GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO-1638
ANSWERED ON 03/08/2026

IMPLEMENTATION OF THE COAL EXCHANGE RULES, 2026

1638. SHRI S. R. SIVALINGAM:

Will the Minister of COAL be pleased to state:

(a) present status of implementation of the Coal Exchange Rules, 2026 and the objectives behind establishing coal exchanges in the country;

(b) arrangements made by Government to facilitate transparent price discovery, wider participation of coal producers and consumers and fair trading practices;

(c) regulatory mechanism proposed for quality certification, delivery, settlement and market oversight; and

(d) expected impact of coal exchanges on improving coal availability, enhancing competition, reducing transaction costs and strengthening energy security across the country?

ANSWER

THE MINISTER OF STATE FOR COAL AND MINES

(SHRI SATISH CHANDRA DUBEY)

(a) The Coal Exchange Rules, 2026, have been notified under Section 18B of the Mines and Minerals (Development and Regulation) Act, 1957 by the Ministry of Coal on 04.06.2026 inter-alia appointing the Coal Controller Organisation (CCO) as the Authority to register and regulate Coal Exchange(s). The Authority has started a dedicated online application platform on 15.07.2026 for submission of application for registration of Coal exchanges. Coal Exchanges, as defined in the Rules, shall be an online platform, where buyers and sellers of coal and its processed forms, transact, trade and enter into contracts on such platform.

The main objectives behind establishing Coal Exchange(s) in the country are to provide commercial miners/captive miners a ready access to market for selling their surplus coal where buyers can source their unplanned or short-term requirements. Coal Exchange(s) shall be a uniform independent platform for allowing for standardized contracts for trading and pave way from the present “one-to-many” kind of platform to a “many to many platform” where both buyers and sellers can bid thereby making price discovery more efficient.

(b) & (c) The Coal Exchange would be established and operated with the objectives of formulating coal supply contracts and facilitating transactions of such contracts, ensuring fair, transparent, neutral, efficient and robust price discovery and dissemination and securing the efficient and timely supply of coal in accordance with the terms of the contract. For transaction, trade and enter into delivery-based contracts on the Coal Exchange(s), any entity, including captive-commercial miners and consumers including small and medium consumers can leverage the platform to enhance market participation.

The Authority shall exercise administrative control by approving the bidding and price discovery mechanisms, contract specifications regarding scheduling and delivery of transactions, quality of delivered coal, bid types, transaction fee ceilings, bye-laws and operating procedures.

The price discovery of the coal traded or transacted on the Coal Exchange shall be undertaken by the Coal Exchange through a mechanism that ensures fair, neutral, competitive and efficient prices. The bidding and price discovery mechanisms shall be conducted in accordance with the procedure approved by the Authority.

The Coal Exchange shall discharge its obligations relating to the clearing and settlement of transactions undertaken on its platform in accordance with its bye-laws. The final price of the traded coal shall be adjusted in accordance with the quality of the coal traded, based on the price-adjustment mechanism of the contract executed and the quality certification issued by the coal sampling agency in accordance with the contract approved by the Authority. Any variance between the quantity actually dispatched and the quantity traded shall be resolved in accordance with the terms and conditions specified in the executed contract.

The scheduling and delivery of transactions shall be carried out in coordination among the sellers, buyers and other relevant market participants, in accordance with the contract approved by the Authority.

The Authority will maintain market oversight to detect and prevent market manipulation, cartelization, insider trading, and abuse of dominant position. The Authority has been given power of intervention, power to issue interim orders and power of inspection in the event of any violation or non-compliance of any provisions of the rules.

The market oversight mechanism and market surveillance as envisioned in the 'Coal Exchange Rules, 2026' will prevent any market manipulation/abuse to bring transparency in the Coal Exchange ecosystem.

(d) Through Coal Exchange, coal would be sold through a transparent way of allocation and resultantly, this will help market participants manage risk better, as exchange acts as a central counter-party. This new platform of Coal Exchange(s) will work in making price discovery more efficient, competitive, market driven and transparent. By participation of any entity including coal PSUs, captive commercial miners, the availability of coal of assured quality as well as the competition among the sellers of coal is expected to be increased to adequately fulfill the requirement of coal consumers. The consumers can procure coal from various domestic producers thereby reducing dependence on a single supplier. By uniform trading rules, digital payments, reduced cost of search and negotiation, optimized coal movements, the transaction cost is also expected to be reduced. All these efforts will contribute to strengthening energy security across the country.

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