

Dated the 27th July, 2009

Dr. A.K. Sarkar
Director (Mktg)
Coal India Ltd
15, Park Street
Kolkata

Sir,

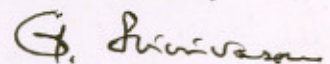
Please find enclosed a copy of the representation dated 8.7.2009 from M/s OPG Power Generation and copy of the representation dated 3.4.2009 from M/s Vidharbha Industries Ltd. It may please be recalled that the issue of different milestones being prescribed in respect of CPPs was discussed during one of the review meeting held on 8.4.2009 held at CIL HQrs, Kolkata.

2. In consultation with CEA/MOP, Ministry of Coal had approved the guidelines relating to applicability of milestones in respect of power sector consumers in 2008. A copy of the guidelines are enclosed for ready reference. It has been clearly mentioned in the guidelines that it would be applicable in respect of CPPs also with the additional condition that the milestones applicable for main CPP would also be applicable in respect of its end-use plant for which LOA has been issued.

3. Based on the representation received from those CPP project developers, the matter has been examined in this Ministry. As per the provisions of NCDP, there is no distinction between TPP/IPP/ CPPs. While coal companies/CIL has not included the commissioning of plant within 24 months as one of the milestones in respect of TPPs/IPP, irrespective of capacity of the plant, the commissioning of plant has been included as one of the milestones to be achieved before signing of FSA in respect of CPPs.

4. With the approval of the Competent Authority, it is reclarified that the milestones as circulated by MOC vide letter No.23011/5/2008-CPD dated 12.2.2008 are applicable for power sector consumers like TPPs/ CPPs/IPP. Necessary corrections/amendments wherever required may be carried out in the LOAs etc.. Action taken in the matter may be intimated to this Ministry.

Yours faithfully



(G. Srinivasan)

Under Secretary to the Govt. of India

Encl: as above

Copy to:

1. Chairman, CIL, 10, N.S. Road, Kolkata
2. CMD, SCCL, Hyderabad
3. CMDs of all subsidiary coal companies
4. OPG Power Generation, Chennai
5. Vidharbha Industries Ltd, Nagpur

Copy also to:

✓ Director, NIC, Ministry of Coal with a request to place this on the website of MOC.