

**Government of India**  
**Ministry of Coal**  
**Lok Sabha**  
**Unstarred Question No. 3008**  
**To be answered on 14.03.2018**  
**Commercial Mining**

**3008: DR. C. GOPALAKRISHNAN: SHRI KESINENI NANI:  
SHRI PRALHAD JOSHI: SHRI ASADUDDIN OWAISI:  
SHRI PRABHAKAR REDDY KOTHA: SHRI C.N. JAYADEVAN:  
KUMARI SUSHMITA DEV: SHRI LALLU SINGH:  
SHRI P. NAGARAJAN:**

Will the Minister of COAL be pleased to state:

- (a) whether the Government has decided to open up coal sector to commercial mining by private entities and if so, the details of the terms and conditions laid down along with the reasons therefor;
- (b) the total number of private companies allowed for commercial mining, name-wise along with details of discussion held with stakeholders in this regard;
- (c) whether opening up of coal sector to commercial mining is expected to increase the revenue in the auction by the Government in the coming years and reduce power tariff and if so, the details thereof;
- (d) whether this decision amounts to denationalisation of coal mines and if so, the measures proposed to be taken to address the associated issues like pricing transparency, control on extracting limit, to check any wrong doing on the part of the private players, etc.; and
- (e) whether the Government has studied the impact of such a move on labourers and if so, the details thereof along with the steps taken to ensure that the workers have access to basic facilities like health and education?

**ANSWER**  
**MINISTER OF RAILWAYS AND COAL**  
**(SHRI PIYUSH GOYAL)**

(a) to (e): Enabling provisions have been made in the Coal Mines (Special Provisions) Act, 2015 for allocation of coal mines by way of auction and allotment for the sale of coal. The methodology for auction for coal mines/blocks for sale of coal under the provisions of the Coal Mines (Special Provisions) Act, 2015 and the Mines and Minerals (Development and Regulation) Act, 1957 has been approved by the Government and Order in this regard has been issued on 27.02.2018. The auction of coal mines for

sale of coal shall be undertaken as per the aforesaid methodology. Terms and Conditions / modalities including eligibility criteria shall be decided as the same are part of Tender Conditions.

The methodology gives highest priority to transparency, ease of doing business and ensuring that natural resources are used for national development. There shall be no restriction on the sale and/or utilization of coal from the coal mine. As the entire revenue from the auction of coal mines for sale of coal would accrue to the coal bearing States, this methodology shall incentivise them with increased revenues which can be utilised for the growth and development of backward areas. This will ensure assured coal supply, accountable allocation of coal and affordable coal leading to affordable power prices for consumers.

Auction of coal mines for sale of coal is expected to bring efficiency into the coal sector due to increased competition and deployment of best possible technology into the sector. The higher investment will create direct and indirect employment in coal bearing areas especially in mining sector and will have an impact on economic development of these regions.

The allocattee is required to comply with all applicable Laws and 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 the Agreement.

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