
CIL shortlists 10 parties for abandoned mines.

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ET reported that Coal India has shortlisted 10 parties for participating in tenders for extracting coal from abandoned mines. About 12 entities had shown interest.

Senior CIL official close to the development said "Parties shortlisted are Arcelor Mitta India Ltd, Rio Tinto, Titan Mining Company, JSW Steel, JSW Energy Limited, Monnet Ispat, Essar Mineral Reserves, SNT Mining and Sunflag Iron & Steel."

The final tenders, however, will be invited by CIL subsidiaries whose abandoned mines are being put on the block for mining. Selected parties will then have to form a JV with CIL, as CIL subsidiaries are not allowed to form any JV.

Mr NC Jha director technical said "A draft noticed inviting tender has been sent to all these 10 parties. We have now decided to hold a meeting with them to discuss any issues involved or doubts on the draft tender. The meeting has been scheduled on July 20th. Following this the NITs for respective mines will be finalized and tenders invited. The entire process of selection of final JV partners for abandoned mines is likely to be completed by the end of 2009."

Moreover, ArcelorMittal was the first to express its keenness to extract coal from abandoned mines jointly with CIL and had approached the government for jointly extracting coal from CIL's abandoned mines. In view of this the ministry had asked CIL to take forward the proposal. Subsequently, CIL decided to invite EoI from all interested parties and floated an EoI sometimes during August 2008.

The public sector coal major had offered 18 abandoned or derelict mines with a total reserve of 1647 million tonne from its subsidiaries including Eastern Coalfields (6 mines), Bharat Coking Coal (8 mines) and Central Coalfields (4 mines).

Mr Partha S Bhattacharyya chairman CIL said "We have received anything between 6 and 10 applications for every mine offered under BCCL and CCL jurisdiction, while for ECL it is between 2 and 7."

Nevertheless, CIL has decided to select only one party for a single mine. However, in case only one company is selected for more than one mine, all such mines will be the subject of a single JV with that party. Private companies that ink JVs with CIL or its subsidiaries will have access to only 50% of the total production where CIL or its subsidiaries will hold equal stakes with private parties.

(Sourced from Economic Times)

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