

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2981
ANSWERED ON:13.12.2006
PROCEDURE FOR ALLOCATION OF COAL/LIGNITE BLOCKS
Bishnoi Shri Jaswant Singh;Mehta Shri Bhubneshwar Prasad

Will the Minister of COAL be pleased to state:

- (a) the procedure being adopted at present for allocation of coal and lignite blocks;
- (b) whether the Government proposes to adopt the procedure of transparent open bid for allocation of coal and lignite blocks; (
- (c) if so, the details thereof;
- (d) whether the Government also proposes to pay 75 % of production value to the States under this bidding process;
- (e) if so, the details thereof;
- (f) whether the State Governments can use the mineral resources available in the State as per their priorities under the powers granted under the Mines and Minerals (Development and Regulation) Act, 1957; and
- (g) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARINARAYANA RAO)

(a): In order to implement the provisions for captive mining of coal, a Screening Committee has been set up in the Ministry of Coal to consider applications made by various companies interested in captive mining and to allocate coal blocks for development, subject to the provisions of the other statutes governing coal mining.. The Screening Committee comprises the Secretary (Coal) as the Chairman, Joint Secretary (Coal) as the member-secretary, Adviser (Coal), representatives of Ministry of Steel, Department of Industrial Policy and Promotion (Ministry of Commerce and Industry), Ministry of Power, Ministry of Environment and Forest, Chairman-cum-Managing- Director of the coal company of the command area where a coal block is located and representative of the State Governments concerned. The Screening Committee is an Inter-Ministerial/Inter-Governmental Committee. It follows a process of consultation and deliberation in its functioning. Further, a set of guidelines has been prepared for the guidance of prospective applicants. Allocation of blocks under the captive mining dispensation has been based on the assessed merits of individual cases through inter-ministerial/inter-governmental consultations.

Allocation of blocks to Government companies / corporations of Central and State Governments are made through Government Company dispensation route.

(b)&(c): Yes, Sir. Government is contemplating introduction of competitive bidding system for allocation of coal mining blocks for captive use as the selection process by amending the Mines and Minerals (Development & Regulation) Act, 1957.

(d) & (e): No final view has been taken on the matter.

(f) & (g): Under the existing provisions of the Mines and Mineral (Development & Regulation) Act, 1957, prior approval of the Central Government is necessary before the State Government can grant mining lease in respect of coal, lignite and other minerals included in the First Schedule of the said Act.