

No. 23011/7/2007-CPD
Government of India
Ministry of Coal

New Delhi, the December 4, 2007

**GUIDELINES ON TAPERING LINKAGE - FOR INSERTION IN
MINISTRY OF COAL WEBSITE.**

Subject: Guidelines relating to issue of LoA/allocation of coal on
"Tapering basis" to various consumers

This relates to regulation of supply of coal to the consumers, who have been allocated coal blocks but coal mining of which is yet to commence and have to be provided coal to sustain production of the end use plant. The Tapering linkage is being considered by the Standing Linkage Committee (Long-term) to facilitate the working of end use plant in case the development of coal blocks allocated to such consumers does not synchronize with operation of end use plant. Normally, tapering linkage would be co-terminus with the opening of the mines, keeping in view the conditions as stipulated in the coal block allocation letter.

Issue of formulating guidelines, relating to issue of LOA/allocation of coal to consumers, who have either been allocated coal blocks or will be allocated coal blocks in future, but coal mining is yet to commence, has been engaging the attention of this Ministry. After due examination in this Ministry, the Competent Authority has approved that the following procedure/guidelines may be followed for issue of LOA/allocation of coal on "Tapering basis:"-

(i) Procedures for granting tapering linkage would be similar to the procedure being followed for grant of normal linkage. The applicant has to submit an application, in triplicate, alongwith prescribed processing fees. The prescribed application fee should be made through a Demand Draft in favour of **"PAY AND ACCOUNTS OFFICER, MINISTRY OF COAL"** payable at New Delhi. The application fees/processing fees once remitted and deposited is **"NON -REFUNDABLE"**, whether the application/request is accepted or rejected by the Competent Authority for grant of LoA for Tapering linkage. After receipt of application the existing procedure of getting reports from concerned Ministries and companies etc. similar to the normal procedure for the linkage would be followed by this Ministry.

(ii) Tapering linkages would be considered by the Standing Linkage Committee (Long Term) and approved by the competent authority.

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(iii) Year-wise allocation of coal on tapering linkage basis would be based on the Letter of allocation of the blocks and the approved mining plan. It will be based on the difference between year-wise requirement and the year-wise production of coal as per the approved mine plan and subject to such quantitative or other restrictions as may be prescribed in this regard. Coal Controller would be requested to do this exercise of working out the year-wise requirement of tapering linkage and communicate the same to Coal India Limited and the Ministry of Coal.

(iv) Normally, the validity period for tapering linkages would not be extended. This means that after the period of the tapering linkage is over, it will be deemed to have been terminated. However, in some rare cases, if there are strong justifiable reasons for extension of tapering linkage, the allocatee company should move a fresh application for a fresh tapering linkage to the Standing Linkage Committee (Long Term). It would be considered taking into account all the relevant facts and approval of competent authority would be obtained in this regard.

This supersedes all existing instructions on Tapering Linkage to the extent of their repugnancy with these guidelines.

G. Srinivasan
(G.Srinivasan)

Under Secretary to the Government of India

Copy to:

1. Shri P.S.Bhattacharyya, Chairman, CIL, 10, N.S. Road, Kolkata
2. Shri Narsing Rao, CMD, SCCL, P.B. No. 18, Red Hills, Hyderabad
3. Coal Controller, 1, Council House Street, Kolkata

The above guidelines will be implemented with immediate effect. CIL/SCCL is requested to keep these guidelines in view, while deciding allocation/extension etc. of tapering linkage cases, including the existing tapering linkages, in consultation with Coal Controller.

G. Srinivasan
(G.Srinivasan)

Under Secretary to the Government of India

Copy for information to:

1. Shri V.P.Joy, Joint Secretary, Ministry of Power, Shram Shakti Bhavan, New Delhi
2. Shri N.R.Dash, Director, Ministry of Steel, Udyog Bhavan, New Delhi
3. Shri Shashi Ranjan Kumar, Director, DIPP, Ministry of Commerce & Industry, Udyog Bhavan, New Delhi

Copy also to :

U Director, NIC, Ministry of Coal - with a request to place this letter on the website of this Ministry, for wider publicity.