

**HARYANA KHADI & VILLAGE INDUSTRIES
BOARD**

Khadi Bhawan

Bays no.63-66, Sector-2, Panchkula

Coal Policy

with

Term & Conditions

Approved by the BOD against Agenda Item No-10 in its 211TH meeting held on dated 03/12/2018.

मय सं. (10) Subject:-

Nomination of HKVIB as a Nodal Agency for distribution of Coal in the State of Haryana and formulation of a policy thereon.

The state Government in Industries and Commerce Department Haryana vide letter No 2/3/2010-IIBII dated 31.08.2017 (copy enclosed) has designated Haryana Khadi & Village Industries Board as the Nodal Agency for distribution of Coal to Micro, Small, Medium and Other Sectors in the State of Haryana subject to following terms and conditions

i) The process of coal distribution in the State of Haryana by the above Agency will be government/regulated as per the policy guidelines issued by the Ministry of Coal, Government of India and further instructions/guidelines/issued by the Government of Haryana from time to time.

ii) Haryana Khadi & Village Industries Board (HKVIB) will be responsible for assessing the coal requirements in the respect of the Micro, Small Medium and other sectors situated in the State of Haryana and distribution to the eligible consumers having coal requirements less than 10,000 tonnes per annum.

iii) The Agency nominated by the State Government for distribution of Coal among the eligible consumers of the State of Haryana shall further make applications to Coal India Ltd. for allocation of quota of the coal as per the New Coal Distribution Policy and amendment dated 27-09-2016 of the Ministry of Coal, Government of India.

iv) The Agency will execute Fuel Supply Agreement (FSA) with Coal India Limited.

3. For distribution of coal to the Micro, Small, Medium and other sectors by the agency notified by the State Government for this purpose, the following procedure will be followed.

i) Haryana Khadi & Village Industries Board (HKVIB) would like applications from the eligible consumers in a prescribed format given at Annexure 'A' in order to assess the annual coal consumption capacity

and requirement of each applicant Micro, Small, Medium and other sectors.

- ii) The HKVIB would be primarily responsible for assessing the eligibility and the actual requirement of coal of each applicant vis-à-vis the requirements stated in the application.
- iii) The HKVIB, would, therefore, compile the database of the eligible applicants along with the quantity of assessed coal requirement for each district and the state as a whole in the format given at Annexure 'B'.
- iv) Based on the above data-base, the HKVIB would place its demand with the Coal India Ltd. for allocation of the coal quota and undertake distribution of the same as per indent/availability to the eligible consumers.
- v) The HKVIB would evolve a mechanism for monitoring the distribution and consumption of the distributed coal so that no malpractices, take place in the process and no consumer is allowed to draw allocation in excess of its requirements and indulge in its diversion for any purpose other than its self-consumption.
- vi) After the exercise of demand survey and assessment is undertaken and completed in the first instance, it would be repeated every year before the beginning of the ensuing FY in the month of March for enlisting any new applicants and revised demand assessment.
- vii) In case any entity draws allocation higher than its actual consumption and is found indulging in diversion of the same in the market to any third party, it would entail revocation of its allocation and levy of a penalty equal to two times of the differential in pricing of the coal as applicable at the time of delivery. The entity applying for coal allocation would be required to furnish an undertaking to that effect.
- viii) Notwithstanding the quota/allowance fixed for any consumer at the beginning of the year, the HKVIB may allot coal in excess of the allowance initially fixed, linked with increase in the demand/production

of goods of the said consumer during the financial year. However, any such increase in one case would be off-set against any drop in demand in respect of another consumer unit, without affecting the overall allocation of the quantity to the HKVIB during such period.

4. In case of any doubts or clarifications required by the Agency involved in the supply chain of coal, a reference would be made to the Director Industries & Commerce and the decision of the Government in the Industries and Commerce Department thereon would be final.

In order to accomplish the task assigned to the Board, A policy for distribution of Coal to the Micro, Small Medium and Other sectors in the Haryana State has been formed a copy of which is enclosed at Annexure 'C' . The policy has also been get veted from the ADA Environment & CC Department Haryana.

The Board may considered and approve the following

- (i) Nomination of Haryana Khadi and Village Industries Board as a Nodal Agency for distribution of Coal by the State Government vide letter No 2/3/2010-IIBII Notification dated 31.08.2017
- (ii) Policy for distribution of Coal for Micro, Small Medium and

Other sectors in the State of Haryana.