

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO. 2387
TO BE ANSWERED ON 21/12/2022

Coal Permit to Industries

2387. SHRI GOPAL CHINNAYA SHETTY:

Will the Minister of **COAL** be pleased to state:

(a) the details of the guidelines and the terms and conditions fixed by the Union Government for granting permit to public and private industries and organisations;

(b) the details of the per metric tonne rate fixed for the coal extracted during this financial year so far;

(c) the details of complaints/information received regarding the coal permits issued by violating the guidelines and the terms and conditions as on date, company-wise; and

(d) the action taken in this regard so far?

ANSWER

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES
(SHRI PRALHAD JOSHI)

(a): There is no system in vogue for issuing coal permits. Earlier such consumers used to get coal through fuel supply agreements executed in term of New Coal Distribution Policy 2007. Coal linkages are now being granted to Government and private industries falling under the category of non-regulated sector consumer through “Linkage Auction Policy for Non - regulated sector dated 15.02.2016”. The mechanism of coal supplies to various customers is as under:

Supply of coal to Thermal Power Plants, NRS and State Nominated Agency was earlier governed by New Coal Distribution Policy, 2007 (NCDP). The mechanism of coal supplies prescribed in NCDP was by way of coal linkages through enforceable Letter of Assurances (LoA) / Fuel Supply Agreements (FSAs) as well as e-auctions. Thereafter, the provisions of coal linkages of the NCDP for Power Sector and the Non-Regulated Sector has been replaced by the new mechanisms of SHAKTI Policy in 2017 and Auction of coal linkages for Non-Regulated Sector (NRS) in 2016 respectively.

Non-Regulated Sector: The policy on Auction of Coal Linkages to Non-Regulated Sector (NRS) prescribes that allocation of linkages for Non-Regulated Sector [except Fertilizer (Urea)] shall be auction based. The new FSAs shall be for the maximum period of 15 years. With the amendment

to the policy introduced in 2020, the tenure of coking coal linkages in the Non-Regulated Sector linkage auction has been revised for a period upto 30 years. For auction of coal linkages under the Policy, separate quantities are earmarked for sub-sectors of Non-Regulated Sector.

Power Sector: SHAKTI (Scheme for Harnessing and Allocating Koyala Transparently in India) Policy governs coal linkages to the Power Sector (Coal). The scheme provides various avenues under which the power plants can obtain short, medium & long term coal linkages. The Scheme has provisions for coal linkages on nomination basis to Government Gencos and on auction basis to Independent Power Producers.

Bridge Linkage for Specified end use plants of Central and State PSUs [Both in Power as well as Non-Power sector]: Bridge Linkage acts as a short term linkage to bridge the gap between requirement of coal of a specified end use plant of Central and State PSUs and the start of production from the linked allotted coal mine/ block. Bridge Linkage is allocated only against Schedule-III coal mines under CM(SP) Act and coal blocks allotted under MMDR Act.

E-Auction of coal: Coal distribution through e-auction under NCDP was introduced with a view to provide access to coal for such consumers who are not able to source coal through the available institutional mechanism for reasons like the seasonality of coal requirement, limited requirement of coal not warranting long-term linkage. Coal India Limited was earlier conducting e-auctions under different windows meant for Power Sector, NRS and traders. All the existing e-auction windows of CIL/SCCL have now been clubbed into a single window to remove market distortions and auction of coal shall be done in a mode agnostic manner.

Small, Medium & Other Sector: The New Coal Distribution Policy, 2007 (NCDP, 2007), provided for distribution of coal to those units/consumers in small and medium sector across the country whose requirement was less than 4,200 tonnes per annum and were otherwise not having any access to purchase coal or concluded Fuel Supply Agreement (FSA) for coal supply with coal companies. The earmarked coal quantity would be distributed through State Nominated Agencies (SNAs) notified by the State Governments. However, the overall allocation to the SNAs is within the earmarked quantity of 8 MT. This provision of the NCDP, 2007 has been amended on 27.09.2016 by which the annual cap of 4,200 tonnes per annum for sale through SNAs has been increased to 10,000 tonnes per annum and the phrase of small and medium sector as mentioned in NCDP, 2007 has been amended as small, medium and others.

(b): The latest coal prices notified by CIL, SCCL and NLCIL are placed at Annexure-I, II & III respectively.

(c): No report regarding violation of guideline & terms & Condition has been received from CIL, SCCL and NLCIL. However, a representation dated 20.1.2022 was received from a member of Parliamentary Board regarding irregularities in coal distribution by State Nominated Agencies of Gujarat state for the coal allocated by Coal India Limited to the agency.

(d): Consequent to the above representation, the following steps was taken to prevent irregularities in coal distribution by SNAs:

(i) Supply of coal to the concerned SNA immediately stopped.

(ii) State Govt have been advised to nominate only State/Central Government agencies as SNA for distribution of coal to MSME industries.

(iii) The quantity of all the SNAs revised on the basis of lifting of last five (5) years.

Coal is allocated to the SNAs on the basis of New Sales Distribution policy issued by MOC 31.10.2007, where it was mandated that coal PSUs would allocate coal to State Nominated Agencies and the SNA will distribute coal in a transparent & scientific manner at a price with a margin up to 5% over and above basic price charged by the coal companies.

Annexure-I

Pit Head run of Mine price (ROM) of non-coking coal applicable for all coal producing subsidiary companies including NEC but excluding WCL.

<u>Grade</u>	<u>GCV Range</u>	<u>Pithead Run of Mine price for Non-coking coal</u>	
		Power Utilities (including IPPs), Fertilizer & Defence Sector	Sector Other than Power Utilities (including IPPs), Fertilizers & Defence
	<u>(Kcal/kg)</u>	<u>(Rs/Te)</u>	<u>(Rs/Te)</u>
G1	Exceeding 7000	*	*
G2	Exceeding 6700 and not exceeding 7000	3298	3298
G3	Exceeding 6400 and not exceeding 6700	3154	3154
G4	Exceeding 6100 and not exceeding 6400	3010	3010
G5	Exceeding 5800 and not exceeding 6100	2747	2747
G6	Exceeding 5500 and not exceeding 5800	2327	2534
G7	Exceeding 5200 and not exceeding 5500	1936	2321
G8	Exceeding 4900 and not exceeding 5200	1475	1767
G9	Exceeding 4600 and not exceeding 4900	1150	1378
G10	Exceeding 4300 and not exceeding 4600	1034	1238
G11	Exceeding 4000 and not exceeding 4300	965	1155
G12	Exceeding 3700 and not exceeding 4000	896	1073
G13	Exceeding 3400 and not exceeding 3700	827	990
G14	Exceeding 3100 and not exceeding 3400	758	907
G15	Exceeding 2800 and not exceeding 3100	600	718
G16	Exceeding 2500 and not exceeding 2800	514	614
G17	Exceeding 2200 and not exceeding 2500	457	546

* For GCV exceeding 7000 Kcal/Kg, the price shall be increased by Rs. 100/- per tonne over and above the price applicable for GCV band exceeding 6700 but not exceeding 7000 Kcal/Kg, for increase in GCV by every 100 Kcal/Kg or part thereof.

An additional amount of Rs.450.00 per tonne (as per the existing practice) to be charged over and above the notified price in respect of the coal produced from Rajmahal mine of Eastern coalfields Limited.

Table II**Pit head run of mine (ROM) price of non-coking coal applicable for WCL.**

<u>Grade</u>	<u>GCV Range</u>	<u>Pithead Run of Mine price for Non-coking coal</u>	
		Power Utilities (including IPPs), Fertilizer & Defence Sector	Sector Other than Power Utilities (including IPPs), Fertilizers & Defence
	<u>(Kcal/kg)</u>	<u>(Rs/Te)</u>	<u>(Rs/Te)</u>
G1	Exceeding 7000	*	*
G2	Exceeding 6700 and not exceeding 7000	3298	3298
G3	Exceeding 6400 and not exceeding 6700	3154	3154
G4	Exceeding 6100 and not exceeding 6400	3010	3010
G5	Exceeding 5800 and not exceeding 6100	2747	2747
G6	Exceeding 5500 and not exceeding 5800	2534	2590
G7	Exceeding 5200 and not exceeding 5500	2321	2433
G8	Exceeding 4900 and not exceeding 5200	1767	2119
G9	Exceeding 4600 and not exceeding 4900	1378	1652
G10	Exceeding 4300 and not exceeding 4600	1238	1484
G11	Exceeding 4000 and not exceeding 4300	1155	1384
G12	Exceeding 3700 and not exceeding 4000	1073	1285
G13	Exceeding 3400 and not exceeding 3700	990	1186
G14	Exceeding 3100 and not exceeding 3400	907	1086
G15	Exceeding 2800 and not exceeding 3100	718	860
G16	Exceeding 2500 and not exceeding 2800	614	735
G17	Exceeding 2200 and not exceeding 2500	546	653

*For GCV exceeding 7000 Kcal/Kg, the price shall be increased by Rs. 100/- per tonne over and above the price applicable for GCV band exceeding 6700 but not exceeding 7000 Kcal/Kg, for increase in GCV by every 100 Kcal/Kg or part thereof

Annexure-II

The basic grade wise coal prices per metric tonne for SCCL as on date is given below:

GCV GRADE	GCV RANGE (Kilo Calories per KG)	BASIC ROM PRICE FOR POWER UTILITIES	BASIC ROM PRICE FOR NON-POWER CONSUMERS
G1	Exceeding 7000	6110	6110
G2	Exceeding 6700 and not exceeding 7000	5900	5900
G3	Exceeding 6400 and not exceeding 6700	5810	5810
G4	Exceeding 6100 and not exceeding 6400	5760	5760
G5	Exceeding 5800 and not exceeding 6100	5285	5285
G6	Exceeding 5500 and not exceeding 5800	4830	5130
G7	Exceeding 5200 and not exceeding 5500	4430	4730
G8	Exceeding 4900 and not exceeding 5200	3430	4180
G9	Exceeding 4600 and not exceeding 4900	2750	3820
G10	Exceeding 4300 and not exceeding 4600	2610	3680
G11	Exceeding 4000 and not exceeding 4300	2120	3140
G12	Exceeding 3700 and not exceeding 4000	1850	2780
G13	Exceeding 3400 and not exceeding 3700	1480	2360
G14	Exceeding 3100 and not exceeding 3400	1300	2220
G15	Exceeding 2800 and not exceeding 3100	1270	1620
G16	Exceeding 2500 and not exceeding 2800	1220	1570
G17	Exceeding 2200 and not exceeding 2500	1130	1480

ANNEXURE-III

The details of average base price for coal extracted from NLCIL's only operative coal mine – Talabira II & III coal mine is as below:

: (in Rs. per tonne)

Particulars	F.Y. 2022-23 (till 30.11.2022)
Average base price for the coal supplied to NTPL.	782.33
Average base price for coal sold outside after the meeting the requirements of NTPL	1,191.96
