

Coal Ministry to conduct Investor Conclave in Mumbai

To Further Attract Participation in Commercial Mine Auctions

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After the successful auction of 64 coal mines in the first five tranches, Ministry of Coal had launched the process for auction of 133 coal mines under 6th round of commercial auctions of which 71 coal mines are new coal mines and 62 coal mines are rolling over from earlier tranches of commercial auctions held in November 2022. Additionally, eight coal mines under 2nd attempt of 5th round of commercial auctions were also launched where single bids were received in the first attempt.

Under commercial auctions, there is no technical or financial eligibility criteria and hence, several bidders who were not into coal mining earlier, became successful bidders and were awarded the coal mines. To boost bidder participation in the commercial auction of coal mines, Ministry of Coal is organising an investor conclave on December 01, 2022 in Mumbai. Union Minister of Coal, Mines and Parliamentary Affairs, Shri Pralhad Joshi will Chair and Chief Minister of Maharashtra, Shri Eknath Shinde will be the Chief Guest. Deputy Chief Minister Shri Devendra Fadnavis will be the Special Guest and Minister of State for Coal, Mines and Railways, Shri Raosaheb Patil Danve and Minister of Mining for Maharashtra, Shri Dadaji Bhuse will be the Guest of Honour of the function. Shri Amrit Lal Meena, Secretary, Ministry of Coal and Shri Vivek Bhardwaj, Secretary, Ministry of Mines will also participate in the Conclave.

The list of mines has been finalized post detailed deliberations. Mines falling under protected areas, wildlife sanctuaries, critical habitats, having forest cover greater than 40%, heavily built-up area etc. have been excluded. The block boundaries of some of the coal mines where there was presence of dense habitation, high green cover or critical infrastructure etc. have been modified basis comments received during stakeholder consultations to enhance bidders' interest and participation in these coal blocks.

Key features of the auction process include reduction in upfront amount and bid security amount, permission to relinquish part of the coal mine in case of partially explored coal mines, introduction of National Coal Index and National Lignite Index, ease of participation with no entry barriers, full flexibility in coal utilisation, optimized payment structures, efficiency promotion through incentives for early production and use of clean coal technology.

The sale of tender document commenced on November 03, 2022. Details of the mines, auction terms, timelines etc. can be accessed on MSTC auction platform. The auction shall be held online through a transparent 2 stage process, on the basis of Percentage Revenue Share.

SBI Capital Markets Limited, the sole Transaction Advisor to Ministry of Coal for the commercial coal mine auctions, is assisting the Ministry of Coal in conduct of the auction.

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