

Coal Ministry to Organize Investor Conclave in Bengaluru on Commercial Coal Mines Auction

Posted On: 01 DEC 2022 4:59PM by PIB Delhi

To further enhance participation in commercial auction of coal mines, Ministry of Coal is organising an investor conclave in Bengaluru on December 03, 2022. Union Minister of Coal, Mines and Parliamentary Affairs, Shri Pralhad Joshi will chair the function and Chief Minister of Karnataka, Shri Basavaraj Somappa Bommai will be the Chief Guest. Minister of State for Coal, Mines and Railways, Shri Raosaheb Patil Danve, Minister of Mines & Geology, Shri Halappa Basappa Achar and Minister of Energy, Shri Vasudev Sunil Kumar of Karnataka Government will be the Guests of Honour. Shri Amrit Lal Meena, Secretary, Ministry of Coal and Shri Vivek Bhardwaj, Secretary, Ministry of Mines will also participate in the Conclave.

The Ministry of Coal plans to conduct a series of investors' conclave at several locations across India and has already organized such conclaves at Indore and Mumbai which saw very good participation from the prospective bidders indicating the enthusiasm among bidders regarding the ongoing commercial coal mines auction.

The Ministry has launched the process for auction of 133 coal mines under 6th round of commercial auctions and eight coal mines under 2nd attempt of 5th tranche of commercial auctions. These 141 coal mines are from the states of Andhra Pradesh, Arunachal Pradesh, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Telangana and West Bengal and are having cumulative PRC of ~305 MTPA. The mines have been finalized post detailed deliberations and 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, ease of participation with no entry barriers, full flexibility in coal utilisation, optimized payment structures, incentives for early production and on 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 two 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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