

FICCI Comments on Recent Developments in Coal Blocks Auction

NEW DELHI, 18 March 2015: Commenting on the developments in the auctioning of captive coal blocks that was recently concluded, **Dr. A Didar Singh, Secretary General, FICCI**, said “while we have full confidence in the government for having ensured a diligent and transparent bidding process via an electronic platform, any instance of reversing the process or withholding an award will adversely impact the overall business sentiment, particularly when the government is making all efforts to create a transparent, efficient and equitable regime for investments along with a ‘Make in India’ focus. Such instances of revisiting a documented bidding process in which investors have participated in good faith tend to create needless trust deficit between Industry, Government and Society”.

“The government has demonstrated commendable far-sightedness in first drafting an Ordinance and then structuring coal block auctions by competitive bidding to lift the coal sector out of a crisis and sustain the growth of key industrial sectors, like power, steel and cement. A great degree of caution and judiciousness is now needed while re-visiting decisions after conclusion of the bidding process in order to ensure that the business environment is not vitiated. At a time when the government has introduced legislation to open up coal mining as an industry, global mining companies intending to participate will need the assurance and comfort of a stable policy regime that will guarantee predictability of decision-making, certainty of investments as well as security of tenure”, he added.

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