

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:4928

ANSWERED ON:23.04.2015

ALLOCATION AUCTION OF COAL BLOCKS

Bhamre Dr. Subhash Ramrao; Hansdak Shri Vijay Kumar; Joshi Shri Chandra Prakash; Kachhadia Shri Naranbhai; Kambhampati Dr. Hari Babu; Kataria Shri Rattan Lal; Manjhi Shri Hari; Maragatham Smt. K.; Mishra Shri Bhairon Prasad; Misra Shri Ajay (Teni); Muddahanumegowda Shri S.P.; P. Shri Nagarajan; Rao (Avnithi) Shri Muthamsetti Srinivasa; Sanjar Shri Alok; Saraswati Shri Sumedhanand; Senguttuvan Shri Balasubramaniam; Singh Shri Lallu; Vellaigounder Shri Elumalai; Venkatesh Babu Shri T.G.; Venugopal Dr. Ponnusamy; Yadav Shri Om Prakash

Will the Minister of COAL be pleased to state:

- (a) the details of coal mines/blocks auctioned recently including the procedure, conditions laid down and revenue fetched, block-wise and the share committed to the respective State Governments;
- (b) the number of blocks obtained by end-users viz., energy, cement, steel sectors etc. respectively along with the number of blocks already in operation and the time by which the other would become operational;
- (c) whether any complaints regarding irregularities in the auction of some coal blocks have been reported to the Governments; and
- (d) if so, the details thereof along with the action taken thereon?

Answer

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

(a) & (b): So far 29 coal mines have been auctioned under the provisions of Coal Mines (Special Provisions) Act, 2015 and the Rules made thereunder. The auction process for non-regulated sector viz. Iron and Steel, Cement and Captive Power was based on forward bidding process where bidders had to submit their final price offer above the applicable floor price. In case of Power sector which is a regulated one, reverse bidding methodology was adopted where bidders had to submit bids below the applicable ceiling price, which shall be taken as fuel cost in determination of power tariff. In case, bid price reaches Rs. zero in reverse bidding, the bidding is based on additional premium payable to the concerned State Government, over and above the fixed reserve price of Rs. 100/- per tonne.

Revenue which would accrue to the coal bearing State Government concerned comprises of Upfront payment as prescribed in the tender document, Auction proceeds and Royalty on per tonne of coal production. State-wise details of 29 coal mines auctioned so far along-with specified end-uses and estimated revenue which would accrue to coal bearing state during the life of mine/lease period as given below:

S.No	State	Specified End -Use	Name of Coal Mine	Estimated Revenue during the life of mine/lease period (Rs. In Crores)
1	Chattishgarh	Non-Regualted Sector	Chotia	51596
		Gare Palma IV-4		
		Gare Palma IV-5		
		Gare Palma IV-7		
		Gare-Palma Sector-IV/8		
2	Jharkhand	Non-Regualted Sector	Brinda and Sasai	49272
		Dumri		
		Kathautia		
		Lohari		
		Meral		
		Moitra		
	Power	Ganeshpur		
		Jitpur		
		Tokisud North		
3	Madhya Pradesh	Non-Regualted Sector	Bicharpur	42811
		Mandla North		
		Mandla-South		
		SialGhoghri		
	Power	Amelia North		
4	Maharashtra	Non-Regualted Sector	Belgaon	2738
		Marki Mangli III		
		Nerad Malegaon		
5	Odisha	Power	Mandakini	33741
		Talabira-I		
		Utkal - C		

6 West Bengal Non-Regualted Sector	Ardhagram	13354
Power	Sarisatolli	
	Trans Damodar	
Total	(29) coal blocks	193512

Coal mine has been assigned to successful bidder as Designated Custodian in view of a court case.

In addition, an estimated amount of Rs. 1,41,854 Crores would accrue to coal bearing States from allotment of 38 coal mines to Central and State PSU's.

Out of these 29 coal mines, 16 are operational coal mines included in Schedule-II of the Act and 13 are non-operational included in Schedule-III of the Act. Milestones for development and production of coal from the auctioned coal mines have been prescribed under the Coal Mines Development and Production Agreement signed with the Successful Bidder.

(c) & (d): Yes, Sir. A few complaints were received regarding cartelization in bidding. It is not possible to conclusively establish the same until investigation are carried out by Competent Authority.

The Government has not approved the recommendation of NA for declaration of successful bidder in case of 4 coal mines namely Gare Palma IV/2&3, Gare Palma IV/1 and Tara as final closing bid price was not found to be reflecting fair value.