

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:121

ANSWERED ON:30.11.2011

CLEARANCE TO COAL PROJECTS

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Will the Minister of COAL be pleased to state:

- (a) whether the Coal India Ltd. (CIL) has not been able to increase coal production due to non-clearance of projects by the Ministry of Environment and Forests.;
- (b) if so, the details of such projects pending clearance during the last three years and the current year at the State and Central levels separately;
- (c) the steps taken/being taken by his Ministry in this regard
- (d) whether any overseas acquisition of assets is being contemplated to meet the increased energy needs of the country; and
- (e) if so, the details and the present status thereof?

Answer

MINISTER OF COAL (SHRI SRIPRAKASH JAISWAL)

(a) to (e): A statement is laid on the Table of the House.

Statement referred in parts (a) to (e) of the reply to Lok Sabha Starred Question No.121 for 30.11.2011

(a) & (b) :As reported by Coal India Ltd., implementation of projects suffered due to delay in obtaining forestry and environment clearances, land acquisition & related R&R issues.

However, at present, 176 (127 for Stage I and 49 for Stage II) forestry proposals are awaiting clearances at different levels. The pendency at State level is 102 for Stage I and 29 for Stage II and Ministry of Environment and Forests (MoEF) level 25 for Stage I and 20 for Stage II. Further, 33 environmental proposals are awaiting clearances at MoEF level and 25 proposals are awaiting clearances at state level. Details of these are given in Annexure.

(c) : Ministry of Coal has taken up the issue at highest level with coal producing States and MOEF for fast tracking the Environment & Forest clearances, land acquisition R & R issues. Further following steps have been taken by the coal companies to expedite the clearances:

Vigorous follow up action with land acquisition officials of State Govts. to expedite acquisition proceedings.

Regular meetings with State Authorities viz. Land Revenue Commissioner, LR Secretary are held to resolve the issues.

Forest Officials are contacted on regular basis at District & Tehsil level to fulfil the requirement and answer the queries.

Periodical contacts are done with the Regional Office of MOEF/ MOEF, New Delhi for expediting clearance of the environmental & forestry proposals.

Discussions are held with the land owners/ villagers for selection of rehabilitation site and also to persuade them to shift to the rehabilitation site.

(d) & (e) :In order to bridge the demand-supply gap CIL is contemplating to acquire coal assets abroad and import the produces from the acquired coal to India. This foreign venture is being pursued from Coal Videsh Division at CIL (HQ), Kolkata and several initiatives have been taken which are as follows :

CIL emerged as the successful bidder in the global tender process run by Govt. of Mozambique and acquired prospecting license (PL) of two coal blocks in Mozambique, namely A1 and A2, covering an area of 22,400 hectares in Tete Province. The PL entitles CIL to explore and develop the coal blocks over a period of 5 years. A 100% wholly owned subsidiary of CIL namely, Coal India Africana Limitada, has been registered in Mozambique for investment in coal resources.

Coal India Ltd (CIL) had floated a global Expression of Interest (EOI) in July 2009 to select Strategic Partner(s) in preferred

destination countries like Australia, USA, South Africa and Indonesia to acquire stakes in the existing or Greenfield coal resources under the following deal structures:

Equity investment by CIL with long-term off-take contract at a price less than prevailing import price.

Only long-term off-take contract on cost plus basis at a price less than prevailing import price, with financial assistance (if required) by way of loan from CIL for production augmentation.

Formation of JV for exploration, development and operation of coal assets in any of the destination countries.

Through all the above deal structures, CIL proposes to import coal with the dual objective of ensuring security of supply and insulation from the volatility of global prices. However, the process is still underway and CIL has not yet acquired any mines abroad. In addition to this, Government of India has approved formation of a Special Purpose Vehicle (SPV) through Joint Venture between CIL/SAIL/RINL/NMDC and NTPC, which has been registered as "International Coal Ventures Private Ltd., (ICVL) on 20th May, 2009. The purpose of ICVL is to invest in coal resources abroad to meet the coal demand of partner companies. The SPV has been approved to have an authorized capital of Rs. 10,000 Crores and an initial paid up capital of Rs. 3,500 Crores. Initiatives have been taken to primarily acquire coking coal assets in Australia, Mozambique, USA etc.