

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:68
ANSWERED ON:10.12.2013
COAL ALLOCATION FROM WCL
Patil Shri C. R.

Will the Minister of COAL be pleased to state:

- (a) the criteria adopted for allocation of coal blocks from the Western Coalfields Limited (WCL);
- (b) whether the Government/WCL have been allotting coal to the State of Gujarat as per the above criteria;
- (c) if so, the details thereof during each of the last three years and the current year and if not, the reasons therefor;
- (d) whether the Government is considering to allocate fuel subsidy to the State of Gujarat to meet additional financial implications on account of import of coal for power generation; and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (SHRI SRIPRAKASH JAISWAL)

(a) to (e) A Statement is laid on the table of the House.

Statement referred to reply given at (a) to (e) of Lok Sabha Starred Question No. 68 for answer on 10.12.2013.

(a) to (c) In the past, coal blocks were allocated to government and private companies under the following three processes:

(i) Captive dispensation route through Screening Committee: The allocation of coal blocks to public/ private parties was done through the mechanism of an inter-Ministerial inter-Governmental body called the Screening Committee. The Screening Committee was chaired by the Secretary (Coal) and had representation from Ministry of Steel, Ministry of Power, Ministry of Industry and Commerce, Ministry of Environment and Forest, Ministry of Railways, Coal India Limited (CIL), CIL Subsidiaries, Central Mine Planning & Design Institute Limited, Neyveli Lignite Corporation and the concerned State Governments. Allocations are decided by the Govt. on the basis of recommendations of the Screening Committee which takes 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 was decided by the Govt. in pursuance of Section 3(3)(a) (iii) of the Coal Mines (Nationalisation) Act, 1973.

(ii) Under Government Company dispensation: Under the Govt. Company dispensation route, the list of blocks identified was, invariably, circulated to all the Central Ministries/ State Governments applications were invited from the State Governments /Central Govt. for Government companies. Under this route, only Government companies were allocated coal blocks both for specified end use and for commercial mining by the government companies where there is no restriction of captive use. Allocation was decided by the Govt. without referring it to the Screening Committee based on Revised Coal Mining Policy 2001 in pursuance of Section 3(3)(a) (i) of the Coal Mines (Nationalisation) Act, 1973.

(iii) Tariff based bidding route: Coal blocks were also earmarked for the power projects to be set up on the basis of tariff based competitive bidding system. Under Tariff Based Bidding route, identified coal blocks are placed at the disposal of the Ministry of Power which determines the linkage of coal blocks with the power projects proposed to be awarded on the basis of Tariff Based Competitive Bidding by calling applications from eligible companies, the Ultra Mega Power Project (UMPP) is awarded to the successful bidder. For power projects to be selected through tariff based bidding, coal blocks are allotted based on the recommendations of the Ministry of Power in pursuance of Section 3(3)(a)(iii) of the Coal Mines(Nationalisation) Act, 1973. The terms and conditions are same as applicable for blocks allocated under the Captive dispensation through Screening Committee route.

During the last three years (2010-11 to 2012-2013), no allocations have been made to the State of Gujarat, though, coal blocks have been allocated to State of Gujarat prior to 2010-2011. After enactment of the Mines and Minerals (Development & Regulation) Amendment Act, 2010, the coal block allocation are required to be made in accordance with the "Auction by Competitive Bidding of Coal Mines Rules, 2012". During the current year 2013-2014, Mahajanvadi coal block in the State of Maharashtra has been allocated jointly in favour of MAHAGENCO and GSECL, PSUs of the State Govt. of Maharashtra and Gujarat respectively.

(d) & (e) There is no proposal to provide fuel subsidy to any state including the State of Gujarat.

