

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:6168
ANSWERED ON:30.04.2015
RELAXATION IN INVESTMENT NORMS
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Will the Minister of COAL be pleased to state:

- (a) whether the Government is considering for easing of investment qualification norms for private coal companies for the mines those would be offered recently;
- (b) if so, the details thereof; and
- (c) the time by which it is likely to be implemented?

Answer

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

(a) to (c): Investment qualification norms are prescribed in Rule 10 (4) (d) of the Coal Mines (Special Provisions) Rules, 2014 made under the provisions of Coal Mines (Special Provisions) Ordinance, 2014 (now substituted by Coal Mines (Special Provisions) Act, 2015) which reads as under:

Rule 10(4)(d): A person who is eligible under sub-section (3) of section 4 of the Ordinance shall also meet the following eligibility criteria, namely:-

(i) a company eligible to bid for any Schedule II coal mine under sub-section (3) of Section 4 of the Ordinance shall have incurred an expenditure of not less than eighty per cent of the total project cost of the unit or phase of the specified end use plant for which the company is bidding.

(ii) A company eligible to bid for any Schedule III coal mine under sub-section (3) of Section 4 of the Ordinance shall have incurred an expenditure of not less than sixty per cent of the total project cost of the unit or phase of the specified end use plant for which the company is bidding,

(iii) Capacity of the specified end use project shall be in proportion to the capacity of the Schedule II coal mine or Schedule III coal mine, as the case may be, for which a company is bidding.

(iv) In case a company is the successful bidder, then the entitlement to receive coal pursuant to such coal linkage shall stand proportionately reduced on the basis of the requirement of coal being met from the mine allocated to such company.

(v) For the purposes of sub-clauses (i) and (ii), the total project cost and expenditure incurred shall be determined on the basis of a certificate issued by the relevant company, duly certified by the statutory auditors and/ or secured creditors, if any, of the relevant company.

No proposal at present is under consideration for easing of investment qualification norms for companies for auction.