

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:340

ANSWERED ON:19.03.2015

COAL TIE UPS

Chavan Shri Ashok Shankarrao;Paswan Shri Chirag

Will the Minister of COAL be pleased to state:

(a) whether the Government has appointed KPMG, a global consulting firm to assess the benefits of re-organizing coal tie ups, if so, the details thereof along with the fee to be paid to the firm ;

(b) whether the firm has given its recommendations ;

(c) if so, the details thereof and the reaction of the Government thereto; and

(d) if not, the time by which it is likely to submit its recommendations of the Government ?

Answer

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

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

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No. 340 for answer on 19.03.2015 asked by Shri Chirag Paswan and Shri Ashok Shankarrao Chavan.

(a) : Yes, Madam. Coal India Limited (CIL) has engaged an external consultant M/s. KPMG Advisory Services Private Limited to assist the new Inter-Ministerial Task Force (IMTF) constituted in Ministry of Coal, Government of India to consider the feasibility of rationalization of coal linkages with a view to optimizing costs and materialization under the given technical constraints. As per the work order, the job of advisory/consulting service for the "Rationalization of Linkages" is to be accomplished in three modules (Module-1, Module-2 and Module-3) for a total cost of Rs. 38,00,000.00 (Rupees Thirty Eight lakhs only) inclusive of all taxes and levies.

(b)to(d) : Yes, Madam. The new Inter-Ministerial Task Force (IMTF) after reviewing the Final Report submitted by KPMG, has submitted its Report containing three steps approach to the Government and the same has been circulated on 02.02.2015 to all concerned for implementation. The recommendations inter-alia include rationalization of Linkage sources for 19 Power Utilities (PUs) in Stage-I, by swapping linkage/ MOU coal between different coal companies to optimize distances and maximizing despatches of coal. Some of these recommendations are interlinked, hence can be implemented only if all concerned Thermal Power Plants(TPPs) agree to it.

The Task Force recommended rationalization of six swap sets of PUs in Stage- II, as listed below:

S.No State Participating Companies

1. Tamil Nadu TANGEDCO & NTPC
2. Gujarat GSECL & NTPC
3. Maharashtra Mahagenco, NTPC & NSPCL
4. Rajasthan RRVUNL & NTPC
5. Punjab and UP PSPCL, DVC and UPRVUNL
6. Haryana HPGCL, DVC and APCLP

In Stage-III, a stepwise approach to achieve further rationalisation has been recommended by IMTF by identification of clusters which would result in net reduction of the overall costs, and can be effected with consent of the Gencos/States.