

States to garner Rs. 6,656 Crores of annual revenue from the historic success of nation's first commercial coal mining auction: Shri Pralhad Joshi

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Union Coal Minister Shri Pralhad Joshi has said States will garner a total revenue of Rs 6,656 crores annually from the success of the nation's first ever commercial mining auction. Speaking to the media in New Delhi today after completion of the bidding process of this auction, Shri Joshi stated that 19 mines have successfully been auctioned, which is the highest number of successfully auctioned mines in any tranche of coal auctions.

“The results of these auctions are historic and clearly proves that opening up the coal sector under the dynamic and visionary leadership of Prime Minister Shri Narendra Modi Ji was a step in the right direction and is propelling towards making the nation Aatmanirbhar in coal” Shri Joshi said. Prime Minister Shri Narendra Modi had launched India's first auction of coal mines for commercial mining on June 18, 2020.

Shri Joshi said that the mines have witnessed fierce competition and companies have offered great premiums. The highest premium remained at 66.75% whereas the average premium remained at 29%.

Out of 38 mines put on auction, financial bids were received for 19 mines and the success of the auction remained at 50%. Whereas the average success rate of the previous 10 tranches of coal auctions remained at about 30% as only 35 mines could be auctioned, out of 116 mines put on auction during the last 10 tranches.

Highlighting the bidding pattern Shri Joshi said that almost 65% bidders were from the 'non-end user' category like Real Estate, Infrastructure, Pharma, etc., which is a positive sentiment shared by the industry after removal of 'End Use' criteria from the bidding process. 42 companies participated in the auction, out of which 40 were private players. Even two PSUs - NALCO and Andhra Pradesh Mineral Development Corporation Ltd - have participated in the auction.

Out of these successfully auctioned 19 mines, 11 are opencast, 5 are underground mines and remaining 3 are a mix of underground and opencast mines. These mines are spread over 05 states Madhya Pradesh, Chhattisgarh, Odisha, Jharkhand and Maharashtra and have consolidated Peak Rated Capacity (PRC) of 51 Million Tonnes Per Annum (MTPA).

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