

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO – 1578
TO BE ANSWERED ON 28.07.2021

COAL MINING

1578. SHRI B.N. BACHE GOWDA:

Will the Minister of COAL be pleased to state:

- (a) whether the Government has opened commercial coal mining to the private sector;
- (b) if so, the details thereof and the time since when it has been opened;
- (c) whether currently the Coal India Limited (CIL) is the world's largest miner being allowed to sell coal to end-users and if so, the details thereof;
- (d) whether CIL has not been able to fulfil its responsibility due to which the commercial coal mining has been allowed/opened to the private sector and, if so, the details thereof and the reasons therefor;
- (e) the percentage of Coal that is being imported to India from various countries; and
- (f) the steps taken/being taken by the Government to ensure that the opening of coal mines to the private sector is transparent?

ANSWER

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

(a): Yes, Sir.

(b): Methodology for auction of coal and lignite mines/blocks for sale of coal/lignite on revenue sharing basis was approved by CCEA on 20.05.2020 and the order was issued on 28.05.2020. Salient features of the Methodology are as under:

- Based on Revenue sharing mechanism. Floor percentage at 4%.
- Applicable to fully explored as well as partially explored coal blocks.
- Upfront amount is based on value of estimated geological reserves.
- Successful Bidder to pay monthly revenue share based on percentage of revenue share quoted, total quantity of coal and notional or actual price whichever is higher.
- Incentives for early production, gasification and liquefaction of coal.
- Exploitation of CBM is allowed.
- No restriction on the sale and/or utilisation of coal. More flexibility in coal production schedule.

(c) & (d): Coal India Limited (CIL) is the largest company in the world in terms of coal production. CIL sells coal to its linked Power and non-Power consumers through bilateral Fuel Supply Agreements and Memorandums of Understanding. CIL also sells coal to the end consumers including traders through various e-auction schemes.

(e): Imported coal constituted 23.7% of the actual demand of coal during the year 2020-21.

(f): As per the provisions of the Coal Mines (Special Provisions) Act, 2015 [CMSP Act] and the Mines and Minerals (Development and Regulation) Act, 1957 [MMDR Act], coal mines are allocated to private sector companies by way of auction. Auction of coal mines is done on e-platform after conducting security audit of the e-platform. Further, any prior allottee who is convicted of an offence relating to coal block allocation and sentenced with imprisonment for more than three years is not eligible to participate in the auction.
