

Union Minister G. Kishan Reddy stresses on faster operationalization of Coal Mines

Posted On: 20 JUN 2024 2:00PM by PIB Delhi

Shri G. Kishan Reddy, Union Minister for Coal and Mines held a meeting with the officials of Coal Ministry to review the management of captive and commercial coal blocks. The Minister has stressed upon close coordination with all the stakeholders including State Government and Ministry of Environment, Forest and Climate Change for early resolution of the issues to ensure faster clearance so as to operationalize the allotted coal blocks in least possible time.

Highlighting the need for higher production of coal to reduce imports so as to achieve '*Aatmanirbharta* in coal' Minister directed that necessary institutional strengthening may be supported at state level. All coal block allocattees should be facilitated on regular basis so that coal mines can be operationalized at the earliest.

So far, Ministry of Coal has allocated/ auctioned 161 coal mines with peak rated capacity of 575 MT. Out of which 58 mines have received mine opening permission and 54 mines are into operation. Last year these mines have produced total of 147 MT of coal, which constitutes 15% of the total coal production of the country.

The captive/commercial coal miners are primarily large sized consumers including NTPC, West Bengal Power Development Corporation Limited (WBPDCL), Punjab State Power Corporation Limited (PSPCL), Karnataka Power Corporation Limited (KPCL), Vedanta, Hindalco, Adani, etc. Therefore, higher production by these companies would ease out pressure on the demand of coal from CIL which will have cascading effect on the Auction prices of coal. With higher production from captive/commercial coal blocks, the premium on auction will come down. Therefore, coal would be made available at cheaper rates to the different consumers in the country. This will help in checking the inflation as coal is the primary source of energy not only for power but all other sectors including steel, fertilizers, aluminum, cement, paper, sponge iron etc.

Shri Reddy further directed that the detailed exploration should be carried out on the faster pace, more and more blocks should be offered in the subsequent rounds of auctions, so that more and more investors participate. It is highlighted that in coal block auctions the technical eligibility does not require any prior experience of coal mining. Any company who has financial strength can participate, as the coal mines are now being auctioned for the purpose of sale of coal, which is without end use restriction. Any investor can participate in the coal mine auctions and coal produced in such mining is free to be sold in the open market for any purpose including for export.

Aligning with the vision of the Prime Minister Shri Narendra Modi to achieve energy independence by 2047 and '*Aatmanirbharta* in coal, the Minister has advised all stakeholders to work hard and to achieve at least 175 Mt coal production during this year from the captive/commercial coal blocks showing a growth of 19 %.

Union Minister Shri G Kishan Reddy will launch the 10th round of commercial auction of coal mines tomorrow, 21st June 2024, setting tone for faster pace for coal block auction and operationalization.

BeenaYadav

