

Coal Ministry to Launch 8th Round of Commercial Coal Mines Auctions on 15th November

39 Mines of Five states are to be offered in upcoming Auction

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The Ministry of Coal is gearing up for the launch of 8th round of auctions for Commercial Coal Mines on November 15, 2023 marking further significant leap in the Coal sector and taking a step forward, towards making India Atmanirbhar in coal.

The Coal sector opened for Commercial Coal Mining in 2020, with the first-ever successful auctions of Commercial Mining launched by the Prime Minister on 18.06.2020. Since then, Ministry of Coal has conducted seven rounds of Commercial Coal Mining auctions, and 91 mines have been auctioned, with peak rated capacity of 221 Million Ton per annum.

Further, the amendment of mineral laws was instrumental in unlocking the coal sector, ensuring an equitable playing field for both public & private sector players and permit auctions of coal mines without any restriction on end use. Coal from these mines can be utilized towards own consumption, sale or for any other purpose. The initiation of Commercial Coal Mining has yielded numerous benefits, fostering healthy competition, augmenting revenue to the Govt. and enhancing coal supply through private participation. Importantly, the coal rich states, through these auctions, have generated substantial revenues, poised to catalyse regional development and provide employment opportunities to the people of the region both directly and indirectly.

The forthcoming 8th round of Commercial Coal mining auctions, in the wake of previous successful auctions signifies the Ministry's unwavering commitment to propel the sector forward. A total of 35 coal mines will be offered in the upcoming round, comprising 11 under the CM (SP) Act 2015 and 24 under the MMDR Act 1957. Among these, 14 coal mines are Fully Explored, while 21 are Partially Explored. Additionally, 4 coal mines are being offered under the 2nd Attempt of round 7 of Commercial Coal that includes one CMSP coal mine and three MMDR coal mines. Of these, one is Fully Explored, and three are partially explored. State-wise snapshot of mines being offered is as under:

State	Total Mines	Mines under		Exploration Status	
		CM(SP) Act, 2015	MMDR Act, 1957	Fully Explored	Partially Explored
Bihar	3	0	3	0	3
Jharkhand	7	1	6	1	6
Maharashtra	5	2	3	3	2
Odisha	19	8	11	8	11
West Bengal	5	1	4	3	2
Total	39	12	27	15	24

The mine boundaries have been considered after detailed deliberations to remove the bottlenecks and make the coal mines more attractive for the prospective bidders. Further, MoC will also provide 'Drone Pictography' of each mine as a part of mine dossier for benefit of bidders.

In the commercial coal mine auctions, there has been no restriction on sale and/ or utilisation of coal. Further, the eligibility criteria has been done away with and there is no technical or financial eligibility criteria for participating in the coal mine auctions.

Ministry of Coal had organized stakeholder consultation to promote "Funding of Commercial Coal Mines in India" in June 2023 to ease the financing for coal mines and one similar programme was conducted by REC Ltd. with key industry players along with various lenders. Lenders showed their willingness to fund the coal mine which is evident from the fact that funding of one commercial coal mine has already been completed and funding of two coal mines are under process.

The Ministry of Coal has developed a portal 'Single Window Clearance System' to facilitate grant of clearances and approvals to the Successful Bidders. Also, Project Monitoring Unit (PMU) has been appointed for hand holding of bidders in getting various clearances.

Union Minister of Coal, Mines and Parliamentary Affairs, Shri Pralhad Joshi will be the Chief Guest and will be launching the next round of auction.

The launch of the 8th round of commercial coal mining auctions is a significant step towards promoting private sector participation in the coal mining industry and increasing coal production. The Ministry of Coal's progressive policies have resulted in faster allocation of mines to the private sector and the upcoming auctions is expected to have participations of more new players from the industry.

Detailed information regarding the mines, auction terms, timelines and more can be accessed on the MSTC auction platform. The auction will be conducted online through a transparent process, based on the Percentage Revenue Share model.

BY/ RKP

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