

F.No. 23011/90/2013-CPD
Government of India
Ministry of Coal

New Delhi, Dated 26th July, 2013

OFFICE MEMORANDUM

Sub: New Coal Distribution Policy- further instructions regarding implementation thereof.

The New Coal Distribution Policy (NCDP) was issued vide this Ministry's Office Memorandum No. 23011/4/2007-CPD dated 18.10.2007, laying down the guidelines for distribution and pricing of coal to various sectors. As per para 2.2 of the said policy, Power Utilities including Independent Power Producers were to be supplied 100 per cent of the quantity as per their normative requirement through Fuel Supply Agreement(s) (FSAs) by Coal India Limited (CIL) at fixed prices to be declared/notified by CIL. As per para 5.2, in order to meet the domestic requirement, CIL was to import coal as required from time to time, if feasible and adjust the overall price accordingly.

2. Government has now approved a revised arrangement for supply of coal to the identified Thermal Power Stations (TPPs) of 78,000 MW capacity commissioned or likely to be commissioned during the period from 01.04.2009 to 31.03.2015. Taking into account the overall domestic availability and the likely actual requirements of these TPPs, it has been decided that FSAs will be signed for the domestic coal quantity of 65%, 65%, 67% and 75% of ACQ for the remaining four years of the 12th Plan for the power plants having normal coal linkages. Cases of tapering linkage would get coal supplies as per the Tapering Linkage Policy. To meet its balance FSA obligations towards the requirement of the said 78,000 MW TPPs, CIL may import coal and supply the same to the willing power plants on cost plus basis. Power plants may also directly import coal themselves, if they so opt, in which case, the FSA obligations on the




part of CIL to the extent of import component would be deemed to have been discharged.

3. Para 2.2.and 5.2 of the New Coal Distribution Policy issued vide OM No. 23011/4/2007-CPD dated 18.10.2007 stand modified to the above extent.

4. The above guidelines will also be applicable to the distribution of coal from Singareni Collieries Company Limited (SCCL).

5. CIL and its subsidiaries and SCCL are advised to take further action accordingly.


(S.Ashraf)

Deputy Secretary to the Government of India

- 1) Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi
- 2) Secretary, Planning Commission, Yojana Bhawan, New Delhi
- 3) Secretary, Deptt. of Economic Affairs, Ministry of Finance, North Block, New Delhi
- 4) Secretary, Ministry of Steel, Udyog Bhawan, New Delhi
- 5) Secretary, Deptt. of Industrial Policy & Promotion, Udyog Bhawan, New Delhi
- 6) Secretary, Deptt. of Commerce, Udyog Bhawan, New Delhi
- 7) Chairman-cum- Managing Director, Coal India Limited
- 8) Chairman-cum- Managing Director, Singareni Collieries Company Ltd, Kothagudem, Hyderabad

Copy to:

- 1) Prime Minister's Office (Shri Sanjay Lohia, Director)
- 2) CMDs of BCCL, ECL, CCL, SCCL, MCL, WCL & NCL.
- 3) PS to Minister of Coal, PS to MOS, Sr.PS to Secretary of Coal
- 4) PS to JS(C), AS(C) and JS(LA).

Copies also for information to:-

Chief Secretaries of all State Government/ Union Territories.

Copy to:

Technical Director, NIC with the request to upload this on the website of Ministry of Coal