

# Second Stakeholders Consultation on 2nd tranche of auctions of coal mines for sale of coal

**Largest tranche of auction of coal mines in the country: Government is offering 67 mines with a total resource of almost 36 billion tonnes**

**Peak capacities of nearly 150 million tonnes per annum in the 2nd tranche auctions of coal mines from fully explored mines**

Posted On: 15 JUN 2021 8:20PM by PIB Delhi

The Ministry of Coal held a stakeholders consultation on the ongoing second tranche of auction of coal mines for sale of coal (commercial mining), organised by FICCI.

Mr M Nagaraju, IAS, Additional Secretary & Nominated Authority, Ministry of Coal, Govt of India, today said: "We are offering 67 mines with a total resource of almost 36 billion tonnes and explored mines PRC of ~150 MTPA during 2<sup>nd</sup> tranche auctions of coal mines for commercial mining. This is the biggest ever offer of coal mines in the country, and consists of 6 coking coal mines as well. There are 37 fully explored mines and 30 partially explored coal mines."

Mr Nagaraju added that the auction of these mines will bring economic growth and prosperity in the coal bearing states and urged the potential investors to participate in auction of these mines which are being offered at the right time, considering increased push on renewables sources of energy in the long term.

Mr Manoj Kumar, CMD, CMPDIL & WCL informed the bidders that there are 67 coal mines in this tranche 23 of which are CMSP mines & 44 are MMDR mines; followed by the detailed presentation from CMPDIL team on all the mines on offer including technical criteria considered for identification of these mines.

Mr Shubham Goel, Vice President, SBI Capital Markets, Transaction Advisor, made a presentation on the terms and conditions of the auction process and highlighted the liberal steps taken by the Ministry of Coal to unlock the economic benefits from the Indian coal sector.

Ms Santosh, DDG, Ministry of Coal, gave a presentation on the National Coal Index and the changes in pricing and payments based on market based mechanisms which have ushered in an era of transparency in the sector.

Mr Dilip Chenoy, Secretary General, FICCI remarked that the second tranche auctions of commercial coal mines are an important step towards the commitment of increasing the availability of coal across the different segments of the industries and reducing the burden on coal imports. He encouraged participants and prospective bidders to actively participate in the ongoing auction.

Mr Vinod Kumar Tiwari, Additional Secretary, Ministry of Coal, made the closing remarks expressing gratitude to all potential investors and participants in the meeting for their active participation and reiterated the emphasis placed by the Ministry on selection of those mines for auction which have less impact on environment and wildlife, have minimum evacuation constraints, and may be operationalised at the earliest.

Mr Tiwari informed the participants about the Single Window Clearance launched by the Ministry of Coal in January 2021 which facilitates fully online approval of mine plan, with information filled by the mine owners passed on to other agencies including PARIVESH portal of MoEFCC to enable parallel and fast processing of clearances and approvals. He also highlighted that coal has robust demand in short to medium term and urged the potential bidders to submit their bids and successfully secure mines in the ongoing tranche of auction.

The commercial coal mining auctions process was initiated last year on 18th June 2020 by Prime Minister Shri Narendra Modi in a launch event organized by Ministry of Coal with FICCI. 19 coal mines have been successfully auctioned in the first tranche with enthusiastic participation from bidders.

The 2<sup>nd</sup> tranche auction process was formally launched by Union Minister of Coal, Mines & Parliamentary Affairs Shri Pralhad Joshi and Shri Amitabh Kant, CEO, NITI Aayog in another large stakeholder gathering organised by SBI Capital Markets Limited on 25<sup>th</sup> March 2021 in the presence of senior officials from Ministry of Coal, key dignitaries and promoters from mining sector, industry associations.

Commercial mining of coal shall fulfil the aspirations of an Aatmanirbhar Bharat with global best practices leading to development of a vibrant coal market realising its true potential, boosting domestic economic growth and employment generation.

Following up with the pre-bid meeting held on April 26, 2021, Ministry of Coal has organised a series of two stakeholder consultations for wider outreach to potential bidders on June 10, 2021 and June 15, 2021.

The second stakeholder consultation, held today on June 15, 2021 virtually witnessed participation of leading players from coal, mining and metal business, mining equipment manufacturers, mine developers and operators (MDOs), banks and financial institutions.

The auction shall be held online through a transparent 2 stage process. Key highlights of this auction process are - market linked mechanism wherein bidding shall be based on Percentage Revenue Share, National Coal Index linked payments, ease in participation with no restriction for prior coal mining experience, optimized payment structures, efficiency promotion through incentives for early production and use of clean technology, flexible operating terms etc.

From this tranche onwards, the Ministry of Coal is implementing the rolling auction mechanism which will expedite the allocation process of coal mines, bringing in greater transparency, ensuring better availability of mines on offer to potential investors, and is synergistic to the objective of Government of India to faster operationalisation of newer coal mines for energy security of the nation.

The sale of tender document started from 25th March 2021 and the bid due date is 24th June 2021. Details of the mines, auction terms, timelines etc. can be accessed through the following link: <https://www.mstcecommerce.com/auctionhome/coalblock/index.jsp>

Upon the withdrawal of lockdown forced by COVID-19, Ministry of Coal has been co-ordinating site visits of prospective bidders with Coal Controllers Organisation which are expected to be complete in this week. The Ministry is ensuring all possible assistance to the potential bidders/investors in the Indian coal sector to ensure their successful participation in the auction, the bid due date being June 24, 2021. Ministry of Coal thanks all stakeholders for their wholehearted response in the times

of pandemic and expects greater participation from more companies in the times to come.

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(Release ID: 1727337)