

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2467

ANSWERED ON:12.03.2013

SCREENING COMMITTEE

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Will the Minister of COAL be pleased to state:

(a) the composition and terms of reference of the Screening Committee set up for allocation of coal blocks along with the criteria/procedure for allotment of coal blocks by the said Committee; and

(b) the manner in which the Government monitors/reviews the allocation made by the said Committee?

Answer

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

(a): The Ministry of Coal vide its office Memorandum dated 14.07.1992 constituted a Screening Committee for the purpose of screening applications / proposals submitted by private power generating companies for captive coal mines under the chairmanship of Additional Secretary, Ministry of Coal. The Screening Committee consisted of representatives from Ministry of Coal (GoI), Ministry of Railways (GoI), Ministry of Power (GoI), Coal India Ltd. and its concerned subsidiary, CMPDIL and the State Governments concerned. The scope of work of the Screening Committee was thereafter expanded to include screening of proposals submitted by companies in the Iron and Steel and Cement sectors. The constitution of the Screening Committee also underwent a change to include representatives from concerned Ministries (Ministry of Steel and DIPP) for the above purpose. Subsequently, Secretary, Ministry of Coal was designated as the Chairman of the Committee.

Allocation of coal blocks to various companies in pursuance of Section 3(3)(a)

(iii) of the Coal Mines (Nationalisation) Act, 1973 was done by the Government based on the recommendations of an inter-Ministerial inter-Governmental body called the Screening Committee. The applications received from the applicant along with its enclosures were sent to the concerned administrative Ministry as well as to the State Governments. It was also sent to CIL/CMPDIL for their scrutiny and recommendations. In the Screening Committee, the applicant was given an opportunity to present his case before the Screening Committee. Allocation of coal block was decided on merits through consultation/discussions in the Screening Committee.

The guidelines initially framed by the Screening Committee were as follows:

i) Preferably blocks in green field areas where basic infrastructure like road, rail links, etc. is yet to be developed should be given to the private sector. The areas where CIL has already invested in creating such infrastructure for opening new mines should not be handed over to the private sector, except on reimbursement of costs.

ii) The blocks offered to private sector should be at reasonable distance from existing mines and projects of CIL in order to avoid operational problems.

iii) Blocks already identified for development by CIL, where adequate funding is on hand or in sight should not be offered to private sector.

iv) Private sector should be asked to bear full cost of exploration in these blocks where may be offered.

v) While discussing proposals of power generating companies and identifying blocks the requirement of coal for 30 years would be considered.

The guidelines for allocation went through a process of continuous evolution over more than a decade on the basis of the various factors which came up for consideration in the specific cases that needed to be addressed. A large number of officials participated in the meetings of the Screening Committee during this period. The Screening Committee followed a broad set of guidelines for arriving at their final recommendations. The first meeting of the Screening Committee itself recorded that the guidelines were meant as only broad parameters and not rigid boundary lines.

(b): The responsibility of developing the coal block as per the prescribed guidelines and milestone chart attached with the allocation letter rests entirely with the allocatee company. The allocatees of coal blocks, who have not started production so far, are in various stages of obtaining statutory clearances and mining lease, preparing mining plan, acquisition of land, procuring machinery and equipment etc. for both mining as well as end-use project. The allocatees submit a status report to the Coal Controller on quarterly basis. The Coal Controller consolidates and sends the same to the Government and the Government on the basis of the above, periodically monitors and reviews the development of allocated blocks as well as end use plants by the allocatee companies in the

review meetings. Further, an Inter-Ministerial Group (IMG) has been constituted on 21.06.2012 under the chairmanship of Additional Secretary (Coal) to review the progress of development of allocated coal/lignite blocks and associated end use projects of the allottees. Appropriate action including de-allocation, deduction of Bank Guarantee is taken by the Government from time to time.

Based on the recommendations of the then Review Committee and the Inter Ministerial Group (IMG), the Government has so far de-allocated 47 coal blocks. Out of the 47 de-allocated blocks, 2 blocks were allocated again, 3 blocks were assigned to Coal India Limited and in respect of 5 blocks de-allocation letters were withdrawn.