

GOVERNMENT OF INDIA
MINISTRY OF COAL

RAJYA SABHA
STARRED QUESTION NO. 8
TO BE ANSWERED ON 17.07.2017

Dilution of Government control on coal

***8. DR. VIKAS MAHATME:**

Will the Minister of COAL be pleased to state:

- (a) whether it is a fact that Government is going to dilute its control on prices and distribution of coal in respect of the emerging market scenario;
- (b) if so, what is the role of the Coal Linkage Committee; and
- (c) how many Committees are working under the Ministry for allocation of coal to the bulk consumers?

ANSWER

**MINISTER OF STATE (IC) IN THE MINISTRY OF COAL, POWER, NEW &
RENEWABLE ENERGY AND MINES**

(SHRI PIYUSH GOYAL)

- (a) to (c): A statement is laid on the Table of the House.

Statement referred to in reply to RS Starred Question no. 8 for 17.07.2017

(a) to (c) Fixing the price of coal is not in the domain of Government. Pricing is an operational decision of Coal India Limited and the Government does not play any role in it.

After complete decontrol of coal prices w.e.f. 01.01.2000, Coal India Limited (CIL) fixes the basic prices of coal produced by CIL and its subsidiary companies. The coal companies fix the coal price based on input costs, inflation index, market trends etc

There is only one committee, Standing Linkage Committee (SLC) Long Term for recommending the allocation of coal to both, regulated as well as non-regulated sectors.

Government has moved towards a more transparent and non-arbitrary mechanism in distribution of coal. Earlier SLC(LT) used to recommend the allocations of coal-linkages to all sectors- regulated, non regulated, including private sector. Now coal distribution to different sectors of the economy is done as per the provisions of the following coal linkage policies:

- (i) The policy for auction of linkages to Non-Regulated Sector issued on 15.2.2016 and
- (ii) the coal allocation policy for Power Sector, SHAKTI (Scheme for Harnessing and Allocating Koyala(Coal) Transparently in India) issued on 22.05.2017.

As per the provisions of the policies, among other things, the allocation of coal-linkages to private sector is done through auction and the role of SLC(LT) is limited to-

- (i) Converting existing LoAs into FSAs and
- (ii) allocating coal linkages to PSUs-both central and state.
