

New Delhi dated 11th August 2008

To

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

Subject: Allocation of coal and FSA for release of coal for process requirement.

Sir,

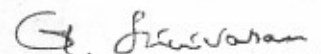
I am directed to refer to CIL's letter No. CIL/S&M/Contract/408 dated 18/07/2008 on the above subject. CIL has taken a stand in the case of M/s. Pasupati Acrylon Limited that as there is no applicable MPQ for 2008, the quantity for process can not be allocated and this stage and that they should apply on the basis of notice to be issued by CIL. M/s. Pasupati Acrylon Limited, even though had a NCLC linkage, however, they were drawing coal through SLC(ST) for a number of years and therefore, the concept of MPQ applicable in the case of erstwhile non-core sector consumers can not be applied in the case of M/s. Pasupati Acrylon.

2. The matter has been examined in this Ministry. It is seen that in respect of 7 cases of co. generation plants the SLC (LT) had given clear directions that CIL should consider coal allocation to the tune of 100% satisfaction level of power need and 75% of satisfaction level for process etc. The minutes of the SLC (LT) duly approved by the Competent Authority was sent to CIL for implementation.

3. All these units were drawing coal, for both process and power requirements, till May 2005, through SLC (ST), **on ad-hoc basis**. It is also seen from this Ministry's order No. 23011/24/2005-CPD dated 4th May, 2005 that these units were fixed/allocated coal quantity, for meeting both power and process requirements, based on recommendations of a technical Committee headed by CIL. While the SLC (LT) in its meeting held on 2.6.2005 recommended regularization of coal in respect of "Power" requirements only, the SLC (LT) in its meeting held on 6.11.2007 had approved allocation of both power requirement to the extent of 100% satisfaction and 75% of process requirement to these companies.

4. The competent authority has now approved that based on quantities allocated to these seven units as per MOC order No.23011/24/2005-CPD dated 4.5.2005, you are now requested to advise the concerned coal companies to workout the coal quantity applicable in respect of "Process" requirement (75% satisfaction level) also in respect of these cases already approved by SLC (LT) and conclude FSAs accordingly. Action taken in the matter may be intimated to this Ministry at the earliest.

Yours faithfully,



(G.Srinivasan)

Under Secretary to the Government of India

Contd..2/-

Copy to:

1.	Director(Marketing), Coal India Limited, 15-Park Street, Kolkata.
2.	CGM(S&M) Coal India Limited, 15- Park Street, Kolkata.
3.	GM (S&M) of ECL, WCL and SECL ,
4.	Harihar Poly Fibres, Kumarpatnam Siding, Harihar, Karnataka
5.	Pasupati Acrylon Ltd
6.	Shriram Rayons Kota
7.	Raymond UCO ,Denim Private Limited, formerly known as Raymond Yavatmal, Maharashtra,
8.	Grasim Industries Ltd,(Chemical Divn.)Nagda(MP)
9.	Grasim Industries Ltd,(Staple-Fibre Divn), Nagda(MP)
10.	Murli Agro Products

Copy also to: NIC, Ministry of Coal for placing the same in website.