

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO. 4418
TO BE ANSWERED ON 30.03.2022**

Auction of Coal Mines for Commercial Mining

**4418. SHRI GIRISH BHALACHANDRA BAPAT:
SHRI RAHUL RAMESH SHEWALE:
SHRI CHANDRA SEKHAR SAHU:
DR. PRITAM GOPINATHRAO MUNDE:**

Will the Minister of *COAL* be pleased to state:

- (a) whether the Government has launched 2nd attempt of auction of coal mines for commercial mining in 2021;
- (b) if so, the details thereof and the details of bids received for such auctions;
- (c) the details of revenue likely to be generated from such auctions along with the number of employment opportunities in coal mining sector;
- (d) whether it has also witnessed that several first- time participants from non-end user categories have participated in the auction process; and
- (e) if so, the details thereof and the steps taken by the Government for the success of non-end user category in coal mining sector?

ANSWER

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

a. and b. Yes Sir. Second attempt of second round of auction for Commercial Mining was launched on 27th September 2021. Details of bids received in this second round is as below:

S. No.	Name of Coal Mine	MSTC Regn No	Name of Bidder
1	Beheraband North Extn.	151187	Auro Coal Private Limited
		64836	JSW Steel Ltd.
2	Gondbahera Ujheni East	235414	MP Natural Resources Private Limited
3	Lalgarh (North)	242504	Adhunik Power & Natural Resources Ltd.
		265144	Assam Mineral Development Corporation Limited
		268462	Virtuous Mining Limited
4	Tokisud Block II	242211	Twenty First Century Mining Private Limited

c. Details of estimated revenue and employment likely to be generated from aforementioned coal blocks is as below:

S.No	Mine	State	Successful Bidder	Annual Revenue generated based on the PRC of mine(Rs. crore)	Total Employment
1	Lalgarh (North)	Jharkhand	Adhunik Power and Natural Resources Ltd	213.22	1352
2	Beheraband North Extn	Madhya Pradesh	AURO COAL PRIVATE LIMITED	NA*	NA*
3	Gondbahera Ujheni East	Madhya Pradesh	MP Natural Resources Private Limited	NA*	NA*
4	Tokisud Block II	Jharkhand	Twenty First Century Mining Private Limited	156.20	2028

**Mine is partially explored. Hence these figures cannot be estimated at this stage*

d. and e. Out of seven bidders who participated in Second attempt in Second round of auction, two bidders, namely JSW Steel and Adhunik Power & Natural Resources Ltd. have participated in first round of commercial auction also. Remaining five bidders were the first time bidders.

Indian coal sector has come a long way from the nationalization of coal mines in 1973 to opening up of the sector for commercial coal mining by private players. While the auction-based regime introduced in 2014 allowed private sector participation, it was limited to captive usage in own end use plants. Opening up the sector for commercial mining by private sector would generate a host of benefits for all the stakeholders in coal mining. Key features of the commercial coal mining policy are:

- FDI Policy has been amended to allow 100% FDI under automatic route for coal mining activities for commercial mining. Any foreign firm can also participate in the commercial auction in adherence to the applicable FDI norms.
- No technical or financial eligibility criteria to participate in the commercial auction process and the Ministry of Coal, Government of India has thrown the sector open to newer players.
- Requirement of minimum number of Technically Qualified Bidders for valid auction process is just 2, rather than earlier 3.
- Payments for upfront amount has been relaxed and shall be paid in 4 equal instalments with an upper ceiling of Rs. 500 crore for mines with reserves above 200 MT and Rs. 100 crore for mines with reserves up to 200 MT.
- No restriction on utilisation of coal. Mine owner can use the coal in any manner including sale, captive use, export and conversion.
- National Coal Index implemented to create a transparent, market-based pricing mechanism
- Greater Flexibility in Coal Production Schedule
- Incentive for early coal production and utilization of coal in coal gasification and coal liquefaction
