

Dirty Coal

SCAM IS THE ORDER OF THE DAY. It's part of the game called running government business. 2G Spectrum scandal continues to haunt the nation as not a single day passes without titbits about 2G spectrum, albeit very few people do understand what this spectrum means. Eventhough the architects of 2G spectrum scam are behind bars, Telecom Regulator TRI proposed a steep hike in minimum price for fresh auction, fuelling speculation that it would adversely affect the mobile phone users. After 2G spectrum dirty coal seems to be the bonanza for the manipulators and scamsters.

Between 2004 and 2009, in India about 155 coal acreages were handed to companies without auction. The companies that were allotted the coal blocks without any auction process, benefited around Rs 10.67 lac crores, at a conservative estimate. The beneficiaries include public sector units as also about 100 private companies in sectors like power, steel and cement. The wind-fall gain arises out of discretionary allocation of coal blocks, without charging any upfront price. An inter-ministerial screening committee, which included representatives of the state government concerned, had scrutinised the applications for allotment of each block; and based on a point based screening system, the coal linkages and blocks were handed to applicants. Coal resources for energising an estimated 40,000 mw of new generation capacity were handed out free. Most of these projects plan to sell the generated electricity at commercial rates and consumers, in anyway don't stand to gain. They will have to pay the higher tariffs because of ever rising cost of power production. The developers include some with nil megawatt of generation capacity on the ground, but with the leverage to get coal resources. Then this is India. And the Union Government seems to have lost \$210 million by selling its coalfields too cheaply, outside an auction process, in a controversial privatisation drive.

Prior to nationalisation coal was entirely under the control of private players and how they violated mining regulations to earn super profit while destroying huge tracts of land and coal reserves as well is now history. Fire underground in the Jharia belt in eastern India is a nightmare. Occasional reports of cave-in for poor sand-stowing in the past do not reveal the real story of 'scorch-earth policy' mine-owners practised in the yester-years. With massive privatisation of coal-blocks on the anvil and the coal-mafia-bureaucrat-politician nexus looting black diamond openly violating all laws the situation looks bizarre for power consumers. □□□