

Conducting electronic auction of coal blocks

1289. SHRI K. R. ARJUNAN: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that Government is considering to allow companies to submit multiple bids through joint ventures and group subsidiaries in the future coal block allocations;

(b) whether it is also a fact that the Comptroller and Auditor General's report found fault with the process adopted by Government;

(c) whether the electronic auction conducted by Government has worked well, so far; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI PIYUSH GOYAL): (a) and (b) As per the procedure adopted for e-auction of coal mines under the Coal Mines (Special Provisions) Act, 2015, bidder companies may submit multiple bids through joint ventures and group subsidiaries. In the first and second round of e-auction of coal mines, multiple bids of the same company for its different End Use Plants for coal mine were accepted. In the third tranche of e-auction, the auction design was slightly modified whereby multiple bids submitted by a Company or a Group in initial Price Offer (IPO) for a coal mine were counted as one for the purpose of determining the eligibility to participate in the Final Price Offer (FPO).

With regard to the provision of allowing the companies to submit multiple bids through joint ventures and group subsidiaries, the Comptroller and Auditor General (CAG) in its report on e-auction of coal mines has observed that it could not draw an assurance that the potential level of competition was achieved during the Stage II bidding of 11 coal mines auctioned in the first two tranches. This is however, not in conformity with the findings of the Hon'ble High Court of Delhi which has pronounced its Judgement in the matter.

(c) and (d) Yes, Sir. Under the provisions of the aforesaid Act, 31 coal mines have been successfully auctioned to the 'Regulated' as well as 'Non-Regulated' Sector. The Hon'ble High Court of Delhi in W.P. (C) No. 1384/2015 titled M/s Sharda Energy and Minerals Ltd. *Vs.* Union of India observed that the methodology adopted by the respondents (Ministry of Coal and Nominated Authority) for conducting the auctions in the manner by first asking for an initial price offer and then conducting an electronic auction of the technically qualified bidders is working well.

Hon'ble High Court of Delhi observed that initially there were fears that allowing companies to submit multiple bids might lead to cartelization, which would ultimately

lead to lowering the final bid price. However, after examining the workings and results of the electronic auction, the Hon'ble High Court of Delhi observed that it could not find any such indication or evidence, even though in some of the auctions, there have been multiple bids submitted by the same company in respect of its different specified end use plants.

Hon'ble High Court of Delhi also observed that apart from the empirical data of the auction process in respect of the 11 electronic auctions held so far, the process by itself does not appear to be arbitrary or irrational. The Hon'ble High Court of Delhi also added that there is, of course, no allegation that the auction process is designed to favour any particular bidder.

Further, Delhi High Court *vide* its common judgment dated 05 October, 2016 has dismissed the Writ Petitions No. (1) W.P. (C) 1501/2015 (Monnet Ispat and Energy Ltd. *Vs.* Union of India and Anr); (2) W.P. (C) 1496/2015 (Utkal Coal Limited and Anr. *Vs.* Union of India and Ors.); (3) W.P. (C) 2381/2015 (Jayaswal Neco Industries Ltd. *Vs.* Union of India and Anr.); and (4) W.P. (C) 6302/2015 (Bhushan Power and Steel Ltd. and Anr. *Vs.* Union of India and Anr.) wherein, the petitioners had *inter alia* raised similar objections on allowing companies to submit multiple bids through joint ventures and group subsidiaries. In the said common judgment the High Court held that the said issue has already been decided in favour of the Government in its earlier judgment.

Setting up of JBCCI

1290. SHRI K. T. S. TULSI: Will the Minister of COAL be pleased to state:

(a) whether the Join Bipartite Committee for Coal Industry (JBCCI) has been set up by Government to negotiate with workers demanding a salary hike; and

(b) if not, by when Government would set up JBCCI to meet the demands of coal workers?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI PIYUSH GOYAL): (a) and (b) Government has not constituted JBCCI. However, Coal India Limited (CIL) has informed that it has constituted JBCCI on 18.11.2016 to negotiate Wage Agreement for non-executive employees of CIL and its subsidiaries and Singareni Collieries Company Limited (SCCL).

Excess coal stocks

1291. SHRI K. T. S. TULSI: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that the coal stocks are overflowing and there is no place to store excess coal so much so that Government has directed to stop further mining of coal; and