

# POLICY INITIATIVES AND REFORM MEASURES

## 1. REFORMS & POLICY

### 1.1. Coal Linkage Policy implementation

#### (i) Policy for Auction of Coal Linkages to Non-Regulated Sector:

CIL has been conducting Auction of Coal Linkages for Sponge Iron, Cement, CPP, 'Others (non-coking)', Steel (coking) and 'Others (coking)' sub-sectors under Non-Regulated Sector in accordance with the policy guidelines dated 15.02.2016 issued by Ministry of Coal. Five tranches of auction have already been concluded and **Tranche VI is underway**, where total **155.42** Million Tonne per annum of linkages have been booked by the successful bidders. In the 6<sup>th</sup> Tranche of NRS linkage auction till November, 2023 booked quantity is 24.23 MT against the total offered quantity of 30.37 MT.

#### (ii) Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI) Policy:

Five tranches of Linkage Auction have been conducted by Coal India Limited under B(viii) (a) of SHAKTI Policy from January to November 2023. Out of total offered quantity of 35.53 MT of coal, 27.99 MT of coal have been booked by successful bidders.

**SHAKTI B (i):** Coal linkages granted to 11 central/state Gencos under SHAKTI B(i) for a capacity of 13420 MW from January to November 2023.

**SHAKTI B (iii):** Fourth round of SHAKTI B(iii) linkage auction conducted by CIL during the period of January to November 2023. Out of total offered quantity of 8.10 MT of coal, 4.30 MT of coal was booked by successful bidders.

### 1.2. New Policy Initiatives

#### (i) New sub-sector under the Policy for Auction of coal linkages of Non-Regulated Sector (NRS):-

A new Sub-sector '*Production of Syn-Gas leading to coal gasification*' has been created in 2022 under the NRS linkage auctions in order to encourage coal gasification technology so that new consumers requiring coal for coal gasification are incentivized. This will also mitigate the adverse impacts of the conventional use of coal on the environment.

#### (ii) Single window for e-auction of coal: -

Government has approved a new mechanism for e-auction of coal by the coal companies. The erstwhile sectoral e-auction windows Coal India Limited has been done away with and henceforth, all the non-linkage coal of the coal companies would be sold through one e-auction window of Coal India Limited / Singareni Collieries Company Limited. This single e-auction window will cater to all the Sectors viz., Power & Nonregulated Sector including traders. Therefore, coal of any particular grade would be sold in the market to all the consumers at one rate (One Nation -One Coal Grade, One Rate).



A single e-auction window would enable the coal companies to sell coal through the market discovered price mechanism and thus, implementing this policy will lead to the removal of Market distortions. It shall also increase operational efficiencies and lead to an increase in domestic coal demand by efficiency in domestic coal market.

**(iii) Amendment to NCDP:** To promote optimum utilization of coal resources in the national interest, enabling provisions has been made by way of amendment to the New Coal Distribution Policy (NCDP), 2007, in order to allow the coal produced from Closed / Abandoned / Discontinued mines of CIL / SCCL to be sold through a transparent and objective manner as per the guidelines issued by Ministry of Coal from time to time.

**(iv) Coal linkages for gasification plants of the coal companies:** CIL / SCCL have been allowed to provide long term allotment of coal to their own gasification plants at prices as may be decided by the coal company. This move will encourage the coal gasification technology in the country and will help in early establishment of this new use of coal.

### 1.3. Land Acquisition

Policy Guidelines for use of land acquired under the Coal Bearing Areas (Acquisition & Development) Act, 1957:

Ministry of Coal has issued a Policy Guidelines for use of land acquired under the Coal Bearing Areas (Acquisition & Development) Act, 1957 in April, 2022 under which, the lands which are no longer suitable or economically viable for coal mining activities or which has been reclaimed after

having mined out/ de-coaled will be considered for different infrastructure development activities for a particular period of lease respectively, like setting up coal washeries for maximum lease period of 30 years, constructing railway sidings for a maximum lease period of 30 years, coal gasification and coal to chemical plants for a maximum lease period of 35 years, etc.

During the period from 01.01.2023 to 20.12.2023, a total of 9695.7215 acres of land have been acquired under section 9 (1) of the Coal Bearing Areas (Acquisition and Development) Act, 1957 for subsidiaries of Coal India Limited. A total of 4052.041 acres of land have been vested to subsidiaries of CIL under section 11(1) of the CBA (A&D) Act, 1957.

Details of land acquired by various subsidiaries of Coal India Limited under various Acts (i.e., CBA Act, RFCTLARR, Act (erstwhile LA Act, 1894) and through agreement, etc., which is uploaded on PM Gatishakti Portal total land as on 05.12.2023, are given below: -

Sl. No.	Name of Subsidiary	Total Land Acquired (Ha.)	Land data uploaded on PM GatiShakti Portal
1	2	3	4
1.	ECL	26901.08	24800.10
2.	BCCL	16381.09	16381.09
3.	CCL	74366.4	73317.8
4.	WCL	38496.53	34496.53
5.	NCL	24294.6	24340.55
6.	SECL	57571.7	56951.655
7.	MCL	30228.51	30228.51
<b>TOTAL</b>		<b>2,68,239.91</b>	<b>2,60,516.235</b>



#### 1.4. Mineral Concession (Amendment) Rules, 2022

The Ministry of Coal has amended Mineral Concession Rules, 1960 (MCR) by notifying Mineral Concession (Amendment) Rules, 2022 vide notification dated 07.09.2022 with a view to decriminalize its provisions. MCR regulates the application and grant of mineral concessions such as reconnaissance permit, prospecting license, and mining lease. These concessions are pre-requisites for development and operationalization of mines entailing several compliances on the part of businesses.

Government has been taking initiatives for reducing compliances for business and citizens. To further promote and boost the **'Ease of doing business'** policy of the government, the amendment in MCR decriminalized sixty-eight (68) provisions whereas penalty has been reduced for ten (10) provisions of MCR.

Express provision has been introduced for adjustment of additional or shortfall royalty. Further, rate of penal interest on delayed payment of rent, royalty, fee, or other sums due to the Government has been reduced from twenty-four percent (24%) to twelve percent (12%). It is expected that these provisions shall afford the much-required economic relaxations in the coal mining sector.

#### 1.5 The Coal Mines (Special Provisions) Amendment Rules, 2023

The Coal Mines (Special Provision) Rules, 2014 have been amended and notified on 29.05.2023 incorporating the additional provision for

accepting the bid security in the form of online deposit.”

#### 1.6 Revised Jharia Master Plan

Even after the expiration of the Jharia Master Plan in August 2021, the Ministry of Coal continues to review the progress of activities undertaken by BCCL & JRDA on monthly basis. A committee was constituted in 2021 headed by Secretary Coal, to review the Jharia Master Plan with a focus on extinguishing fires, rehabilitating affected families, and proposing a way forward. This committee formulated an action plan, based on the recommendations of committee, COS, DOE, a DCN is prepared which is under approval.

#### 1.7 Promotion of Underground Coal Mining

The growth of underground mining could not keep pace with that of opencast mining which grew almost 9-10 times by FY 2022-23 and output from underground declined sharply by 58-59% over the same period. Globally, major coal producers have considerable share of coal production from underground mining methods. However, India's overall share of underground coal production stood at ~4% in the past 2 years.

Government of India has prepared a UG Vision plan to increase the coal production from UG mines and has set a target for CIL and its subsidiaries to produce ~100 MT by 2027-28. Coal Ministry is also auctioning UG Mines under commercial auction regime. The idea is to produce at least 10% of India's coal production from UG Mining by 2030.

