

CoalSETU window

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Why in news?

The Union Cabinet Committee on Economic Affairs has approved the Policy for Auction of Coal Linkage for Seamless, Efficient & Transparent Utilisation (CoalSETU) by creation of "CoalSETU window".

- **CoalSETU window** - It is a new policy mechanism that allows the coal linkages to be auctioned for diverse industrial uses and exports, with the aim of ensuring fair access and optimal resource utilization.
- **Operated under** - Ministry of Coal.
- **Aim** - To ***optimize the utilization*** of domestic coal resources and reduce dependence on imports.

Key Features

- **Auction-based allocation** - Coal linkages will be auctioned on a ***long-term basis*** for any industrial use or export.
- **No end-use restrictions** - Unlike the earlier *NRS (Non-Regulated Sector) policy (2016)* -
 - Which limited coal to specified sectors (cement, sponge iron, aluminium, etc [excluding Fertilizer (Urea)]), the new window allows ***broader participation***.
- **Alignment** - It matches with earlier coal sector liberalization (commercial mining without end-use restrictions).
- **Exclusion** - The coking coal will not be offered under this window.
- **Export allowance** - The coal linkage holders can export ***up to 50%*** of their allocated coal.
- **Flexibility** - Coal linkage holders may utilize the coal flexibly for their own consumption, export, coal washing, or any other purpose, including distribution among their group companies.
- **Restrictions** - Traders barred from participation, resale within the

country prohibited.

- **Impact** - It simplifies coal procurement for industries, increased availability of washed coal domestically, reduced imports, export potential for washed coal, strengthening India's global presence.

References

1. [PIB | Cabinet approves CoalSETU window](#)
2. [DD News | Cabinet approves CoalSETU window](#)

