

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO. 3037
TO BE ANSWERED ON 19.03.2025**

Sale of Undeveloped Coal Block

3037. SHRI SASIKANTH SENTHIL:

Will the Minister of **COAL** be pleased to state:

- (a) whether the Ministry is aware of the decision regarding sale of the undeveloped Gondbahera Ujheni East coal block and if so, the details thereof;
- (b) the rationale for allocating the block to a single bidder in two auction rounds incompatible with principles of transparency and fair competition;
- (c) the details of provisions under the Coal Block Development and Production Agreement which permit such transfers along with the existing safeguards to prevent speculative trading; and
- (d) whether the Ministry has assessed the impact of this sale on India's energy security, domestic coal production and local livelihoods in coal-rich areas like Singrauli, Madhya Pradesh and if so, the details thereof?

ANSWER

**MINISTER OF COAL & MINES
(SHRI G. KISHAN REDDY)**

Reply (a) The Gondbahera Ujheni East coal block, allocated to M/s MP Natural Resources Private Limited on 10.10.2022, has been transferred to M/s Mahan Energen Limited (a subsidiary of same group) as per provisions of Coal Block Development & Production Agreement (CBDPA) executed with allocatee.

Reply (b) Allocation of coal mine was done through a fair and transparent process. As per the provisions of the tender document, coal mines are initially offered for auction in the first attempt. In cases where a mine receives only a single bid, the auction process is annulled and mine is carried forward to the second attempt of auction. When a mine receives a single qualifying bid in second attempt of auction, it is allocated to the bidder to ensure the timely commencement of operations. Such allocation is essential for enhancing coal production, reducing import dependency, and strengthening the coal sector's contribution to the national economy.

Reply (c) Provisions in CBDPA related to transfer of coal mines are as under:

"Clause 13.1.1: Any change in Control of the Successful Bidder or any transfer of the Coal Mine by the Successful Bidder, shall be subject to Applicable Laws and may be undertaken

after the Lock-in Period, with an intimation to the Nominated Authority and the Central Government if no later than 15 (fifteen) days prior to (a) the proposed change in Control of the Successful Bidder; or (b) transfer of the Coal Mine by the Successful Bidder, as the case may be and provided that pursuant to such change in Control, the Successful Bidder continues to meet the Eligibility Conditions or in case of transfer of Coal Mine by the Successful Bidder, the transferee meets the Eligibility Conditions...."

Clause 13.1.3 (ii): *For Partially Explored Mines, Lock-in Periods shall be in two phases: (a) First, till one year of the date of issuance of Allocation Order provided that at least 15% of estimated exploration expense has been incurred by the Successful Bidder; or (b) Second, after preparation of Geological Report till the execution of Mining Lease or order by the Central Government under Section 11 (1) of the Coal Bearing Areas (Acquisition and Development) Act, 1957, as the case may be."*

Further, the provision of a Lock-in Period for both Fully Explored and Partially Explored Mines ensures that the Successful Bidder cannot transfer or dilute control over the coal mine until substantial commitment and progress have been made (such as execution of Mining Lease, incurring minimum exploration expenditure, or preparation of Geological Report). This discourages entities from acquiring mines for mere trading purposes without operationalizing them.

Reply (d) Coal mine will now be developed and subsequently operated by M/s Mahan Energen Limited (a subsidiary of same group) and it will not have any impact on India's energy security, domestic coal production and local livelihoods.
