

IMMEDIATE

**No.CPD-23011/18/2021-CPD
Government of India
Ministry of Coal**

Shastri Bhawan, New Delhi
Dated 24th March, 2022

To

- i. Chairman-cum-Managing Director, Coal India Limited, Coal Bhawan, New Town, Rajarhat, Kolkata
- ii. Chairman-cum-Managing Director, Singareni Collieries Company Limited (SCCL), Khairatabad, Hyderabad, Telangana

Subject: Offering of coal by Coal India Limited / SCCL through e-auction in the market as well as coal linkage by Coal India Limited / SCCL to their own gasification plants

Sir,

The undersigned is directed to say that in order to remove the market distortions, provide level playing field to the different categories of coal consumers as well as increase the operational efficiencies, the Government has been considering to introduce structural reforms in the coal e-auctions of Coal India Limited / Singareni Collieries Company Limited (SCCL). The Government has also been considering to move away from the conventional use of coal to clean coal technologies and encourage CIL to set up coal gasification plants as a diversification measure. Therefore, with the approval of the Cabinet Committee on Economic Affairs (CCEA), the following reform measures / guidelines have been decided for sale of coal through e-auction by the Coal India Limited / SCCL as well as Linkage allotment of coal by Coal India Limited / SCCL to their own gasification plants:

- i. Offering of all the non-linkage coal by coal companies through one e-auction window of Coal India Limited (CIL) / SCCL. This e-auction will cater to all the Sectors viz. Power sector, Non-Regulated sector including traders and coal would be offered through this auction, subject to CIL / SCCL meeting the coal linkage requirements against existing linkages and future linkages to be given by Government of India to power sector.
- ii. Coal offered through the single e-auction window shall be transport mode agnostic with default option being through Rail mode. However, coal may be lifted by the consumers through the road

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mode/other modes depending upon their choice and suitability without paying any additional charges or discount to the coal companies or seeking any formal permission from any authority.

- iii. Long term allotment of coal by CIL/SCCL, without affecting the supplies against existing coal linkages, to their own gasification plants shall be allowed at prices as may be decided by the coal company. However, the taxes, duties, royalty etc shall be paid by the coal companies on the notified prices of coal for power sector.

2. The policy guidelines as in 1 (i) & 1 (ii) above shall be subject to the following:

- i. The coal to meet full PPA requirement of all the existing linkage holders of Power Sector shall be made available by the coal companies irrespective of the trigger and Annual Contracted Quantity (ACQ) levels.
- ii. The coal shall be made available to all future linkages to be awarded to power sector as per extant policy or any policy decided by Government of India from time to time.
- iii. The coal companies shall offer coal each month for the SHAKTI B(viii)(a) windows which will be 10% more than the maximum coal booked by the Power Sector in any of the preceding 3 months [SF&A & SHAKTI B (viii) (a)] windows. The coal quantity offered may be increased / decreased depending upon the market demand.

3. The aforesaid policy guidelines are circulated to all concerned for further action. The action taken report shall invariably be sent to this Ministry from time to time.

Yours faithfully,


(Sujeet Kumar)

Under Secretary to the Government of India

Copy to:

1. Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi
2. Secretary, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi
3. Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi

4. CEO, NITI Aayog, Yojana Bhawan New Delhi
5. Chairman, Railway Board, Rail Bhawan, New Delhi
6. Secretary, Ministry of Steel, Udyog Bhawan, New Delhi
7. Secretary, Ministry of Micro, Small and Medium Enterprises, New Delhi
8. Secretary, Department for Promotion of Industry & Internal Trade, Udyog Bhawan, New Delhi
9. Secretary, Department of Legal Affairs, Ministry of Law & Justice, Shastri Bhawan, New Delhi
10. Secretary, Department of Fertilizers, Ministry of Chemicals & Fertilizers, Shastri Bhawan, New Delhi
11. Secretary, Ministry of Mines, Shastri Bhawan, New Delhi
12. Secretary, Department of Financial Services, Jeevan Deep Building, New Delhi
13. Prime Minister's Office, South Block, New Delhi (Shri Vyasan R., Director)
14. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi
15. Director (Marketing), Coal India Limited, Kolkata
16. ED, Coal, SCCL, PB No. 18, Red Hills, Khairatabad, Hyderabad, Telangana
17. CMD, CMPDIL, Gondwana Place, Kanke Road, Ranchi, Jharkhand
18. Chairman, Central Electricity Authority, Sewa Bhawan, R.K Puram, New Delhi

Copy also to:

Chief Secretaries of all States / UTs

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PS to Minister of Coal / PS to Minister of State for Coal / PSO to Secretary (Coal) / PPS to Additional Secretary (VKT) / PPS to Nominated Authority / PPS to Joint Secretary (VT) / PPS to Joint Secretary (BPP) / PPS to Joint Secretary (SBN) / PPS to Joint Secretary & FA, PPS to Advisor (Projects) / PPS to Economic Advisor / PPS to DDG / PS to Director (CPD)


(Sujeet Kumar) 21/3/2021
Under Secretary to the Government of India