

Lignite coal deposits in Rajasthan

†3223. SHRI LALIT KISHORE CHATURVEDI:
DR. GYAN PRAKASH PILANIA:

Will the Minister of COAL be pleased to state:

- (a) the number of established lignite coal deposits found in Rajasthan alongwith locations thereof;
- (b) whether some consensus has been made to use this lignite for generation of power;
- (c) the reasons for the requirement of permission from the Neyvelli Lignite Corporation for use of the State's lignite and whether it has impeded the progress of the State ; and
- (d) whether Government would consider to set up a separate corporation for the State on the basis of public private participation?

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

(a) Lignite occurrences in Rajasthan have been identified mainly in two basins *i.e.* Barmer-Sanchore and Bikaner-Nagaur basins which cover four districts *viz.* Barmer, Bikaner, Nagaur and Jalore. Besides, isolated occurrence of lignite is also reported from Jaisalmer district.

(b) Yes, Sir. Some lignite mining blocks in Rajasthan are linked to Power Generation.

(c) As per the Coal mining policy the State Government Companies or Undertakings who are interested in development of Coal/Lignite Mines in Country have to obtain a No Objection Certificate from Coal India Limited (CIL)/Neyveli Lignite Corporation Limited (NLC) respectively to the effect that CIL/NLC has no plan or willingness to undertake mining operation in the concerned area. This condition has been stipulated to protect the interest of Central Government's coal companies. However, the lignite captive blocks which are proposed for allotment to other agencies are identified by NLC and indicated to Ministry of Coal for allotment. So far 18 lignite blocks have been allotted to different agencies in Rajasthan. Of these 15 lignite blocks were allotted mainly to M/s. Rajasthan States Mines and Mineral Limited based on NLC's No Objection Certificate (NOC).

(d) There is no such proposal at present.

Allocation of coal blocks

3224. SHRI M.V. MYSURA REDDY:
SHRI JAI PRAKASH NARAYAN SINGH:

Will the Minister of COAL be pleased to state:

- (a) the procedure being adopted by the Ministry in allocation of coal blocks to companies;

†Original notice of the question was received in Hindi.

(b) whether it is a fact that the coal blocks are only allocated to industries which use coal as feed stock apart from Government PSUs;

(c) whether Government allocates coal blocks to private companies for trading in coal; and

(d) if so, the names of private companies which have been allocated coal blocks for trading during the last five years?

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

(a) The different procedures followed for allocation of coal blocks are given below:—

(i) **Government Company Dispensation Route** — Under this arrangement, applications are invited from the State Government/Central Government companies/enterprises. Allocation of coal blocks to State/Central Public Sector Enterprises (PSEs) is made under Section 3(3)(a)(i) of the Coal Mines (Nationalisation) Act, 1973. Under this route, only Government companies are allocated coal blocks and no private company is eligible for allocation.

(ii) **Captive Dispensation Route** — Under this dispensation, blocks identified for allocation for approved end-use for captive mining are advertised in the major National/Regional newspapers calling applications from both public and private sector companies. The applications received are placed before the Screening Committee for its recommendation. Allocation of coal blocks in favour of public as well as private sector companies under Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973 is done by the Government based on the recommendations of the Screening Committee which is an inter-ministerial and inter-governmental committee headed by Secretary (Coal). This Committee has representatives from Ministry of Power, Steel, Industry, Environment and Forests, Railways, Coal India Limited, Central Mine Planning and Design Institute Limited, Neyveli Lignite Corporation and the concerned State Government where the block is located.

(iii) **Allocation of coal blocks under Tariff Based Competitive Bidding** — In this case, identified coal blocks are placed at the disposal of 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. Coal blocks are allotted by the Ministry of Coal to power projects on the basis of bidding for tariff on the recommendations of Ministry of Power under Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973.

(b) Coal/lignite blocks to eligible private sector companies are allocated for generation of power, production of iron and steel, production of cement and production of syn-gas through coal gasification (underground and surface) and coal liquefaction.

(c) and (d) No coal block has been allocated for trading in coal during the last five years.

Royalty on coals

3225. SHRI MANGALA KISAN: Will the Minister of COAL be pleased to state:

- (a) what are the principles for fixation of royalty on coal;
- (b) what are the rates of royalty for different kinds of coals; and
- (c) whether Government would like to revise the royalty rates this year?

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

(a) Section 9(3) of the MMDR Act, 1957 empowers the Central Government to enhance or reduce the royalty rates in respect of any minerals. For fixing the rate of royalty on coal/lignite a very transparent and objective principal is adopted, wherein, normally a Study Group headed by the Additional Secretary, Ministry of Coal is established to interact and obtain views of all the Stake-holders *viz.* the producing States, the consuming States and the consumer sector like power, iron and steel, cement etc. The said Study Group makes its recommendations to the Department on the basis of the views of all the Stake-holders and after due consideration in the Department, a proposal is sent to Cabinet Committee on Economic Affairs (CCEA) for Government decision on the rates of royalty on coal and lignite.

The rates of royalty on coal and lignite was last revised *w.e.f.* 1.8.2007 based on the formula containing a combination of specific and ad valorem rates of royalty.

(b) The royalty rates are charged on the basis of grades of coal. The royalty rates revised *w.e.f.* 01.8.2007 are as under:—

| (In Rupees per tonne) | | |
|-----------------------|--|--|
| Group | Grade of Coal | Royalty rates revised on 01.08.2007 |
| 1 | 2 | 3 |
| Group-I | Steel Group-I, Steel Group-II Washery-I, Direct Feed | Rs. 180.00 plus 5% of the price of coal. |
| Group-II | Washery-II, Washery-III, Semi Coking Group-I, Semi Coking Group-II, Grade A, Grade B | Rs. 130.00 plus 5% of the price of coal |
| Group-III | Washery-IV, Grade C | Rs. 90.00 plus 5% of the price of coal |
| Group-IV | Grade D, Grade E | Rs. 70.00 plus 5% of the price of coal |
| Group-V | Grade F, Grade G | Rs. 55.00 plus 5% of the price of coal |