

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

STARRED QUESTION NO:230  
ANSWERED ON:12.03.2015  
REVENUE AS ROYALTY FOR COAL BLOCKS  
Roy Prof. Saugata;Singh Shri Lallu

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

- (a) whether a number of coal blocks were recently auctioned and if so, the details thereof along with the revenue earned by States and other stakeholders;
- (b) whether the Government has conducted any review of discrepancies prevailing in the cancelled coal blocks in the country and if so, the details thereof, State/UT-wise;
- (c) the details of the expected revenue earned by the Government and the States as royalty over the next 30 years from the coal blocks; and
- (d) whether the coal auction is likely to be beneficial to power consumers and if so, the details thereof?

**Answer**

MINISTER OF STATE (I/C) FOR COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) to (d) : A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (d) in respect of Lok Sabha Starred Question No.230 for answer on 12-03-2015 asked by Prof. Saugata Roy and Shri Lallu Singh regarding Revenue as Royalty for Coal Blocks.

(a) to (c) : 33 numbers of coal mines have been auctioned recently in 31 packages. As per the Section 6(3)(e) of the Coal Mines (Special Provisions) Second Ordinance, 2014, the amount of auction proceeds will be transferred to the respective State Governments where coal mine of Schedule I of the Ordinance is located. The total estimated amount of revenue and royalty to be received over the period of the life of mine through this auction by the host states is given below :-

(Rs. In Crores)

Sl.No	Host State	Total E-auction Proceeds (Estimated)	Total Royalty Proceeds of Intrinsic value (Estimated)	Upfront Payment [10% (Estimated)]
1	Odisha	28765.33	4702.72	273.89
2	Madhya Pradesh	38060.50	4628.73	122.21
3	Maharashtra	2303.24	424.17	11.12
4	Jharkhand	43108.35	5863.69	300.88
5	Chhattisgarh	60160.47	7402.10	258.61
6	West Bengal	11203.03	2007.83	143.37
	Total	183600.92	25029.24	1110.09

Government periodically monitored and reviewed the development of cancelled coal blocks in the review meetings by the then Review Committee and thereafter by Inter-Ministerial Group. Wherever delays were noticed, Government issued show cause notices and advisories to such allocatees cautioning them to bring the coal blocks into production as per the guidelines/milestones chart.

(d) :Under the reverse bidding methodology for coal mines/blocks to be auctioned for power sector under the Coal Mines (Special Provisions) Second Ordinance, 2014 Coal India Ltd. (CIL) notified price for each coal block is prescribed as ceiling price and the bidders are mandated to quote lower than this ceiling price which would only be allowed as a pass through of fuel cost in determination of tariff by the appropriate regulatory commission to ensure that the benefit of lower bid price is passed on to the consumers. In addition to this, a fixed reserve price of Rs.100/- per tonne of coal shall be payable as per actual production by the successful allocatee. In case reverse bidding amount reaches Rs.zero, the bidders are required to bid on the additional premium over and above fixed reserve price of Rs.100/- per tonne which is payable to the State Government concerned.