

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:221
ANSWERED ON:17.08.2011
E-AUCTION OF COAL
Ahir Shri Hansraj Gangaram

Will the Minister of COAL be pleased to state:

- (a) the extent to which the objectives laid down for e-auction of coal have been realized;
- (b) whether small consumers and industries have been hit hard due to the short supply of coal on account of dominance of large consumers/ industries in e-auction;
- (c) if so, the details thereof;
- (d) whether any meeting of the coal linkage committee has been held for a rational and equitable allocation of coal between the small and large consumers;
- (e) if so, the details thereof; and
- (f) the steps taken/proposed to be taken by the Government to ensure supply/allocation of sufficient quantity of coal to the small industries ?

Answer

MINISTER OF COAL(SHRI SRIPRAKASH JAISWAL)

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

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No.221 for 17.8.2011

(a): E-auction of coal is being operationalised in all coal companies as provided in the New Coal Distribution Policy (NCDP) of October, 2007, with a view to provide access to coal for such consumers who are otherwise not able to source coal through the available institutional mechanisms for reasons like the seasonality of coal requirement, limited requirement of coal not warranting long-term linkage etc. Around 10% of annual production of Coal India Limited is offered under e-auction. The large number of participation by consumers in e-auction of coal indicates that the objectives for which this scheme was introduced and is being continued, have been achieved to a large extent.

(b) & (c): Under the e-auction scheme, small consumers have an equal opportunity to participate along with other bidders.

(d) & (e): The Standing Linkage Committees (Long Term) for Power, Cement and Sponge Iron have been constituted for grant of long term coal allocation to these sectors. These Committees recommend Letter of Assurance/linkage in the light of the comments of the nodal administrative Ministries, coal availability etc. without making a distinction between the small and large consumers. While the meetings of the Standing Linkage Committee (Long Term) for Power have been held in 2008 and 2010, the meetings of the Standing Linkage Committee (Long Term) for Cement and Sponge Iron have not been held since December 2007 owing to limited availability of coal for the purpose in the coal companies.

(f): As per the New Coal Distribution Policy, the coal requirement of small and medium industries are met through the following channels:-

(i) through Fuel Supply Agreements where the consumers are having valid linkages with the concerned coal companies;

(ii) through State government nominated agencies which are allocated 8 million tonnes of coal per annum for distribution to small and medium consumers whose annual requirement is less than 4200 tonnes per annum; and

(iii) through participation of such industries in Spot e-auction and Forward e-auction.