

Government of India
Ministry of Coal
Rajya Sabha
Unstarred Question No. 541
To be answered on 14.12.2018
Selling of captive coal in open market

541. SHRI T.G. VENKATESH:
SHRI DHARMAPURI SRINIVAS:

Will the Minister of COAL be pleased to state:

- (a) whether it is a fact that Government has taken a decision to allow captive coal block owners to sell a part of the coal produced by them in the open market;
- (b) if so, the details thereof; and
- (c) the other relaxations being given to captive coal block owners?

ANSWER
MINISTER OF RAILWAYS AND COAL
(SHRI PIYUSH GOYAL)

(a) & (b) On the basis of recommendations of High Power Expert Committee (HPEC) and subsequent recommendations of Committee of Secretaries (CoS), the Central Government has given in principle approval to the Nominated Authority, Ministry of Coal *vide* O.M. dated 12.10.2018 that in case of coal mines earmarked for specified end uses or own consumption, the future allocatees are mandated to utilize a minimum of 75% of its actual production (ROM basis) in specified end use plants and are allowed to sell upto 25% in open market. This flexibility is proposed keeping in view the factors that may affect the consumption of coal in the end use plants viz change in economic situation, business cycle and end use plant requirements etc. Further, this would help in increasing the levels of availability of domestic coal which will further reduce coal imports and will lead to savings of valuable foreign exchange. As prospective bidders would factor the provision of such sale of coal while bidding for the coal mine, additional premium has also not been proposed for such sale.

(c) The other conditions have been modified for allocation of captive block to end users in ongoing as well as future allocations *vide* OM dated 12.10.2018. This has been done with a view to encourage more participation in auction for these blocks. These include changes in efficiency parameters and flexibility in production conditions.
