

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO. 592
TO BE ANSWERED ON 16.09.2020**

Coal Block Auction

592. SHRI A. RAJA:

Will the Minister of COAL be pleased to state:

- a. The details of the reason to launch the auction process of 41 coal block for commercial mining during pandemic and lockdown across the country;
- b. whether consultation has been held with the coal bearing states before the Union Government arbitrarily chose to start the auction of 41 coal blocks;
- c. if so, the details thereof and if not reasons therefor; and
- d. whether the CIL has not been able to fulfil its responsibility due to which the commercial coal mining has been allowed /opened to the private sector, if so, the details thereof and the reasons therefor?

ANSWER

MINISTER OF COAL, MINES & PARLIAMENTARY AFFAIRS

(SHRI PRALHAD JOSHI)

- a. In the present COVID-19 situation, the Government of India is making all efforts to kick start the economy. A slew of measures have been taken by the Government as a part of 'Aatm Nirbhar Bharat'. During the present period of economic slowdown, the Government has duty to attract investment and generate employment. The consumers of coal, especially in metal industry and power plants need more Indian coal on immediate basis. India is importing more than 20 percent of its coal demand and mines so offered presently have a ready demand by the coal consumers. Postponement of auction process will only delay the development of mines and the country will keep on importing coal by spending precious foreign exchange.

In the current tranches of auction for commercial mining, the mining leases of coal blocks will be granted for 30 years and the same can be renewed for further period. Bidders would commit revenue share keeping long term economic interest in the mind. The COVID-19 pandemic is not expected to be permanent and therefore cannot be treated as a sufficient reason to further postpone the auctions. It is a matter of fact that it will take a minimum of 3 to 5 years for these blocks to come into production. By the said time the COVID-19 pandemic is expected to be over.

(b to c) Yes, Sir. Before the launch of the current tranche of auction, the terms and conditions were consulted with the Government of States where the coal mines are located. A Discussion Paper on the key terms and conditions for the auction of coal mines/ blocks was published by the Ministry of Coal for public consultation on 14.01.2020 and copies of the same were sent to the Chief Secretaries of all the coal bearing States vide letter dated 22.01.2020.

Comments were sought from the coal bearing State Governments and it was also stated in the said letter that a tentative list of 80 coal mines to be auctioned with their details is placed in the website of Central Mine Planning and Design Institute (CMPDIL) and the first tranche of the auction is proposed to be launched in the financial year 2019-20. Subsequently, a meeting with the representatives of the State Governments was held on 05.02.2020 under the Chairmanship of Secretary (Coal), Government of India. Another meeting was held on 23.02.2020 at CMPDI, Ranchi on coal evacuation route for 80 coal blocks identified by the Ministry of Coal for auctioning.

d) During 2019-20, Coal India Ltd. (CIL) had produced 602.138 Million Tonnes (MTs). All India Production of coal during 2019-20 was 729.10 MT (Provisional) with a positive growth was 0.05% over FY 2018-19. Apart from the fact that CIL is supplying the majority of coal needed to the country, however, it is a fact that domestic production could not meet the demand of coal in the country. Unfortunately, the lack of optimal resource utilization in our country has led to a situation where large amounts of coal have to be imported from other countries. India has imported 248.54 million tonnes of coal last year and had spent 1.53 lakh crore as foreign exchange. Despite India being the 4th largest country in terms of coal deposits, the country is unable to produce adequate quantity of coal to meet the requirement of domestic industry and development.

The coal reserves are mainly distributed in the seven states i.e. Jharkhand, Odisha, Chhattisgarh, West Bengal, Madhya Pradesh, Maharashtra and Telangana. Most of these States are also backward in the country with low Human Development Indicators. It is the intention of the Government of India to bring faster economic development to the backward regions of the country. Since these States are resource rich, development of these resources is critical for the development of these States. Commercial auction of coal mines is most important and transparent measure taken by the Government of India to bridge the mismatch between the demand and supply of coal in the country. This will not only provide a huge opportunity for employment in the backward regions but will also save precious foreign exchange of the country.
