

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:1616
ANSWERED ON:22.08.2012
FREE OF COST ALLOCATION OF COAL BLOCKS
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Will the Minister of COAL be pleased to state:

- (a) whether his Ministry has allocated coal blocks free of cost to private companies for specified end uses including captive power generation;
- (b) if so, whether these developers of captive coal blocks are selling power at market rates without getting the tariffs approved by regulators;
- (c) if so, the names of the companies holding captive coal blocks and selling power at merchant rates without the approval of the regulators;
- (d) whether any penal action is being initiated by the Ministry of Power or Ministry of Coal on these captive coal block holders for violation and garnering of huge profits at the cost of crores of power deprived poor Indians;
- (e) if not, the reasons for not taking any action against these companies;
- (f) whether the Government wants captive block holders to sell power through bidding; and
- (g) if so, the details thereof and the present position thereof?

Answer

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

(a): Coal blocks to private companies are allocated for captive consumption for the specified end uses and are governed as per the terms and condition of the allocation letter. On start of production from the allocated coal blocks, the allocatees are liable to pay royalty to the State Government concerned.

(b) to (g): As informed by the Ministry of Power, the developers must participate in the bids for procurement of power by the discoms as per the bidding guidelines issued by the Ministry of Power and offer the benefit of the government allotted coal blocks to the consumers.

Accordingly, the Ministry of Coal has requested all the coal block allocatees to participate in the bids for sale of power from end use projects as per the guidelines of Ministry of Power or face cancellation of coal block allocation. Further consultation are being held with the Ministry of Power to ensure that benefits are passed on to the consumers.