



Cabinet Committee on Economic Affairs (CCEA)

Cabinet approves Policy for Early Monetization of Coal Bed Methane Gas Marketing and Pricing Freedom for CBM Gas

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The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi today gave its approval for marketing and pricing freedom to the Coal Bed Methane (CBM) Contractors to sell the CBM at Arm's Length Price in the domestic market. While discovering the market price for Arms Length Sales, the Contractor has to ensure a fully transparent and competitive process for sale of CBM with the objective that the best possible price is realized for the gas without any restrictive commercial practices.

CBM contractors have also been permitted to sell the CBM to its any affiliate, in the event contractor cannot identify any buyer. Royalty and other dues to the Government, however, shall be payable on the basis of Petroleum Planning & Analysis Cell (PPAC) notified prices or selling prices, whichever is higher.

The policy is expected to incentivize the CBM operation in the country to boost gas production and will generate economic activities which in turn will be beneficial for creating more employment opportunities in CBM operations and related activities.

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