

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:61  
ANSWERED ON:08.08.2012  
COMPETITIVE BIDDING OF COAL BLOCKS  
Kaswan Shri Ram Singh

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

- (a) whether it is a fact that a decision was taken by the Government long back in the year 2004 that in future all the coal blocks allotments to the private companies will be made on the basis of competitive bids;
- (b) if so, the details thereof;
- (c) whether the Government order pertaining to the auction of coal blocks has not being implemented due to the bureaucratic attitude; and
- (d) if so, the details thereof and the action taken/ being taken in this regard?

**Answer**

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

(a) & (b): The proposal to introduce competitive bidding for allocation of coal blocks was under consideration of the Government since 2004. After multi-layered consultation and detailed examination, a Bill to amend the Mines and Minerals (Development & Regulation) Act, 1957 was introduced in the Parliament in 2008.

(c) & (d): The Mines and Minerals (Development and Regulation) Amendment Act, 2010 was passed by the Parliament and has been notified in Gazette of India (Extraordinary) on 9th September, 2010. It provides 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).

The Government has notified 'the Auction by Competitive Bidding of Coal Mines Rules, 2012' on 2nd February, 2012. Further, the commencement of the said Amendment Act, 2010 has also been notified by the Ministry of Mines on 13th February, 2012.

Government has engaged M/s CRISIL as consultant in June, 2012 for suggesting methodology for fixing floor/reserve price, to prepare model tender document and draft agreement for auction by competitive bidding of coal blocks. The consultant has been given three months time.