

2. AUCTION/ALLOCATION OF COAL BLOCKS

Coal mining in India has been metamorphosed as far as the policy framework is concerned. From an earlier restrictive model, we have moved on to granting coal mining blocks pursuant to a competitive bidding process, and from prescribing specific end-use to permitting commercial sale of coal. The auction-based regime introduced in 2014 allowed private sector participation, however it was limited to captive usage in own end use plants. Now, the sector has been opened up for commercial coal mining by private players in 2020 and first ever successful auction of commercial mining was launched by the Hon'ble Prime Minister on 18.06.2020 and concluded with allocation of 19 coal mines.

Commercial coal block auctions are conducted in a two-stage online bidding process, which involves technical screening and submission of competitive initial price offer in the first stage, and a second and final stage where better price offers are intended to be received.

Commercial coal mining auctions are completely different from the earlier regime of restricted sectors, use and price. Now, there are no such restrictions at all. The auctions have terms and conditions which are very liberal, allowing new companies to participate in the bidding process, reduced upfront amount, adjustment of upfront amount against royalty, liberal efficiency parameters to encourage flexibility to operationalize the coal mines, transparent bidding process, 100% FDI through automatic route is allowed and reasonable financial terms and revenue sharing model based on the National Coal Index.

7 Rounds of Auction of coal / lignite mines have been conducted so far successfully auctioning 91 coal mines, details of which are as under:-

S. No	State	Number of Mines	No. of Fully Explored Mines	Royalty and Taxes (Rs. Cr.)	Revenue Share (Rs. Cr.)	Sum of Annual Revenue generated based on the PRC of mine (Rs. crore)	Sum of PRC (MTP A)	Sum of Capital Investment (Rs Crore)	Total Employment (Direct + Indirect)
1	Chhattisgarh	15	10	4603.04	3606.46	8209.50	45.81	6871.50	61935
2	Jharkhand	23	18	4164.48	1740.92	5905.39	42.40	6360.00	57325
3	Madhya Pradesh	22	14	2972.72	1869.47	4842.19	24.73	3709.50	33435
4	Maharashtra	8	6	438.10	189.01	627.11	4.22	633.00	5705
5	Odisha	18	13	8771.06	4405.93	13177.00	98.63	14794.50	133348
6	Arunachal Pradesh	1	1	52.75	120.10	172.85	0.20	30.00	270
7	Assam	2	2	4.25	34.19	38.44	0.02	3.60	20
8	West Bengal	2	2	284.85	86.33	371.18	4.89	733.50	6611
	Grand Total	91	66	21291.24	12052.42	33343.67	220.90	33135.60	298650