

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2591
ANSWERED ON:12.03.2015
GUIDELINES FOR COAL MINE DEVELOPERS
Kambhampati Dr. Hari Babu

Will the Minister of COAL be pleased to state:

- (a) whether any guidelines have been framed for coal mine developers for the allocation in the auction, if so, the details thereof;
- (b) whether there is any cap on the number of coal blocks for any company to bid in the auction, if so, the details thereof;
- (c) whether any monitoring mechanism is likely to be evolved on the progress of mining after the allocation; and
- (d) if so, the details thereof; and the steps taken to make available sufficient coal to the energy sector in the country?

Answer

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

(a) & (b): Guidelines for allocation of coal mine through auction are contained in the Coal Mines (Special Provisions) Rules, 2014, Tender Documents and Coal Mines Development and Production Agreements signed with successful bidder. There is no cap on the number of coal mines/ blocks for which bids can be submitted by a company. However as per the tender condition, a Bidder shall be considered eligible for bidding for a coal mine only if its requirement of coal for Specified End Use matches the reserves of the Coal Mine, in accordance with the parameters specified below:

"Extractable reserves of the Coal Mine should not exceed 150% of the annual coal requirement of the Specified End Use Plant(s), taken over a period of 30 (thirty) years, less the requirement of coal of such Specified End Use Plant met from any other coal mine allocated to the Successful Bidder/Preferred Bidder/ Allottee pursuant to any other auction/ allotment process conducted by the Nominated Authority under the Ordinance and the Rules."

(c) & (d): In accordance with the provisions of sub-section (6) of section 8 of the Coal Mines (Special Provisions) Second Ordinance, 2014 and Rule 13(4)

(ii) of the Coal Mines (Special Provisions) Rules, 2014, performance bank guarantee by the successful bidder shall be linked with the milestones for the development of coal mine till it reaches its peak capacity as specified in the approved mine plan. The Coal Mine Development and Production Agreements signed with successful bidder provides for an elaborate mechanism for monitoring of progress of mining after allocation. Under the provisions of the Coal Mines (Special Provisions) Second Ordinance, 2014, 7 schedule-II mines and 5 schedule-III mines have been auctioned for power sector. Further, Central Government has directed the nominated authority to carry out allotment of 42 coal mines/ blocks earmarked for power sector to Government companies.