



# COAL DISTRIBUTION AND MARKETING





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## 1. Allocation of coking coal to 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'24-Nov'24 and projection for Dec'24-Mar'25 is as below:-

(In MT)

Sector	AAP Targeted off take	Actual Off take	Supply % against Target
Steel*	3.33	2.22	67%
Power ( Utilities)	592.62	565.79	95%
Captive Power	48.30	47.90	99%
Cement	5.45	4.50	83%
Sponge Iron	9.84	7.03	71%
Others	94.36	66.29	70%
Total Despatch	753.89	693.74	92%
Colliery Consumption	0.15	0.14	94%
<b>Total</b>	<b>754.04</b>	<b>693.88</b>	<b>92%</b>

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

Sector	Dec'24- Mar'25 (Projection)
Steel*	1.29
Power ( Utilities)	244.94
Captive Power	21.14
Cement	1.97
Sponge Iron	3.09
Others	31.52
Total Despatch	303.95
Colliery Consumption	0.05
<b>Total</b>	<b>304.00</b>



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

Sector-wise coal off-take from SCCL during January, 2023 to December, 2023 and January, 2024 to December, 2024 are as below:

(In MT)

SECTOR	JAN 23 TO DEC23	JAN 24 TO DEC 24	Growth%	Projections Jan-March 2025
SPONGE IRON	0.38	0.22	-42.11	0.08
POWER	60.11	58.89	-2.03	21.49
CAPTIVE POWER	3.17	1.55	-51.10	0.57
MAJOR CEMENTS	2.93	1.41	-51.88	0.54
Heavy Water Plant	0.54	0.50	-7.41	0.19
E-AUCTION	0.83	0.49	-40.96	0.18
OTHERS	2.54	1.97	-22.44	0.74
<b>TOTAL</b>	<b>70.50</b>	<b>65.03</b>	<b>-7.76</b>	<b>23.80</b>

### 4. Power Houses:

#### Coal India Limited

Off-take of coal to power sector during Jan'24-Nov'24 from CIL was 565.79 MT. Coal dispatch to power sector has increased by about 12.7 MT, with a growth of 2.3%, as compared to same period last year

#### SCCL

Actual Off-take of coal to thermal power stations during Jan'24-Dec'24 is 58.89 MT as against 60.11 MT during Jan'23-Dec'23.

### 5. Cement Plants:

#### Coal India Limited

The dispatch to cement plants from CIL during Jan'24-Nov'24 was 4.50 million tonnes (provisional) as against 4.37 MT during the same period last year. Dispatch has increased by 0.13 MT, with a growth of 3% as compared to same period last year.

#### SCCL

The actual Off-take of coal by cement plants during

Jan'24-Dec'24 is 1.41 MT as against 2.93 MT during Jan'23-Dec'23.

### 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. In 2024-25 (till Nov'24), a quantity of 0.96 MT has been allocated to 12 SNAs (State Nominated Agencies) of 12 States.

### 7. E-Auction of coal

**Single window for e-auction of coal:-** Government has approved in 2022, a new mechanism for e-auction of coal by the coal companies. The erstwhile sectoral e-auction windows of Coal India Limited has been done away with and henceforth, all the non-linkage coal of the coal companies would be sold through one e-auction window of Coal India Limited / Singareni Collieries Company Limited. This single e-auction window will cater to all the Sectors viz. Power & Non-Regulated Sector including traders. A single e-auction window would



enable the coal companies to sell coal through the market discovered price Mechanism and thus, implementing this policy will lead to the removal of Market distortions. It shall also increase operational efficiencies and lead to an increase in domestic coal demand by efficiency in domestic coal market.

## 7.1 E-Auctions in CIL

Single Window Mode agnostic e-auction policy has been implemented across Coal Companies of CIL from 01.03.2023. Till Nov'24, all e-auctions were conducted on in-house CMPDIL-NIC portal. Subsequently, based on customer feedback, amendment in the auction process/scheme has been carried out to make it more user friendly. Since, in house portal is not ready to conduct e-auction as per revised operative modalities, as an interim measure from Dec'24 onward, e-auction under CIL E-auction Scheme 2022 are to conducted through external service provers in the new e-auction platform of M/S MSTC Ltd. & Mjunction. During FY'24, till Nov'24 a total quantity of 54.44 MT was successfully allocated under e-auction compared to 49.73 MT during same period of FY'23 (Apr'23 to Nov'23). The premium over floor price stood at 51% during FY'24 (Apr'24 to Nov'24) compared to 89% premium fetched in same period FY'23 (Apr'23 to Nov'23). The details of E-auction in FY 2024-25 (till Nov'24) is as below: -

Performance under Single Window Mode Agnostic E-auction	
Total Qty. allocated (in Mill Tonnes)	55.44
Total Notified Value (in Crore ₹)	9673.24
Total Booking Value (in Crore ₹)	14649.35
Increase over Notified Value (in %)	51%

## 7.2 E-auction of coal in SCCL

SCCL started spot e-auction of coal in December, 2007. Spot Auctions held during **Jan'23 to Dec'23**

and **Jan'24 to Dec'24** are as below: -

Company	Jan 2023 – Dec 2023	Jan 2024 – Dec 2024
SCCL	0.815 MT	0.525 MT

## 8. Modes of Transport:

### 8.1 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 during Jan'24- Nov'24 has been approximately as under:

Modes of Transport (Jan'24-Nov'24)	Share %
Railways	55%
Road	31%
MGR	13%
Belt – Conveyors/ Ropeways	2%

### 8.2 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 movement of coal during Jan'24- Dec'24 has been approximately as under:-

Mode of Transport (Jan'24- Dec'24)	Share %
Rail	68.79%
Road	15.67%
RCR	1.89%
Rope	0.75%
MGR	12.90%

## 9. 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/consumer 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. 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:

Linkage system was replaced with a system of Fuel Supply Agreement (FSA). After implementation of NCDP in October 2007, FSAs of existing consumers were signed in 2008. Tenure of these FSAs was 5 years, which are expired as on date.

- a. Apart from the above, linkage of 23 CPSU units for an ACQ of about 13.5 Mill. Tn is existing which is renewable on five (5) year basis as per NRS policy dated 15.02.2016.
- b. 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.
- c. For Power Sectors, pre-2009 TPPs have a valid Annual Contracted Quantity (ACQ) of 223.92 MT as on date.
- d. 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 Annual Contracted Quantity (ACQ) of valid FSAs for Post-NCDP Power is 236.95 MT.

To promote optimum utilization of coal resources in the national interest, enabling provisions has been made by way of amendment to the New Coal Distribution Policy (NCDP), 2007 in 2022, in order to allow the coal produced from Closed / Abandoned / Discontinued mines of CIL / SCCL to be sold through a transparent and objective manner as per the guidelines issued by Ministry of Coal from time to time.

## 10. NEW POLICIES FURTHER TO NCDP:

### Linkage Auction for Non-Regulated Sector Consumers

#### 10.1 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. Subsequently in tranche VII Others (Coking) & Others (Non-Coking) Subsector was merged as single unified 'Others' Subsector, also a new subsector 'Production of Syngas leading to Coal Gasification' was introduced was introduced in Tranche VII of NRS Linkage E-auction.

Seven tranches of auction under NRS Linkage E-auction have been concluded wherein about 177.64 MTPA of annual coal linkages have been booked at an average premium of about 30% over non-power Modulated Notified price. The Quantity booked under Seven tranches is placed below.





Sub Sector ↓ Tranche →	I	II	III	IV	V	VI	VII	Total
Sponge Iron	2.05	4.29	2.54	6.37	4.19	10.98	1.94	32.35
Cement	0.68	0.77	0.12	4.26	2.95	0.95	3.49	13.22
CPP	18.07	8.18	4.59	15.90	38.33	11.88	7.22	104.18
Others (Coking)	-	0.04	0.36	2.17	1.00	0.42	-	3.99
Others (Non-coking)	1.34	1.27	0.67	6.00	2.89	2.28	-	14.45
Others	-	-	-	-	-	-	4.75	4.75
Steel (Coking)	-	0.22	0.00	0.65	1.30	0.15	2.39	4.71
Syngas	-	-	-	-	-	-	0.00	0.00
<b>Total</b>	<b>22.14</b>	<b>14.76</b>	<b>8.28</b>	<b>35.35</b>	<b>50.66</b>	<b>26.66</b>	<b>19.79</b>	<b>177.64</b>

Auction under Eight tranche is underway beginning with Cement Subsector.

### 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. Amendments to the said policy have also been introduced in year 2019 and 2023.

As of now, coal linkages to the following capacities have been granted under various Paras of the policy:

- Clearance has been given for signing of Fuel Supply Agreement (FSA) to Letter of Assurance (LoA) holders with a total capacity of 8,780 MW under the provisions of Para A(i) of SHAKTI Policy.
- 58 Thermal Power Plants (TPPs) have been granted linkage for a total capacity of 63,670 MW under the provisions of Para B (i) of SHAKTI policy.
- Under SHAKTI B (ii), total six rounds of auction have been held in which total booked quantity of coal linkage is 38.90 Million Tonne Per Annum (MTPA).

- Under SHAKTI Para B (iii), six rounds of auction have been held and about 40.27 MTPA of coal linkage has been booked.
- Under SHAKTI Para B (iv), the coal linkages have been earmarked to the States of Gujarat, Uttar Pradesh, Madhya Pradesh, Rajasthan, Maharashtra, Karnataka, West Bengal, Assam and Kerala for a capacity of 4000 MW, 5600 MW, 6740 MW, 3299 MW, 1600 MW, 2000 MW, 4100 MW, 500 MW and 500 MW respectively.
- Under Para B (v) of SHAKTI Policy, coal linkage has been earmarked for a capacity of 4500 MW.

20 tranches of linkage auction have been conducted by Coal India Limited under Para B (viii) (a) of SHAKTI Policy and about 76.30 MT of coal has been booked by the successful bidders.

### 11. Import Substitution:

Most of the requirement of coal in the country is met through indigenous production / supply. The focus of the Government is on increasing the domestic production of coal and to eliminate non-essential import of coal in the country. Other measures taken



by the Government to substitute coal imports are as under:

- (i) The ACQ has been increased upto 100% of the normative requirement, in the cases where the ACQ was either reduced to 90% of normative requirement (non-coastal) or where the ACQ was reduced to 70% of normative requirement (coastal power plants). Increase in the ACQ would result in more domestic coal supplies, thereby, reducing the import dependency.
- (ii) Under the provisions of Para B (viii) (a) of SHAKTI Policy, coal linkage is provided for short term for sale of power generated through that linkage through Power Exchanges or in short term through a transparent bidding process through DEEP portal. In addition, with the amendment to the NRS linkage auction policy introduced in 2020, the tenure of coking coal linkages in the NRS linkage auction has been revised for a period upto 30 years. The coal offered for short term to the Power Plants under the amended provisions of SHAKTI Policy as well as increase in the tenure of the coking coal linkages in the Non-Regulated Sector linkage auction for a period upto 30 years is expected to have a positive impact towards coal imports substitution.
- (iii) Government has decided in 2022 that the coal to meet the full PPA requirement of all the existing linkage holders of Power Sector shall be made available by the coal companies irrespective of the trigger level and Annual Contracted Quantity levels. Thus decision of the Government of meeting the full PPA requirement of the linkage holders of the Power Sector shall reduce the dependence on the imports.
- (iv) 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. 11 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. Thus, the entire substitutable imported coal should be met by the country and no import other than very essential should happen. A Strategy Paper on Coal Import Substitution has been released.

- (v) A new sub-sector 'Steel using Coking coal through WDO route' has been created in March, 2024 under the Non-Regulated Sector Linkage auctions which shall lead to increase in the domestic Coking coal consumption and increased availability of washed Coking coal in the country, thereby, reducing Coking coal imports.

## 12. 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.

