

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:585  
ANSWERED ON:26.02.2015  
ALLOCATION OF COAL  
Chandumajra Shri Prem Singh

**Will the Minister of COAL be pleased to state:**

- (a) whether the various sectors using coal in the country are allocated coal differently by the Government;
- (b) if so, whether the said arrangement results in different amounts of revenue receipts from this source for the Government;
- (c) if so, the sectors from which relatively more amount of revenue are received from the allocation of coal; and
- (d) the sectors from which maximum and minimum revenue are received?

**Answer**

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a): As regards supply from CIL, guided by New Coal Distribution Policy (NCDP) circulated by Government in October, 2007, for all sectors of consumers, coal is supplied under Fuel Supply Agreement (FSA). For meeting the requirement of small consumers with annual requirement less than 4200 tonnes per annum in various States, coal is supplied under FSA to State Government nominated agencies. Consumers pertaining to Power Utility (including IPPs), Captive Power, Steel, Sponge Iron and Cement are allocated coal by way of clearance for issuance of Letter of Assurance (LOA) from CIL/SCCL through the Inter-Ministerial forum of Standing Linkage Committee (Long-Term).

Consumers not covered under FSA are supplied coal through e auction wherein about 10% of annual production is offered for sale as per NCDP. To facilitate liquidation of coal stock affected by logistics constraints, coal is also supplied under best-effort basis short-term Memorandum of Understanding (MOU) to various consumers including those arranging their own logistics in line with decisions of Government conveyed from time to time.

(b)to(d): As regards supply from CIL is concerned, revenue to Government is uniform for all sectors of consumers by way of royalty and cess levied as per statute.