

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3935
ANSWERED ON:18.02.2014
COAL BLOCKS ALLOCATION
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Will the Minister of COAL be pleased to state:

- (a) the number of companies which had applied for allocation of coal blocks since 1993;
- (b) the details of the companies which were allotted the coal blocks and the companies whose requests were turned down;
- (c) whether any company had been allotted coal blocks on preferential basis;and
- (d) if so, the details thereof?

Answer

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

(a) No such data regarding the number of companies which had applied for allocation of coal blocks prior to 2005 is maintained. Since 2005, allocations through Screening Committee route have been made after inviting applications through open advertisement. Two such advertisements were brought out in October, 2005 and November, 2006 against which 740 and 1422 applications respectively were received.

(b) 218 coal blocks were allocated /recommended for allocation to 313 companies from 1993 till 2008, though in certain cases, allocation letters were issued subsequently till 2011. Some of the companies were allocated more than one coal block. No data is maintained about the companies whose requests for coal block allocation were turned down.

(c) & (d) Coal blocks were earlier allocated to government and private companies for specified end use 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. Allocations were decided by the Govt.on the recommendations of the Screening Committee taking 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.

(ii) Under Government Company dispensation: Under the Govt. Company dispensation route, the list of blocks identified were circulated to all the Central Ministries/ State Governments inviting applications. Under this route, only Government companies are allocated coal blocks both for specified end use and for commercial mining by the government companies where there is no restriction of captive use.

(iii) Tariff based bidding route: Coal blocks were earmarked for the power projects/Ultra Mega Power Projects (UMPP) to be set up on the basis of tariff based competitive bidding system. Under Tariff Based Bidding route, identified coal blocks were 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 Mines and Minerals (Development and Regulation) Amendment Act, 2010 provides for grant of reconnaissance permit, prospecting licence or mining lease in respect of an area containing coal and lignite through auction by competitive bidding, on such terms and conditions as may be prescribed. This, would however, not be applicable in the following cases:-

where such area is considered for allocation to a Government company or corporation for mining or such other specified end use;

where such area is considered for allocation to a company or corporation that has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects).

The Government has notified the "Auction by Competitive Bidding of Coal Mines Rules, 2012" on 2nd February, 2012. Further, the notification on the commencement of the said Amendment Act, 2010 has also been notified by the Ministry of Mines on 13th February, 2012. The coal/ lignite blocks now can only be allocated under the said Amendment Act and the Rules made thereunder..