



# South Eastern Coalfields Limited

(A Subsidiary of Coal India Limited)

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*Sales & Mktg. Deptt*

No.SECL/BSP/S&M/COMM/150/NCDP/1121

Dtd. 21/22.04.2008

## NOTICE

Sub: Validity Period of Bank Guarantee towards Security Deposit for FSAs

As per the Model Draft FSAs applicable to the existing valid linked consumers, already displayed on SECL website, in the format of Bank Guarantee towards Security Deposit (Schedule-III) the validity period is indicated as 64 (Sixty Four) months from the date of issue of Bank Guarantee.

Many consumers have represented that they are finding it almost impossible to get the Bank guarantees having a validity period of 64 months from the Bankers.

To facilitate signing of Fuel Supply Agreements within the stipulated deadline of 30.04.2008, it has been decided that the Bank Guarantees towards Security Deposit would be provisionally accepted, for signing of FSAs, having a validity period of minimum 12 (twelve) months from the date of issue of Bank Guarantee. This would be subject to submission of following undertaking on the letterhead of the company/firm signed by the same person who is authorized to sign the FSA and duly notarized.

### UNDERTAKING:

#### Quote:

For the purpose of signing the Fuel Supply Agreement between \_\_\_\_\_ (Name of the Company/Firm) and SECL, we have submitted the Bank Guarantee No. \_\_\_\_\_ dt. \_\_\_\_\_ amounting to Rs. \_\_\_\_\_, which is having a validity period upto \_\_\_\_\_ (minimum 12 months from the date of issue of BG). We undertake that the validity period of the Bank Guarantee shall be extended during the tenure of FSA at least three months in advance of its expiry date from time to time, for a period of not less than 12 months for any extension, so as to keep the Bank Guarantee operative till 64 (Sixty Four) months from the first date of issue i.e. \_\_\_\_\_.

It is clearly understood by us that in the event of failure to extend the validity period of BG as above, SECL shall be entitled to suspend the coal supplies without any notice or liability on the part of SECL, whereas, all our (Purchaser's) obligations shall remain unaltered under the FSA.

#### Unquote:

Cond.

Original copy of the above undertaking, wherever the Bank Guarantee towards Security Deposit is submitted for a validity period of less than 64 months, must be sent to SECL office, 13 R.N.Mukherjee Road, Kolkata simultaneously with the original Bank Guarantee to be sent by the issuing Bank to SECL, Kolkata office, as already notified. Further, a certified copy of this undertaking should also be submitted to SECL Bilaspur along with other documents required to be submitted for signing of FSAs as notified vide Notice No. SECL/BSP/S&M/Comm/150/NCDP/867 dt. 29.03.2008.

General Manager(S&M)

Distribution:

1. CMD, SECL, Bilaspur.
2. D(M), CIL
3. DT(O), SECL
4. CGM(S&M), CIL – with reference to the telephonic discussions on date.
5. Dy.CSM(S&A), SECL, Kolkata – The BG towards Security Deposit may be accepted according to above.
6. FM(S&M), SECL, Bilaspur
7. SECL Website
8. Notice Board.