

- (d) if so, the details thereof; and
- (e) the steps taken to increase coal production in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL) : (a) and (b) The gap between projected demand for coal (as per annual plans of Ministry of Coal) and coal supply (despatch of coal) has increased from 60.83 million tonnes in 2008-09 to 161.50 million tonnes in 2011-12. The import during this period has also increased from 59.003 million tonnes to 98.929 million tonnes (provisional). The increase in gap has increased because the growth in production has been less than growth in demand.

(c) and (d) As per the current import policy of Government, coal is placed under Open General License and can be freely imported by anyone to meet ones requirement.

(e) The Government has taken a series of steps to increase coal production including expeditious Environment and Forestry clearances, pursuing with Ministry of Railways for enhancing availability of rail rakes and approaching State Government for necessary assistance in land acquisition and in problems relating to law and order. In addition, a number of steps have been taken by Coal India Ltd. and its subsidiaries for augmenting coal production which include (i) increasing the efficiency of the equipments, regular monitoring, mechanization as programmed and strict supervision of the existing mines and ongoing projects (ii) Capacity addition from new and future projects (iii) Consistent efforts for resolving issues of environmental and forestry clearances, land acquisition and law and order problems.

Permission for coal mining

†3269. SHRI RAGHUNANDAN SHARMA : Will the Minister of COAL be pleased to state :

- (a) the location in Madhya Pradesh, Andhra Pradesh and Jharkhand where permission for coal mining was given by the Ministry under the Ultra-Mega Power Projects (UMPPs) and the details of conditions and rules related to them;
- (b) whether the Ministry had allowed coal mining at above said places only for the usage of UMPPs;
- (c) the details of conditions and places where permission for coal utilization was given in other plants after giving permission to UMPPs; and
- (d) the reasons behind issuance of permission for utilization of coal in plants other than UMPPs?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL) : (a) and (b) Ministry of Coal in consultation with Ministry

† Original notice of the question was received in Hindi.

of Power identified and earmarked coal blocks for the power projects to be set up on the basis of tariff based competitive bidding system (including UMPP). Under this 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. Power Finance Corporation conducts the bidding for the Ultra Mega Power Projects (UMPP) which 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 under Section 3(3)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973.

In respect of Ultra-Mega Power Projects (UMPP) in Madhya Pradesh, three coal blocks in Singrauli coal fields of Siddhi District in Madhya Pradesh are allocated to M/s Sasan Power Ltd. In respect of Ultra-Mega Power Projects (UMPP) in Jharkhand, one coal block in North Karanpura coal fields in Jharkhand is allocated to M/s Jharkhand Integrated Power Ltd. The UMPP in Andhra Pradesh is based on imported coal and no coal blocks has been allocated for the same.

Inter-alia, the terms and conditions of the allocation letters stipulated the following :

- (i) The blocks is meant for captive use in its own specified end use projects of associate company to be set up as per the details given in the table above. The coal produced from the block shall not replace any coal linkages given to associate company by the Coal India Ltd./its subsidiary without prior permission of this Ministry.
- (ii) Middlings generated in the process of washing the coal shall be used for power generation in their own power plant *i.e.*, the useable middlings/rejects generated during beneficiation shall be used captively by the associate company. The modalities of disposal of surplus coal/middlings/rejects, if any, would be as per the prevailing policy/instruction of the government at the relevant point in time and could also include handing over such surplus coal/middling/rejects to the local CIL subsidiary or to any person designated by it at a transfer price to be determined by the Government.

The above condition is also part of the Mining Lease executed with the State Government concerned where the block is located.

(c) and (d) In respect of coal blocks allocated to M/s Sasan Power Ltd., the allocatee submitted. Mining Plans for 12 MTPA for Moher and Moher Amlori Extn. coal blocks and 4 MTPA for Chhatrasal coal block and the same were approved by the Ministry of Coal. Later on the allocattee submitted the Revised Mining Plans of 20 MTPA for Moher and Moher Amlori Extn. coal blocks and 5 MTPA for Chhatrasal

coal block and the same were approved by the Ministry of Coal. Out of the total mine capacity of 25 MTPA from the three blocks, 16 MTPA was the coal requirement for 3960 MW power project of M/s Sasan Power Ltd.

The Chief Minister, Madhya Pradesh on 02.11.2007 had made a request that the excess coal from the coal blocks allotted to the Sasan UMPP may be permitted to be used for the proposed power project of 3960 MW at Chitrangi tehsil for which the Government of Madhya Pradesh (GoMP) had entered into a MoU with M/s Reliance Power Ltd. (RPL) for developing the power project at Chitrangi in Sidhi district, in the vicinity of Sasan.

The matter of utilization of 9 MTPA surplus/incremental coal from the three coal blocks allocated to M/s Sasan Power Ltd. was referred to the Empowered Group of Ministers (EGoM) on UMPPs by the Ministry of Power and EGoM in its meeting held on 14th August, 2008 deliberated the following :

"5.3 The matter was examined and discussed in detail by EGoM and it was agreed that for expeditious implementation of coal based thermal power projects, which would also increase the generation capacity of the country, and for optimal utilization of coal reserves in the blocks allotted to UMPPs, incremental coal may be permitted to be used by other projects of the same developer of the UMPP subject to necessary safeguards. It must be ensured that the allotted UMPPs and procurers from UMPPs do not suffer from lack of coal and also that incremental coal is not misused by the developer. It was noted that in terms of Ministry of Coal allotment letter of coal blocks for Sasan Mega Power Project, dated 26th October, 2006, it was permitted to utilize the incremental coal with the previous approval of the Central Government.

5.4 Considering the above, EGoM decided to recommend to the Coal Ministry the use of incremental coal from coal blocks allotted to Sasan UMPP, by other projects of Reliance Power Ltd. subject to following undertakings by the developer:

- 1. Incremental coal quantity would be determined based on the Mine plan approved by Ministry of Coal, GOI.*
- 2. The 3960 MW Sasan UMPP will always have the first right and overriding priority over all coal produced from the allotted blocks and the allottee shall always ensure that the generation from the UMPP for the entire contracted period will not be allowed to be affected by utilization of incremental coal by any other project of the Group. Any loss in generation in the awarded UMPP at Sasan shall only be on account of genuine reasons, such as maintenance, repairs etc.*
- 3. End use of coal from these blocks would be restricted to power generation.*

4. *The power generated by utilizing incremental coal from these captive coal blocks would be sold through tariff-based competitive bidding."*

Based on the above, the Government has specified as an end use the supply of surplus quantity of coal upto a maximum of nine million tonnes per annum from the coal mines of Moher, Moher Amlori Extension and Chhatrasal hereto used on an exclusive basis by M/s Sasan Power Limited, a subsidiary of M/s Reliance Power Limited to the Thermal Power Plant of 3960 Mega Watts owned and managed by M/s Chitrangi Power Private Limited, Chitrangi Tehsil, Singrauli District, Madhya Pradesh, which is also a subsidiary of M/s Reliance Power Limited for generation of thermal power subject to the condition that M/s Reliance Power Limited shall hold minimum of fifty one per cent of voting equity share capital of M/s Chitrangi Power Private Limited at all times during the continuance of the above referred power project and mines *vide* notification dated 17.02.2010.

Allocation of coal blocks

3270. DR. PRABHAKAR KORE : Will the Minister of COAL be pleased to state :

- (a) whether it is fact that the Central Government has allocated several coal blocks to a number of private companies in the country;
- (b) if so, the details thereof during the last year including the current year;
- (c) how many private companies have started operation;
- (d) whether it is also a fact that a number of companies are yet to acquire land for their operations; and
- (e) if so, the response of the Central Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL) : (a) Yes, Sir.

(b) Allocation letters have been issued in respect of two coal blocks to three private companies in the country during the last year including the current year. These coal blocks were part of the list of coal blocks advertised in the year 2006 and were recommended by the Screening Committee in its 36th Meeting held on 7th-8th December, 2007, 7th-8th February, 2008 and 3rd July, 2008.

- (c) 16 coal blocks allocated to private companies have come into production.
- (d) Yes, Sir.
- (e) Land acquisition of the allotted coal blocks is the responsibility of the respective allocatee company. Government periodically monitors and reviews the