

## Coal mine auction

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Contact:  
**Madan Sabnavis**  
Chief Economist  
madan.sabnavis@careratings.com  
+91-22- 6837 4433

**Rashmi Rawat**  
Deputy Manager  
Rashmi.rawat@careratings.com

**Mradul Mishra (Media Contact)**  
mradul.mishra@careratings.com  
+91-22-6754 3573

The commercial coal mining auction has received lukewarm response. Out of 38 mines put on auction for commercial mining by the Ministry of Coal bids were received for only 23 coal mines or 60% of total. The remaining 15 mines or 40% of coal mines did not receive any bids and the tender process for these mines will now be nullified.

The Ministry of Coal has received a total of 76 bids from 42 companies for 23 coal mines. Two or more bids have been received for 19 coal mines.

The Ministry had launched the auction process for 41 coal mines (later revised to 38 mines) on June 18, 2020, for commercial mining under 11<sup>th</sup> Tranche of Auction under CM (SP) Act, 2015 and 1<sup>st</sup> Tranche of Auction under MMDR Act, 1957. Last date for Bid submission was 29<sup>th</sup> September 2020.

Besides, the auction saw no participation from foreign companies.

However, as expected, apart from domestic mining companies, large scale aluminium, steel and power companies also participated in the auction and submitted their bids.

All three primary aluminium producers Hindalco, Nalco and Balco have submitted their bids. The joint auction of bauxite and coal blocks will help in bringing down electricity cost of aluminium smelters. Aluminium major Hindalco submitted 5 bids. State-owned aluminium company Nalco submitted 1 bid. Vedanta Ltd and Balco Ltd submitted 4 bids together.

Steel companies that rely on imports to meet their coal requirements also stand to benefit. Steel companies like JSPL (2 bids), JSW Steel (1 bid), Sunflag Iron & Steel (2 bids), Welspun Steel (1 bid) also participated in the auction.

Adani Group comprising of Adani Enterprises Ltd., Chendipada Collieries Private Ltd, Stratatech Mineral Resources Private Ltd and Adani Power Resources Ltd. have made a total of 12 bids, highest among all.

Interestingly the auction also saw participation from logistics, real estate companies and traders. The removal of end-use restrictions allows companies to sell the coal mined for commercial purpose.

Highest number of bids were received for Gare Palma IV/7 and Gotitoria (East) & Gotitoria (West) mines at 8 each followed by Brahmadiha and Urma Paharitola mines receiving 6 bids each.

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State-wise while Maharashtra, Madhya Pradesh and Jharkhand received good number of responses, Chhattisgarh received lukewarm response. While both the coal blocks of Maharashtra state put up for auction received response, only 2 out of 7 coal blocks offered in Chhattisgarh received bids. 8 coal blocks out of 11 from Madhya Pradesh received bids. 6 out of 9 coal mines from Jharkhand received bids. 5 out of 9 coal mines from Odisha received bids.

Out of total 76 bids only 9 bids were received for partially explored mines. Most bidders (88.2%) preferred to bid for fully explored mines. Of the 9 bids received for partially explored mines, 6 bids were for Urma Paharitola mine in Jharkhand and Bandha mine in Madhya Pradesh received 3 bids.

71% of participants have bid for open cast mines and 21% have bid for underground mines. Around 8% of participants have bid for both blocks.

## Appendix

Following is the list of bidders for auction of coal mines for sale:

Sr. No.	Name of Coal Mine	No. of Bids Received	Name of Bidder
1	Gare Palma-IV/7 Chhattisgarh	8	D B Power Limited
			Adani Enterprises Limited
			Nuvoco Vistas Corporation Limited
			Hindalco Industries Limited
			Sarda Energy and Minerals Limited
			Jindal Power Limited
			JSW Steel Limited
			Bharat Aluminium Company Limited
2 & 3	Gotitoria (East) & Gotitoria (West) Madhya Pradesh	8	Inspire Construction and Coal Private Limited
			The Andhra Pradesh Mineral Development Corporation Lt
			Mahavir Clean Fuel Mining Private Limited
			Bansal Construction Works Private Limited
			Boulder Stone Mart Private Limited
			Dilip Buildcon Limited
			Net Energy Private Limited
4	Brahmadiha Jharkhand	6	Everdeliver Logistics Private Limited
			The Andhra Pradesh Mineral Development Corporation Ltd
			Bhupati Mining Private Limited
			Alankar Tradelinks Private Limited
			Shri Jaibaba Casting Pvt Ltd
			Gangaramchak Mining Private Limited
5	Urma Paharitola Jharkhand	6	JMS Mining Private Limited
			Aurobindo Reality and Infrastructure Private Limited
			Welspun Steel Limited
			India Coke and Power Private Limited
			Adicorp Enterprises Private Limited
			Adani Power Resources Limited
6	Gondulpara Jharkhand	4	EMIL Mines and Mineral Resources Limited
			India Coke and Power Pvt Ltd
			Vedanta Limited
			Adani Enterprises Limited
7	Radhikapur (East) Odisha	4	Adani Enterprises Limited
			EMIL Mines and Minerals Resources Limited
			Jindal Steel and Power Limited
8	Radhikapur (West) Odisha	4	National Aluminium Company Ltd
			Chendipada Collieries Private Limited
			EMIL Mines and Minerals Resources Limited
			Jindal Steel and Power Limited
9	Rajhara North (Central & Eastern)	4	Vedanta Limited
			Fairmine Carbons Private Limited

	Jharkhand		Saraf Trading Company Private Limited
			Adani Enterprises Limited
			Nilkanth Coal Mining Private Limited
10	Sahapur (East)	4	JMS Mining Private Limited
	Madhya Pradesh		Chowgule and Company Private Limited
			Aurobindo Reality and Infrastructure Private Limited
			Sarda Energy and Minerals Limited
11	Sahapur West	4	JMS Mining Private Limited
	Madhya Pradesh		Cuprum Bagrodia Limited
			Chowgule and Company Private Limited
			Sarda Energy and Minerals Limited
12	Bandha	3	Aurobindo Reality and Infrastructure Private Limited
	Madhya Pradesh		EMIL Mines and Minerals Resources Limited
			Adani Enterprises Limited
13	Chakla	3	Hindalco Industries Limited
	Jharkhand		Agarwal Mining Private Limited
			Adani Enterprises Limited
14	Gare Palma IV/1	3	Adani Enterprises Limited
	Chhattisgarh		Hindalco Industries Limited
			Jindal Power Limited
15	Marki Mangli-II	3	Yazdani International Private Limited
	Maharashtra		The Andhra Pradesh Mineral Development Corporation Ltd
			Refex Industries Limited
16	Urtan North	3	JMS Mining Private Limited
	Madhya Pradesh		Sunflag Iron and Steel Company Limited
			Stratatech Mineral Resources Private Limited
17	Dhirauli	2	Hindalco Industries Limited
	Madhya Pradesh		Stratatech Mineral Resources Private Limited
18	Takli-Jena-Bellora (North) & Takli-Jena-Bellora (South)	2	Aurobindo Reality and Infrastructure Private Limited
	Maharashtra		Sunflag Iron and Steel Company Limited
19	Urtan	2	JMS Mining Private Limited
	Madhya Pradesh		Stratatech Mineral Resources Private Limited

Note: Only one Technical Bid has been received for Chendipada & Chendipada-II, Kuraloi (A) North and Seregarha. Further, no bids have been received for Chitarpur, Choritand Tiliaya, Machhakata & Mahanadi, Marki Barka, North Dhadu, Shankarpur Bhatgaon II Extn., Sondhia, Thesgora-B/ Rudrapuri, Brahmanbil & Kardabahal, Dolesara, Jarekela, Jharpalam-Tangarghat, Marwatola Sector-VI & SectorVII and Phuljhari (East & West). Accordingly, under clause 3.3.2 (b) (II) (iii) and 9.6 of the Tender Document dated June 18, 2020 and September 1, 2020, as the case may be, the tender process for the said Coal Mines has been annulled.

A total of 42 companies have submitted their bids in the auction process as per the following list:

Sr. no.	Name of Bidder	No. of Bids submitted
1	Adani Enterprises Limited	7
2	Hindalco Industries Ltd.	5
3	JMS Mining Pvt. Ltd.	5
4	The Andhra Pradesh Mineral Development Corporation Limited	4
5	Aurobindo Reality & Infrastructure Pvt. Ltd.	4
6	EMIL Mines & Minerals Resources Ltd.	4
7	Sarda Energy & Mineral Ltd.	3
8	Stratatech Mineral Resources Pvt Ltd	3
9	Vedanta Limited	3
10	Chowgule and Company Pvt. Ltd	2
11	India Coke and Power Pvt Ltd	2
12	Jindal Power Limited	2
13	Jindal Steel & Power Limited	2
14	Sunflag Iron & Steel Comp. Ltd.	2
15	Adani Power Resources Limited	1
16	Adicorp Enterprises Pvt Ltd	1
17	Agarwal Mining Pvt Ltd	1
18	Alankar Tradelinks Pvt. Limited	1
19	Bharat Aluminium Company Limited	1
20	Bansal Construction Works Pvt Ltd	1
21	Bhupati Mining Pvt. Limited	1
22	Boulder Stone Mart Pvt. Ltd.	1
23	Chendipada Collieries Pvt. Ltd.	1
24	Cuprum Bagrodia Ltd	1
25	DB Power Ltd	1
26	Dilip Buildcon Ltd.	1
27	Everdeliver Logistics Pvt. Limited	1
28	Fairmine Carbon Pvt. Ltd.	1
29	Gangaramchak Mining Pvt. Ltd.	1
30	Inspire Construction and Coal Pvt. Ltd	1
31	JSW Steel Limited	1
32	Mahavir Clean Fuel Mining Pvt. Ltd	1
33	NALCO	1
34	ND Pharma Private Limited	1
35	Net Energy Pvt Ltd	1
36	Nilkanth Coal Mining Pvt Ltd	1
37	Nuvoco Vistas Corp. Ltd	1
38	Refex Industries Ltd	1
39	Saraf Trading Comp. Pvt. Ltd.	1
40	Shri Jai Baba Casting Pvt. Ltd.	1

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41	Welspun Steel Limited	1
42	Yazdani International Pvt. Ltd	1
	<b>Total</b>	<b>76</b>

**CORPORATE OFFICE:****CARE Ratings Limited**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022; CIN: L67190MH1993PLC071691

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457

E-mail: [care@careratings.com](mailto:care@careratings.com) | Website: [www.careratings.com](http://www.careratings.com)

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