

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO.325
TO BE ANSWERED ON 12.12.2018**

Coal Linkage Committees

325. SHRI B. V. NAIK:

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 RAILWAYS AND COAL

(SHRI PIYUSH GOYAL)

(a) to (c): No, madam. There is no proposal with the Government to abolish the Standing Linkage Committee (Long Term) [SLC(LT)]. The procedure followed for allocation of coal is as below:

(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 a transparent auction process. The earlier system was essentially based on 'first come, first served', subject to fulfillment of certain criteria. Thus there was a need to make the allocation system more objective and transparent.

(2) A new linkage policy for power sector called 'SHAKTI (Scheme for Harnessing and Allocating Koyla (Coal) Transparently in India)' has been formulated and issued *vide* letter No. 23011/15/2016-CPD/CLD dated 22.05.2017. The allotment of linkages to Central/State Public Sector Undertakings (PSUs) and linkage through auction process to Independent Power Producers (IPPs) are in terms of the various provisions of this policy. The linkages are based on the recommendations of Ministry of Power.

(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 up to 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.

* * *