

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:2583  
ANSWERED ON:12.03.2015  
HIGH PRICES OF BIDDING  
Arunmozhihevan Shri A.

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

- (a) whether it is a fact that the high prices at which steel and power companies are bidding and getting coal blocks allocated through the ongoing e-auction process are raising serious concerns as to whether these entities will compromise environment and workers' safety once they embark on mining the blocks to protect their project viability;
- (b) if so, the details thereof;
- (c) whether the companies will have to pay over and above the bidding amount to provide for various other related charges such as royalty, transportation costs, washing charges, besides the actual mining cost, estimated around Rs. 800 per tonne for an open cast mine;
- (d) if so, whether once the coal block is allocated to any bidder, the bidder has to explore the mining activities; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF STATE (I/C) FOR COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a)& (b) : As per the Coal Mine Development and Production Agreement (CMDPA) to be signed between the nominated authority and the successful bidder, the successful bidder is required to comply with all applicable laws including laws for protection of environment and workers' safety. CMDPA specifically provides that the Successful Bidder shall observe good industry practice for the protection of the general health, safety, welfare, social security and minimum wages of employees engaged at the Coal Mine, including employees of any contractor or sub-contractor and of all other persons having legal access to the area covered by this Agreement.

(c) to (e) Yes, Sir. Over and above the auction sum, the Successful Bidder will have to incur the cost of mining and pay the royalty and other statutory duties and taxes as per the applicable laws in forces. If required, the Successful Bidder may have to incur other related costs such as transportation costs, washing charges, etc. The cost of mining is dependent upon geo-mining conditions of the each mine and may differ from mine to mine.