

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:319

ANSWERED ON:24.08.2011

COMPETITIVE BIDDING

Majhi Shri Pradeep Kumar;Patel Shri Kishanbhai Vestabhai

Will the Minister of COAL be pleased to state:

- (a) whether the Government proposes to introduce competitive bidding of coal blocks in the Country;
- (b) if so, the details thereof;
- (c) whether the Government has identified the coal blocks to be included in the first round of the said bidding system in the country;
- (d) if so, the details thereof location-wise alongwith the details of the guidelines finalized for the said purpose;
- (e) whether the Union Government has urged the State Governments to set up a coordination committee at State level to review the progress of allocated coal blocks;
- (f) if so, the details thereof and the reaction of the State Governments thereto; and
- (g) the details of the States which have already set up such committees and the steps being taken to persuade the remaining States to do the needful?

Answer

MINISTER OF COAL (SHRI SRIPRAKASH JAISWAL)

(a) to (g): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN ANSWER TO PARTS (a) TO (g) OF THE LOK SABHA STARRED QUESTION NO. 319 FOR REPLY ON 24.08.2011 ASKED BY SHRI PRADEEP MAJHI AND SHRI KISHNBHAI V. PATEL

(a) & (b): With a view to bringing more transparency, the Mines and Minerals (Development and Regulation) Amendment Act, 2010 has been passed by both the Houses of Parliament and it has been notified in the Gazette of India (Extraordinary) on 9th September, 2010. The Amendment Act provides for granting of reconnaissance permit, prospecting license or mining lease in respect of any area containing coal or lignite on such terms and conditions as may be prescribed to a company engaged in:-

- (i) production of iron and steel;
- (ii) generation of power;
- (iii) washing of coal obtained from a mine; or
- (iv) such other end use as the Central Government may, by notification in the Official Gazette, specify.

The State Government shall grant such reconnaissance permit, prospecting licence or mining lease in respect of coal or lignite to such company as selected through auction by competitive bidding under this section provided that the auction of competitive bidding shall not be applicable to an area containing coal or lignite

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

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): No blocks have been earmarked for allocation through bidding system so far. The guidelines to be adopted in this regard are under finalisation in consultation with the stakeholders.

(e) to (g): In the meeting held on 10th August 2009 under the Chairmanship of the Minister of Coal with the State Ministers in-charge of Mining and Geology Departments of the States/UTs it was suggested that the State Governments may set up a Coordination Committee at the State level under the Chairmanship of Chief Secretary to review the progress of allocated coal/ lignite blocks as well as the associated end use projects falling within their respective States, and also to deal with inter-Departmental coordination related problems. However, views of the State Governments in this regard have not been received.