

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:589

ANSWERED ON:03.08.2011

ALLOCATION OF COAL BLOCKS

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Will the Minister of COAL be pleased to state:

- (a) the number of coal blocks allocated during the years 2010-11 and 2011-12 so far, State-wise;
- (b) the number of companies which applied for allocation of coal blocks during the said period;
- (c) the number of companies to which coal blocks were allocated during the said period alongwith the basis of such allocation, company-wise;
- (d) the number of companies whose application were rejected alongwith the reasons therefor;
- (e) whether the Government has laid down any norms for allocation of coal blocks; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a): One coal block, namely Bankhui having geological reserves of 800 million tonnes to M/s Sakhigopal Integrated Power Company Ltd. [Special Purpose Vehicle (SPV) of first additional Orissa Ultra Mega Power Project (UMPP)] in the State of Orissa has been allocated on 21.06.2010 during the year 2010-2011. No coal block has been allocated during the year 2011-2012.

(b) to (d): Allocation of coal blocks is an on-going process and as and when the coal blocks are identified and earmarked for allocation, the same are considered for allocation. During the last and current years, the Government have not identified and earmarked coal blocks for allocation. Hence no coal blocks are available for allocation nor any applications were invited by the Government for allocation.

(e) & (f): Coal blocks are allocated to private companies and government companies under the following processes:

(a) Government Company dispensation: Applications for coal blocks earmarked for allocation through Government dispensation route are invited from Central/State PSUs and processed in the Ministry based on certain criteria. Under this arrangement, allocations are determined on the basis of, inter-alia, preference to the States which have not been allocated any coal blocks earlier, priority to the host States in order to encourage value addition within the coal bearing State, past performance of applicants in developing coal blocks, proximity of coal blocks to the proposed end use projects, recommendation / support of State Government concerned etc.

(b) Captive dispensation route: The allocation of coal blocks to private parties is done through the mechanism of an inter-Ministerial inter-Governmental body called the Screening Committee. The Screening Committee is chaired by the Secretary (Coal) and has representation from Ministry of Steel, Ministry of Power, Ministry of Industry and Commerce, Ministry of Environment and Forest, Ministry of Railways, Coal India Limited, CMPDIL and the concerned State Governments. The applicants are given opportunity to present their cases before the full Screening Committee. The recommendations of the Screening Committee for allocations are decided taking into account, inter-alia, techno-economic viability of end-use project, state of project preparedness, compatibility in terms of quality and quantity of coal in a block with the requirement of end user and track record of applicant company, recommendations of the State Government and Administrative Ministry concerned etc. Allocation of coal block is decided by the Govt. based on merits and the applicant as well as recommendation of the Screening Committee.

With a view to bringing more transparency the Mines and Minerals (Development and Regulation) Amendment Act, 2010 has been passed by both the Houses of Parliament and it has been notified in Gazette of India (Extraordinary) on 9th September, 2010. The Amendment Act provides for granting of reconnaissance permit, prospecting license or mining lease in respect of an area containing coal or lignite on such terms and conditions as may be prescribed to a company engaged in :-

- (i) production of iron and steel;
- (ii) generation of power;
- (iii) washing of coal obtained from a mine; or

(iv) such other end use as the Central Government may, by notification in the Official Gazette, specify.

The State Government shall grant such reconnaissance permit, prospecting licence or mining lease in respect of coal or lignite to such company as selected through auction by competitive bidding under this section provided that the auction of competitive bidding shall not be applicable to an area containing coal or lignite.

where such area is considered for allocation to a Government company or corporation for mining or such other specified end use;

where such area is considered for allocation to a company or corporation that has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects).