

Revenue and Employment Generation Through Coal Block Auctioning

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In exercise of power conferred by the Coal Mines (Special Provisions) Act, 2015, Ministry of Coal has appointed a Nominated Authority for allocation of 204 cancelled coal blocks. Nominated Authority has appointed M/s. SBI Capital Capital Markets Ltd. as Transaction Adviser through transparent bidding. Initially in the First Round of auction for commercial mining, 41 coal mines were offered. Later on 6 mines were withdrawn and 3 mines were added taking the tally of coal mines offered in First Round to 38.

In respect of the 41 coal mines initially offered in First Round of auction, Transaction Adviser had undertaken an exercise to estimate the figures of creation of jobs and generation of revenue based on the estimated Peak Rated Capacities of the 41 coal mines and Provisional Coal Statistics 2018-19 published by the Coal Controllers' Organisation.

Accordingly, it was estimated that for 1 MTPA of coal production, 1352 employment [Direct plus indirect] would be generated. The aggregate peak rated capacity of 41 coal mines offered in First Round of auction was approximately 226 MTPA and the estimated employment was calculated as approximately 3 lakhs.

In respect of generation of revenue, it was estimated that approximately Rs.20,578 crore would accrue to coal bearing State Governments considering production at aggregated Peak Rate Capacity level of approximately 226 MTPA. This estimate was based on the taxes applicable on approximately 226 MTPA of coal produced viz. Royalty, District Mineral Fund, National Mineral Exploration Trust, etc.

All coal blocks allocattees have to obtain environmental and forest clearances as per applicable laws and rules before operationalising the coal blocks.

This information was given by the Union Minister of Coal, Mines and Parliamentary Affairs Shri Pralhad Joshi in a written reply in Rajya Sabha today.

MV/RKP

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