

# Prime Minister Modi to address launching of Auction of 41 Coal Mines for Commercial Mining on 18th June, 2020

Posted On: 17 JUN 2020 7:16PM by PIB Delhi

1. With a view to achieve atmanirbharata in the Coal sector, the Ministry of Coal in association with FICCI is launching the process for auction of 41 coal mines under the provisions of CM (SP) Act and MMDR Act. This auction process marks the beginning of opening of Indian coal sector for commercial mining. It will enable the country achieve self-sufficiency in meeting its energy needs and boost industrial development. The commencement of this auction process of coal mines for sale of coal is part of the series of announcements made by the Government of India under the Atmanirbhar Bharat Abhiyan. The event will take place virtually at 11 AM on 18<sup>th</sup> June, 2020. The event will be open to all to join virtually through various networks hosted by NIC, NeGD of MEiTY and FICCI.

## **Launch of the Auction Process**

2. Hon'ble Prime Minister will grace the occasion by delivering an address during the launch of the auction process outlining his vision for the country to achieve atmanirbharata in mining sector which is the key source of input for many basic industries like Power, Steel, Aluminium, Sponge Iron etc. Shri PralhadJoshi Hon'ble, Minister for Coal, Mines and Parliamentary Affairs will be present during the occasion.

3. This landmark step is expected to boost private participation which will increase production, induce competition, enhance productivity by facilitating use of latest equipment, technology and services through higher investments, pave way for sustainable mining and creation of avenues for more employment generation in the backward regions of the country. With the launch of commercial mining, India has unlocked the coal sector fully with opportunities for investors related to mining, power and clean coal sectors.

4. Shri Dr Sangeetha Reddy, President, FICCI, Mr Anil Agarwal, Chairman Vedanta Group, and MrN. Chandrasekharan, Chairman, Tata Sons will also speak during the event.

5. The event will be web telecast live and is expected to be attended by eminent industrialists, businessmen, banking professionals, mining industry entrepreneurs, diplomats, foreign delegations etc.

## **Key terms of the auction process**

6. A two stage electronic auction process is being adopted for allocation of the coal mines. Details about the auction process including the bid documents with the model agreement, detailed timelines of the auction process, coal mines on offer can be accessed

at <http://cma.mstcauction.com/auctionhome/coalblock/index.jsp> which is being hosted by MSTC Limited, the auction platform provider.

#### 7. Benefits to the country:

- Upon attainment of Peak Rated Capacity of production of 225 MT, these mines shall contribute about 15% of the country's projected total coal production in 2025-26.
- Employment generation for more than 2.8 lakhs people: Direct employment to approximately 70,000 people and indirect employment to approximately 210,000 people.
- Expected to generate approximately Rs 33,000 crore of capital investment in the country over next 5-7 years.
- These mines will contribute Rs 20,000 crores revenues annually to the state governments
- 100 per cent FDI is likely to bring in international practices, latest technologies and mechanisation in mining operations.
- Self-reliance with substitution of imports by independent thermal power plants and captive power plants resulting in saving of foreign currency.
- Boost to the regulated and non-regulated sector by ensuring sustained coal stocks for industries with greater reliability.
- Moving towards a free market structure with implementation of the National Coal Index.
- Promoting the practice of efficient use of clean energy and reduce the scourge of environmental pollution with incentive to Coal Gasification & Liquefaction.

\*\*\*\*\*

Ministry of Coal

## Unleashing Coal: New Hopes for Atmanirbhar Bharat

### Government of India to launch auction for commercial coal mining on 18th June 2020

Posted On: 11 JUN 2020 6:31PM by PIB Delhi

The Government of India will launch auction of coal mines for commercial mining with the theme "UNLEASHING COAL: NEW HOPES FOR ATMANIRBHAR BHARAT" on June 18, 2020. Hon'ble Prime Minister Shri Narendra Modi will grace the occasion as chief guest in the launching Programme to be virtually held at New Delhi.

"We are launching first-ever commercial coal auctions in country on 18th June. Event will be graced by PM @NarendraModi Ji. It is his vision & guidance to make #AtmaNirbharBharat in

coal. I am proud that we are well on our way to achieve it” Union Minister of Coal & Mines Shri Pralhad Joshi tweeted today.

It will be a historic day when Indian coal sector will break free from the shackles of restrictions to charter new growth.

As India has recently embraced Atma Nirbhar Bharat Abhiyan under the visionary and decisive leadership of Prime Minister Shri Narendra Modi, the coal & mining sector has started gearing up to make the country Atma Nirbhar (self-reliant) in coal mining through structural reforms in the coal sector.

The commercial coal mining auctions are completely different from earlier regime of restricted sectors, use and price. Now there are no such restrictions at all. The proposed 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 allowed and reasonable financial terms and revenue sharing model based on National Coal Index. The successful bidders also will have flexibility in coal production unlike past and have provision for incentives for early production and coal gasification.

The coal mines auction process will lay strong foundation for energy security in the country by producing additional coal providing large scale employment and huge opportunities for investment in coal sector. These efforts will supplement the 01 billion tonne coal production likely from Coal India in FY 23-24 and meet full requirement of domestic thermal coal.

\*\*\*\*\*