

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:397

ANSWERED ON:21.12.2011

ALLOCATION OF CAPTIVE COAL BLOCKS

Chavan Shri Harischandra Deoram;Mani Shri Jose K.

Will the Minister of COAL be pleased to state:

- (a) whether the Government proposes to allow captive coal blocks owners to sell excess coal produced by them to Coal India Limited and if so, the details thereof;
- (b) whether the Government has taken note of the irregularities in the allocation of captive coal blocks to the private and the State-owned companies during the period from 2006 onwards including allocation on nominal royalty causing heavy loss to the exchequer;
- (c) if so, there reaction of the Government thereto, including loss incurred to the exchequer;
- (d) whether incidents of sale of captive coals blocks to third party for windfall gains, inability to commence production by the captive coal companies within the stipulated time and allocation of coal blocks to companies with dubious antecedents/ non-existent companies have been reported;
- (e) if so, the details thereof including the mechanism in place to avoid allocation of captive blocks to companies with dubious credentials;
- (f) whether the matter is being inquired into and allocation of coal blocks to the alleged dubious companies is being cancelled; and
- (g) if so, the details thereof?

Answer

MINISTER OF COAL (SHRI SRIPRAKASH JAISWAL)

(a) to (g) : A statement is laid on the table of the House.

Statement referred to in reply to part (a) to (g) of the Lok Sabha Starred Question No. 397 for answer on 21.12.2011

(a): Any surplus coal produced/generated by captive coal block allocatees shall be transferred to the nearest Coal India Limited (CIL) subsidiary.

(b) No incidence of irregularity in allocation of coal blocks has come to the notice of the Government. The royalty as fixed by the Central Government from time to time is payable to the State Governments concerned.

(c) Does not arise in view of the answer given to part (b) of the question.

(d): No incidents of sale of captive coal blocks to third party or allocation of coal blocks to companies with dubious antecedents/non-existent companies have come to notice of the Government. As per the guidelines, coal production from captive coal block should commence within 36 months (42 months in case the area falls in forest land) in case of open cast mines and in 48 months (54 months in case the area falls in forest land) in case of under ground mine, from the date of allocation. If the coal block is not explored, additional two years are allowed for detailed exploration and three months for preparation of geological report.

Monitoring of progress of allocated coal blocks is done through a Committee under the Chairmanship of Additional Secretary (Coal). The review is undertaken with all the coal block allocatees to assess the development/progress achieved by them. Action is taken against the companies where delay is found on their part by issuing necessary advisory and show cause notices. In case of willful delays on the part of allocatees, appropriate action is initiated including the de-allocation of the block.

(e) to (g): Do not arise in view of the answer given in part (d) above.