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**PRESS RELEASE**

**CCI issues order against Coal India Limited and its subsidiaries for abusing dominant position**

The Competition Commission of India (CCI) has issued two separate orders against Coal India Limited (CIL) and its subsidiaries for abusing their dominant position. The final orders were passed on 27.10.2014 in Case Nos. 59 & 88 of 2013 on informations filed by Shri Bijay Poddar and M/s Sai Wardha Power Company Ltd. respectively.

In Case No. 59 of 2013, the Commission *inter alia* found the stipulations provided in clause 9.2 of Spot e-Auction Scheme 2007 in contravention of the provisions of section 4(2)(a)(i) of the Competition Act, 2002 ('the Act') whereby a buyer is saddled with penalty by way of forfeiture of EMD for non-lifting of coal after successful participation in the e-Auction without any corresponding liability upon CIL and its subsidiaries for failure to deliver coal in respect of accepted bids. Such arrangement in the Scheme was noted to be a result of market power exercised by CIL and its subsidiaries. Accordingly, the Commission held CIL and its subsidiaries to be in contravention of the provisions of section 4(2)(a)(i) of the Act for imposing unfair conditions upon the bidders under the Scheme. Apart from issuing a cease and desist order, the Commission ordered modification of the terms and conditions of the Scheme suitably.

In Case No. 88 of 2013, the Commission held that CIL and its subsidiaries operate independently of market forces and enjoy undisputed dominance in the relevant market of "production and supply of non- coking coal to the thermal power producers in India". The Commission *inter alia* held CIL and its subsidiaries in contravention of the provisions of section 4(2)(a)(i) & (ii) of the Act for imposing unfair conditions in Fuel Supply Agreements (FSAs) with the power producers for supply of non-coking coal. The case was instituted by M/s Sai Wardha Power Company Ltd. against CIL and its subsidiary M/s Western Coalfields Ltd.in respect of cost plus mines.

The order(s) of the Commission were passed in Case Nos. 59 & 88 of 2013 and copies thereof has been uploaded on the website of CCI at [www.cci.gov.in](http://www.cci.gov.in).

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