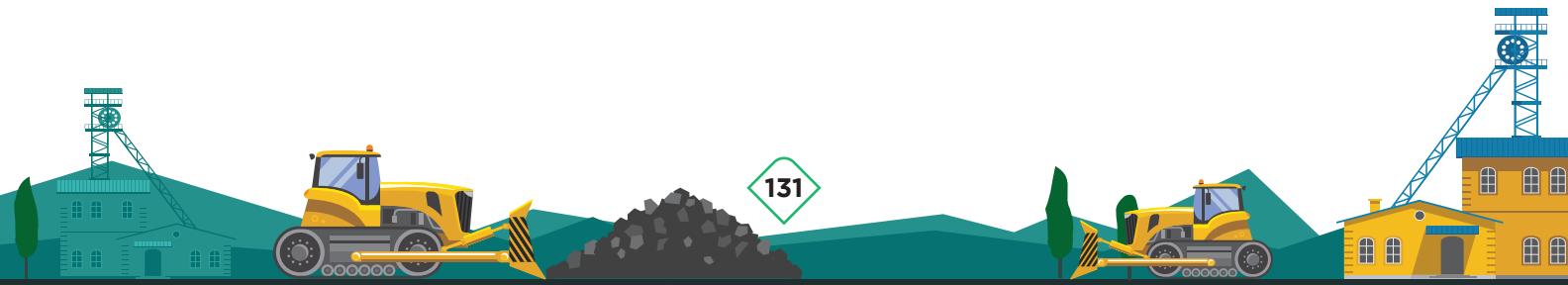


COAL DISTRIBUTION AND MARKETING

10
CHAPTER



COAL DISTRIBUTION AND MARKETING

Coal Distribution and Marketing:

1. Allocation of coal to power and Non-regulated Sector (NRS)

Distribution of coal produced by Coal India Limited / SCCL in the country is broadly made under two channels i.e. either through a coal linkage or through e-auction conducted by the coal companies. Coal is also distributed to the Micro, Small & Medium Enterprises (MSME) Sector through the State Nominated Agencies (SNAs). Coal linkages to the Power Sector are granted under the provisions of Revised SHAKTI Policy and to Non-Regulated Sector (NRS) under the Policy for auction of linkages for NRS. Coal through e-auctions and distribution through SNAs are governed under the provisions of New Coal

Distribution Policy (NCDP), 2007. MSMEs whose requirement is less than 10,000 tons per annum are required to take coal through the SNAs. Erstwhile e-auction windows of Coal India Limited i. e. exclusive e-auction of coal for NRS, spot auction of coal and others, have been merged and all the non-linkage coal of the coal companies are now sold through single e-auction window of Coal India Limited, which caters to all the Sectors viz. Power & NRS including traders.

2. Sector wise Coal Off-take from Coal India Limited (Provisional)

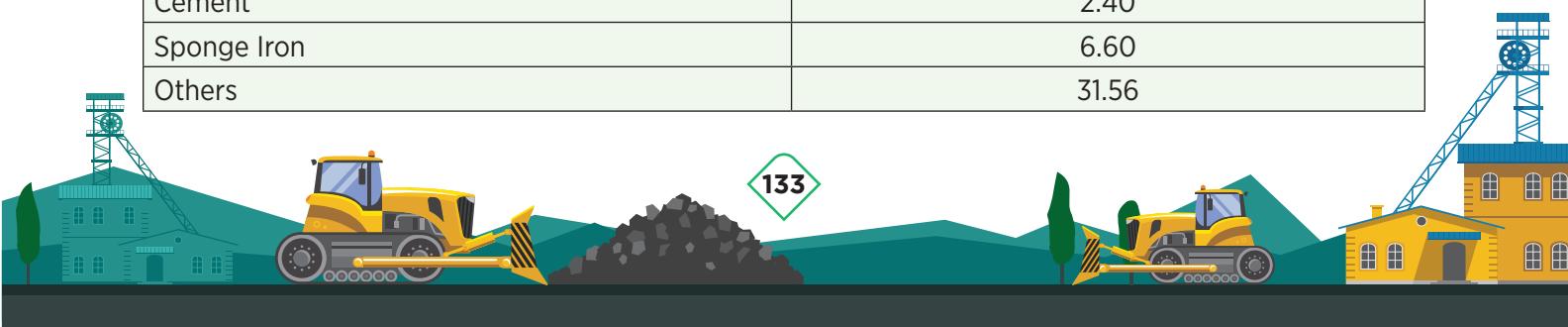
Sector-wise coal off-take from CIL during the period from Jan'25-Dec'25 and projection for Jan'26-Mar'26 is as below:-

(In MT)

Sector	AAP Targeted off take	Actual Off take	Supply % against Target
Steel	3.84	2.30	60%
Power (Utilities)	662.73	594.71	90%
Captive Power*	63.69	57.04	90%
Cement	7.23	7.25	100%
Sponge Iron	10.87	6.06	56%
Others	129.74	79.56	61%
Total Despatch	878.10	746.91	85%
Colliery Consumption	0.14	0.13	94%
Total	878.14	747.04	85%

* Includes Despatch to Fertilizer sector.

Sector	Jan'26-Mar'26 (Projection)
Steel	1.04
Power (Utilities)	182.50
Captive Power *	17.13
Cement	2.40
Sponge Iron	6.60
Others	31.56



Sector	Jan'26-Mar'26 (Projection)
Total Despatch	241.23
Colliery Consumption	0.04
Total	241.27

* Includes Despatch to Fertilizer sector.

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

Sector-wise coal off-take from SCCL during Jan24-Dec24 Vs Jan 25-Dec25 are as below:

(In MT)

SECTOR	JAN 24 TO DEC24	JAN 25 TO DEC 25	Growth%
POWER	58.90	58.76	-0.23
CAPTIVE POWER	1.55	1.15	-25.57
MAJOR CEMENTS	1.59	0.81	-49.12
SPONGE IRON	0.22	0.11	-47.93
Heavy Water Plant	0.50	0.46	-8.55
E-AUCTION	0.48	0.39	-19.83
OTHERS	1.79	1.58	-11.74
TOTAL	65.02	63.25	-2.73

Import of coal: SCCL is not importing coal.

4. Power Houses:

Coal India Limited

Off-take of coal to power sector during Jan'25-Dec'25 from CIL was 594.71 MT. Coal dispatch to power sector has decreased by about 25.8 MT, with a decline of 4.2%, as compared to same period last year

SCCL

Actual Off-take of coal to thermal power stations during Jan'25-Dec'25 is 58.76 MT as against 58.90 MT during Jan'24-Dec'24.

5. Cement Plants:

Coal India Limited

The dispatch to cement plants from CIL during Jan'25-Dec'25 was 7.25 million tonnes (provisional) as against 5.06 MT during the same period last year. Dispatch has increased by 2.19 MT, with a growth of 43% as compared to same period last year.

SCCL

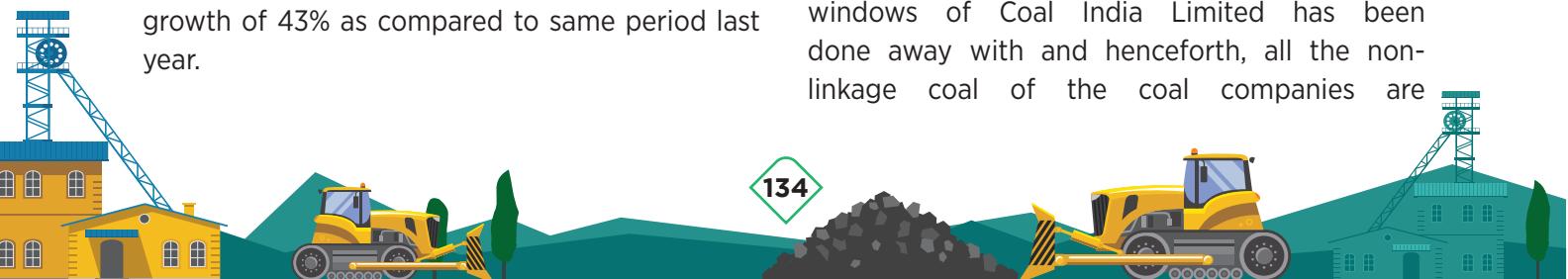
The actual Off-take of coal by cement plants during Jan'25-Dec'25 is 0.81 MT as against 1.59 MT during Jan'24-Dec'24.

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 2025-26 (till Dec'25), a quantity of 11.45 MT has been allocated to 09 SNAs (State Nominated Agencies) of 09 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 are



being sold through one e-auction window of Coal India Limited / Singareni Collieries Company Limited. This single e-auction window caters to all the Sectors viz. Power & Non-Regulated Sector including traders. A single e-auction window enables the coal companies to sell coal through the market discovered price Mechanism and implementing this policy leads to the removal of Market distortions. It also increases 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. Presently, CIL is conducting SWMA e-auction through both internal (CMPDIL) as well as external (M/s MSTC Ltd & M/s Mjunction Services Limited) auction service providers. During FY'26, till Dec'25 a total quantity of 66.25 MT was successfully allocated under e-auction compared to 62.30 MT during same period of FY'25 (Apr'24 to Dec'24). The premium over floor price stood at 38% during FY'26 (Apr'25 to Dec'25) compared to 51% premium fetched in same period FY'25 (Apr'24 to Dec'24). The details of E-auction in FY 2025-26 (till Dec'25) is as below: -

Performance under Single Window Mode Agnostic E-auction

Total Qty. allocated (in Mill Tonnes)	66.25
Total Notified Value (in Crore Rs.)	11707.59
Total Booking Value (in Crore Rs.)	16098.99
Increase over Notified Value (in %)	38%

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'25- Dec'25 has been approximately as under:

Modes of Transport (Jan'25-Dec'25)	Share %
Railways	55%
Road	30%
MGR	13%
Belt - Conveyors/ Ropeways	2%

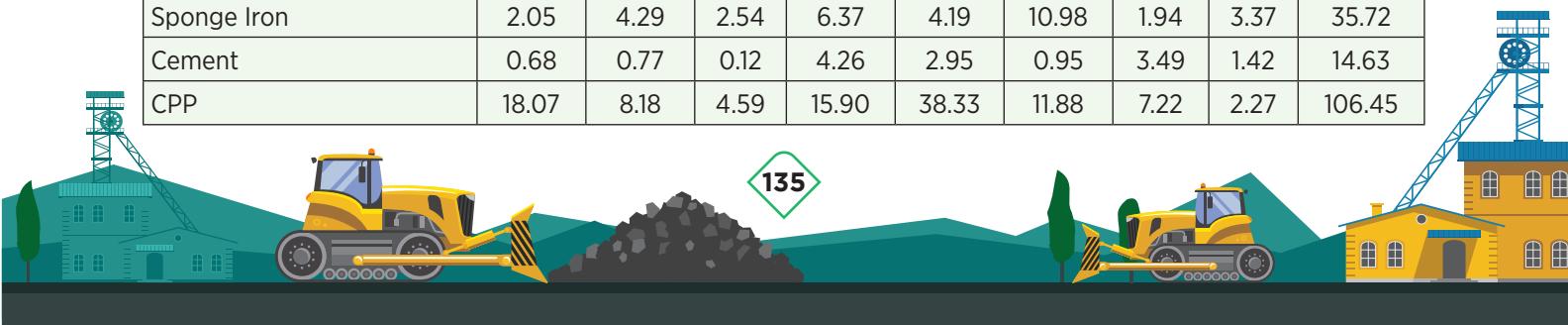
9. NEW POLICIES FURTHER TO NCDP:

9.1 Linkage Auction for Non-Regulated Sector Consumers

Eight tranches of auction under NRS Linkage E-auction have been concluded wherein about 191.30 MTPA of annual coal linkages have been booked at an average premium of about 28% over non-power Modulated Notified price. The Quantity booked under eight tranches is placed below.

Sub Sector	I	II	III	IV	V	VI	VII	VIII	Total
Sponge Iron	2.05	4.29	2.54	6.37	4.19	10.98	1.94	3.37	35.72
Cement	0.68	0.77	0.12	4.26	2.95	0.95	3.49	1.42	14.63
CPP	18.07	8.18	4.59	15.90	38.33	11.88	7.22	2.27	106.45

(In MT)



Sub Sector	I	II	III	IV	V	VI	VII	VIII	Total
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	3.22	7.97
Steel (Coking)	-	0.22	0.00	0.65	1.30	0.15	2.39	1.93	6.64
Syngas	-	-	-	-	-	-	0.00	1.45	1.45
Total	22.14	14.76	8.28	35.35	50.66	26.66	19.79	13.66	191.30

Auction under Ninth tranche is underway wherein auction for Cement, CPP, Sponge Iron & Steel(Coking) Subsectors has been concluded whereas auction for Others' subsector has commenced from 12.01.2026 & 'Production of Syn Gas leading to Coal Gasification' subsector is scheduled to commence from 15.01.2026.

9.2 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.

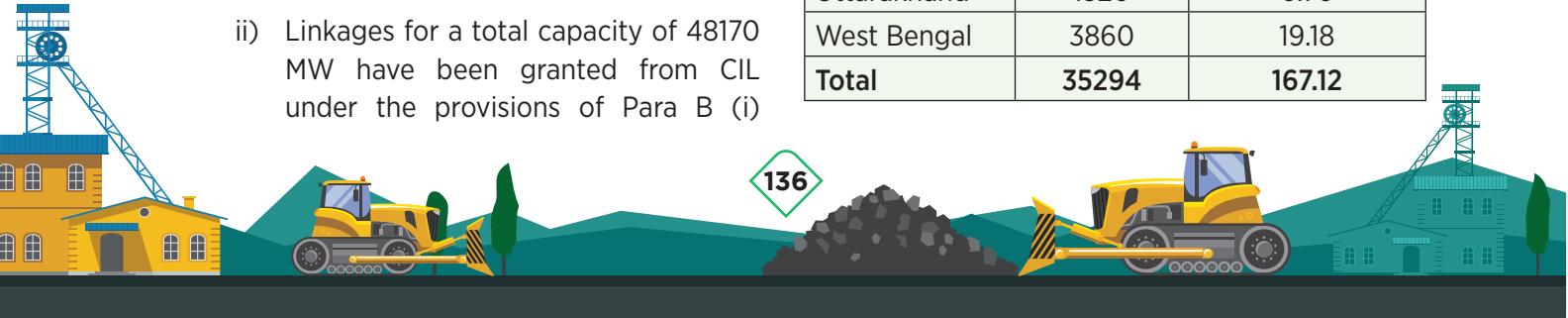
As of now, coal linkages to the following capacities have been granted under various Paras of the policy:

- 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 and quantity of 32.26 Million Tonne under the provisions of Para A(i) of SHAKTI Policy.
- Linkages for a total capacity of 48170 MW have been granted from CIL under the provisions of Para B (i)

of SHAKTI policy for 198.20 Million Tonne.

- 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), nine rounds of auction have been held and about 64.08 MTPA of coal linkage has been booked.
- Under SHAKTI Para B (iv), the coal linkages have been earmarked to following States:

State	Capacity (MW)	Earmarked Qty. (Million Tonne)
Assam	500	2.56
Bihar	2400	10.43
Gujarat	3915	16.75
Karnataka	2000	10.26
Kerala	500	2.71
Madhya Pradesh	7100	32.20
Maharashtra	3200	16.40
Rajasthan	3299	16.89
Uttar Pradesh	7200	32.98
Uttarakhand	1320	6.76
West Bengal	3860	19.18
Total	35294	167.12



- vi) Under Para B (v) of SHAKTI Policy, coal linkage for 24 MT has been earmarked for a capacity of 4500 MW.
- vii) 23 tranches of linkage auction have been conducted by Coal India Limited under Para B (viii) (a) of SHAKTI Policy and about 105.43 MT of coal has been booked by the successful bidders.

Coal linkages to power sector under Revised SHAKTI, 2025

The revised SHAKTI (Scheme for Harnessing and Allocating Koyala Transparently in India) Policy for Coal Allocation to the Power Sector was approved by the Cabinet Committee on Economic Affairs (CCEA) on May 7, 2025.

The key feature of this reform is the simplification of the complex linkage system from eight categories to just two Windows.

- Window I provides coal at the Notified Price on a nomination basis for Central and State Government-owned generating companies (GENCOs). 55.2 Million Tonne have been earmarked under Window-I.
- Window II allows all power producers, including private and imported coal-based plants, to secure coal through an auction at a premium, offering great flexibility with linkages available for up to 25 years and without the mandatory requirement of a Power Purchase Agreement (PPA).

CIL has implemented the Window-II of the revised SHAKTI Policy. The first tranche of Window-II: Short Term (Half Yearly) Auction is scheduled to commence from 27.01.2026. Further, auction of coal linkages under Window-II: Long/Medium Term (Annual) Auction will be conducted soon.

The policy also promotes setting up new power plants near coal sources (pithead projects), rationalizes coal delivery to reduce the final consumer tariff, and allows the sale of surplus power in the market, collectively aiming to maximize domestic coal utilization, reduce import dependence, and ensure affordable, reliable power supply.

10. Coal 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 Annual Contracted Quantity (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 power plants) 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. Vide amendment to the Non-Regulated Sector (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. Increase in tenure of coking coal linkages in the NRS 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 coal to meet the full Power Purchase Agreement (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 ACQ levels. This decision of the Government of meeting the full PPA requirement of the linkage holders of the Power Sector is expected to reduce dependence on imports.
- iv. An Inter - Ministerial Committee (IMC) was constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. On directions of IMC, an Import Data System has been developed by Ministry of Coal to enable the Ministry to



track import of coal. As per Foreign Trade Policy governing import of goods, coal is freely importable without any restrictions. However, with effect from December, 2020, the same has been revised from "Free" to "Free subject to compulsory registration in Coal Import Monitoring System (CIMS) Portal".

- v. Efforts are being made on a continuous basis to ensure more domestic supplies of coal. Thus, the entire substitutable imported coal is expected to be met by the country and no import other than the very essential should happen. A Strategy Paper on Coal Import Substitution has been released.
- vi. A new sub-sector 'Steel using Coking coal through WDO route' has been created in March, 2024 under the NRS linkage auctions which will lead to increase in the domestic coking coal consumption and also increase availability of washed coking coal in the country, thereby, reducing coking coal imports.
- vii. Coking Coal Mission has been launched to enhance coking coal supply to the Steel Sector to reduce imports of coking coal. Initiatives have been taken to enhance coking coal production.
- viii. Imported Coal Based (ICB) Plants have been allowed to secure coal under the Revised SHAKTI Policy, 2025. The coal availability for ICB Plants under this Policy is expected to reduce dependence of these ICB plants on imported coal.
- ix. Existing Fuel Supply Agreement (FSA) holders have been allowed to secure

coal under the Revised SHAKTI Policy, 2025 after procuring 100% of the ACQ coal under existing FSA. Coal availability beyond the ACQ to existing FSA holders will benefit the power producers to meet the full requirement of the power plants.

11. 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.

