

Revival of Coal MDO Contracts

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As per section 11(1) of the Coal Mines Special Provisions Act, 2015, an allottee may elect to adopt and continue such contracts which may be existing with any of the prior allottees in relation to coal mining operations. Further, there is no transfer of rights in the mines allotted in favour of a MDO. Hence, there is no violation of the Supreme Court judgment and the CMSP Act, 2015.

Central Govt. has no role in appointment of MDOs. It is responsibility of State/Central Govt. PSUs to appoint MDOs transparently and as per provisions of Coal Mine Development & Production Agreement.

Provisions related to appointment of MDOs before the allotment of coal block are mentioned in Section 11(1) of the CMSP Act. To ensure appointment of MDOs after allocation of coal blocks to governments companies in future, NITI Aayog had recommended that instead of amending the CMSP Act, Ministry of Coal may insert a clause in the Coal Mine Development & Production Agreement signed between the Government and the Government companies' allottees barring "appointment of MDOs before the allotment of coal block". Said recommendation received from NITI Aayog has been accepted by the Ministry.

As there is no provision to transfer rights in the mines allotted in favour of a MDO, there is no loss caused to public exchequer.

This information was given by the Minister of Coal, Mines and Parliamentary Affairs Shri Pralhad Joshi in a written reply in Rajya Sabha today.

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