

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2542

ANSWERED ON:12.03.2015

E AUCTION FOR COAL

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Will the Minister of COAL be pleased to state:

(a) whether the Government has e-auction facility for coal;

(b) if so, the details thereof;

(c) whether the Government has any difficulties in the e-auction of coal;

(d) if so, the details with reasons of difficulties; and

(e) the steps taken by the Government for ensuring transparency in allocation of coal blocks and to resolve the complaints received in this regard?

Answer

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

(a)&(b): Yes, Madam. Coal is sold through e- auction scheme by Coal India Limited (CIL). New Coal Distribution Policy (NCDP) declared by Ministry of Coal during October 2007 had directed to introduce fresh e-Auction Scheme for supply of coal to provide access to coal to such consumers who are not able to source coal through the available institutional mechanisms for reasons like seasonality of coal requirement, limited requirement of coal not warranting long terms linkage etc.

The Policy also directed inter-alia the following conditions for the scheme :-

1) Any Buyer will be entitled to buy coal under e-Auction. There will be fixed reserved price not below the Notified Price.

2) Programme of e-Auction should be announced well in advance and be given wide publicity to all consumers who intend to participate.

3) In order to address the concern of the consumers who are actual end users (Industrial Consumers) requiring an assurance for supply over a long period say one year, a separate scheme is to be introduced.

As per NCDP, initially around 10% of estimated annual production of CIL would be offered under e-Auction with an option to review the same from time to time by Ministry of Coal. Accordingly, CIL introduced the following e-Auction Schemes:

(i) e-Auction Scheme 2007 for 'Spot e-Auction'

Any Indian Buyer (viz. individual, partnership firm, companies etc.) can participate in e-Auction for procurement of coal.

(ii) e-Auction Scheme 2007 for 'Forward e-Auction'

Coal distribution through forward e-Auction is aimed to provide access to coal for such coal consumers who wish to have assured supply over a long period, say one year, through e-Auction mode so as to plan their operation etc.

(c)&(d): Coal India Limited has no difficulties in selling coal through e- Auction. e- Auction is carried out by service providers on contract basis.

(e):The allocation of coal blocks would now be made in pursuance of the provisions of Coal Mines (Special Provisions) Second Ordinance, 2014 and Rules made thereunder. The auction of coal blocks has been decided to be carried out in e-auction mode in order to keep the process transparent.