

Shastri Bhawan,  
New Delhi the 8<sup>th</sup> February, 2016

**OFFICE MEMORANDUM**

Sub: Policy guidelines for grant of 'Bridge Linkage' to specified end-use plants of Central and State Public Sector Undertakings (Both in Power as well as Non-Power sector) which have been allotted coal mines/ blocks.

The proposal for grant of 'Bridge Linkage' to specified end use plants of Central and State Public Sector undertakings (PSUs) [Both in Power as well as Non-Power sector] which have been allotted Schedule-III coal mines under the Coal Mines (Special Provisions) Act, 2015 (CM(SP) Act) and coal blocks allotted under the Mines and Minerals (Development and Regulation Act, 1957 (MMDR Act) has been examined in the Ministry.

With approval of the Competent Authority, the following policy guidelines in this regard have been finalized:

- (i) 'Bridge Linkage' shall act like a short term linkage to bridge the gap between requirement of coal of a specified end use plant of Central and State PSUs and the start of production from the linked allotted coal mine/ block.
- (ii) 'Bridge Linkage' may be granted for a fixed period of three years from the date of allotment of coal mine/ block. No further extension thereafter will be entertained under normal circumstances. The shorter duration of Bridge Linkage shall act as an incentive for allottees to expedite production from coal mines/ blocks.
- (iii) Only Schedule-III coal mines and coal blocks allotted under MMDR Act will be considered. Since mines included in Schedule-II of the CM(SP) Act, 2015 are "producing" or "ready to produce" coal mines, no 'Bridge Linkage' shall be granted to specified EUPs of such mines under any circumstances.
- (iv) Specified end use plants which have been allotted coal mines/ blocks under 'Allotment' route to Central and State PSUs only shall be eligible for grant of 'Bridge Linkage'.

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- (v) No 'Bridge Linkage' shall be provided to specified end use plants of private sector which have won coal mines/ blocks after bidding under auction route since it would amount to change in bid conditions of coal mines/ blocks and there was no such condition to provide tapering linkages in bidding documents of coal mines/ blocks auctioned.
- (vi) 'Bridge linkage' shall come to an end after a period of three years from the date of allotment of coal mine/ block. (It is presumed that as per the present situation, speedier clearances will result in expeditious commencement of production from coal mines/ blocks within the stipulated timeframe).
- (vii) As there are constraints in availability of coal and in view of negative coal balance, CIL/SCCL shall endeavour to supply 75% of 'Agreed Requirement' of coal where 'Agreed Requirement' is calculated at 90% of normative requirement of the plant at 85% PLF. There shall be no minimum assured quantity. Coal will be supplied on "best effort basis" after meeting existing contractual obligations of coal companies.
- (viii) There shall be no penalty for supply of coal below Agreed Requirement.
- (ix) Fuel Supply Agreement (FSA) shall not be signed between the EUP and coal company. The coal will be supplied on best effort MoU basis.

**PROCEDURE:**

- (i) Every plant desirous of availing 'Bridge Linkage' shall be required to apply to Ministry of Coal (MoC) in the prescribed format (**enclosed**) along with prescribed processing fee. The prescribed application fee should be paid through a Demand Draft amounting to Rs. 2000/- (Two thousand only) per Mega Watt, subject to a maximum of Rs. 5,00,000/- (Rs. Five Lakh only), in favour of "**Pay and Accounts Officer, Ministry of Coal**" payable at **New Delhi**. The application fees/processing fees once remitted and deposited would be "Non Refundable", whether the application/request is accepted or rejected by the Competent Authority for grant of 'Bridge Linkage'. If a particular End Use Plant has already submitted an application with processing fee in the Ministry of Coal for grant of normal coal linkage in respect of that particular unit for which bridge linkage is requested then this unit would not be required to pay processing fee again. It will simply apply in the prescribed format to Ministry of Coal without payment of application fee. After receipt of application, the existing procedure of getting reports/recommendation from

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concerned Ministries etc. in each individual case, similar to the normal procedure for authorizing LoA, would be followed by the Ministry of Coal.

- (ii) After receipt of application for 'Bridge Linkage' and before sending it to the concerned Ministry, a certification shall be obtained from CA-III Section of MoC regarding allotment of coal mine/ block to the applicant and specified end use plants (EUPs) thereof.
- (iii) On receipt of recommendation from the concerned Ministry, the request shall be placed before the Standing Linkage Committee (Long Term) [(SLC(LT))] meeting for each individual case. The recommendation of SLC (LT) shall be submitted for approval by the Competent Authority. Thereafter, CIL/SCCL shall be intimated accordingly who shall decide the grade, source, etc. The quantification shall be done by Coal Controller Organisation (CCO) and informed to CIL/SCCL and applicant allottee company.
- (iv) Coal Controller shall be responsible for quantification and regularization of 'Bridge Linkage' in consultation with CIL/ SCCL. Based on approval by SLC (LT), Ministry of Coal shall intimate details of the approved schedule to CIL/SCCL, which shall be duly incorporated in the MoU to be concluded between concerned coal company and allottee company.

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8/2/2016

(Pilli Ravi Kumar)

Under Secretary to the Govt. of India

To

1. Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
2. Secretary, Ministry of Steel, Udyog Bhawan, New Delhi.
3. Secretary, Ministry of Mines, Shastri Bhawan, New Delhi.
4. Secretary, Department of Industrial Policy and Promotion, Udyog Bhawan, New Delhi.
5. Chairman, Railway Board, Rail Bhawan, New Delhi

Copy to:

1. Chairman, Coal India Ltd. Kolkata
2. Chairman, SCCL, PB No. 18, Red Hills, Khairatabad, Hyderabad, AP
3. CMD, CMPDIL, Ranchi, Jharkhand
4. Chairman, Central Electricity Authority, Sewa Bhawan, R.K. Puram, New Delhi
5. Coal Controller, Coal Controller Organization, 1 Council House Street, Kolkata
6. Under Secretary (CA-III Section), Ministry of Coal, Shastri Bhawan, New Delhi

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Copy for information to:

1. OSD to MoS (I/C), Coal
2. PS to MoS (I/C), Coal, Power & MNRE.
3. PSO to Secretary , Ministry of Coal
4. PPS to Special Secretary, Ministry of Coal
5. PPS to JS(RKS), Ministry of Coal
6. PPS to JS(RPG), Ministry of Coal
7. PPS to JS(VB), Ministry of Coal
8. PS to Director, CPD, Ministry of Coal

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8/2/2016

(Pilli Ravi Kumar)

Under Secretary to the Govt. of India

Copy to NIC, Ministry of Coal with a request to upload it on the Website of this Ministry for information of all concerned.

Copy to: Nodal Officer, Social Media, Ministry of Coal.

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**PROFORMA FOR SEEKING 'BRIDGE LINKAGE' TO SPECIFIED END USE PLANT OF CENTRAL AND STATE PUBLIC SECTOR UNDERTAKINGS WHICH HAVE BEEN ALLOTTED COAL MINES/ BLOCKS (TO BE SUBMITTED IN TRIPLICATE)**

No	ITEM	DETAILS
1	Name of the Allottee PSU Company and whether Central or State or JV (if JV, the name and respective equity shares of partners of the JV/Consortium may be indicated)	
2	Name of the coal mine/ block allotted and date of allotment (Please attach a copy of allotment order/ allotment letter)	
3	Details of specified end use Plant(s) (including units)	
4	Location of specified end use plant (Place/District/State)	
5	Capacity of the End Use Plant for which "Bridge Linkage" is required as submitted in the application of coal mine/ block allotment	
6	Scheduled date of start of coal production from mine/ block as per the Coal Mines Development and Production Agreement / Coal Block Development and Production Agreement (Please attach a copy of the agreement)	
7	Expected date of start of coal production	
8	Actual/Expected date of commissioning of Specified End Use Plant(s)	
9	Pithead/Load Centre/Coastal and Nearest Railway Station	
10	Year-wise requirement of coal under Bridge Linkage ( subject to quantification by CCO)	
11	Whether the Specified EUP is new or expansion of existing Projects?	
12	Details of Power Purchase Agreement with DISCOMS (alongwith % of PPA), if any.	
13	Preferred Source of "Bridge linkage" & Grade of Coal (with range of GCV)	
14	Mode of Transportation of coal, (Rail, Road, Rail-cum-Sea, MGR, Belt etc.)	
15	Present Status of Power Project in brief	
16	Details of existing long term coal linkage/"Letter of Assurance" if granted/issued with capacity of the EUP with the name of source Coal Company	
17	Whether earlier applied for grant of normal coal linkage/tapering linkage? If yes, furnish documents of the same along with Demand Draft No. and the	

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	amount.	
18	Demand Draft No., date, bank and amount submitted with this application	
19	Any other information not covered above	

It is certified that the above information is true to the best of my knowledge and nothing has been concealed therein.

Authorized Signatory  
Stamp/Seal

Place  
Date

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