

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION No. 2298
TO BE ANSWERED ON 04.03.2020

Auction of Coal Mines

2298. SHRI SHYAM SINGH YADAV:

Will the Minister of COAL be pleased to state:

- (a) Whether the Government has cancelled six coal mines auctioned in last five years and if so, the details thereof and the reasons therefore;
- (b) whether more Private companies have been benefited in auction process of coal mines by the Government, if so, the reason therefor and the details thereof; and
- (c) the details of revenue earned through coal mines auction mine wise?

Answer

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES

(SHRI PRALHAD JOSHI)

(a): Yes. The Government has cancelled seven coal mines auctioned in last five years. The details with reason are attached in **Annexure A**.

(b): In the auction process of coal mines both Government companies and Private companies are allowed to participate in the auction process. However, in the auction for allocation of coal mines carried out so far, only one Government company had participated for one coal mine. For the remaining coal mines put up auction, only Private companies participated in auction process.

(c): The details of revenue earned through coal mines auction mine wise is attached in **Annexure B**.

Annexure A

Reasons for termination of allocation of 7 auctioned coal mines are given below:

1. Mandla North, Mandla South and Majra :- (3 coal mines)

Allocattees:

Mandla North:- Jaiprakash Associates Limited

Mandla South:- Jaypee Cement Corporation Limited

Majra:- Jaypee Cement Corporation Limited

Successful Allocattees sold End-Use-Plants (EUPs) attached with the coal mines. Due to this the extractable reserve of the coal mines exceeded 150% of the annual coal requirement of left out end –use plants taken over a period of 30 years which is in violation of Clause 4.1.2 (b)(i) of tender document and clause 2.1 of Coal Mine Development and Production Agreement (CMDPA). Consequently the Successful Allocatee did not remain eligible for this mine and attracted termination event under Clause 24.3.1(k) of the CMDPA.

2. Mandakini and Utkal-C:- (2 coal mines)

Allocattee:

Mandakini: - Mandakini Exploration and Mining Ltd

Utkal –C:- Monnet Power Company Ltd

Ministry of Power vide its letter dated 15.4.2015 ordered capping on fixed charges component of tariff of electricity. Against this order of Ministry of Power, Allocattee approached Hon'ble High court of Delhi. Hon'ble Delhi High Court allowed allocattee to surrender the mine due to change in tender conditions of allocation. Consequently Allocattee applied for surrendering of coal mines and thus allocation of these 2 coal mines was terminated.

3. Tokisud North:- (1 coal mine)

Allocattee: Essar Power MP Ltd

Tokisud North coal mine is a scheduled II coal mine. There was inordinate delay in operationalisation of the mine and the matter was referred to the Scrutiny Committee. Scrutiny Committee recommended for termination of allocation of this mine and accordingly the allocation was terminated.

4. Gare Palma IV/7:- (1 coal mine)

Allocattee: Monnet Ispat & Energy Ltd.

As per Coal Mine Development and Production Agreement (CMDPA) Performance Bank Guarantee (PBG) were required to be renewed but allocattee of this mine did not renew the Performance Bank Guarantee (PBG) and thus attracted termination clause of CMDPA. As a result, allocation of this mine was terminated.

Annexure B

Revenue Generated through the coal mines allocated through auction route under CMSP Act, 2015			
S.No.	Name of Auctioned Mine	Name of Allottee	Revenue Generated till January 2020(In Rs. Crores)
1	Chotia	BALCO	541.81
2	Gare Palma IV/4	Hindalco industries Ltd	1045.27
3	Gare Palma IV/5	Hindalco industries Ltd	869.08
4	Gare Palma IV/7	Monnet Ispat & Energy Limited	25.33
5	Gare Palma IV/8	Ambuja Cements Ltd	117.64
6-7	Brinda and Sasai	Usha Martin Ltd	3.86
8	Dumri	Hindalco industries Ltd	6.15
9	Ganeshpur	GMR Chhattisgarh Energy Limited	43.89
10	Jitpur	Adani Power Limited	13.6
11	Kathautia	Hindalco industries Ltd	583.85
12	Lohari	Araanya Mines Private Ltd.	1.44
13	Meral	Trimula Industries Limited	2.39
14	Moitra	JSW Steel Ltd	16.56
15	Tokisud North	ESSAR Power MP Ltd	72.24
16	Amelia North	Jaiprakash Power Ventures Limited	957.37
17	Bicharpur	UltraTech Cement Limited	9.18
18	Mandla North	Jaiprakash Associates Limited	20.67
19	Mandla- South	Jaypee Cement Corporation Limited	3.22
20	Sial Ghoghri	Reliance Cement CO. Private Ltd	52.03
21	Belgaon	Sunflag Iron and Steel Company Limited	194.86
22	Majra	Jaypee Cement Corporation Limited	2.41
23	Marki Mangli III	B.S. Ispat Limited	2.79
24	Marki Mangli-I	Topworth Urja and Metals Ltd	32.24
25	Nerad Malegaon	Indrajit power Pvt. Ltd	3.29
26	Talabira- I	GMR Chhattisgarh Energy Limited	51.57
27	Ardhagram	OCL Iron & steel Ltd	61.88
28	Sarisatolli	CESC Limited	528.66
29	Trans Damodar	Durgapur Projects Ltd	14.83
30	Bikram	Birla Corporation Ltd	2.53
31	Brahampuri	Birla Corporation Ltd	1.88
32	Jamkhani	Vedanta Ltd.	41.23
33	Jaganathpur B	Powerplus Traders Pvt.Ltd	5.42
Total			5329.17