

**GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
STARRED QUESTION NO. 55
TO BE ANSWERED ON 14.12.2018**

Reverse auction of coal blocks in Odisha

***55 SHRI PRATAP KESHARI DEB:**

Will the Minister of COAL be please to state:

- (a) how much money was earned through the reverse auction of coal blocks in the State of Odisha; and
- (b) how much, out of the total money earned , has been shared with the State?

ANSWER

MINISTER OF RAILWAYS AND COAL

(SHRI PIYUSH GOYAL)

(a) In the State of Odisha, Rs. 51.57 Crore has been generated through Reverse Auction.

In case of reverse bidding, a Ceiling price of CIL notified price for each coal block is fixed and bidders are mandated to quote lower than this ceiling price. The Ceiling price is fixed at Run-of- Mine(ROM) price of equivalent grade of coal , as specified by CIL for the power sector. The bidder quoting the lowest in 'reverse bidding' is the successful bidder. This quote is taken as the transfer price of coal from coal block to the plant and is passed through in determination of tariff for electricity. This method ensures that benefit of lower bid price is passed through to the consumers. A Fixed Reserve Price of Rs. 100/- per tonne of coal is payable to the State Government, as per actual production by the successful bidder.

In case the bidding continues and the quotes in the bidding reaches Rs. 0(Zero) per tonne then the bidders are required to quote the 'Additional Premium' which they are

willing to pay over and above Fixed Reserve Price of Rs.100/- per tonne. Thus, the bidding continues in 'forward bidding' mode and the bidder quoting the highest 'Additional Premium' is declared Successful Bidder. In such case of ascending 'forward bidding' also, only the aforementioned Rs.100/- per tonne is taken as input for computation of energy charge for the purpose of determination of electricity tariff and the 'Additional Premium' is not included for the purposes of determination of tariff for electricity.

(b) Entire amount of Rs. 51.57 Crore generated through reverse e-auction has been transferred to State of Odisha.
