

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:4303

ANSWERED ON:24.08.2005

ALLOCATION OF COAL BLOCKS

Acharia Shri Basudeb;Ahir Shri Hansraj Gangaram;Murmu Shri Hemlal

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

- (a) the details of the coal blocks allocated to private/public sector companies for captive use alongwith the coal blocks allocated to private sector for commercial production;
- (b) whether any policy/rule/guideline has been formulated for the said purpose;
- (c) if so, the details thereof;
- (d) whether there is slow progress in starting mining activities in these mines;
- (e) if so, mine-wise details thereof alongwith the reasons therefor;
- (f) the company-wise and mine-wise details of the amount earned from the allocation of these coal blocks;
- (g) the mine-wise and company-wise details of persons employed in these mines alongwith their condition of service;
- (h) whether any complaints have been received regarding alleged irregularities in regard to allotment of coal blocks or the alleged irregularities committed by private companies in these mines; and
- (i) if so, the details thereof alongwith action taken in this regard ?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a): As on date, 86 coal blocks from the list of coal blocks identified for captive use have been allocated/decided for allocation. Out of these 86 blocks, two small and isolated reserves in Gotitoria (East & West) have been given to a company in the private sector for mining and disposal of coal to the specified end-users within the territory of the State of Madhya Pradesh without any rail transport under section 3(3)(c) of the Coal Mines (Nationalisation) Act 1973.

(b)&(c): Captive mining of coal is permitted under section 3, Sub-Section 3, clause (a), sub-clause of the Coal Mines (Nationalisation) Act 1973. Ministry of Coal has laid down guidelines for allocation of coal blocks for captive mining in furtherance of the provisions for captive mining under the said Act. These guidelines are updated from time to time, both to facilitate the working of the Screening Committee, which receives and decides upon the applications for allocation of captive coal blocks before recommending to the Central government for its decision, and for the guidance of the applicants. These guidelines are also placed on the website of the Ministry. Allocation of coal blocks is done by the Screening Committee which is an inter-ministerial, intergovernmental body. The Committee has representatives from the Central Ministries of Steel, Power, Industry & Commerce, Railways and Coal; representatives from the State Governments of the coal producing States, States where the end-use project is proposed to be located and representatives from Coal India Ltd., Central Mine Planning & Design Institute Limited and the concerned CL subsidiary in whose area the sought coal block is located. The Committee decides on allocation of coal blocks after mutual consultation and after giving an opportunity to the applicants to present their case.

(d) & (e): Mining operations have begun only in 8 mines. Slow progress in starting mining activities has been mainly on account of delay in setting up of end-use projects; time taken for obtaining various clearances for mining and land acquisition and possible speculation by allocatees anticipating opening up of the coal mining sector for commercial mining.

(f): The Central Government does not earn from allocation of captive blocks. Royalty on coal removed from the mining lease area is paid by the lease-holder to the State Government concerned.

(g): Information is being collected and shall be laid on the Table of the House.

(h) & (i): No specific complaint of irregularities in regard to allotment of captive blocks has so far been received in the Ministry of Coal. However, complaints of irregularities committed by private companies are received and are dealt with on merits. In one such case, the irregularities were found to be correct and the mining lease was held to be void by the Central Government in exercise of its revisionary powers under the Mines & Minerals (Development & Regulation) Act, 1957.

