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File No.23011/100/2014.CPD

(3)

F.No. 23011/100/2014-CLD
Government of India
Ministry of Coal

Shastri Bhawan, New Delhi
Dated: 26.12.2017

OFFICE MEMORANDUM

Subject: Loss of Quantity of Coal while transportation.

The issue of feasibility of billing of coal, on the basis of coal as received at the destination point rather than the current practice of billing as per quality at the dispatch point and Railways to pay for losses in coal incurred during transportation, was examined in the Ministry. From the beginning of 2016, CIL has been supplying crushed coal to thermal power plants. Further, all coal seams/sidings/dispatch points have been regraded by CCO and these re-grades have been effective from the start of the current financial year.

2. From June, 2016, tripartite agreements between power generators, coal companies and CIMFR have been signed for independent third party sampling by CIMFR to ensure quality of coal at the dispatch point, and at the same time, CIMFR has also been entrusted by the power generators for quality checks at the unloading end of the coal so dispatched. These initiatives have largely addressed the concern of power plants on coal quality at the loading end. Moreover, as soon as the coal is loaded on the rakes the sale is complete under the Sale of Goods Act. Upon loading, the ownership gets transferred to power generators. Since the Railways is the transporter engaged by coal buyers, including power generating companies; the issue of any loss during transit needs to be resolved by consumers with railways as the Coal companies have no locus standi once the ownership has changed. Therefore, it would be appropriate that the coal consumers take up the issue of loss in coal incurred during transportation with the Ministry of Railways.

3. In this regard, Secretary (Coal) vide DO of even number dated 11.07.2017 had requested Secretary (Power) to consider the issue at Ministry of Power in consultation with Ministry of Railways. Therefore, as the action on this point will lie with Ministry of Power and Ministry of Railways and not with Ministry of Coal, the same may be reflected accordingly in the agenda points.

Signature valid

Digitally signed by DOMINIC
DUNG DUNG
Date: 2017.12.26 14:07:43 IST
Reason: Approved

(Dominic Dung Dung)

Under Secretary to the Government of India

To

1. Sh. Ajit Kumar, Deputy Secretary, South Block, PMO
2. Sh. A. Harendra Kumar, Joint Advisor, Dy. Advisor, NITI AAYOG