

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:463
ANSWERED ON:28.04.2010
ALLOTMENT OF COAL BLOCKS
Pandurang Shri Munde Gopinathrao;Singh Shri Bhola

Will the Minister of COAL be pleased to state:

- (a) the criteria for allocation of coal blocks to both public and private companies;
- (b) whether there has been inordinate delay in the allocation of coal blocks to the steel and iron projects in the country;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Union Government has received any requests from some State Governments to formulate a special policy for allotment of coal blocks to the steel and iron projects on priority basis;
- (e) if so, the details thereof and the action taken by the Union Government in this regard; and
- (f) the time by which the said policy is likely to be formulated?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL AND MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a) to (f): A statement is laid on the table of the House. STATEMENT AS REFERRED IN ANSWER TO PARTS (A) TO (F) OF THE LOK SABHA STARRED QUESTION NO. 463 FOR REPLY ON 28.04.2010

(a): The different procedures/criteria followed for allocation of coal blocks are given below:-

(i) Government Company Dispensation Route – Under this arrangement, applications are invited from the State Government/Central Govt. companies/enterprises. Allocation of coal blocks to State/Central Public Sector Enterprises (PSEs) is made under Section 3(3)(a)

(i) of the Coal Mines (Nationalisation) Act, 1973. Under this route, only government companies are allocated coal blocks and no private company is eligible for allocation.

(ii) Captive Dispensation Route- Under this dispensation, blocks identified for allocation for approved end-use for generation of power, production of iron & steel, production of cement and production of syn-gas through coal gasification (underground and surface) and coal liquefaction for captive mining are advertised in the major National/Regional newspapers calling applications from both public and private sector companies. The received applications are placed before the Screening Committee for its recommendation. Allocation of coal blocks in favour of public as well as private sector companies under Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 is done by the Government based on the recommendations of the Screening Committee which is an inter-ministerial and inter-governmental committee headed by Secretary(Coal). This Committee has representatives from Ministry of Power, Steel, Industry, Environment & Forests, Railways, Coal India Limited, Central Mine Planning & Design Institute Limited, Neyveli Lignite Corporation and the concerned State Government where the block is located.

iii) Allocation of coal blocks under Tariff Based Competitive Bidding: In this case, identified coal blocks are placed at the disposal of Ministry of Power which determines the linkage of coal blocks with the power projects proposed to be awarded on the basis of Tariff Based Competitive Bidding by calling applications from eligible companies. Based on the recommendations of Ministry of Power, coal blocks are allotted by the Ministry of Coal to power projects on the basis of bidding for tariff under Section 3(3)(a)(iii) of the Coal Mines(Nationalisation) Act, 1973.

(b) & (c): Allocation of coal blocks for specified end uses, including the production of iron and steel, is an on- going process and as and when the coal blocks are identified and earmarked for allocation, the same are considered for allocation. At present no coal/lignite blocks are on offer for allocation.

(d): No, Sir.

(e) & (f): Do not arise in view of reply given at (d) above.