

**GOVERNMENT OF INDIA**

**MINISTRY OF COAL**

**RAJYA SABHA**

**QUESTION NO07.03.2011**

**ANSWERED ON**

**POLICY FOR GRANTING MINING RIGHTS**

1097

Shri Satyavrat Chaturvedi

Will the Minister of COAL be pleased to state :-

- (a) the Chief Ministers who have opposed the policy for grant of right to purchase and sell mines on first come first served basis and their suggestions in this regard;
- (b) whether Government is considering to adopt the policy of competitive bidding so that more and more bidders can participate in it;
- (c) whether Government would consider to give priority to those companies at the time of allocating mines in tribal areas who would give maximum amount for the development of local area; and
- (d) if so, by when a decision would be taken in this regard?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF COAL

(SHRI PRATIK PRAKASHBAPU PATIL)

(a):No, Sir. There is no policy in force/under consideration in the Ministry for grant of right to purchase and sell mines on first come first served basis in respect of coal and lignite. Hence the question of opposition of such a policy by the Chief Ministers does not arise.

(b):With a view to bringing more transparency, the Mines and Minerals (Development and Regulation) Amendment Act, 2010 regarding introduction of competitive bidding system for allocation of coal blocks for captive use, has been passed by both the Houses of Parliament and it has been notified in Gazette of India (Extraordinary) on 9th September, 2010. The Amendment Act seeks to provide 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:-

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

(c) :There is no such proposal to give priority to those companies at the time of allocating mines in tribal areas who would give maximum amount for the development of local area

(d): Does not arise in view of the reply given at (c) above.