

**Development and Production of Mines**

†3272. SHRI RAVI SHANKAR PRASAD :  
SHRI RAMCHANDRA PRASAD SINGH :

Will the Minister of COAL be pleased to state :

(a) whether it is a fact that the responsibility of coal mining in the country had been given to private companies on the basis of Mining Development and Operation agreement during the last few years;

(b) if so, the names of those companies and the system adopted for their selection;

(c) whether the work related to mines' development and production has been carried out by these companies; and

(d) if so, the targets fixed and the achievements actually made in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL) : (a) No, Sir. The Ministry of Coal allocates coal blocks to private sector companies for captive use in their specified end use plants as per the provisions of the Coal Mines Nationalisation Act, 1973.

(b) to (d) Do not arise in view of reply given (a) above.

**Bidding for allocation of captive coal blocks**

3273. SHRI SANJAY RAUT : Will the Minister of COAL be pleased to state :

(a) whether CAG has held the Prime Minister's Office directly responsible for the delay in introducing the new system of competitive bidding for allocation of captive coal blocks;

(b) whether it is a fact that the work on the new system was initiated in June, 2004 but it has not become operational till now; and

(c) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL) : (a) No final report of CAG has been received.

(b) and (c) Initially a proposal for introduction of allocation of coal blocks through competitive bidding by amendment of the Coal Mines (Nationalisation) Act, 1973 was circulated in 2005 for inter-ministerial consultations. After discussions and deliberations at various levels, a view emerged that the bidding system be introduced through amendment of Mines and Minerals (Development and Regulation) Act, 1957.

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† Original notice of the question was received in Hindi.

Accordingly, the Bill to amend the Mines and Minerals (Development and Regulation) Act, 1957 seeking to introduce competitive bidding system for allocation of coal blocks for captive use was introduced in the Rajya Sabha. After detailed examination by the Standing Committee on Steel and Coal and after having further consultations with the State Governments and stakeholders, the Mines and Minerals (Development and Regulation) Amendment Bill, 2008 regarding introduction of competitive bidding system for allocation of coal blocks for captive use was passed by the both Houses of Parliament and the Amendment Act has been notified in Gazette of India (Extraordinary) on 9th September, 2010. The Amendment Act 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 :-

- v where such area is considered for allocation to a Government company or corporation for mining or such other specified end use;
- v 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).

The Government has notified 'the Auction by Competitive Bidding of Coal Mines Rules, 2012' in the Gazette of India on 02.02.2012. Further, allocation of coal blocks would be made as per the amended provisions of the Act and the rules framed thereunder.

#### **Fuel supply agreement**

3274. SHRI T.M. SELVAGANAPATHI : Will the Minister of COAL be pleased to state :

- (a) whether it is a fact that the board of the Coal India Ltd. (CIL) has approved the draft fuel supply agreement for coal;
- (b) if so, the details thereof;
- (c) whether it is also a fact that CIL has been directed to ink FSAs with 80 per cent supply clause before March end for power plants that have been commissioned on or before December 31, 2011;
- (d) if so, the details thereof;
- (e) whether Government is considering to provide concession to power plants that have come or commissioned even after the deadline fixed by Government in a reasonable level; and
- (f) if so, the details thereof?