

F.No.13011/4/2018-CBA2
Government of India
Ministry of Coal

Shastri Bhawan, New Delhi
Dated the 7th March, 2019

ORDER

Subject: Methodology for allowing allocatees of coal mines for specified end use or own consumption to sell upto 25% of actual production on ROM basis in open market under the Coal Mines (Special Provisions) Act, 2015 and the Mines and Minerals (Development and Regulation) Act, 1957.

The undersigned is directed to refer to provisions of the Coal Mines (Special Provisions) Act, 2015, the Rules framed thereunder and the methodology dated 26.12.2014 for allocation of coal mines by the Government for specified end-uses viz. for Power (regulated sector) and for Non-Regulated Sector [Cement, Iron & Steel and Captive Power Production clubbed together as NRS].

2. In addition to the provisions contained in the methodology dated 26.12.2014 for specified end uses, it has been decided to allow future allocatees of coal mines for specified end use or own consumption to utilize a minimum of 75% of actual production (ROM basis) in specified end use plants and to sell upto 25% of actual production (on ROM basis) in open market with payment of additional premium on such sale as mentioned in para 3 below:

3. Definition of Captive Use - Utilization of coal by the Allocatee.

3.1 In case of coal mines earmarked for specified end uses or own consumption, the allocatees are mandated to utilize a minimum of 75% of its actual production (ROM basis) in specified end use plants and are allowed to sell upto 25% in open market. In case of auctions, the successful bidder shall be required to pay an additional premium of 15% of its final bid price on per tonne basis, for the actual quantity of coal sold in open market. The additional premium will be over and above the final bid price. In case of allotments, the successful allottee shall be required to pay an additional reserve price of 15% of the Reserve Price, for the actual quantity of coal sold in open market. The additional reserve price will be over and above the Reserve Price.

3.2 If due to maintenance or shutdown or such other unavoidable reasons, beyond the control of allocatee, during any part of the year, the allocatee is not able to use a minimum of 75% of actual production (ROM basis) in specified end use plant or own consumption, any excess coal out of such 75% of actual production will have to be mandatorily sold by the allocatee

to CIL at CIL notified price less 15% of such CIL notified price as per existing conditions.

3.3 This would be applicable to auction of coal mines under the 6th and 7th tranches for which NIT has been floated on 25.10.2018 and for allotment of mines under the 4th and 5th tranches for which NIA was floated on 11.06.2018 as well as future allocations (auction/allotment).

4. The provisions contained in Para 3 would be applicable to coal mines to be allocated under Coal Mines (Special Provisions) Act, 2015, as well as for allocation of coal mines under Mines and Minerals (Development & Regulation) Act, 1957.

5. Para 2.6 of O.M. dated 12.10.2018 stands modified to the extent as indicated in para 3 above.

(Rishan Rynthiang)

Under Secretary to the Government of India

Tel. No. 23073936

To,

1. Nominated Authority, MoC
2. JS (CBA-II), MoC
3. JS (CBA-I), MoC
4. DS (CBA-II), MoC
5. DS (NA), MoC
6. DS (CBA-I), MoC

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6. Director (Technical), Ministry of Coal
7. Director (CLD), Ministry of Coal