

Industry seeks allocation of larger blocks for commercial coal mining

FE BUREAU
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OFFER FOR LARGER coal blocks for commercial mining by the private sector and a separate commodity exchange for the sector were identified by industry veterans as ways to bolster commercial coal mining in the country.

Speaking at an event on commercial coal mining organised by industry body **Assocham**, here on Thursday, sector representatives also called for single-window clearance to expedite commercial coal mining.

The cabinet committee on economic affairs had approved the auction methodology for commercial mining for the private sector in February, 2018. However, there has not been any significant development yet on this front. Auctions can be

expected after the general elections, a coal ministry official said on the sidelines of the event.

Kapil Dhagat, who heads the coal business unit at Hindal Steel and Power, said coal blocks with large reserves should be offered for commercial mining as that would reduce mining costs and justify the huge investments on procuring equipment and technology to maximise efficiency.

Private players have also stayed away from the auction of captive mines, where production levels have been low. The last two tranches of auction for coal blocks, where 15 mines were offered, had to be cancelled as they could not even elicit three bidders to participate.

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sell up to 25% of production in the open market. However, as *FE* reported earlier, the North Block had sought clarity from the coal ministry about the new provision

to attract investment.

The industry has attributed the complexities related to procuring environmental, forest and mining-safety clearances to begin coal mining as a major impediment to private participation.

Espousing the concept of "responsible mining", Vinay Prakash Goel, chief executive, Adani Coal and Mining, said the perception on mining needs to change with increasing community engagement as the local population hold significant stake in mining projects.

Supriyo Gupta, policy advisory head, SBI Capital Markets, said a spot coal commodity exchange should be envisioned with the market dynamics of the power sector — coal's biggest consumer — changing with the visibility of new long-term power purchase agreements becoming thinner.

HURDLES

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PRESS TRUST OF INDIA
NEW DELHI, 14 FEBRUARY

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The statement comes amid resistance from the trade unions operating in the coal sector against commercial coal mining.

"With the nation almost entering the election mode, I think it will be difficult to hear anything soon. Maybe, after a couple of months, we will be able to make bigger progress in this area (commercial coal mining auction)," said Mr Ashish Upadhyaya, joint secretary, coal ministry.

He was speaking during a conference on the coal sector organised by Assocham here.

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COAL SECTOR REFORM



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said.

"Gradually, that consensus building has taken place and soon, maybe, we will have some decision on it but now timing is also an important factor," he said.

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In a major reform in the coal sector since its nationalisation

in 1973, the government last year allowed private companies to mine the fossil fuel for commercial use, ending the monopoly of state-owned CIL. Announcing the decision taken by the Cabinet Committee on Economic Affairs (CCEA), coal minister Piyush Goyal had said the reform is expected to bring efficiency in the coal sector by moving from an era of monopoly to competition.

The CCEA, chaired by Prime Minister Narendra Modi, had in February 2018 approved the methodology for auction of coal mines/blocks for sale of coal under the Coal Mines (Special Provisions) Act, 2015, and the Mines and Minerals (Development and Regulation) Act, 1957.

The opening up of commercial coal mining for the private sector is the most ambitious coal sector reform since the nationalisation of the sector in 1973, the minister said.

India is estimated to have coal reserves of up to 300 billion tons.

Commercial coal mining auctions may not take place soon: Govt

OUR CORRESPONDENT

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'कोल माइनिंग नीलामी की मंजूरी में लग सकता है समय'

नई दिल्ली, 14 फरवरी (एजेंसी):कमर्शियल (वाणिज्यिक) स्तर पर कोयला खनन (माइनिंग)के लिए नीलामी जल्दी होने की संभावना कम है क्योंकि देश चुनाव मोड में चला गया है। कोयला क्षेत्र में सक्रिय श्रमिक संगठनों के वाणिज्यिक कोयला खनन के विरोध के बीच यह बयान आया है।

कोयला सचिव आशीष उपाध्याय ने कहा, "देश लगभग चुनावी मोड में चला गया है, इसके साथ मुझे



लगता है कि इस बारे में जल्दी कुछ होना मुश्किल है। दो महीनों के बाद हम इस क्षेत्र में (वाणिज्यिक कोयला खनन नीलामी) बड़ी प्रगति करने की स्थिति में होंगे।" वह यहां एसोचैम द्वारा कोयला क्षेत्र पर आयोजित

सम्मेलन को संबोधित कर रहे थे।

उन्होंने कहा, "जब वाणिज्यिक खनन पर नीति आई, उद्योग के महत्वपूर्ण पक्ष श्रमिक और कार्यबलों की कुछ आशंकाएं थीं। उन्हें यह आशंका थी कि इससे राष्ट्रीयकरण के पूर्व जैसी स्थिति हो जाएगी इसीलिए सरकार के लिए उन आशंकाओं को दूर करना जरूरी था। लगातार बातचीत के साथ उन्हें यह समझाया गया कि अंततः निजीकरण हर किसी के पक्ष में है।"