

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 18th 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 Pralhad Joshi 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 Mr N. 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.

VRRK/VJ

(Release ID: 1632147)