACTION AREA-1A, NEWTOWN, KOLKATA -700 156</p> <p>Ph:033-23244214, Fax: 033-23244229</p> <p>CIN: L23109WB1973GO1028844 E-MAIL: gmqc.cil@coalindia.in WEBSITE : www.coalindia.in</p>
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CIL/4-CB/TPS/2024/01

Date: 03.01.2024

To,  
GM (M&S)/HOD (M&S),  
ECL/BCCL/CCL/MCL/NCL/SECL/WCL/NEC

**Sub: Modification of clauses relating to Quality applicable for the FSAs to be signed under Para A(i) and B(i) of Shakti Policy**

Dear Sir,

This is to inform you that CIL Board in its 460th Meeting held on 29th Dec'2023 at CIL (HQ), Kolkata has approved the modification of clauses relating to Quality applicable for the FSAs to be signed under Para A(i) and B(i) of Shakti Policy. Relevant extracts of the MoM of the aforesaid CIL's Board Meeting is enclosed at Annex-1.

Further, the approved modified provisions applicable for the FSAs to be signed under Para A(i) and B(i) of Shakti Policy are also enclosed at Annex-2.

This is for your information and further needful.

Encl.: As Above

Yours sincerely

*Sankar Kumar* 03/01/2024  
General Manager (QC/CP)

Copy to:

1. GM (QC/QM): ECL/BCCL/CCL/MCL/NCL/SECL/WCL/NEC
2. HOD (FSA-Linkage), CIL, Kolkata
3. GM (System): for uploading this letter to CIL's website under Tab (Pre-NCDP FSA)

Copy for kind information to:

1. Director (Marketing), CIL
2. Executive Director (M&L), CIL

**COAL INDIA LIMITED**

Extracts of Minutes of 460<sup>th</sup> Meeting of Board of Directors held on Friday, the 29<sup>th</sup> Dec'2023 at CIL (HQ), Kolkata.

**ITEM NO. 460.4(O)**

**Sub: Modification of clauses relating to Quality for the FSAs signed under Para A(i) and B(i) of Shakti Policy**

**4.15** In respect of the captioned proposal, Director (Marketing), CIL apprised the Board as under:

- i. In terms of MoC directives, process of independent third party sampling by CIL appointed agencies was introduced with the approval of CIL Board on 8<sup>th</sup> Aug'2013. Further, in June'2014, it was decided that in addition to CIL appointed third party, Purchaser may also engage their own agency from empanelled agencies drawn by the Committee consisting of Power Utilities and CEA, with the concurrence of CIL.
- ii. Accordingly, first SoP on Third Party Sampling was framed & issued on 19<sup>th</sup> Sept'2014. In terms of the same, third parties of CIL & Power Utilities, inter-alia, could collect and analyze the sample independently. This, however, gave rise to various disputes in course of time viz. as to whose third party results were to be considered as final and the party which would refer the disputes to referee labs.
- iii. Taking into account the aforesaid difficulties, CIL Board at its Meeting held on 12<sup>th</sup> May'2015 approved the modifications in the FSA provision relating to Third Party sampling. In terms of revised provisions, sample was to be collected jointly at the loading end by both the Third Party Agencies appointed by the Purchaser and the Seller and the same was to be divided into three parts viz. one for the Seller, one of the Purchaser and the Third Part kept for Referee analysis (in case of a dispute).
- iv. Subsequently on 26<sup>th</sup> Nov'2015 SoP on Third Party Sampling at loading end was issued by MoC. In terms of the same, inter-alia, CIMFR was to enlist the third party agencies for the work of sampling and analysis of coal and final Lab sample was to be collected and prepared by the independent third party agency as per BIS norms. Further, final lab samples were to be divided in 4 parts for analysis i.e. by independent third party agency at a Govt. / NABL accredited lab, Coal Company, power utility and Referee analysis. Also, the timeframe for analysis and raising the disputes were also defined. For future modifications, a Committee was constituted to facilitate operationalization of Third party sampling.

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- v. In terms of subsequent decision taken in the Review Meeting by Secretary (Coal) on 2<sup>nd</sup> Dec'2016, QCI was also appointed to undertake sampling work. Accordingly, both CIMFR & QCI continued sampling work in terms of provisions under Tripartite Agreement (TPA) without amendment in the FSA clauses relating to quality. Subsequently, ten Third Party Sampling agencies (s) were empanelled by Power Finance Corporation (PFC) in two rounds of empanelment for sampling at the loading ends of subsidiaries as per the directive of MoC. CIMFR and QCI were also offered re-empanelment for conducting the activities at loading at the price discovered by PFC in 2<sup>nd</sup> round of empanelment.
- vi. Since empanelment of third-party sampling agencies (TPSA) for quality assessment of the coal at the loading points of subsidiaries was done at different points of time by CIL/ PFC, there were variations in the terms & conditions of the respective Tripartite Agreement (s). In such background, for FSA(s) under Pre-NCDP, LOA route {Para A (i) of Shakti policy} and FSA(s) under para B (i) of Shakti Policy, Quality provisions as approved by CIL Board at its 314<sup>th</sup> Meeting held on 12<sup>th</sup> May'2015 have been continued.
- vii. CIL Board at its 451<sup>st</sup> and 458<sup>th</sup> Meeting held on 7<sup>th</sup> May'2023 and 25<sup>th</sup> April'2023 had approved the modification of the Quality provision in the FSA(s) proposed for Para B (iv) & Para (v) of Shakti policy. Further, for B(iv) & B(v) FSAs, authorization to CFDs of CIL was accorded by CIL Board for any modification in the provision(s).
- viii. Broadly, the modifications contained in the B(iv)/ B(v) Model FSAs & now proposed to be incorporated under Model FSA for Shakti A(i) and B(i) are as under-
- A single third party instead of two third parties (both Buyer & the Seller)
  - Deletion of modalities relating to stone assessment
  - Defining time for each day's supply for a lot (in case of road supplies)
  - Coding & decoding of samples
  - Increase in sample sets to 4 for analysis i.e. by independent third party agency, Coal Company, Power Utility & Referee analysis (if challenged)
  - Incorporation of SoP provisions & Tripartite agreement
  - Defining un-graded coal as GCV of less than 1500 Kcal/kg for non-coking coal or as may be changed from time to time & payment of cost of such Coal to Re.1/- per tonne or such cost as may be notified by CIL, whichever is higher

During the course of deliberations, Board was also informed that in the "Proposed Schedule V- Procedure for Third Party Sampling and Analysis" of the Agenda note, Clause 2.1(b) and Clause 2.2(h) may be read as under:

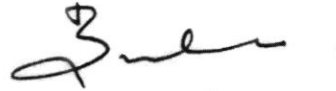
Clause 2.1(b) - Samples shall be collected by TPA lot-wise as per *Clause 5.6.1.*

Clause 2.2(h) - Any stone/shale of size more than that indicated in *SCHEDULE-III* shall be removed/discarded, however all stones/shale of size in terms of *SCHEDULE III* shall form part of the sample collected.

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Based on the above and after further deliberations, Board accorded its approval to the following:

- i. Modified clauses on Quality for Shakti A (i) and B (i) Model FSAs as per Annex-8 of the Agenda Note.
- ii. Authorization to CIL CFDs to carry out minor modifications in the model FSA for Shakti A(i) and B(i) as and when required, which shall be placed before CIL Board for ratification.

A handwritten signature in black ink, appearing to be 'S. Kumar', followed by a period.



**Modified clauses for Model FSAs under Shakti A (i) and B (i)**

*(The clause Nos. mentioned herein are applicable for IPP Model. However, the clause Nos. of SEB Model may be modified accordingly)*

**5. QUALITY**

5.1 The quality of Coal delivered/to be delivered shall be of the grade(s)/size(s) given in SCHEDULE III.

5.2 The Seller shall make adequate arrangements to assess the quality and monitor the same to endeavour that un-graded coal (GCV of less than 1500 Kcal/kg for non-coking coal or as may be notified by CIL from time to time) 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 or such cost of coal as may be notified by CIL, whichever is higher. 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.

5.3 The Seller shall endeavour to deliver Coal with size conforming to specifications set out in SCHEDULE III. and shall make reasonable efforts to remove stones/extraneous material from the Coal.

**5.4 Re-declaration of Grade by the Seller**

If the Grade analysed pursuant to Clause 5.6 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 for applying to Coal Controller for approval of re-gradation.

**5.5 Oversized Coal/stones**

In the unlikely event of supply of any oversized Coal/stones beyond the specifications set out in SCHEDULE III., the Purchaser shall inform the Seller of such incident(s) in any specific consignment(s), immediately on its detection at the Delivery Point and/or Unloading Point and the Seller shall take all reasonable steps to prevent such ingress at its end. If, in the Purchaser's reasonable assessment, the incidents of oversized Coal and/or stones are causing operating or maintenance problems at the Power Station, then, upon the request of the Purchaser, the Purchaser and the Seller shall meet and prepare a mutually acceptable plan for effectiveness of the Seller's endeavours to avoid such instances.

**5.6 Assessment of Quality of Coal at the loading end**

**5.6.1 Sample collection**

5.6.1.1 Samples of Coal shall be collected by the Third Party either manually or through any suitable mechanical sampling arrangement, including Augur Sampling method, if

physically operable at each of the Delivery Points for determining the quality of Coal in the presence of representatives of the Seller and the Purchaser.

5.6.1.2 For the purpose of sampling, each rake of Coal supplied from one Delivery Point shall be considered as a lot. However, if a rake comprises Coal from more than 1 (one) coal mine and/or Grade, then the number of lots for sampling will be coal mine/Grade wise, as the case may be.

5.6.1.3 Each day's supply (24 Hrs during a day i.e. 0:00 hrs to 24:00 hrs of the day) to the Purchaser from a Delivery Point shall be considered as 1 (one) lot for the purpose of sampling in case of Coal supplies by road, ropeways, belt and MGR system etc. However, if such Coal supplies comprise Coal from more than 1 (one) coal mine and/or Grade, then the number of lots for sampling will be coal mine/Grade wise, as the case may be.

5.6.2 Detailed modalities for collection, handling, storage, preparation and analysis of samples by Third Party shall be as per SCHEDULE V

5.6.3 Each sample shall be assigned with a code number and will be identified by such code only and no other particulars will be indicated or written on the tag attached with the relevant bag containing the sample. Detailed modalities of coding/de-coding for the purpose of sampling and analysis may be worked out separately by the Parties to facilitate confidentiality and reliability of the process.

5.6.4 (i) In the event, for any reason whatsoever, Third Party sampling and analysis could not be conducted, joint sampling and analysis shall be carried out by the Seller in presence of the Purchaser at the loading end; and

(ii) In the event that, no sample is collected either by the Third Party or Seller and Purchaser jointly as mentioned at sub-clause (i) above, from dispatches by a rake or on any day, as the case may be, from a Delivery Point for any reason, the weighted average of the most recent results available in any preceding Month against respective Delivery Point/Grade shall be adopted for such dispatches for which samples were not collected.

## **Schedule V- PROCEDURE FOR THIRD PARTY SAMPLING AND ANALYSIS**

### **1. APPOINTMENT OF THE THIRD PARTY AGENCY**

The Purchaser may select a Third Party Agency ("TPA") to conduct the sampling and analysis of coal from the list of third parties empanelled by CIL from time to time.

The cost of sampling and analysis by TPA shall be shared on 50:50 basis by the Seller and the Purchaser.

All tools and tackles, plastic bags, sealing compounds and other items required for collection, preparation, storage and analysis of the sample shall be arranged by the TPA.

### **2. DETAILED MODALITIES FOR THIRD PARTY SAMPLING**

Modalities for collection, handling, storage, preparation and analysis of TPA samples:

#### **2.1 General**

- a) In order to commence third party sampling, a tripartite agreement will be signed between the Seller, the Purchaser and the TPA. The format of tripartite agreement will be provided by the Seller.
- b) Samples shall be collected by TPA lot-wise as per Clause 5.6.1
- c) Samples shall be collected, packed and transported by the TPA in such a manner so as to make these tamper proof to the satisfaction of Seller and Purchaser for which detailed procedure may be worked out at Delivery Point jointly by representatives of the Seller, the Purchaser and the TPA.
- d) Name of the colliery/Siding/Purchaser, date of collection and other identification details (e.g. Rake no. in case of rail supply etc.) shall be properly recorded and a code number shall be assigned for each sample for identification and reconciliation of results.
- e) Collection and preparation of samples will be witnessed by the representative of Seller and Purchaser. In case the representative of either party is not present or do not participate, the work will be done by TPA and absence or failure of participation shall not be considered as a ground for disputing the result.

- f) Proper analysis records like print out of the results from automatic Bomb Calorimeter etc. shall be maintained at the Laboratories where the samples are analyzed by the TPA. TPA shall ensure that samples are analysed in NABL accredited labs.
- g) Laboratory samples prepared shall be in the size of 12.5 mm for the Total Moisture and for ash, Equilibrated Moisture and GCV analysis, 212  $\mu$  (micron) IS sieve. Due care shall be taken to ensure that before analysis, in test laboratory, further sieving or pulverizing is not required.
- h) Samples collected at the loading end shall be analyzed as per latest BIS Standards (IS: 1350 Part I – 1984 or subsequent amendments if any for determination of ash and moisture content and IS: 1350 (part-2):2022 for determination of GCV).
- i) The TPA shall communicate the analysis result of the sample as per the stipulated period indicated in the tripartite agreement. The Seller/the Purchaser may raise a dispute, if any, regarding the findings of the TPA within seven (7) days of the submission of the analysis result by the TPA.
- j) Monthly statements containing the details of each and every analysis result finalized during a month based on TPA/referee analysis, as the case may be, shall be prepared indicating *inter alia* the quantity of Coal covered by the respective analysis results. The finalized results shall be applied for billing/commercial purpose. Copy of the monthly statement/report shall be submitted to Seller and Purchaser by the TPA.
- k) The final pulverized sample will be divided into four parts viz. Set – I, Set – II, Set – III and Set – IV as follows:
  - (i) Set – I shall be taken by the TPA to its NABL Accredited Laboratory for analysis of ash, moisture and GCV as per latest BIS Standards (IS: 1350 Part 1-1984) or subsequent amendments if any or BIS Standards IS: 1350 (part-2):2022, as applicable;
  - (ii) Set – II and Set – III of the sample shall be handed over by the TPA to the Seller and the Purchaser respectively for their own analysis; and
  - (iii) Set – IV of the sample called Referee Sample shall be sealed jointly by the TPA and representatives of Seller and Purchaser and shall be kept in the custody of TPA at the Delivery Point under lock and key arrangements. The referee sample shall be retained in sealed condition (duly signed by the representatives of Seller and Purchaser and the TPA) for minimum of thirty (30) days from the date of sample collection, after which it may be destroyed with proper records by TPA. The referee sample shall be packed and transported by the TPA to designated Govt. NABL referee lab, in tamper proof manner to the satisfaction of Seller and Purchaser.



- l) Total Moisture determination will be done at nearest laboratory of the Seller and remaining tests/analysis (moisture, ash, GCV on Equilibrated Basis) will be done by the TPA as per BIS Standards (IS: 1350 Part 1-1984) and subsequent amendments if any or BIS Standards IS: 1350 (part-2):2022, as applicable.
- m) In the event of any dispute (which shall be raised not later than seven (7) days from the date of receipt of result from the TPA), Set – IV shall be sent for referee analysis by the TPA to designated Govt. NABL referee labs.. TPA shall follow a fool proof coding and decoding system for referee analysis and also ensure distribution of referee samples amongst designated referee labs in a judicious manner considering the workload, equitable distribution, infrastructure etc. at various labs. The cost incurred for analysis of referee sample including the cost of transportation to the referee laboratory, shall be borne totally by the Party raising the dispute. The findings of such designated referee laboratory (ies) shall be binding on the Purchaser and the Seller for commercial purposes.

## 2.2 COLLECTION OF SAMPLES FROM WAGONS (Rail and MGR)

- a) For the purpose of sampling each lot as per Clause 5.6.1.2 of Coal supplied from one Delivery Point shall be considered as a lot.
- b) Each day's supply (24 Hrs during a day i.e. 0:00 hrs to 24:00 hrs of the day) as per Clause 5.6.1.3 shall be considered as one lot for the purpose of sampling in case of coal supplies by MGR.
- c) Each lot 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:

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

- d) From each of the sub-lots, one (1) wagon each shall be selected as per random table of IS: 436 (Part I/Section I) 1964 for collection of increments.
- e) In each wagon selected for sampling, the sample will be drawn from the spot in a manner so that if in one (1) wagon the sample is collected at one end, in the next wagon the spot will be in the middle of the wagon and in the third wagon at the other end and this sampling procedure will be repeated for subsequent wagons.

- f) Before collecting the samples, the spot will be leveled and at least 25 cm of Coal surface shall be removed/scrapped from the top and the place will be leveled for an area of 50 cm by 50 cm.
- g) About 50 kg of sample shall be collected from each selected wagon in the lot by drawing 10 increments of approx. 5 kg each with the help of shovel/scoop.
- h) Any stone/shale of size more than that indicated in Schedule III shall be removed/discarded, however all stones/shale of size in terms of SCHEDULE III shall form part of the sample collected.
  - i) Samples collected from all the selected wagons in a lot shall be mixed separately to form gross sample accordingly.
  - j) Item (d) to (g) above shall be applicable for Coal supplied in box wagons as well as BOBR wagons where there is no live overhead traction line.
  - k) In case of having live overhead traction line, TPA shall ensure that the power supply in the overhead traction is switched off to facilitate collection of joint samples from BOX/BOBR wagons pursuant to point 2.2d) to point 2.2g) above.

### 2.3 COLLECTION OF SAMPLES OF COAL DESPATCHES BY ROAD

- a) Sample shall be collected lot-wise as per Clause 5.6.1.3 on daily basis round the clock, depending upon the timings of trucks/vehicles allowed for exist by the Seller at respective dispatch point(s).
- b) The first truck for TPA sampling on a day shall be selected randomly from the first eight trucks placed for loading by the Purchaser. Every eighth (8<sup>th</sup>) truck there after shall be subjected to TPA sampling.
- c) The spot at the top of the truck, will be leveled and at least 25 cm of Coal surface shall be removed/scrapped from the top and the place will be leveled for an area of 50 cm by 50 cm for collection of sample.
- d) About 30 kg of sample shall be collected from each truck by drawing 6 increments of approx. 5 kg each with the help of shovel/scoop.
- e) All the samples collected from every eighth truck shall be mixed together to form a gross sample.
- f) Any stone/shale of size more than that indicated in SCHEDULE III shall be removed/discarded, however all stone/shale of size as mentioned in SCHEDULE III shall form the part of the sample collected.

## 2.4 COLLECTION OF SAMPLES FROM CONVEYOR BELT/ROPEWAYS/PIPELINES

- a) Samples will be taken lot-wise as per Clause 5.6.1.3.
- b) The sample shall be collected in increments of full cross section and thickness of the stream in one operation in a regular interval of time as mutually decided by both Seller and Purchaser and lot shall consist of samples so collected during a day i.e. 0:00 Hrs to 24:00 Hrs of the day.
- c) Before collecting the increments, the speed of the conveyer belt/ropeways/pipelines and quantum of material passing a certain point in a given time shall be ascertained so that an appropriate spacing of time between increments may be arranged over the whole of the lot.
- d) In case of supply through conveyor belt, if it is practicable to stop the belt periodically, increment may be collected from the whole cross section of the stream by sweeping the whole of the Coal lying between the sides of a suitable frame placed across the belt. The frame should be inserted in the Coal until it is in contact with the belt across its full width. If it is not possible, then sample is to be collected from falling stream of the belt at a suitable transfer point where coal is being released from one point to other.
- e) Minimum 150 kgs of samples to be collected for daily gross sample.
- f) Any stone/shale of size more than that indicated in SCHEDULE III shall be removed/discarded, however all stone/shale of size as mentioned in SCHEDULE III shall form the part of the sample collected.

## 2.5 COLLECTION OF SAMPLES FROM STOCKPILE

- a) For the purpose of sampling, a lot shall comprise of sub-lots as set out in point 2.5b) below.
- b) The quantity of Coal in the stock pile shall be divided into a suitable manner of sub-lots as specified in the following table:

Approximate quantity of the stock pile (MT)	No. of Sub-lots
Up to 500	2
501 to 1000	3
1001 to 2000	4
2001 to 3000	5
Over 3000	6

- c) The surface of each sub-lot shall be leveled and one point for approximately every 250 MT of material in the sub-lots shall be chosen at random for taking gross sample as per the following procedure:

- (i) In case height of the stockpile is not more than 1.5 metre, the material shall be collected at every selected point by taking the whole section of Coal from top to bottom over the area of a circle of 30 cm diameter.
- (ii) In case the height of the stock pile is more than 1.5 metre, the sample shall be collected at every selected point by taking the material over an area of a circle of 30 cm diameter and up to a depth of 1.5 metre.
- d) Any stone/shale of size more than that indicated in SCHEDULE III shall be removed/discarded, however all stone/shale of size as mentioned in SCHEDULE III shall form the part of the sample collected.

## 2.6 PREPARATION OF COLLECTED SAMPLES:

- a) The gross sample collected at the loading end by the TPA will be divided into two portions. One portion (one fourth of the gross sample) called Part – 1 will be used for analysis of Total Moisture and the other portion (three fourth of the gross sample) called Part – 2 for determination of ash, moisture and GCV on Equilibrated Basis.
- b) The Part-2 Sample shall be reduced into laboratory sample either manually or mechanically or a combination of these two methods. The final laboratory samples will be divided into four parts viz. Set – I, Set – II, Set – III and Set – IV as per point 2.1k). Further preparation of sample is to be done as per BIS norms IS:436 (Part-I)- 1964.

## 3. Analysis of sample(s)

Analysis of sample(s) is to be done as per latest version of IS 1350 (Part-I)-1984 and subsequent amendments if any for determination of Total Moisture, Equilibrated Moisture, Ash and Volatile Matter and GCV as per latest version of IS: 1350 (part-2):2022.