



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY
COMMISSION**

IN CASE NO. OA – 482 / 24 – 25

**IN REGARD TO THE APPLICATION SUBMITTED BY THE
DURGAPUR PROJECTS LIMITED PRAYING NOT TO TREAT THE
INCOME FROM MERCHANT SALE OF COAL EXTRACTED FROM
THE TRANS DAMODAR COAL MINE OF DPL AS NON-TARIFF
INCOME**

DATE: 17.07.2025



Facts in brief:

- 1.0 The Durgapur Projects Limited (hereinafter referred to as "DPL") has submitted an application on 09.05.2024 before the West Bengal Electricity Regulatory Commission (hereinafter referred to as the "Commission") praying not to treat the income from merchant sale of coal extracted from the Trans Damodar Coal Mine of DPL as Non-Tariff income. The application has been admitted by the Commission and registered in Case No. OA – 482 / 24 – 25.
- 2.0 The application of DPL inter-alia states the following:
 - 2.1 DPL had participated in the reverse e-auction of captive coal mines conducted by the Ministry of Coal, Government of India held on 16.02.2015 and got allotment of Trans Damodar Coal Mine vide Allotment letter dated 23.03.2015. Subsequently, a Mine Developer cum Operator has been engaged by DPL through transparent bidding process for the actual mining operations at the Trans Damodar Coal Mine. A Coal Mine Development Production Agreement has also been executed with the MDO.
 - 2.2 Now, DPL has intended to revise their Mine Plan of the Trans Damodar Coal Mine enhancing its Annual Production in view of the Mines and Minerals (Development and Regulation) Act, 2021. In terms of sub-section (5) of Section 8 of the aforesaid Act, any lessee using coal or lignite for captive purpose may sell such coal or lignite upto fifty per cent of the total coal or lignite produced in a year after meeting the requirement of the end use plant linked with the mine in such manner as may be prescribed by the Central Government and on payment of such additional amount as specified in the Sixth Schedule.
 - 2.3 In view of the above, DPL has prayed before the Commission not to consider or treat the income towards the merchant sale of coal extracted from the Trans Damodar Coal Mine of DPL as non-tariff income.

Observations of the Commission:

- 3.0 The Commission observes that DPL had emerged as the Successful Bidder pursuant to a auction process conducted in accordance with Coal Mines (Special Provisions) Ordinance, 2014 read with Coal Mines (Special Provisions) Second Ordinance, 2014 and had entered into a Coal Mine Development and Production Agreement on 02.03.2025 with the



Nominated Authority for Trans Damodar Coal Mine. Therefore, DPL is to be guided with the provisions of the Coal Mines (Special Provisions) Act, 2015. Further, DPL in the instant application has submitted that they are intending to revise their Mine Plan of the Trans Damodar Coal Mine enhancing its Annual Production in pursuance to sub-section (5) of Section 8 of the Mines and Minerals (Development and Regulation) Act, 2021.

- 4.0 The Commission observes that DPL has the liberty to operate its mine as per the statutes of the land. However, DPL shall ensure and meet the requirement of coal for its end use plant to meet the demand of its beneficiary while operating its coal mine.
- 5.0 DPL in the instant application has prayed not to consider the income towards the merchant sale of coal extracted from the Trans Damodar Coal Mine of DPL as non-tariff income.
- 6.0 In this regard, the Commission notes that, in terms of the clause 'lxxi' of regulation 1.2 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (in short 'WBERC Tariff Regulations'), 'Non-Tariff Income' has been defined as the income relating to core-business other than from tariff and excluding any income from other business, etc.

Considering the above, the Commission prima-facie observes that operation of mine by DPL does not come under the purview of generation business or core-business of DPL as defined in the WBERC Tariff Regulations.

Order:

- 7.0 In view of the above, the Commission directs DPL to appropriately represent its income from other sources or non-tariff sources in terms of regulation 5.20 and the Commission shall determine the tariff as per the provisions of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended from time to time.
- 8.0 DPL is also directed to provide adequate and full disclosure of the revenue earned from such merchant sale of coal, if any in the notes of the Audited Financial Statements.
- 9.0 With this order, the petition filed by DPL stands disposed of.
- 10.0 A copy of the order shall be posted in the website of the Commission.



Application submitted by the Durgapur Projects Limited praying not to treat the income from merchant sale of coal extracted from the Trans Damodar Coal Mine of DPL as Non-Tariff Income

11.0 DPL shall download the copy of the order from the website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

Sd/-
(DR. MALLELA VENKATESWARA RAO)
CHAIRPERSON

Dated: 17.07.2025

Sd/-
DEPUTY DIRECTOR, WBERC