

**GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO.857
TO BE ANSWERED ON 22.12.2017**

Abolition of Coal Linkage Committees

857. SHRI T.G. VENKATESH:

Will the Minister of COAL be pleased to state:

(a) whether Government is planning to abolish the Coal Linkage Committees governing the distribution of coal to the companies;

(b) if so, the details thereof and the reasons therefor; and

(c) the details of the method being adopted by the Ministry for allocation of coal in the absence of Coal Linkage Committees ?

ANSWER

**MINISTER OF COAL IN THE MINISTRY OF COAL AND RAILWAYS
(Shri Piyush Goyal)**

(a) & (b): There is no proposal with the Government to abolish the Standing Linkage Committee (Long Term) (SLC(LT)).

(c): (1) A policy on 'Auction of Linkages of Non-Regulated Sector' was issued on 15.02.2016 vide letter No.23011/51/2015-CPD (Pt-I). The new coal linkages shall be allocated through an auction process.

(2) The Ministry of Coal has formulated a new linkage policy for power sector called 'SHAKTI (Scheme for Harnessing and Allocating Koyla (Coal) Transparently in India)' vide letter No. 23011/15/2016-CPD/CLD dated 22.05.2017. The linkages to Independent Power Producers (IPPs) shall be allocated based on an auction process. However, the linkages to Central/State Public Sector Undertakings (PSUs) shall be allotted based on the recommendations of Ministry of Power. These recommendations are considered by the SLC(LT).

(3) The bridge linkages are allotted to specified end use plants of Central/State PSUs which have been allotted Schedule-III coal mines under the Coal Mines (Special Provisions) Act, 2015 and coal blocks allotted under the Mines and Minerals (Development and Regulation) Act 1957. The recommendations for the bridge linkage are made by the SLC(LT).

(4) The consumers of small, medium and other sectors who have coal requirement upto 10,000 tonnes/year shall be eligible to obtain coal from the State Nominated Agencies (SNA), as per the provisions of New Coal Distribution Policy (NCDP), 2007.

(5) As per the provisions of NCDP, 2007, around 10% of estimated annual production of CIL would initially be offered under e-auction. CIL offers coal through spot auction, special forward e-auction for power sector and exclusive e-auction for Non-Regulated sector to meet the requirements of different consumers of the economy.