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Dated the 19th January, 2009

Shri J. Goel
CGM (S&M), Coal India Limited
15, Park Street, Kolkata

Sub: Conclusion of FSAs with CPPs having LT linkage prior to October, 2007.

Sir,


I am directed to say that this Ministry has received representations from some applicants of Captive Power Plants, who were granted long term coal linkage and linkage orders were issued before October, 2007 and where coal drawal has not yet commenced nor FSA signed.

2. It may be recalled that, inter-alia, such cases were discussed in the SLC(LT) meeting held on 22/23.10.2008. CIL had circulated a list of 50 CPPs where long term linkage has been granted but where coal drawal has not yet commenced nor FSA signed. Apart from this list, M/s Vikram Cement, 2nd Unit, Newmuch, has also represented whose name did not figure in the list of CPPs circulated list for SLC (LT) decision. It is seen that this CPP was accorded Long Term linkage vide order vide Order No.23021/114/2006-CPD dt. 2.8.2006 and linkage was granted from SECL.

3. SLC (LT) has decided that in cases where CPPs have approached coal companies for conclusion of FSA, FSAs may be concluded in accordance with the provisions of the NCDP provided they have a valid linkage and have already met the milestones for CPPs stipulated by CIL/coal companies as per NCDP. The Competent Authority has now approved that this procedure may be applied in other cases discussed in the meeting of SLC(LT) including the case of M/s.Vikram Cement by CIL/coal companies. **However, this would not be applicable in respect of review cases where a decision would be communicated to CIL separately.**

4. Further action be taken accordingly and action taken in the matter may please be intimated to this Ministry.

Yours faithfully



(G. Srinivasan)

Under Secretary to the Govt. of India

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