



COAL DISTRIBUTION AND MARKETING

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1. Allocation of coal to power, cement and steel plants

The allocation of coking coal to Steel plants was earlier made by the Coal Controller. However, after deregulation of coking coal, the supplies of raw coking coal and Washed Coking Coal are being made by the coal companies to Govt. Steel Plants on the basis of their existing MoU commitments. After introduction of Linkage Auction, raw coking coal is being allocated through the Linkage Auction.

2. Sector wise Coal Off-take from Coal India Limited (Provisional)

Sector-wise coal off-take from CIL during the period from Jan'22-Dec'22 is as below:

(In MT)

Sector	AAP Targeted off take	Actual Off take	Supply % against Target
Steel*	8.8	5.9	68%
Power (Utilities) **	561.2	581.8	104%
Captive Power ***	32.6	33.3	102%
Cement	4.5	3.2	72%
Sponge Iron	9.1	7.3	80%
Others	91.8	56.4	61%
Total Despatch	708.0	687.9	97%
Colliery Consumption	0.2	0.2	100%
Total	708.2	688.1	97%

* : includes coking coal feed to washeries, direct feed and blendable to steel plants.

** : includes non-coking coal feed to washery and Bina Deshaling Plant for beneficiation and special forward e-auction to power

***: Captive Power includes despatches to fertilizer sector

3. Sector-wise Coal Off-take from SCCL:

Sector-wise coal off-take from SCCL during the year 2022 are as below:

(In MT)

Sector	AAP Targeted Offtake (Apr,22 to Mar, 23)	Actual off take (Apr - Dec, 2022)	Supply % against Target
Power (Utility)	57.00	39.05	68.51
Power (CPP)	3.60	2.00	55.56
Cement	3.10	2.27	73.23
Sponge Iron/CDI	0.40	0.28	70.00
Others	5.90	3.68	62.37
Total : SCCL	70.00	47.28	67.54

4. Power Houses:

Coal India Limited

Off-take of coal to power sector during Jan'22-Dec'22 from CIL was 581.8 MT. Raw coal despatch has increased by about 64.9 MT, with a growth of 12.6%, as compared to same period last year.

SCCL

Actual Off-take of coal to thermal power stations during Jan'22 - Dec'22 is 52.75 MT as against 53.98 MT during Jan'21 - Dec'21

5. Cement Plants:

Coal India Limited

The dispatch to cement plants from CIL during Jan'22-Dec'22 was 3.2 million tonnes (provisional) as against 3.7 MT during the same period last year. Dispatch has decreased by 0.5 MT, with a decline of 13% as compared to same period last year.

SCCL

The actual Off-take of coal by cement plants during Jan'22 - Dec'22 is 3.15 MT as against 2.99 MT during Jan'21-Dec'21.

6. Distribution of coal to small, medium and other consumers

For supply of coal to small, medium and other consumers (whose requirement is less than 10,000 tons per annum), 8 MT have been earmarked as per NCDP for allocation to agencies nominated by the State Govts. / Union Territories.

Till 30th November' 2022, allocation has been done to 13 SNAs (State Nominated Agencies) of 13 States for the period Jan'22 to Dec'22 for the quantity of 1.25MT, out of which 5 state agencies have signed FSA for an aggregate quantity of 0.25 MT.

7. E-Auction of coal

Coal India Limited: Coal is being regularly sold

through electronic auction (e-auction) route at a market driven price in accordance to the NCDP provision. CCEA (Cabinet Committee on Economic Affairs), in its meeting dated 26.02.2022, approved new mechanism of single window mode agnostic e-auction by clubbing the existing five windows of e-auction namely Spot, Special Spot, Special Spot for importers, Special forward for Power & Exclusive e-auction for non power. The decision of CCEA was communicated by MOC vide circular no. CPD-23011/18/2021-CPD dated 21.03.2022.

In pursuance to the introduction of new unified e-auction mechanism, CIL is only offering coal through Spot e-auction window during this fiscal. In the meantime, modalities for Single window mode agnostic e-auction and relevant Scheme namely 'CIL e-auction Scheme 2022' has been developed by CIL and notified in public domain. Customer awareness exercises have been undertaken by the coal companies to educate them about the new e-auction modalities.

Brief of presently active e-auction schemes & its status is as under

- Spot E-Auction: Under this scheme, any Indian buyer can procure coal through a consumer-friendly single window in a simple and transparent manner for their own consumption or for trading. Spot E-auction is in operation from Nov'07.

Status: During the period Apr-Dec'22, a total quantum of 36.03 MT coal has been booked through this window with average premium of 288% over notified price.

- Single Window Mode Agnostic E-auction: Coal is offered through one e-auction window which will cater to all the Sectors viz. Power sector, Non-Regulated sector including traders. Coal offered shall be transport mode agnostic with default option being through

Rail mode. However, coal may be lifted by the consumers through the road mode/other modes depending upon their choice and suitability.

Single window mode agnostic e-auction mechanism, a pilot auction at ECL under single window mode agnostic e-auction was successfully completed during Dec'22 with booking of 0.19 MT at average premium of 218% over notified price.

Status: As a first step towards implementation of

8. Auctions held during FY 2020-21 & 2021-22 (up to November'21) are as below:

Auction	Spot	Single Window Mode Ag- nostic	Total
2022-23 (April- December'22)			
Total Qty. allocated (in Mill Tonnes)	36.03	0.19	36.22
Total Notified Value (in Crore ₹)	6045	62	6107
Total Booking Value (in Crore ₹)	23454	198	23652
Increase over Notified Value(in %)	288%	218%	287%

Auction	Spot	Special Forward	Exclusive Non Power	Special Spot	Special Spot for Coal Importers	Total
2021-22 (April - December'21)						
Qty. allocated (in Mill Tonnes)	23.8	29.5	25.3	2.9	2.3	83.7
Notified Value (in Crore ₹)	3732	2732	3048	404	490	10407
Booking Value (in Crore ₹)	6776	3728	4469	732	737	16444
% increase over Notified Price	82%	36%	47%	81%	50%	58%

09. E-auction of coal in SCCL

SCCL started spot e-auction of coal in December, 2007. Spot Auctions held during 2021-22 and 2022-23 (up to Dec-22) are as below:

Spot e- Auction	2021-22	2022-23 (Apr. to Dec'22)
Total Qty allocated (in MT)	3.057	1.78
Total Notified Value (in ₹ crore)	875.51	543.32
Total Booking Value (in ₹ crore)	1184.09	911.77
Increase over notified price (in %)	35	68

10. Modes of Transport

Coal India Limited

Important modes of transport of coal and coal product in CIL are Railways, Road, Merry-Go-Round Systems (MGR), Conveyor Belts and the Multi Modal Rail-cum-Sea Route. The share of these modes of transport in the total movement of coal and coal product during Jan'22- Dec'22 has been approximately as under:

SI	Modes of Transport	Share %
1	Railways (including Rail -cum-Sea)	53
2	Road	30
3	MGR	15
4	Belt - Conveyors/ Ropeways	2

SCCL

Important modes of transport for coal in SCCL are Railways, Road, NTPC Merry-Go-Round Systems (MGR). Small quantity of coal is being transported to Heavy Water Plant by Aerial Ropeway. The share of these modes of transport in the total transport of coal during Jan - Dec, 2022 is approximately as under

Sl. No.	Mode	Quantity Million Tonnes	Share (%)
1	Railways (including RCR)	42.55	65.83
2	Road	14.30	22.12
3	MGR	0.59	0.91
4	Rope	7.20	11.14
	Total	64.64	100.00

11. Progress made under new coal distribution policy (NCDP):

Prior to introduction of New Coal Distribution Policy in October, 2007, the consumers were broadly

classified in two categories, Core and Non-Core Sector. The basis for earlier classifying consumers was solely based on their role in economic development. However, the erstwhile classification of the consumers under New Coal Distribution Policy has been dispensed with.

Under this policy each sector / consumers have been treated on merit, keeping in view the regulatory provisions applicable thereto.

For Power, cement and sponge iron sector the Standing Linkage Committee (long term) is authorized to recommend their coal requirement. On the basis of such recommendation a Committee on letter of Assurance (CLOA) at CIL issues coal company wise allocation of quantity. Coal companies issue letter of Assurance with specified milestones to be achieved by the LoA holder within stipulated period to become entitled for executing Fuel Supply Agreements (FSA) for coal supply. Supply of Coal to all existing valid consumers has been brought under legally enforceable Fuel Supply Agreements.

Progress made by CIL in implementing the provisions of NCDP is summarized below:

- Apart from the above, linkage of 23 CPSU units for an ACQ of about 14 Mill. Tn is existing which is renewable on five (5) year basis as per NRS policy dated 15.2.2016.
- No new FSAs for non-power sector under NCDP regime has been executed during calendar year 2022. However FSA executed under the auction of coal linkages/LoAs to non-regulated sector has been given separately under NRS Linkage Auction Policy.
- For Power Sectors, 105 FSAs under pre-2009 TPPs are valid as on date.
- As per the Presidential Directives dated 17.07.2013, CIL was to sign FSAs with 173 TPPs for the aggregated capacity of 78535 MW, out of these, 24 cases were covered under Tapering Linkages ceases to exist.

e. The number of valid FSAs for Post-NCDP Power plants are 134, having an aggregated capacity of 61505 MW for the Annual Contracted Quantity (ACQ) of 218 MT.

12. NEW POLICIES FURTHER TO NCDP

Linkage Auction for Non-Regulated Sector Consumers

CIL has been conducting Auction of Coal Linkages for Sponge Iron, Cement, CPP, ‘Others (non-coking)’,

Steel (coking) and ‘Others (coking)’ sub-sectors under Non-Regulated Sector in accordance with the policy guidelines dated 15.02.2016 issued by Ministry of Coal. Five tranches of auction have already been concluded wherein about 131.2 MTPA of annual coal linkages have been booked at an average premium of about 20% over non-power notified price.

The Quantity booked under five tranches is placed below.

Sub-sectors	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Total
Steel (coking)	--	0.22	0.00	0.65	1.30	2.17
Sponge Iron	2.05	4.29	2.54	6.37	4.19	19.43
Cement	0.68	0.77	0.12	4.26	2.95	8.78
CPP	18.07	8.18	4.59	15.90	38.33	85.08
Others	1.34	1.27	0.67	6.00	2.89	12.17
Others (coking)	--	0.04	0.36	2.17	1.00	3.57
Total	22.14	14.76	8.28	35.35	50.66	131.19

Coal linkages to power sector under SHAKTI

The Government approved the fading away of the existing Letter of Assurance (LoA) - Fuel Supply Agreement (FSA) regime and introduced Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI), 2017, which was issued by the Ministry of Coal on 22.05.2017. The Government also approved amendments to the SHAKTI Policy, 2017, which was issued by the Ministry of Coal on 25.03.2019. The main features of the SHAKTI Policy (as detailed under its various Paras) are as under:

As of now, coal linkages to the following capacities have been granted under various Paras of the policy: (as on 01.01.23)

(i) Clearance has been given for signing of Fuel Supply Agreement (FSA) to 9 LoA holders with a total capacity of 8120 MW under provisions of para A(i) of SHAKTI policy.

(ii) 22 Thermal Power Plants (TPPs) have been granted linkage for a total capacity of 22540 MW under provisions of para B (i) of SHAKTI policy.

(iii) Four rounds of linkage auctions under para B(ii) of Shakti policy have been completed. The details are as below:

- First round was conducted in September, 2017, where 27.18 Million Tonne Per Annum (MTPA) of linkages was booked by 10 successful bidders.
- Second round conducted in May, 2019, where 2.97 MTPA of linkages was booked by 8 successful bidders.
- Third round was conducted by PFC Consulting Limited (PFCCL) during May, 2020, where 2.80 MTPA of linkages was booked by 5 successful bidders.

- Fourth round was conducted by PFCCL in September, 2021, where, 3.20 MTPA of linkages was booked by 5 successful bidders.
- (iv) Three rounds of linkage auction under para B(iii) of Shakti policy have been completed. The details are as below
- First round was conducted in February, 2020, where against an offer of 11.8 MTPA, a quantity of 6.48 MTPA was booked by 7 successful bidders.
 - Second round was conducted in May, 2022, where against an offer of 9.00 MTPA, a quantity of 6.42 MTPA was booked by 8 successful bidders.
 - Third round was conducted in September, 2022, where against an offer of 5.10 MTPA, a quantity of 5.10 MTPA was booked by 5 successful bidders.
- (v) Coal linkage have been earmarked from CIL for the States of Gujarat and Madhya Pradesh for a capacity of 4000 MW and 3000 MW respectively for linkage under B(iv) of SHAKTI Policy.
- (vi) Coal linkage earmarked from CIL for a capacity of 4500 MW for linkage under B(v) of SHAKTI Policy.
- (vii) 11 tranches of Linkage Auction have been conducted by Coal India Limited under B (viii)(a) of SHAKTI Policy. Out of total offered quantity of 58.37 MT of Coal, 23.71 MT have been booked by successful bidders.

Single window mode agnostic e-auction policy:

CCEA (Cabinet Committee on Economic Affairs), in its meeting dated 26.02.2022, approved new mechanism of single window mode agnostic e-auction by clubbing the existing five windows of

e-auction namely Spot, Special Spot, Special Spot for importers, Special forward for Power & Exclusive e-auction for non power. The decision of CCEA was communicated by MOC vide circular no. CPD-23011/18/2021-CPD dated 21.03.2022.

Under this mechanism, coal will be offered through one e-auction window which will cater to all the Sectors viz. Power sector, Non-Regulated sector including traders. Coal offered shall be transport mode agnostic with default option being through Rail mode. However, coal may be lifted by the consumers through the road mode/other modes depending upon their choice and suitability.

13. Import Substitution

An Inter - Ministerial Committee (IMC) has been constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. The Representatives from Ministry of Power, Ministry of Railways, Ministry of Shipping, Ministry of Commerce, Ministry of Steel, Ministry of Micro, Small & Medium Enterprises (MSME), Department for Promotion of Industry & Internal Trade (DPIIT), Central Electricity Authority (CEA), Coal Companies and Ports are members of this IMC. 9 meetings of the IMC have been held so far. On the directions of the IMC, an Import Data System has been developed by Ministry of Coal to enable the Ministry to track the imports of coal. Efforts are taken to ensure more domestic supplies of coal. To take the task of coal import substitution to the next level, Coal India Limited has been asked to plan zero coal Import Mission by 2023-24. Thus, the entire substitutable imported coal should be met by the country and no import other than very essential should happen.

Steps taken by CIL towards import substitution:

CIL has implemented the following measures with an aim to increase domestic coal supplies to the consumers and reduce coal imports and the resulting reliance on domestic coal shall lead to achieving the goal of 'Atmanirbhar Bharat'.

- i. Enhancement in ACQ for power plants from 90% of the normative requirement to 100% = 14 MT. out of which FSAs has been amended for about 10 MTPA till date.
- ii. Enhancement in ACQ for coastal power plants from 70% of the normative requirement to 100% = 3.372 MT. out of which FSAs has been amended for about 2.27 MTPA till date.
- iii. It has been decided to raise the minimum assured level of supplies for the year 2020-21 & 2021-22 from 75% of Annual Contract Quantity (ACQ) to 80% to achieve higher level of domestic coal to the power plants working on higher levels of Plant Load Factor (PLF) and requiring more coal.
- iv. Flexibility to consumers for change of mode from Rail to Road. Consent has been granted to those consumers who have sought shifting of the mode of transportation from Rail to Road.

Extended tenure of the FSA to a period of 10 -15 years is expected to ensure supply of coking coal on long term basis to the steel sector under linkage auction.

14. Coal Consumer Council

CIL has adopted Centralized Public Grievance

Redress And Monitoring System (CPGRAMS), designed and developed by National Informatics Centre (NIC). PG Portal of CPGRAMS is used as single window for receipt and disposal of grievances in CIL & its subsidiaries. The link for PG portal has been provided in the web site along with list of nodal officers and their contact details. For ensuring prompt response, a WhatsApp group comprising of nodal officers of each department has been created in which issues and proposed solutions can be discussed. The complaints and its response are regularly monitored/ reviewed by Grievance Redressal Committee (GRC) consisting of key management officials. Action is taken to redress the grievance without delay and the outcome is posted in the portal. Wherever interim reply is required, such reply is also sent to the complainant.

In case complaints/ grievances relate to coal companies, Nodal officer forwards the same to respective coal companies for their comments/ action. Soon after receipt of comments/ status, the complainant is suitably informed, thus closing the grievance. In case any grievance relates to working of some other department of CIL, the same is forwarded to the concerned department. Grievances/ complaints received on-line are thus being dealt and disposed of expeditiously and efficiently under CPGRAMS.

