

Commercial Coal Mine Auctions Totally Transparent, Fair & Based on Methodology – Coal Ministry

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Ministry of Coal has clarified that after cancellation of 204 coal mines in 2014, coal mines are being auctioned through a transparent mechanism and for various end uses – power and non-regulated sectors. With the maturing of auction-based regime for captive coal mines and with an aim of boosting the country's production and reducing its dependence on coal imports, a well-considered and forward looking policy was brought for commercial mining in 2020. Under the policy, for successful implementation of commercial coal mining and to bring quick decision making, an Empowered Committee of Secretaries (ECoS) comprising Secretary (Department of External Affairs), Secretary (Department of Legal Affairs), Secretary (Ministry of Petroleum and Natural gas) and Secretary (Coal) as members was constituted.

As per Methodology for commercial coal mines' auctions, in case of less than two Technically Qualified Bidders, for a mine, the first attempt of auction for that mine shall be annulled and the second attempt of auction may be initiated with the approval of Competent Authority. However, in case of only one bidder again in the second attempt, the matter will be referred to the ECoS for appropriate decision with respect to allocation of mine. Till date, 11 coal mines have been allocated to different bidders with the approval of ECoS based on single bid after 2nd attempt of auction, on the basis of transparency in auction, reasonability of offer and number of rounds the mines have been offered. It may be noted that a large number of mines offered received no bid despite repeated offering during last seven rounds.

S No.	Name of the Coal Mine	State	Successful Bidder	Final Offer submitted by the bidder	Vesting/ Allocation Date	Tranches in which mine was before final Allocation	Tranches in which mine was subsequently put for auction
1	Kuraloi (A) North	Odisha	Vedanta Limited	15.25%	03-09-2021	Nil	1 st round of commercial auction
2	Gondbahera Ujheni East	Madhya Pradesh	MP Natural Resources Private Limited	5.00%	10-10-2022	Nil	2 nd round commercial auction
3	Tokisud Block II	Jharkhand	Twenty First Century Mining Private Limited	5.00%	08-02-2023	Nil	2 nd round commercial auction
4	Ashok Karkatta Central	Jharkhand	Moonpie Metaliks Private Limited	6.50%	Vesting Order Not Yet Issued	Nil	3 rd round of commercial auction
5	Kasta (East)	West Bengal	Jitusol Developers Private	5.00%	12-12-2022	Nil	3 rd round of commercial auction

			Limited				
6	M a r k i Barka	M a d h y a Pradesh	B i r l a Corporation Limited	6.00%	1 7 - 0 1 - 2023	1 st	3 rd round of comm auction
7	Barra	Chhattisgarh	B h a r a t Aluminium Company Limited	5.00%	1 2 - 1 2 - 2022	2 nd	3 rd round of comm auction
8	M a i k i North	M a d h y a Pradesh	M a i k i S o u t h Mining Pvt. Ltd.	5.00%	1 2 - 1 2 - 2022	Nil	3 rd round of comm auction
9	Alaknanda	Odisha	R u n g t a S o n s P r i v a t e Limited	5.00%	1 2 - 1 2 - 2022	2 nd	4 th round of comm auction
10	Choritand Tiliaya	Jharkhand	R u n g t a M e t a l s P r i v a t e Limited	11.25%	0 8 - 0 6 - 2023	1 st , 2 nd & 4 th	5 th round of comm auction
11	Sitanala	Jharkhand	JSW Steel Limited	5.00%	0 8 - 0 6 - 2023	3 rd & 4 th	5 th round of comm auction

From the above auctioned 11 coal mines, only one coal mine i.e. Gondbahera Ujheni East coal mine has been successfully won by the Adani Group i.e. MP Natural Resources Pvt Ltd. Other mines have also been successfully auctioned to others at the same percentage revenue share at which Gondbahera Ujheni East was auctioned.

Commercial coal mine auctions are a tremendous success. Since, first auction of commercial mining in 2020, a total of 91 coal mines have been successfully auctioned during a short period of three years in seven tranches under the commercial coal mining. Out of these 91 coal mines, nine coal mines have received all the permissions and five coal mines have started production. Production during FY 23 from commercial mines was 7.2 million tonne(MT).

Further, no correlation has been established between Cavill Mining Pvt Ltd and Adani Group. Also, as per the provisions of the Tender Document, the affiliate shall mean, a person who, directly or indirectly: (1) Controls such Bidder; (2) is Controlled by such Bidder; (3) is Controlled by the same person, who directly or indirectly, controls such Bidder; or (4) is an Associate Company of such Bidder. In this case, it cannot be established that Cavill Mining Pvt Ltd is an affiliate of Adani Group. Furthermore, in case a misrepresentation has been found at any stage of the auction process, the Ministry of Coal has a right to take appropriate actions as per clause 5.12 of the tender document.

The auction of coal blocks to the private and public sector is conducted as per CMSP and MMDR Acts on a transparent, open and accessible process. The Ministry of Coal has followed the spirit of the Supreme Court order on coal auctions. The Coal sector was freed from distortions, vested interests and sectoral allocations and brought everyone to a level playing field for efficient, fair and fast allocation of coal blocks to achieve *Atmanirbharata* in coal production in the country.

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