

GOVERNMENT OF INDIA  
MINISTRY OF COAL  
**LOK SABHA**  
**UNSTARRED QUESTION NO - 2390**  
TO BE ANSWERED ON 16.03.2022

**COAL BLOCK AUCTION**

2390. SHRI RAKESH SINGH:

Will the Minister of Coal be pleased to state:

- (a) whether the Government has amended the law for coal block auction in the country and if so, the details thereof;
- (b) whether the arrangements for supply of coal to the private sector and electricity sector has been made at par;
- (c) if so, the details thereof;
- (d) whether the demand of domestic coal would increase as a result of it; and
- (e) whether the coal likely to be made available to the electricity sector through e-auction of coal which would be costlier in comparison to the existing procedure and if so, the details thereof?

**ANSWER**

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

(a): Amendments have been made in the Coal Mines (Special Provisions) Act, 2015 [CMSP Act] and the Mines and Minerals (Development and Regulation) Act, 1957 [MMDR Act] through Mineral Laws Amendment Act, 2020 enacted on 13.03.2020 to ensure wider participation and competition in auction of coal mines. The amendments in the Acts would enable the following:

- Allocation of coal blocks for composite prospecting license-cum-mining lease which will help in increasing of the inventory of coal/lignite blocks for allocation.
- Repetitive and redundant provision requiring previous approval of Central government even in cases where the allocation or reservation of coal/lignite block has been made by the Central Govt. itself has been done away with.
- Provided flexibility to the Central Govt. in deciding the end use of Schedule II and III coal mines under the CMSP Act.
- Companies which do not possess any prior coal mining experience in India can now participate in auction of coal blocks.

(b) & (c): Presently linkages are granted to Power plants according to the various provisions of SHAKTI policy dated 22.05.2017 and amendment dated 25.03.2019 issued by Ministry of Coal.

The non-power sector consumers are presently awarded linkages through Non-regulated Sector linkage auction policy dated 15.02.2016 issued by Ministry of Coal.

Beside the above avenues, the power and non-power sector consumers can procure coal under e-auctions, conducted by coal companies, as per their requirement.

(d): Demand of domestic coal is dependent upon various factors like position of economy, international coal price & sea freight, seasonal variation etc.

(e): Power sector consumers are primarily provided coal through linkages to the extent of 100% normative requirement against power purchase agreements on the price based on notified price for power sector. For any additional coal requirement, the power plants may source their coal through e-auction.

Moreover, due to the high price of International Coal, the domestic as well as import-based power plants imported less amount of coal during the current Fiscal resulting in less generation from import-based power plants. On the other hand, domestic coal-based power plants generated as per their programme with a growth of 16 % over last year same period.

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