

GOVERNMENT OF INDIA  
MINISTRY OF COAL  
RAJYA SABHA  
UNSTARRED QUESTION NO – 2243  
TO BE ANSWERED ON 09.08.2021

**PRIVATE SECTOR ENTRY IN COAL MINING**

2243. SHRI K.J. ALPHONS:

Will the Minister of Coal be pleased to state:

- (a) the measures taken by Government to ensure a level playing field for the commercial/private sector so that it can have fair competition with Coal India Limited;
- (b) whether for greater transparency and easing the commercialization, Government is planning to establish a single window clearance process in coal mines; and
- (c) the measures taken by Government to promote research and exploration activities and modern underground mass production that could certainly help the private sector?

**ANSWER**

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES  
(SHRI PRALHAD JOSHI)

(a): Following policy measures have been undertaken to ensure a level playing field for the private sector:

(I) Amendments have been made in the Coal Mines (Special Provisions) Act, 2015 [CMSP Act] and the Mines and Minerals (Development and Regulation) Act, 1957 [MMDR Act] through Mineral Laws Amendment Act, 2020 enacted on 13.03.2020 to ensure wider participation and competition in auction of coal mines. The amendments in the Acts have enabled the following:

- i. Allocation of coal blocks for composite prospecting license-cum-mining lease which will help in increasing of the inventory of coal/lignite blocks for allocation.
- ii. Repetitive and redundant provision requiring previous approval of Central government even in cases where the allocation or reservation of coal/lignite block has been made by the Central Govt. itself has been done away with.
- iii. Provided flexibility to the Central Govt. in deciding the end use of Schedule II and III coal mines under the CMSP Act.
- iv. Companies which do not possess any prior coal mining experience in India can now participate in auction of coal blocks.

(II) Methodology for auction of coal and lignite mines/blocks for sale of coal/lignite on revenue sharing basis was issued on 28.05.2020. Salient features of the Methodology are as under:

- i. Based on Revenue sharing mechanism. Floor percentage at 4%.
- ii. Applicable to fully explored as well as partially explored coal blocks.
- iii. Up front amount is based on value of estimated geological reserves.
- iv. Successful Bidder to pay monthly revenue share based on percentage of revenue share quoted, total quantity of coal and notional or actual price whichever is higher.
- v. Incentives for early production, gasification and liquefaction of coal.
- vi. Exploitation of Coal Bed Methane is allowed.
- vii. No restriction on the sale and/ or utilisation of coal. More flexibility in coal production schedule.

(b) & (c): Government has launched Single Window Clearance portal on 11.01.2021 for the coal sector to speed up the operationalisation of coal mines. It is a unified platform that facilitates grant of clearances and approvals required for starting a coal mine in India where a project proponent can apply for requisite clearances with a single registration interface only.

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