

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:234
ANSWERED ON:06.08.2013
NEW POLICY FOR AUCTIONING OF COAL BLOCK
Ponnam Shri Prabhakar

Will the Minister of COAL be pleased to state:

- (a) whether the Government has adopted a new policy for auctioning of coal blocks;
- (b) if so, the salient features of the said policy;
- (c) whether the Government has consulted the States and other stakeholders while framing the policy;
- (d) if so, the details thereof along with the response received from them; and
- (e) the time by which the said policy is likely to be implemented?

Answer

MINISTER OF STATE FOR COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a) & (b): Under the amended provisions of Section 11 of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957), the Government of India in exercise of the powers conferred by clause (d) of sub-section (2) of Section 13 of the MM(DR) Act, 1957, notified 'Auction by Competitive Bidding of Coal Mines Rules, 2012' on 2nd February, 2012. 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).

(c) to (e) : The Government has notified the "Auction by Competitive Bidding of Coal Mines (Amendment) Rules, 2012" on 27th December, 2012 and the earlier notified 'Auction by Competitive Bidding of Coal Mines Rules, 2012' on 2nd February, 2012 and these rules have been formulated after due deliberations and consultations with the representatives of the States and stakeholders. It contains detailed terms and conditions of allocation of area containing coal for the purpose of mining and also for the purpose of specified end-use.

With regard to allocation of coal blocks through auction, the Ministry of Coal has engaged M/s.CRISIL Infrastructure Advisory through the Central Mine Planning & Design Institute Ltd. as consultant to suggest methodology for fixing floor price/reserve price, model tender document and draft agreement to be entered into with the successful bidders. The Inter-Ministerial Committee (IMC) which was set up to consider and examine the above, comprising of various stakeholders including Ministry of Finance considered the report submitted by M/s.CRISIL Infrastructure Advisory and after discussion and deliberation, it has been decided to obtain comments from the concerned Ministries for which a detailed note has been circulated.