

Government of India
Ministry of Coal
Lok Sabha
Unstarred Question No. 520
To be answered on 20.11.2019
Commercial Coal Mining

520. SHRI A. RAJA:
DR. KALANIDHI VEERASWAMY:

Will the Minister of COAL be pleased to state:

- (a) the status of the Commercial Coal Mining introduced within the country;
- (b) the reasons for Commercial Coal Mining across the country;
- (c) whether the Government has identified coal blocks likely to be included under Commercial Coal Mining;
- (d) if so, the details thereof, State/ UT-wise including Tamil Nadu and the reasons therefor;
- (e) the details of the number of companies showed interest for participation of auction of these coal blocks so far and the time by which the auction is likely to be held along with the norms, criteria fixed for this;
- (f) whether the Government is also planning to introduce FDI under this programme, if so, the details thereof and the reasons therefor; and
- (g) whether it has been opposed in some of the States including Tamil Nadu, if so, the details thereof and the Government stand thereon?

ANSWER

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

(a) to (g): The methodology for auction of coal mines/blocks for sale of coal under the provisions of the Coal Mines (Special Provisions) Act, 2015 [CM (SP) Act, 2015] and the Mines and Minerals (Development and Regulation) Act, 1957 [MM(DR) Act, 1957] has been approved by the Government and the Order in this regard has been issued on 27.02.2018. The objective of the policy for auction of coal mines/blocks for sale of coal is to create a market place for coal with multiple producers to drive competition and adopt best practices in mining as well as environment management. Auction of coal mines for sale of coal in a transparent manner is expected to encourage transparent pricing of coal, based on market forces. The process for identification of coal blocks for auction for sale of coal has been undertaken. Further, the Government has reviewed Foreign Direct Investment (FDI) policy in the coal mining *vide* Press Note issued by Department for Promotion of Industry & Internal Trade on 18.09.2019 allowing 100% Foreign Direct Investment under automatic route for sale of coal, coal mining activities including associated processing infrastructure subject to the provisions of CM (SP) Act, 2015 and the MM(DR) Act, 1957 as amended from time to time and other relevant Acts on the subject. Associated Processing Infrastructure includes coal washery, coal handling and separation (magnetic and non-magnetic). For sale of coal, allowing 100% FDI for coal mining activities including associated processing infrastructure is expected to attract international players and create efficient and competitive coal market.
