

1. **Gaon Jodo Abhyaan:** Approx. 160 Kms of roads constructed in the nearby village areas around NCL
2. **Aadhar:** Construction of Community halls (27 nos.), Cremation ghats (05 nos), drains, toilets (250 nos.), rural haats (02 nos), Skill centers (02), electrification of villages (12 tolas), solar light installation (1400 nos) etc.
3. **Sab Swasth:** NCL extends Healthcare Services to the people in the nearby areas through 03 Hospitals and 10 dispensaries and organizing various health camps.
4. **Sab Sakshar:** Support to 250 Govt. Schools of Singrauli and Sonebhadra for infrastructure development like laboratory, toilets, classrooms, furniture, lab equipment, sports items, playground, electrification etc. .
5. **Swachh Jal:**
  - A. Development and rejuvenation of around 35 ponds and 12 Check Dams in around 32 villages to conserve rain water & ensure water availability in drier months.
  - B. Installation of around 1800 Hand-pumps and 38 RO Plants to ensure potable drinking water for the people around the operational area of NCL.
6. **Kaushal:** Training of more than 5900 Youths/PAPs/Women across trades like Poultry, fishing, Motor Driving, security guard, tailoring, stitching, beautician, embroidery, candle making, bag making, BPO, fitter, electrician etc.
7. **Khel Tarang:** Sports Academy at Jayant project has been established for identifying and grooming of local talent in the region. Further, programs like sports competition/tournaments, talent search and training, providing sports kit to schools etc. are undertaken under the project.
8. **Swachh Vidyalala Abhiyaan:** Construction of 5883 toilets in 12 districts of Madhya Pradesh under Swachh Vidyalaya Abhiyaan.

#### **Problems in coal bidding process**

6. SHRI PRABHAKAR REDDY VEMIREDDY: Will the Minister of COAL be pleased to state:

(a) whether Government is aware of the problems in coal bidding process like not permitting part of output of coal in the market, issues with bank guarantee etc.;

(b) whether it is a fact that Pratyush Sinha Committee has recently submitted a report for revamping the coal auction process in the country;

(c) if so, details of recommendations made by the Committee;

(d) details of action taken by Government on each of the recommendations, recommendation-wise;

(e) whether it is also a fact that Government has taken a decision last month, to permit bidding of coal even for non-captive purposes; and

(f) if so, the details thereof?

THE MINISTER OF COAL (SHRI PRALHAD JOSHI): (a) to (d) High Power Expert Committee (HPEC) under the Chairmanship of Shri Pratyush Sinha was constituted on 18.12.2017 to evaluate criteria in the present system and study the challenges and efficacies of the fixed bid system for coal auction and prepare a report which highlights whether the bid criteria needs to be changed for desired improvement in the coal sector. The Committee submitted its report to Government on 12.07.2018. A copy of the Action Taken by the Government on recommendations of HPEC is given in Statement (*See below*).

(e) and (f) Till now, a Schedule I coal mine - other than Schedule II and Schedule III coal mine- could be auctioned for own consumption, sale or for any other purpose under Section 4(2) of the Coal Mines (Special Provisions) Act, 2015 [CMSP Act]. With the promulgation of Ordinance titled as 'Minerals Laws (Amendment) Ordinance, 2020' on 10.01.2020, there have been amendments in the Mines and Minerals (Development and Regulation) Act, 1957 and the CMSP Act. Earlier, the mines in Schedule II and UJ of CMSP Act could only be auctioned to companies that are engaged in specified end use. Now, the omission of sub-section (3) of Section 4 of CMSP Act has provided flexibility to the Central Govt, in deciding the end use of Schedule II and III coal mines under the CMSP Act. This would allow wider participation in auction of Schedule II and III coal mines, for a variety of purposes such as own consumption, sale or for any other purpose, as may be specified by the Central Govt.

*Statement*

(A)

**F.No.13011/4/2018-CBA2**

**Government of India**

**Ministry of Coal**

Shastri Bhawan, New Delhi

Dated the 12th October, 2018

**OFFICE MEMORANDUM**

**Subject: Direction of the Central Government to the Nominated Authority under Section 6 (7) of the Coal Mines (Special Provisions) Act, 2015 read with Rule 8 (2) (c) & (d) of the Coal Mines (Special Provisions) Rules, 2014**

The undersigned is directed to say that High Power Expert Committee (HPEC) under the Chairmanship of Shri Pratyush Sinha, former CVC constituted to examine efficacy and challenges in the current bidding system and suggest changes for conducting auction of coal mines in future has submitted its Report on the efficacy and challenges in the current bidding system and Recommendations to the Ministry on 12.07.2018.

2. After detailed discussion on the recommendations of HPEC and the Committee of Secretaries (CoS) recommendations thereon, following has been decided with the approval of the Competent Authority:

**2.1 Gradual shift to commercial mining/sale of coal**

- (i) To issue NIT for end use/captive consumption for auction of 19 coal mines (13 for NRS and 6 for Iron & Steel) as already identified.
- (ii) Continue with the process of allotment of 9 coal mines to PSUs (7 for end use Power and 2 for sale of coal), for which NIA has already been issued and offers received.
- (iii) In these allocations (Allotment and Auction), the terms and conditions as contained in this O.M. will also be applicable.
- (iv) Decision on other points will be taken separately in due course.

## 2.2 Bid Process

In order to avoid cartelization and to encourage competition during tender process, following is to be considered for short Usting of Technically Qualified Bidders(TQBs) for Final Price Offer(FPO) round:-

- (i) If there are 3 TQBs in IPO round, no TQB may be eliminated,
- (ii) If there are 4 to 6 TQBs in IPO round, only one *i.e.* the last ranked TQB may be eliminated,
- (iii) If there are 7 or more TQBs in IPO round, one third of TQBs in IPO round (who ranked last), subject to a maximum of 3, may be eliminated. While calculating the one third, fractions will be ignored.

## 2.3 Eligibility Criteria

The existing eligibility criteria for sale of coal as well as for end use/captive consumption may continue.

## 2.4 Number of Minimum Bidders

In case of less than 3 Technically Qualified Bidders, the first attempt of auction shall be annulled and the second attempt of auction may be initiated with the approval of Competent Authority in the following manner:-

- (a) *De novo* with a separate set of terms and conditions and floor price as it may be deemed fit (on the lines of provisions of Mineral (Auction) Rules, as amended *vide* 2017 Rules notified by Ministry of Mines).

*or*

- (b) With the same terms and conditions as in the first annulled attempt of auction, and with the highest Initial Price Offer of TQBs, if any, in the first annulled attempt of auction as the floor price for the second attempt of auction. The bidding shall continue to the 2nd round even in case the number of TQBs is less than 3 (on the lines of Mineral (Auction) Rules, as amended *vide* 2017 Rules notified by Ministry of Mines).
- (c) However, in case of only one bidder in the second attempt, the auction process will again be annulled and with the approval of Competent Authority such coal mine shall be considered for

- i. Auction *de novo* with a separate set of terms and conditions and floor price as it may be deemed fit (on the lines of provisions of Mineral (Auction) Rules, as amended vide 2017 Rules notified by Ministry of Mines)

Or

- ii. Allotment to State / Central PSU or to CIL as per extant provisions of relevant Act and Rules.

## **2.5 Flexibility in Production**

- (a) For sale of coal, existing conditions as approved by CCEA may continue.
- (b) For specified end uses - the allocatee to produce coal not below 80% of scheduled production in a year in opencast mine (70% in case of underground mine) and not less than 90% of scheduled production in any five year block in opencast mine (80% in case of underground mine).

## **2.6 Definition of Captive Use - Utilization of coal by the Allocatee.**

In case of coal mines earmarked for specified end uses or own consumption, the allocatee is mandated to utilize a minimum of 75% of its actual production (ROM basis) in specified end use plants and allowed to sell upto 25% in open market. No additional premium will be charged on such sale in the open market.

## **2.7 Exit Clause**

The existing provisions of Exit Clause with penalty and forfeiture of Performance Bank Guarantee and no compensation may continue.

## **2.8 Involvement of Respective State Governments in the development of coal mines**

The States will continue to get involved at various stages of development and monitoring for speedy operationalization of allocated blocks in the form of joint review mechanism as is existing presently.

## **2.9 Calculation of Performance Security**

Performance Bank Guarantee may be calculated which is equal to the estimated amount payable against royalty and final bid price corresponding to the following peak rated capacity (PRC) of the mine:-

- (a) For sale of coal:

Auction: 70% of the PRC Allotment: 80% of the PRC

(b) For specified end-uses:

Auction / Allotment: 90% of PRC in opencast mines (80% for underground mines).

#### **2.10 Relaxation of Efficiency Parameters**

The Efficiency Parameters to be followed is as per attached Annexure. In *bona fide* cases of delays not attributable to the allocatee and based on the recommendation of the Scrutiny Committee, a grace period of maximum 30% for each milestone may be allowed subject to the condition that overall grace period shall not exceed 15% of the time granted for the last milestone of development.

#### **2.11 Single Window**

The process of approvals and clearances may be simplified and expedited in consultation with the concerned Ministries / States to the extent possible.

#### **2.12 Cogeneration as Specified End Use**

Necessary action to notify Cogeneration as specified end use will be taken in the Ministry of Coal (MoC).

#### **2.13 Publishing the mine data in public domain for some time.**

Mine Summary of 71 mines have already been published. On similar lines, Mine Summary of remaining mines may also be put up on website in due course, as and when these become available.

#### **2.14 Independent body to decide on the penalty and disputes:-**

The Nominated Authority shall continue to perform such statutory/other functions in accordance with the Acts / Rules and instructions issued from time to time.

#### **2.15 Auction of coal mines for specified end-use "washing of coal obtained from a mine"**

Considering that washing of coal is a specified end use under the Act / Rules, keeping in view the recommendations of HPEC/CoS, necessary action in this regard will be taken by the MoC to formulate a proposal for obtaining approval of the Competent Authority.

**2.16 Compensation consequent to termination of CMDPA**

The existing provisions may continue

**2.17 Intrinsic value and Upfront amount****2.18 Revenue sharing; CIL notified price/domestic index****2.19 Definition of Captive Use: (b) Utilization of coal in holding company****2.20 Mixed use as end use**

In respect of recommendations at SI. No. 2.17, 2.18, 2.19 and 2.20, a Group chaired by Additional Secretary (Coal) is being formed to submit a definite proposal with all relevant details, which would then be submitted to Competent Authority for decision.

3. Accordingly, in pursuance of Section 6 (7) of the Coal Mines (Special Provisions) Act, 2015 read with Rule 8 (2) (c) & (d) of the Coal Mines (Special Provisions) Rules, 2014 and with the approval of the competent authority, Nominated Authority is hereby directed to note the above decisions and take necessary action accordingly.

End: As above

(N.K. Singh)

Deputy Secretary to the Govt. of India

Tel. 23384104

To

The Nominated Authority,

Ministry of Coal

Copy also for information to:

1. PS to Minister of Railways and Coal
2. PS to MoS, Coal
3. PSO to Secretary (Coal)/PPS to AS (Coal)
4. PPS to JS (RKS) / PPS to JS (BPP)
5. Director (Technical), Ministry of Coal
6. Director (CLD), Ministry of Coal

**Efficiency parameters (with prospecting)**

(With Forest Land)

Milestone	Completion time from Date of Allotment (Months)	Activity	Percentage of Performance Security to be appropriated	Applicability Criteria
1	2	3	4	5
Prospecting Licence	3			
Completion of Drilling/ Exploration	11	MS-1		
Preparation of Geological Report (GR)	15		5	
Events after preparation of GR				
Mining Lease Application	18			
Submission of Mining Plan	19	MS-2		
Approval of Mining Plan/Project Report	21		16	
Application of Previous approval	22			
Forest Clearance Application	22			
Environment Clearance Application	23	MS-3A		
Previous Approval	23			
Forestry Clearance(FC)-stage 1	33		7	
Forestry Clearance(FC)-stage 2	39	MS-3B	6	

48  
Written Answers to

[RAJYA SABHA]

Unstarred Questions

Wild life Clearance	39	MS-4	
Approval under PESA	39		
Environment Clearance (EC)	39		13
Approval for Nallah /River Diversion	45	MS-5	
Approval for diversion of Power line/Rail/Road	45		
Permission to draw Water	45		
Permission to draw Power	45		
Consent to Establish /Operate	51		
Grant of Mining Lease or Notification under section 11 of CBA Act, 1957, as applicable	55		15
Land Acquisition	60	MS-6	
possession of land and R&R to reach rated capacity as per approved mining plan	60		10
Intimation to DGMS for Mine opening	62	MS-7	
Approval for use of Explosive & Licence for Storage of Petroleum	62		
Permission under Factories Act, 1948	62		
Permission for use of Radio Frequency Communication System	62		
Labour related Permissions	62		

1	2	3	4	5	50
Escrow Account	62				Written Answers to [RAJYA SABHA]
Application for Opening permission	63				
Mine Opening Permission	66		12		
Schedule of production/ reaching rated capacity as per the approved mining Plan	At least 90% of the Annual Schedule production/reaching rated capacity as per approved mining plan in case of Opencast mine and atleast 80% of the annual scheduled production/ rated production capacity as per approved mining plan for underground mines	MS-8	16	1. The appropriation of performance security will be applicable annually on the basis of actual production in the year with respect to the production scheduled as per the approved mining plan. 2. For this purpose, year-wise percentage of performance security will be calculated by equally dividing this percentage (16%) amongst the years from the year of start of production to the year of achievement of peak rated production capacity as per the production schedule of the approved mining plan.	
TOTAL		100			Unstarred Questions

(B)

**F.No.13011/4/2018-CBA2**

**Government of India**

**Ministry of Coal**

Shastri Bhawan, New Delhi

Dated the 7th March, 2019

**ORDER**

**Subject: Methodology for allowing allocatees of coal mines for specified end use or own consumption to sell upto 25% of actual production on ROM basis in open market under the Coal Mines (Special Provisions) Act, 2015 and the Mines and Minerals (Development and Regulation) Act, 1957.**

The undersigned is directed to refer to provisions of the Coal Mines (Special Provisions) Act, -2015, the Rules framed thereunder and the methodology dated 26.12.2014 for allocation of coal mines by the Government for specified end-uses viz. for Power (regulated sector) and for Non-Regulated Sector [Cement, Iron & Steel and Captive Power Production clubbed together as NRS].

2. In addition to the provisions contained in the methodology dated 26.12.2014 for specified end uses, it has been decided to allow future allocatees of coal mines for specified end use or own consumption to utilize a minimum of 75% of actual production (ROM basis) in specified end use plants and to sell upto 25% of actual production (on ROM basis) in open market with payment of additional premium on such sale as mentioned in para 3 below:

**3. Definition of Captive Use - Utilization of coal by the Allocatee.**

3.1 In case of coal mines earmarked for specified end uses or own consumption, the allocatees are mandated to utilize a minimum of 75% of its actual production (ROM basis) in specified end use plants and are allowed to sell upto 25% in open market. In case of auctions, the successful bidder shall be required to pay an additional premium of 15% of its final bid price on per tonne basis, for the actual quantity of coal sold in open market. The additional premium will be over and above the final bid price. In case of allotments, the successful allottee shall be required to

pay an additional reserve price of 15% of the Reserve Price, for the actual quantity of coal sold in open market. The additional reserve price will be over and above the Reserve Price.

3.2 If due to maintenance or shutdown or such other unavoidable reasons, beyond the control of allocattee, during any part of the year, the allocattee is not able to use a minimum of 75% of actual production (ROM basis) in specified end use plant or own consumption, any excess coal out of such 75% of actual production will have to be mandatorily sold by the allocattee to CIL at CIL notified price less 15% of such CIL notified price as per existing conditions.

3.3 This would be applicable to auction of coal mines under the 6th and 7th tranches for which NIT has been floated on 25.10.2018 and for allotment of mines under the 4th and 5th tranches for which NIA was floated on 11.06.2018 as well as future allocations (auction/allotment).

4. The provisions contained in Para 3 would be applicable to coal mines to be allocated under Coal Mines (Special Provisions) Act, 2015, as well as for allocation of coal mines under Mines and Minerals (Development & Regulation) Act, 1957.

5. Para 2.6 of O.M. dated 12.10.2018 stands modified to the extent as indicated in para 3 above.

(Rishan Ryntathiang)

Under Secretary to the Government of India

Tel. No. 23073936

To,

1. Nominated Authority, MoC
2. JS (CBA-II), MoC
3. JS (CBA-I), MoC
4. DS (CBA-II), MoC
5. DS (NA), MoC
6. DS (CBA-I), MoC

Copy for information to:

1. PS to Minister of Railways and Coal
2. PS to MoS, Coal

3. PSO to Secretary (Coal)
4. PPS to AS (Coal)
5. PPS to JS (RKS)/PPS to JS (BPP)/ PS to JS (AU)
6. Director (Technical), Ministry of Coal
7. Director (CLD), Ministry of Coal

**Proposed easing of norms in the coal mining sector**

7. SHRI MD. NADIMUL HAQUE: Will the Minister of COAL be pleased to state:

- (a) the details of the proposed easing of end-use and prior experience restrictions in coal auctioning;
- (b) the details of sectoral problems that move will address; and
- (c) the expected benefits from this move?

THE MINISTER OF COAL (SHRI PRALHAD JOSHI): (a) to (c) An Ordinance has been promulgated entitled 'Mineral Laws (Amendment) Ordinance, 2020' on 10.01.2020 for amendment in the Mines and Minerals (Development and Regulation) Act, 1957 [MMDR Act] and the Coal Mines (Special Provisions) Act, 2015 [CMSP Act].

Till now, the Schedule II and III coal mines under CMSP Act could only be auctioned to companies that are engaged in specified end use. Now, the omission of sub-section (3) of Section 4 of CMSP Act has provided flexibility to the Central Govt, in deciding the end use of Schedule II and III coal mines. This would allow wider participation in auction, for a variety of purposes such as own consumption, sale or for any other purpose, as may be specified by the Central Govt.

There was lack of clarity earlier in the language of the provisions in the Acts leading to restrictive interpretation of the eligibility conditions in the auction. Sections 4(2) and 5(1) of the CMSP Act and Section 11A of the MMDR Act have been amended now clarifying that any company selected through auction/ allotment can carry on coal mining operation for own consumption, sale or for any other purposes, as may be specified by the Central Govt, allowing wider participation and competition in auction. Thus, the companies which do not possess any prior coal mining experience in India can now participate in auction of coal blocks.