

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO - 511
TO BE ANSWERED ON 06.12.2023

ALLOTMENT OF COAL BLOCKS

511. SHRI PRADYUT BORDOLOI:

Will the Minister of Coal be pleased to state:

(a) whether the Government has changed coal auction rules to allow discretionary allotment of coal blocks to lone bidders;

(b) if so, the details thereof along with the manner in which the new rules align with the principles of transparency and fair competition; and

(c) the details of projects and bidders, State-wise where Government exercised discretionary powers to allocate coal blocks to private companies when auctions fail to attract competitive bids?

ANSWER

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

(a) and (b): No sir, no discretionary allotments has been done. Everything has been done following due procedure. Prior to 2014, coal block allotments were done through discretionary basis. Post 2014, transparent auction process was introduced and first captive mines were auctioned and then post 2020, commercial coal mining was introduced. Entire discretionary route of allotments existing prior to 2014 was abolished. Most transparent system of auctions adopted by the government has led to increase in revenue to the states. The coal production from captive/commercial blocks also increased during the last 3 years is as under:

Year	Captive (MT)	Commercial (MT)	Total (MT)
2020-21	63.14	Nil	63.14
2021-22	84.17	1.15	85.32
2022-23	109.33	7.22	116.55
2023-2024 (Till Nov'23)	77.36	6.64	84

Methodology for auction of coal blocks for sale of coal on revenue sharing basis under the Coal Mines (Special Provisions) Act, 2015 [CMSP Act] and the Mines and Minerals (Development and Regulation) Act, 1957 [MMDR Act] was issued on 28.05.2020 and subsequently amended on 24.11.2021 and 31.10.2022. Auction of coal blocks is conducted in a fair and transparent manner by the Nominated Authority and any company incorporated in India, including a Government company, can participate in the auction of coal blocks.

As per the guidelines dated 01.06.2020 as amended on 31.10.2022, in case of less than 2 Technically Qualified Bidders (TQB), 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:

i. Afresh, with a separate set of terms and conditions and floor percentage of revenue share 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. With the same terms and conditions as in the first annulled attempt of auction, and with the highest Initial Price Offer of TQB, if any, in the first annulled attempt of auction as the floor percentage of revenue share for the second attempt of auction. However, in case of only one bidder in the second attempt, the matter will be referred to the Empowered Committee of Secretaries (ECoS), as approved by the Cabinet Committee on Economic Affairs for appropriate decision with respect to allocation of mine.

Thus, no discretion was exercised in allocation of coal blocks.

(c): Question does not arise.
