

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
STARRED QUESTION NO. 132
TO BE ANSWERED ON 10.02.2021**

Commercial Coal Mining

***132 SHRI BALUBHAU ALIAS SURESH
NARAYAN DHANORKAR;**

Will the Minister of COAL be pleased to state:

- a. whether the Government has completed the commercial coal mining auction process for private players;
- b. if so, the details thereof;
- c. the status of auction in Chandrapur district of Maharashtra; and
- d. the details of the proposal of the Government on foreign investment in this field through direct and/or indirect manner?

**ANSWER
MINISTER OF COAL, MINES & PARLIAMENTARY AFFAIRS
(SHRI PRALHAD JOSHI)**

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT IN REPLY TO THE LOK SABHA STARRED QUESTION NO.132 TO BE ANSWERED ON 10.02.2021 ASKED BY SHRI BALUBHAU ALIAS SURESH NARAYAN DHANORKAR, HON'BLE M.P., REGARDING COMMERCIAL COAL MINING

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(a) Yes, Sir. The Eleventh Tranche of auction under the Coal Mines (Special Provisions) Act, 2015 (CMSP Act) and First Tranche under Mines and Minerals (Development and Regulation) Act, 1957 of coal mines for commercial mining was successfully completed on 9th November, 2020.

(b) Ministry of Coal had launched the auction of 41 coal mines for commercial mining on June 18, 2020 under CM(SP) Act, 2015 and MMDR Act, 1957. The coal mines were from 5 coal bearing states viz. Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra and Odisha.

The brief summary of the first tranche of commercial auction is given below:

(i) During the course of the auction process, 6 mines were withdrawn, and 3 new mines were added taking the total mines available for auction to 38.

(ii) A total of 76 bids were received for 23 against 38 coal mines from 42 bidders. Of these 23 mines, 2 or more bids were received for 19 coal mines. Accordingly, the technical evaluation was carried out for 19 coal mines.

(iii) The e-auction of these 19 coal mines commenced on November 2, 2020 and successfully completed on 9th November, 2020.

(iv) The mines successfully auctioned includes 16 mines under CMSP Act, 3 mines under MMDR Act; 3 coking coal mines; 2 partially explored mines; 5 underground mines, 11 open cast mines and 3 mixed mines (OC+UG).

(v) The coal mines have been successfully auctioned with the winning percentage revenue share ranging from 9.5% to 66.75%. It is important to note here that the floor price in the bid document was stipulated as 4% of revenue share. Average percentage revenue share of ~27% have been received indicating strong demand for coal mines in market.

(vi) Total annual revenue generation from the auction is estimated at ~Rs.6656crore considering production at aggregated Peak Rate Capacity level of ~51 MTPA. Total upfront amount of Rs.262 crore will be received by the States during the financial year FY 2020-21 and the remaining upfront amount of Rs.786 crore will be received by the States subsequently, based on the milestones mentioned in the bid documents.

(c) Takli-Jena-Bellora (North) & Takli-Jena-Bellora (South) situated in Chandrapur district of Maharashtra State was successfully auctioned in the recent tranche of commercial auction of coal blocks under Coal Mine (Special Provisions) Act, 2015 to M/s Aurobindo Reality and Infrastructure Private Limited.

(d) Government has reviewed the Foreign Direct Investment (FDI) policy in the coal mining on 18.09.2019 allowing 100% FDI under automatic route for sale of coal, coal mining activity including associated processing infrastructure subject to the provisions of CMSP Act and MMDR Act as amended from time to time and other relevant Acts on the subject. Associated processing infrastructure includes coal washery, coal handling and separation (magnetic and non-magnetic).

Accordingly, it was mentioned in the tender document of commercial auction of coal mines that "The Press Note 4 of 2019, issued by the Central Government, amended FDI Policy 2017, to permit 100% FDI under automatic route in coal mining activities, including associated processing infrastructure subject to the Act and other Applicable Laws, for sale of coal." It was further clarified that any FDI in the commercial coal mining is subject to Applicable Laws including the Press Note 3 of 2020 issued by the Central Government according to which "an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route. Further, a citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the Government route, in sectors/activities other than defence, space, atomic energy and sectors/activities prohibited for foreign investments."
