

Ref. Implementation of New Coal Distribution Policy

Sub: Circulation of Model FSA for all consumers (other than Power)

The New Coal Distribution Policy (NCDP) envisages that the existing linkage system will be replaced with a more transparent, bilateral, commercial arrangement of enforceable FSAs. Accordingly, all the valid linked consumers are being duly intimated by the concerned subsidiary coal companies of CIL to execute the FSAs in the model applicable to them out of the following three models covering consumers according to their requirement :

1. Upto 50,000 tonnes per annum
2. From 50,000 to 4,00,000 lakh tones per annum and
3. Above 4,00,000 tonnes per annum

A format of the letter to be sent to linked consumers along with the three models referred about is placed herewith.

Consumers whose MPQ is less than 4200 tes. per annum shall have the option to either execute FSA with the concerned subsidiary company, or source their requirement through e-auction, distribution net work of State nominated agencies etc. Failure to enter into FSA within 30th April 2008 will result in discontinuation of supplies at fixed price.