

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3549

ANSWERED ON:29.07.2009

CANCELLATION OF COAL LINKAGE

Khairi Shri Chandrakant Bhaurao;Pandey Shri Ravindra Kumar;Satpathy Shri Tathagata

Will the Minister of COAL be pleased to state:

- (a) whether some of the public/private sector companies have unable to utilize coal linkage allocated to them for setting up captive power plants in the country, particularly in the State of Orissa and Jharkhand;
- (b) if so, the details thereof and the reasons therefor including the names of the companies with capacity of captive power plants-state-wise;
- (c) whether the Government has cancelled coal linkage for these captive power plants;
- (d) if so, the details thereof;
- (e) whether the Government proposes to issue any direction to re-allocate coal linkage to such companies; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY COAL(INDEPENDENT CHARGE) AND MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION(SHRI SRIPRAKASH JAISWAL)

(a) to (f): During the meeting of Standing Linkage Committee (Long Term) held on 22/23rd October, 2008, the Committee, inter alia, reviewed the status of linkages issued to Captive Power Plants where neither plants have been commissioned nor Fuel Supply Agreements concluded with the coal companies for supply of coal. The Committee had recommended cancellation of linkages of those cases, where it felt that the linkage holder has not set up the project or where the progress in setting up the project was not satisfactory. However, while approving the minutes of the meeting, the Competent Authority had directed that these cases may be revisited for further review. Coal India Limited was accordingly directed to review these cases and to send their comprehensive status and recommendations to the Ministry. Out of such review cases, there were 25 cases, where linkage holder did not respond to the letters of the concerned coal companies seeking status of his project or where a coal block has been allocated for the project for which linkage had been granted. It was, therefore, decided to cancel these linkages with immediate effect. However, if the project developer desires to apply again for seeking fresh Letter of Assurance for his project, as per provisions of New Coal Distribution Policy, he may do so as per the prescribed procedure. A list of cases where cancellation of linkages have been approved is at Annexure.