



NORTHERN COALFIELDS LIMITED

(A Government of India Enterprise)

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No.NCL/SGR/Sales/08/

Dated: 18.03.2009

NOTICE

(FOR LINKED CONSUMERS WHO HAVE EXECUTED FSAs)

Sub: Dispensation in

- (i) **FSAs Model A (< 50,000 tpa), Model B (50,000 to 4,00,000 tpa) & Model C (> 4,00,000 tpa) on payment terms and**
- (ii) **Model A (< 50,000 tpa) FSA on Security Deposits .**

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) Dispensation in A, B C Model FSAs on payment terms:

The further dispensation in the system of financial coverage and advance payment for supply of coal by rail to all linked consumers provided under A, B & C Model FSAs has been offered vide which consumers are required to deposit 08 days' equivalent coal value of ACQ by way of BG plus 07 days' equivalent non interest bearing coal value of ACQ in cash deposit subject a minimum amount equivalent to 'As Delivered Price of Coal' for one rake load or in the multiple thereof as the case may be.

This financial coverage shall be maintained by the Purchaser through out the contract period.

In this case the Purchaser shall not be required to deposit the coal value through Demand Draft / Bankers Cheque atleast three working in advance prior to the anticipated date of offer.

The quantity in any single offer within a month shall not exceed the quantity as per the above financial coverage.

ii) Dispensation in Model A (< 50,000 tpa) FSA on Security Deposits (SD):

The units having FSA who want to opt for offering 1½ value of ACQ as SD initially shall be allowed to do so, subject to the provisional that their compensation shall be calculated on quarterly cumulated basis and in the event their outstanding compensation amount ever exceeds 1½ % value of BG (as SD), their BG shall be invoked and SD forfeited. On forfeiture of SD the FSA would stand terminated. However the Purchaser shall be at liberty to supplement and increase the BG value of the initial SD at any time and avoid the default on this account.

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The consumers who desirous to avail the above dispensations in the A, B & C Model FSAs on payment terms and dispensation in Model A on Security Deposit can do so. Necessary amendments in the existing FSAs of these consumers shall be made accordingly.

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.