

**Government of India
Ministry of Coal
Lok Sabha
Starred Question No. 320
To be answered on 08.08.2018**

Coal Auction

***320. SHRI RABINDRA KUMAR JENA:**

Will the Minister of COAL be pleased to state:

- (a) whether only approximately 16 per cent of the total allocated coal reserves have been auctioned;
- (b) if so, the details thereof along with the other channels of allocation of coal reserves in the country;
- (c) whether the fourth and fifth rounds of auctions have been cancelled owing to lack of bidders and if so, the facts thereof;
- (d) the details of coal mines auctioned during the last three years, State-wise; and
- (e) whether any steps have been taken by the Government to ensure precise policies, transparent transactions and transformative outcomes, if so, the details thereof and if not, the reasons therefor?

ANSWER

**MINISTER OF RAILWAYS, COAL, FINANCE AND CORPORATE AFFAIRS
(SHRI PIYUSH GOYAL)**

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

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 320 for answer on 08.08.2018 asked by Shri Rabindra Kumar Jena regarding Coal Auction.

(a) and (b): The allocation of coal mines are made under the provisions of the Coal Mines (Special Provisions) Act, 2015 [CM(SP) Act, 2015] and the Mines and Minerals (Development and Regulation) Act, 1957 [MM(DR) Act, 1957]. Allocation is made through auction to public and private sector companies and through allotment to public sector companies.

Under the CM (SP) Act, 2015, 84 coal mines have been allocated so far. Out of the originally allocated 89 Coal Mines, Coal Mine Development and Production Agreements have been terminated in respect of 5 Auctioned Coal Mines. Out of the 84 allocated coal mines, 26 have been allocated by way of auction which comprise less than 10% of the balance geological reserves of the total reserves of the allocated coal mines. State-wise details of these 26 auctioned Coal Mines are at Annexure-I. Under the MM (DR) Act, 1957, 19 coal blocks have been allocated through allotment route to Central/State Government Companies and no coal block has been allocated through auction route.

(c): In the 4th tranche of auction, 9 coal mines were put for auction for the Non-regulated Sector i.e. Iron & Steel, Cement and Captive Power Plants. Due to the low response, online bids were not opened and the 4th tranche of auction was annulled. In the 5th tranche, 6 coal mines were put for auction for the specified end use "production of Iron & Steel". As there were less than 3 bidders/technically qualified bidders, the 5th tranche of auction was also annulled.

(d): During the last three years, that is, 2015-16, 2016-17, 2017-18 and 2018-19 (till 31.07.2018) two mines, namely, Marki Mangli-I and Majra located in the State of Maharashtra have been auctioned to M/s Topworth Urja and Metals Limited and M/s Jaypee Cement Corporation Limited respectively.

(e): To keep the process transparent, the first ever auction of coal mines were conducted in December, 2014 through e-auction mode on an electronic platform. No physical bids were accepted or considered. Applications were required to be submitted online for allotment of coal mines to Government companies also. Further, to ensure the foolproof security of the E-platform of M/s MSTC, Security Audit had also been conducted prior to auction of coal mines. It was one of the most transparent auctions where bids were placed on an electronic platform accessible to everyone with an internet connection. In fact, everyone had the option of tracking the progress of the auction on their mobile phones. The Ministry had to augment the server capacity as lakhs of people were viewing the auctions live. The number and names of the companies which had applied were publicly disclosed in open forums where hundreds of bidders were present along with members of the media too. The entire proceedings were videotaped. There were also press releases and names were disclosed on the auction website. Technical and financial parameters for the qualification of bidders were clearly laid down in the tender document, which is even today available in the public domain on the website. Grounds for disqualification were also clearly mentioned in the tender document. Specific reasons were given to such bidders. The initial bid price (applicable floor price) and subsequent bids were also visible to the public. The parameters for determining the floor price and subsequent bids were part of the methodology and

on public display on the website. Thus, each and every data point was actually available in the public domain.

Annexure - I

| Sl. No | Name of Coal Mine | State | Successful Allottee | Sch. | Bal. Geo. Reserve(MT) |
|---------------|--------------------------|----------------|--|-------------|------------------------------|
| 1 | Chotia | Chhattisgarh | Bharat Aluminum Co. Ltd (BALCO) | II | 31.56 |
| 2 | Gare Palma IV-4 | Chhattisgarh | HINDALCO (HIL) | II | 35.74 |
| 3 | Gare Palma IV-5 | Chhattisgarh | HINDALCO (HIL) | II | 92.05 |
| 4 | Gare-Palma Sector-IV/8 | Chhattisgarh | Ambuja Cements Ltd | III | 107.20 |
| 5 | Kathautia | Jharkhand | HINDALCO (HIL) | II | 27.25 |
| 6 | Tokisud North | Jharkhand | Essar power MP Ltd | II | 92.92 |
| 7 - 8 | Brinda and Sasai | Jharkhand | Usha Martin Ltd | III | Brinda-17.81 Sasai- 26.34 |
| 9 | Dumri | Jharkhand | HINDALCO (HIL) | III | 55.99 |
| 10 | Lohari | Jharkhand | Aranya Mines Pvt Ltd | III | 9.99 |
| 11 | Meral | Jharkhand | Trimula Industries Limited | III | 17.05 |
| 12 | Moitra | Jharkhand | JSW Steel Ltd | III | 215.78 |
| 13 | Ganeshpur | Jharkhand | GMR Chhattisgarh Energy Limited (GMR) | III | 137.89 |
| 14 | Jitpur | Jharkhand | Adani Power Limited | III | 81.09 |
| 15 | Bicharpur | Madhya Pradesh | UltraTech Cement Limited | II | 56.20 |
| 16 | SialGhoghri | Madhya Pradesh | Reliance Cement Co Pvt Ltd (RCCPL) | II | 29.38 |
| 17 | Amelia North | Madhya Pradesh | Jaiprakash Power Ventures Ltd. (JPVL) | II | 119.54 |
| 18 | Belgaon | Maharashtra | Sunflag Iron and Steel Company Limited (SIL) | II | 19.86 |
| 19 | Marki Mangli III | Maharashtra | B.S. Ispat Limited | II | 5.76 |
| 20 | Nerad Malegaon | Maharashtra | Indrajit Power Pvt Ltd | III | 20.36 |
| 21 | Marki Mangli-I | Maharashtra | Topworth Urja and Metals Ltd (TUML) | | 24.11 |
| 22 | Majra | Maharashtra | Jaypee Cement Corporation Limited | III | 31.04 |
| 23 | Talabira-I | Odisha | GMR Chhattisgarh Energy Limited (GMR) | II | 19.62 |
| 24 | Ardhagram | West Bengal | OCL Iron & Steel Ltd. | II | 109.24 |
| 25 | Sarisatolli | West Bengal | CESC Limited (CESC) | II | 139.83 |
| 26 | Trans Damodar | West Bengal | The Durgapur Projects Limited | II | 97.15 |

For schedule-II coal blocks, the reserve already extracted till 31.03.2014 has been deducted from the total reserve and the reserve shown in the table is the balance reserve for these blocks.