

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:400  
ANSWERED ON:23.02.2011  
COMPETITIVE BIDDING FOR CAPTIVE COAL MINES  
Dharmshi Shri Babar Gajanan;Singh Shri Dushyant

**Will the Minister of COAL be pleased to state:**

- (a) whether there is any proposal to introduce competitive bidding for captive coal mines;
- (b) if so, the details thereof;
- (c) the steps taken by the Union Government to set up sectoral regulator for competitive bidding for captive mines; and
- (d) the time by which a final decision is likely to be taken in this regard?

**Answer**

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

(a) & (b): With a view to bringing more transparency, the Mines and Minerals (Development and Regulation) Amendment Act, 2010 regarding introduction of competitive bidding system for allocation of coal blocks for captive use, has been passed by both the Houses of Parliament and it has been notified in Gazette of India (Extraordinary) on 9th September, 2010. The Amendment Act seeks to provide 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).

(c) & (d): There is no proposal to set up a regulator for competitive bidding for captive mines.