

GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO - 2114
TO BE ANSWERED ON 20.03.2023

REVIVAL OF COAL MDO CONTRACTS

2114. SHRI MALLIKARJUN KHARGE:

Will the Minister of Coal be pleased to state:

- (a) whether it is a fact that provisions under the Coal Mines Act, 2015 were used to reinstate old Mine Developer and Operator (MDO) contracts which Hon'ble Supreme Court struck down in 2014;
- (b) whether it is also a fact that concerns were raised around the reinstatement of MDO contracts without auction and, if so, the details thereof;
- (c) whether such a step is in direct violation of the 2014 order of the Hon'ble Supreme Court;
- (d) reasons for the failure of Government to amend the Act of 2015, to stop such a practice; and
- (e) details of the losses caused to the public exchequer in such a case?

ANSWER

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES
(SHRI PRALHAD JOSHI)

(a) to (c): As per section 11(1) of the Coal Mines Special Provisions Act, 2015, an allottee may elect to adopt and continue such contracts which may be existing with any of the prior allottees in relation to coal mining operations. Further, there is no transfer of rights in the mines allotted in favour of a MDO. Hence, there is no violation of the Supreme Court judgment and the CMSP Act, 2015.

Central Govt. has no role in appointment of MDOs. It is responsibility of State/Central Govt. PSUs to appoint MDOs transparently and as per provisions of Coal Mine Development & Production Agreement.

(d): Provisions related to appointment of MDOs before the allotment of coal block are mentioned in Section 11(1) of the CMSP Act. To ensure appointment of MDOs after allocation of coal blocks to governments companies in future, NITI Aayog had recommended that instead of amending the CMSP Act, Ministry of Coal may insert a clause in the Coal Mine Development & Production Agreement signed between the Government and the Government companies' allottees barring "appointment of MDOs before the allotment of coal block". Said recommendation received from NITI Aayog has been accepted by the Ministry.

(e): As there is no provision to transfer rights in the mines allotted in favour of a MDO, there is no loss caused to public exchequer.
