

Government Reforms in Coal and Mine Sectors Attracted More Investors: Union Minister Pralhad Joshi

India largest producer and importer of coal;
Committed to step up coal production to meet
growing energy security needs

Shri Pralhad Joshi chairs Investor Conclave on Commercial Coal Mines Auction in Bengaluru

Posted On: 03 DEC 2022 3:45PM by PIB Bengaluru

Union Minister of Coal, Mines and Parliamentary Affairs, Shri Pralhad Joshi has said that the Government reforms in Coal and Mine sectors introduced the Ease of Doing Business have attracted potential investors, and his Ministry is taking all possible measures to achieve the Prime Minister's vision of auctioning 500 mines. Despite the fact India has the largest reserve of coal and is the largest producer and importer, the country needs to step up coal production to meet our growing energy security needs, the Minister said. Shri Joshi was chairing the Investor Conclave on Commercial Coal Mines Auction held in Bengaluru today.



Outlining the progressive hike in domestic coal production, Shri Pralhad Joshi said that the country is poised to produce 900 Million Tonnes (MT) of coal this year. The production next year is estimated to touch 1000 million tonnes, he added. The Minister noted that at present the coal and mines sector contributes 0.9 per cent

to the Gross Domestic Product. This is targeted to raise to 2.5 per cent in coming years. The Minister pointed out that Karnataka which has the richest repository of several minerals can play a key role in coal and mine sector. The Investor Conclave is intended to further enhance participation in commercial auction of coal mines.



Chief Minister of Karnataka, Shri Basavaraj Bommai was the Chief Guest of the function. Shri Halappa Achar, Minister of Mines & Geology, Govt of Karnataka, was also present.

Shri Amrit Lal Meena, Secretary, Ministry of Coal, Shri M. Nagaraju, Additional Secretary & Nominated Authority, Ministry of Coal, Shri. Sanjay Lohia, Additional Secretary, Ministry of Mines also participated in the Conclave. A special session to review the activities in coal and mine sector has been held in the afternoon.

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



Coal 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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3-12-2022

(Release ID: 1880662)