



NORTHERN COALFIELDS LIMITED

(A Government of India Enterprise)

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No.NCL/SGR/Sales/08/2155

Dated: 14.02.2009

NOTICE FOR LINKED CONSUMERS WHO HAVE EXECUTED FSAs

Sub: Changes in coal distribution procedures for coal supplies to consumers who have executed FSAs.

It is hereby notified that in order to make Coal Distribution Policy more consumer friendly, the following changes in the commercial provisions of the FSAs executed with the consumers is hereby provided as additional general facilities.

i) Option to consumers for change of mode:

The consumers drawing coal supply under FSA shall have the option for supply of coal either by rail or by road or by a combination of both on a monthly basis. Such option will need to be exercised by consumer concerned prior to booking of coal for the month. Before commencement of order booking for any month, NCL will notify the mode wise quantity available for allocation. For working out the acceptable quantity for a month, preference to the original mode as per FSA would be first accommodated and thereafter, the balance quantity would be distributed on pro-rata basis on the remaining applicants seeking change of mode for that month.

ii) Part payment for drawl of coal under FSA against monthly allocation by road:

Consumers drawing coal supplies by road under FSA to be allowed to make part payment as per their choice and commensurate drawl of coal accordingly against monthly entitled quantity. However, only one payment in a day would be accepted on a particular source within the notified date for monthly booking.

iii) Option for making payment through IRLC for coal supplies by rail under FSA:

The consumers drawing coal supplies under FSA opting to avail facility of payment through IRLC may do so for supplies by Rail. IRLC shall be opened with Nationalised Bank only with condition of payment at sight and it is to be submitted as per the sample proforma for IRLC which alongwith the detailed terms and conditions of IRLC can be obtained from NCL's Sales & Mktg. Deptt, Singrauli. The IRLC shall be for an amount equivalent to 110% of As Delivered Price of highest base prices of grades of coal to be supplied under FSA for monthly scheduled quantity. This shall be backed by advance deposit of coal value covering 15 days' monthly programme in the multiple of rakes. In the event of default in payment through IRLC, the facility shall stand withdrawn forthwith.

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The changes in procedure of coal distribution as notified herein above is specifically with reference to coal supplies to Linked Consumers who have executed FSAs. These changes shall become operative by notification on NCL web site / Notice without making amendment in the FSA document.

This issue with the approval of competent authority.

Dy Chief Sales Manager

Distribution:

1. Notice Board of NCL HQ

2. CGM/GMs of Project – with a request to please display the notice on Area Notice Board..
3. GM (System),NCL – for display on NCL web-site.

Copy for kind information to:

1. CMD, NCL.
2. Dir. (T/P&P), NCL.
3. Dir. (T/O), NCL.
4. Dir. (Fin), NCL.
5. CGM (Fin-II), NCL.
6. CGM (S&M/QC),NCL.