



WESTERN COALFIELDS LIMITED
(Sales and Marketing Department)

Regd. Office : Coal Estate, civil Lines, Nagpur – 440 001

NGP/WCL/S&M/C-12(348)/

19th March, 2008

BY SPEED POST / BY HAND

To All Captive Power Plants,
To All Cement – CPPs

// List Enclosed //

Dear Sir,

**Sub : Execution of Fuel Supply Agreement (FSA) in terms of the New
Coal Distribution Policy issued by Govt. of India.**

This to bring to your kind notice that Ministry of Coal has introduced a 'New Coal Distribution Policy' with the approval of Govt. of India vide Office Memorandum No. 23011/4/2007-CPD dated 18.10.07. This policy supersedes all existing coal distribution policy for core and non-core sector and/or other instructions issued in this regard from time to time. Under this policy, coal supply under the linkage system is to be replaced with bilateral arrangement of enforceable FSAs. All the existing valid linked consumers whose linkage/MPQ is 4200 tonnes or more, would have to enter into FSAs with coal companies. Other valid linked consumers will have the option to opt out of FSA regime or enter into FSA. On opting out, such consumers may access their coal requirement through various other channels, like e-auction, distribution net work of State nominated agencies etc. Failure to enter into FSA with the supplying coal company will result in discontinuation of supply at fixed price.

According to above, you are requested to enter into Fuel Supply Agreement (FSA) with our company for continuation of coal supplies.

The policy on supply of coal through FSA envisages three models of FSA based on applicable Annual Contract Quantity of the linked consumer which shall be 100 % of the normative quantity i.e., entitled annual quantity for the year 2007-08.

..2..

As a condition precedent to execute the FSA, you are required to deposit with our company a sum equivalent to 6% of the notified base price of the entitled ACQ as non-interest bearing Security Deposit either in cash or in the form of Bank Guarantee. However, you have the liberty to furnish 50% of the Security Deposit non or before signing of the FSA and the balance 50% within 3(three) months of such signing, subject to the provisions of FSA.

Copies of the New Coal Distribution Policy, all three Model FSAs including the format of Bank Guarantee towards Security Deposit are already available on CIL website www.coalindia.gov.in and www.coalindia.nic.in apart from the subsidiary company's website i.e. www.westerncoal.gov.in

You are requested to please execute FSA with WESTERN COALFIELDS LIMITED at the earliest in order to ensure commencement of coal supplies under FSA from April 2008 onwards. However in any case, for sustained supplies, the FSA would need to be executed by or before 30th April 2008

For any further information and execution of FSA within the stipulated period, you may contact the office of General Manager (S&M), Western Coalfields Limited, Nagpur.

Thanking you,

Yours faithfully,

General Manager (S&M)

	CAPTIVE POWER PLANTS
1.	<i>Murli Industries Ltd. 15 MW</i>
2	<i>The West coast Paper Mills Ltd.,</i>
3	<i>Harihar Polyfibres Ltd., Karnataka</i>
4	<i>Raymonds Ltd., Yeotmal</i>
5	<i>Atul Ltd., (Color Divn.), GJ</i>
6	<i>Rama News print & Paper, GJ</i>
7	<i>Vardhaman Acrylics Ltd., GJ</i>
8	<i>Atul Ltd., Valsad (15 MW)</i>
9	<i>Murli Industries Ltd., 3 MW.</i>
10	<i>Madhya Desh Papers Ltd.</i>
11	<i>Indo Afrique Paper Mills Ltd</i>
12	<i>Grasim Industries Nagda</i>
13	<i>Bilt Power Ltd., Bhighwan</i>
14	<i>Raymonds Ltd. Chindwara</i>
15	<i>Purti Sakhar Karkhana</i>
16	<i>Indo Rama Petro Chemicals Ltd.</i>
	CEMENT PLANTS - CPP
1	<i>M/s Maratha Cement Works</i>
2	<i>M/s ACC Ltd., Chanda</i>
3	<i>M/s Manikgarh Cement</i>
4	<i>M/s UltraTech Cement Ltd.</i>



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Regd. Office : Coal Estate, civil Lines, Nagpur – 440 001

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19th March, 2008

BY SPEED POST / BY HAND

To All Cement, Sponge Iron, Paper, CPSUs
and other linked industries,

// List Enclosed //

Dear Sir,

Sub : Execution of Fuel Supply Agreement (FSA) in terms of the New
Coal Distribution Policy issued by Govt. of India.

This to bring to your kind notice that Ministry of Coal has introduced a 'New Coal Distribution Policy' with the approval of Govt. of India vide Office Memorandum No. 23011/4/2007-CPD dated 18.10.07. This policy supersedes all existing coal distribution policy for core and non-core sector and/or other instructions issued in this regard from time to time. Under this policy, coal supply under the linkage system is to be replaced with bilateral arrangement of enforceable FSAs. All the existing valid linked consumers whose linkage/MPQ is 4200 tonnes or more, would have to enter into FSAs with coal companies. Other valid linked consumers will have the option to opt out of FSA regime or enter into FSA. On opting out, such consumers may access their coal requirement through various other channels, like e-auction, distribution net work of State nominated agencies etc. Failure to enter into FSA with the supplying coal company will result in discontinuation of supply at fixed price.

According to above, you are requested to enter into Fuel Supply Agreement (FSA) with our company for continuation of coal supplies.

The policy on supply of coal through FSA envisages three models of FSA based on applicable Annual Contract Quantity of the linked consumer which shall be **75 %** of the normative quantity i.e., entitled annual quantity for the year 2007-08.

...2..

As a condition precedent to execute the FSA, you are required to deposit with our company a sum equivalent to 6% of the notified base price of the entitled ACQ as non-interest bearing Security Deposit either in cash or in the form of Bank Guarantee. However, you have the liberty to furnish 50% of the Security Deposit non or before signing of the FSA and the balance 50% within 3(three) months of such signing, subject to the provisions of FSA.

Copies of the New Coal Distribution Policy, all three Model FSAs including the format of Bank Guarantee towards Security Deposit are already available on CIL website www.coalindia.gov.in and www.coalindia.nic.in apart from the subsidiary company's website i.e. www.westerncoal.gov.in

You are requested to please execute FSA with WESTERN COALFIELDS LIMITED at the earliest in order to ensure commencement of coal supplies under FSA from April 2008 onwards. However in any case, for sustained supplies, the FSA would need to be executed by or before 30th April 2008

For any further information and execution of FSA within the stipulated period, you may contact the office of General Manager (S&M), Western Coalfields Limited, Nagpur.

Thanking you,

Yours faithfully,

General Manager (S&M)

LIST

	SPONGE IRON PLANTS
1	M/s Gopani Iron & Power India LTD
2	M/s Llyod Metals & Engr. Ltd.
	CEMENT PLANTS
1	M/s ACC Ltd., Chanda
2	M/s Manikgarh Cement
3	M/s Maratha Cement Works
4	M/s UltraTech Cement Ltd.,
5	M/s Mangalam Cement
	PAPER PLANTS
1	The Sirpur Paper Mills Ltd.
2	J.K.Papers
3	Shah Paper Mills Ltd.,
4	Daman Ganga Board Mills Ltd.
5	The Mysore Paper Mills
6	The West Coast Paper Mills Ltd.,
7	Vindhya Papers
8	APR Packaging Ltd (Ballarpur Industries)
9	Bilt Power Ltd.
10	Kaygaon Paper Mills Ltd
11	Laxmi Board and Paper Mills Ltd
12	Nath Pulp and Paper Mills Ltd
13	The Simplex Mills Cos. Ltd.
14	Indus Paper Boards Pvt. Ltd
15	Malu Paper Mills Ltd.
16	Nice Papers Ltd
17	Seth Bankatlal Malu Industries Pvt. Ltd
18	Rasik Papers
19	Hardoli Paper Mills Ltd.
	CPSU
1	Manganese Ore (India) Ltd.
2	Manganese Ore (India) Ltd.
3	Nanded Textile Mills
	OTHER LINKED INDUSTRIES
1	Vardhman Acrylics Ltd.
2	Atul Ltd. (Color Divn.)
3	Atul Ltd.
4	Atul Ltd., (PP Site)
5	Continental Refractories Pvt. Ltd
6	Srinil Enterprises
7	S.Kumars Ltd.
8	Raymond Ltd
9	Associated alcohol & Breweries Lt

10	Great Galeon Ltd.
11	Vindhyachal Distilleries Ltd.
12	Asiantic Ultramarine & Pigment (I) Pvt.
13	Bhansilal Engineering Polymers Ltd
14	Parentral Drugs (India) Ltd
15	Tirupati Starch & Chemicals
16	Hanuman Chromocoates Ltd.
17	Kasyap Sweetners Ltd.
18	Betul Oils and Flours Ltd.
19	Itarsi Oils and flours Pvt. Ltd.
20	Krishna Oil Extractions Ltd.,
21	Premier Industires (India) Ltd
22	Premier Proteins Ltd.
23	Prestige Foods Ltd.
24	Prestige Soya Industries
25	Vippy Industries Ltd.
26	Kriti Industries (India) Ltd
27	Sanwaria Agro Oils Ltd.
28	Khandwa Oils
29	Param Industries Ltd.
30	Dewas Soya Ltd.
31	Natraj Proteins Ltd.
32	Ruchi Soya Industries Ltd. (Export)
33	Divya Jyoti Industries
34	Ralson Industries Ltd.
35	Premier Nutritions
36	Ruchi Soya Industries Ltd. (VF)
37	Prestige Feed Mills Pvt. Ltd
38	Tata International Ltd.
39	Shree Cardboard Manufac. Co. Pvt. Ltd
40	M.P. Veneer Pvt. Ltd.
41	Amalgamated Cokes and Fuels(I) Pvt.
42	Arpana Enterprises
43	CHHINDWARA FUELS
44	Madhya Bharat Fuels (P) Ltd.
45	Satkar Industries
46	Shashikant & Co.
47	Shri Vyankateshwara Glass (P) Ltd
48	Vineer Glass Industries
49	A.K.Glass Industries
50	Nagpur Ceramics Pvt. Ltd.
51	Noble Ceraamic Pvt. Ltd.
52	Supreme Refractories & Products Pvt. Ltd.
53	NECO Ceramics Ltd.
54	Swastik Pipe Industries
55	N.B. Entrepreneurs
56	Birla Cotsyn (India) Ltd (Vardhan Syntex)
57	Indo Rama Synthetics (I) Ltd.
58	Rayond UCO Denim Pvt. Ltd.
59	Suryalakshmi Cotton Mills Ltd.
60	Reliance Industries Ltd.(Indian Petro Chemical

	Corporation Ltd.)
61	NRC Ltd.,
62	Somaiya Organo Chemicals Ltd
63	The Sanjivani (T) Sahakar Karkhana Ltd
64	Lilasons Industries Ltd
65	Dep Dop Niraj Chemicals Pvt. Ltd.
66	Radiant Agro Chem. Pvt. Ltd.
67	Abhideep Chemicals
68	Multi Organics Pvt. Ltd.
69	Maharashtra Carbons Pvt. Ltd.
70	MARATHWADA CHEMICAL INDUSTRIES (P) LTD.
71	Balaji Amines Ltd.
72	Anupam Extractions Ltd.
73	Apurva Oil & Industries Ltd.
74	Khandesh Extraction Ltd.
75	Umrer Agro Complex Ltd.
76	Shetkari Solvent (India) Ltd
77	Ind Agro Synergy Ltd.
78	Rasoya Proteins Ltd.
79	Srivastava Hitech Pro-oil Complex.
80	Shyamkala Agro Processors Pvt. Ltd.
81	Murli Industries Ltd.(Solvent Extraction)
82	Murli Industries Ltd.(Refinery)
83	Aerocom Cushions Pvt. Ltd.
84	Hartex Tubes Pvt. Ltd.
85	Government Milk Scheme Nagpur
86	Govt. Milk Scheme Amravati
87	BKAR products
88	The Maharashtra Agro Ind Deve Co.Op.
89	Candico (I) Ltd.,
90	Niraj Food products
91	Bhandara Minerals (P) Ltd.
92	Associated Steel Industries
93	Hind Steel
94	Hindustan Composites Ltd.
95	Mahaveer Steel Re-rolling Mills
96	NECO Castings Ltd.
97	Ispat Industries Ltd.
98	Rajaram Steel Industries Pvt. Ltd.
99	Raju Steel Industries
100	Saggu Ispat
101	Sharda Ispat Ltd.
102	Shilpa Re-rolling Ltd.
103	Shree Ganesh Steel Industries
104	Shree Ram Steel Industries & Engineers
105	Swetal Steel Industries Ltd.
106	Yash Forgings Pvt. Ltd.
107	Digganath Steel Industries and Engg.
108	Sanvijay Rolling and Engineering Ltd.
109	Vinar Ispat Ltd.
110	Harjeet Steel Industries

111	<i>Ujjawal Ispat Pvt. Ltd.</i>
112	<i>Mahalaxmi Dhatu Udyog Pvt. Ltd.</i>
113	<i>Shree Baidyanath Ayurved Bhawan Ltd.</i>
114	<i>Kaprecon Sleeper Works Pvt. Ltd</i>
115	<i>Ankit Pulp and Boards Pvt. Ltd.</i>
116	<i>Chawhan Tiles & Pipe Industries</i>
117	<i>Chawhan Pipe & Tile Industry.</i>
118	<i>Dadabhai Potteries</i>
119	<i>Kothari Potteries and Tiles works</i>
120	<i>Priti & Prashant Industries</i>
121	<i>Vinay Pipe & Tile Factory</i>
122	<i>Gramodyog Sangh</i>

"Under Jurisdiction of Nagpur Court Only"

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WESTERN COALFIELDS LTD.,
(A Govt. of India Undertaking)

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Regd. Office: Coal Estate, Civil Lines, Nagpur 440 001

No.NGP/WCL/S&M/C-12(348-B)/

Date : 25th March'2008

To

All New linked Consumers,

// As per list //

Sub : Issuance of Letter of Assurance (LOA) on implementation
of New Coal Distribution Policy approved by Govt. India.

Dear Sir,

In terms of the New Coal Distribution Policy (NCDP) issued by the Ministry of Coal with the approval of Govt. of India vide O.M. No.23011/4/2007/CPD dated 18.10.2007 it is hereby informed that for the purpose of issuance of Letter of Assurance (LOA) for supply of coal to your unit(s) you are required to furnish us Commitment Guarantee (CG) either in cash or in the prescribed format of the Bank Guarantee. The amount of C.G. to be furnished by you would be equivalent to 10% of the notified base price of your annual coal requirement considering the highest grade of Coal applied for. Such CG, however, would not be less than or exceed the stipulated amount, details of which may be seen from the Model Letter of Assurance along with the format of B.G. available on CIL's website www.coalindia.gov.in Western Coalfields Ltd. website i.e. www.westerncoal.gov.in.

As would reveal from the copy of the Model LOA enclosed, you would be required to complete the stipulated milestones in a time bound manner in terms of the provisions of the Model LOA. Accordingly, you are requested to furnish stipulated CG at the earliest but not later than 3 (three) months from the date of issuance of this letter.

Other detailed terms & conditions would be as stipulated in the Model LOA enclosed.

Thanking you,

Yours faithfully,

(K.S.NARAYANA)

Encl : As stated

General Manager (S&M)

L I S T

- 1) *M/s Vidarbha Industries Power Ltd.,~Vidarbha~MAHARASHTRA~/*
- 2) *M/s Maharashtra Energy Development Agency~Kesona Power Pvt. Ltd.,~Maharashtra Pargaon Jabti,~Distt: BEED (Maharashtra)/*
- 3) *M/s MEDA, Sri Panchajanya Power Pvt. Ltd.,~Hingoli,~Distt: HINGOLI~Maharashtra/*
- 4) *M/s Vardhman Acrylics Ltd., ~Jahadia Distt~Distt: Bharuch~Gujarat/*
- 5) *M/s Malu Sahakari Sakhar Karkhana Ltd.,~Sonai, PO: Taluka Newasa,~Distt: Ahmednagar~Maharashtra/*
- 6) *M/s Maharashtra Energy Development Agency,~Armstrong Energy Pvt. Ltd.,~5th Floor, Militia Appt.,~MAZGAON (Mumbai)/*
- 7) *M/s Lloyds Steel Industries Ltd.,~Bhugaon,~Distt: WARDHA~Maharashtra/*
- 8) *M/s VBC Ferro Alloys Ltd., ~Sirpur~KAGAZNAGAR~Andhra Pradesh/*
- 9) *M/s J.K.PAPER Ltd.,~Unit : Central Pulp Mills, PO: Central Pulp Mills,~Fort Songadh, ~Distt: SURAT (Gujarat)/*
- 10) *M/s Sanjivani (Takli) Sahakari Sakhar Karkhana Ltd.,~Sahajanandnagar, Shinganapur~Taluka: Kopargaon~Distt: AHMEDNAGAR (M.S.)/*
- 11) *M/s Century Rayon,~P.O.No.22, Murbad Road.,~Shahad 421 102, ~Distt: THANE (M.S.)/*
- 12) *M/s Natural Sugar & Allied Industries Ltd.,~Sainagar, Ranjani,~KALLAM~Distt: OSMANABAD (M.S.)/*
- 13) *M/s Rasoya Proteins Ltd.,~Wanjari, Tah: Wani,~Distt: Yavatmal~Maharashtra/*
- 14) *M/s Gopani Iron & Power (India) Pvt. ltd.,~Plot No.A-22, MIDC Gorwth Centre,~Tadali, ~Distt: CHANDRAPUR (M.S.)/*
- 15) *M/s Maharashtra Energy Development Agency,~MSM Energy Ltd., Varam Bio Energy Pvt. Ltd.,~Plot No.A-20, MIDC, Bhandara Industrial Area, Reajegaon, ~Distt: BHANDARA (M.S.)/*
- 16) *M/s Maharashtra Energy Development Agency,~Gayatri Energy, Aurangabad,~Gate No.85, Vill: Farola, Taluka : Paithan~Distt: AURANGABAD (M.S.)/*
- 17) *M/s Maharashtra Energy Development Agency,~MSM Energy Ltd.,(Bio Mass) Borwand Village~Parbhani Taluka, ~Distt: PARBHANI (M.S.)/*
- 18) *M/s Gupta Metallics & Power Ltd.,~Village Chunala, Tah: Rajura~Distt: CHANDRAPUR (M.S.)~/*
- 19) *M/s Shree Viranganga Steels Ltd.,~Umrer Road~NAGPUR~Maharashtra/*
- 20) *M/s Shree Sidhbali Ispat Ltd.,~Tadali Growth Centre~Distt: CHANDRAPUR (M.S.)~/*
- 21) *M/s Maharashtra energy Development Agency,~MSM Energy Ltd.,(Sarddambika Power Plant P.Ltd.)~MIDC Chimur (Vill. & Teh.)~Distt: CHANDRAPUR (M.S.)/*
- 22) *M/s Maharashtra Energy Development Agency~Survey No.52, Chanaka Vill. Wani (T)~Distt: YAVATMAL ~MAHARASHTRA/*
- 23) *M/s Maharashtra Energy Development Agency~MSM Energy Ltd.,~Turboatom TPS Porject, Injhari Village, Karanja Tehsil,~Distt: WASHIM (M.S.)/*
- 24) *M/s Maharashtra Energy Development Agency,~MSM Energy Ltd.,~Turboatom TPS Project~Asthi Tehsil, Distt: WARDHA (M.S.)/*

- 25) *M/s Maharashtra energy Development Agency,~ASN Power Project~Plot No.27, MIDC Maregaon, Mul Growth Centre,~MUL (Maharashtra)/*
- 26) *M/s Maharashtra Energy Development Agency~Sri Guru Prabha Power Ltd.,~Wakadi Village, Jalgaon Tehsil~Distt: JALGAON, M.S./*
- 27) *M/s Maharashtra Energy Development Agency~MSM Energy Ltd., Kolhapur, Village Bhatkuli Tehsil~Distt: Amravathi, ~MAHARASHTRA/*
- 28) *M/s Goa Sponge & Power Ltd.,~Plot No.L-25, Survey No.58/59/60~Village Sanguem, Goa~GOA/*
- 29) *M/s Rakminirama Ferro Alloys Ltd., ~Kamptee./Umrer Road, ~NAGPUR~MAHARASHTRA/*
- 30) *M/s Technocraft Industries India Ltd.,~Vill: Dhanivili, ~MURBAD~MAHARASHTRA/*
- ~~~/
- 31) *M/s Mallu Paper Mills Ltd.,~Plot No.B-2, MIDC,~Village Heti Surla, Taluka: Saoner~Distt: NAGPUR/*
- 32) *M/s Grace Industries Ltd., ~A-23, MIDC, Industrial Growth Centre~Tadali,~Distt: Chandrapur (M.S)/*
- 33) *M/s Morarji Textiles Ltd.,~Plot No.G-2, MIDC Area,~Butibori~Distt: NAGPUR/*
- 34) *M/s Chintamani Agrotech (India) Ltd.,~101, East High Court Road.,~New Ramdaspath,~NAGPUR (M.S.)/*
- 35) *M/s Nitin Spinners Ltd.,~16-17 Km. Stone, Chitor Road.,~Chittor Road.,~BHILWARA (Raj.)/*
- 36) *M/s S.N. Malu Steel Pvt. Ltd.,~Bhandara Road~Village-Selu, Taluka: Kamptee~Distt: NAGPUR (M.S)/*
- 37) *M/s Lloyds Metals & Engineers Ltd.,~Plot No.102, MIDC Area, ~Ghugus,~Distt: Chandrapur, M.S./*
- 38) *M/s Welspun Power and Steel Pvt. Ltd.,~Survey No.650, At: Vill: Varsamadi ~Taluka Anjar, Distt: Kutch ~Gujarat/*
- 39) *M/s Shree Sidhali Ispat Ltd.,~C-2, C-3, At MIDC Industrial Area~Tadali Growth Centre, Tadali,~Distt: CHANDRAPUR, M.S./*
- 40) *M/s Goa Sponge & Power Ltd.,~Survey No.58-59-60, Santona,~Taluka Sanguem,~South Goa, GOA/*
- 41) *M/s Grace Industries Ltd.,~At MIDC Area, A-23, ~Tadali Growth Centre,~CHANDRAPUR, M.S./*
- 42) *M/s Chaman Metallicks Pvt. Ltd.,~A-26, At MIDC, Tadali Growth Centre,~CHANDRAPUR (Maharashtra)~/*
- 43) *M/s Chinteshwar Steels Pvt. Ltd.,~At Ungaon, Taluka: Kamptee,~Distt: Nagpur, ~MAHARASHTRA/*
- 44) *M/s Solar Industries Ltd.,~A-27, At MIDC Area, ~Tadali, Growth Centre, Tadali~Distt: Chandrapur, MS/*
- 45) *M/s Gupta Metallick & Power Ltd.,~At.Vill. Chunala,~Distt: Rajura~Chandrapur (MS)/*
- 46) *M/s Jaykaycem Ltd.,~Vill Mudhapur~Tehsil Modhol~Bagaklot, Karnataka/*
- 47) *M/s Murli Industries Ltd.~Korpana/Rajura,~Chandrapur~Maharashtra/*
- 48) *M/s Dhariwal Infrastructure (P) Ltd.,~Chandrapur~Maharashtra~/*
- 49) *M/s Maratha Cement Works~Unit of M/s Ambuja Cement Works~Village: Upparwahi, Taluka: Korpana, Rajura~CHANDRAPUR (M.S.)/*
- 50) *M/s ACC Limited~Chanda Cement Works~Chandrapur~MAHARASHTRA/*

- 51) *M/s UltraTech Cement Ltd.~(Awarpur Cement Works)~Taluka: Korpana~CHANDRAPUR (MS)/*
- 52) *M/s Benaka Sponge Pvt. Ltd.,~Belagal,~Distt: Bellary~KARNATAKA STATE/*
- 53) *M/s Grace Industries Ltd.,~At MIDC Area, A-23, ~Tadali Growth Centre,~CHANDRAPUR, M.S.*
- 54) *M/s Maharashtra Energy Development Agency,~MSM Energy Ltd., Borwand Village~Parbhani Taluka, ~Distt: PARBHANI (M.S.)*

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