

GOVERNMENT OF INDIA  
MINISTRY OF COAL  
**LOK SABHA**  
**UNSTARRED QUESTION NO - 1504**  
TO BE ANSWERED ON 10.02.2021

**COAL INDIA PROJECTS**

1504. KUMARI SHOBHA KARANDLAJE:

Will the Minister of COAL be pleased to state:

- (a) whether the Government has taken initiatives to re-visit old laws with an aim to improve efficiency, ease of doing business and to open up Coal sector and if so, the details thereof ;
- (b) whether Coal India Limited (CIL) will invest over Rs.1.22 lakh crore on about 500 projects with an aim to achieve 1 billion tonnes coal production by 2023-24 and if so, the details thereof;
- (c) the amount being spent on projects related to coal evacuation, mine infrastructure, exploration works and clean coal technologies;
- (d) whether CIL has identified greenfield projects to operate through Mine Developer and Operator model and if so, the details thereof;
- (e) whether CIL has made changes in its Manuals and Guidelines to enhance the Ease of Doing Business and if so, the details thereof; and
- (f) whether the Government is bringing in improved efficiency in coal transport and if so, the details thereof?

**ANSWER**

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

(a) : Yes Sir, the provisions of Coal Mines (Special Provisions) Act, 2015 [CMSP Act] and Mines & Mineral (Development and Regulation) Act, 1957 [MMDR Act] were reviewed comprehensively and as a result several amendments were brought in the Acts through Mineral Laws (Amendment) Act, 2020 enacted on 13.03.2020. The amendments in the Acts are enabling the following:

- 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.
- Repetitive and redundant provision requiring previous approval of Central Government in cases where the allocation or reservation of coal/lignite block has been made by the Central Govt. itself has been done away with.
- Provided flexibility to the Central Govt. in deciding the end use of Schedule II and III coal mines under the CMSP Act.
- Entry barriers have been removed for companies to bid for coal blocks. Prior coal mining experience in India is no longer required to participate in auction of coal blocks.

In addition to above amendments, the following reforms have been undertaken with an aim to improve efficiency, ease of doing business and to open up Coal sector:

- Methodology for auction of coal and lignite mines / blocks for sale of coal / lignite on revenue sharing basis and tenure of coking coal linkage has been issued on 28.05.2020. The auction process was launched on 18.06.2020. Of the 38 coal mines offered for sale of coal 19 coal mines has been auctioned.

- Government has reviewed the Foreign Direct Investment (FDI) policy in the coal mining on 18.09.2019 allowing 100% FDI under automatic route for sale of coal, coal mining activities including associated processing infrastructure subject to the provisions of CMSP Act and MMDR Act as amended from time to time and other relevant Acts on the subject. Associated processing infrastructure includes coal washery, coal handling and separation (magnetic and non-magnetic).
- Procedure of preparation and approval of mining plans have been simplified. Portal for online approval of Mining Plan launched on 11.01.2021.

(b): CIL has envisaged a likely investment of about Rs. 92,000 Cr for its coal projects with an aim to achieve 1 Billion tonne coal production by 2023-24 which include likely investment in coal evacuation infrastructure, mining infrastructure, project development and social infrastructure. However, CIL has envisaged an estimated likely investment of about 1.26 Lakh Cr involving 506 projects which include likely investment in clean coal, diversification initiatives like solar, thermal power, and fertilizers apart from investments in coal mining projects.

(c): The likely investment in coal evacuation has been envisaged to the tune of about Rs. 34,000 Cr and that in mine infrastructure including project development & social infrastructure of about Rs. 57700 Cr which includes investment in exploration (about Rs. 1900 Cr), in clean coal of about Rs 23500 Cr and rest about Rs 10800 Cr for diversification initiatives.

(d): Yes, CIL has identified 15 greenfield projects, as on date, to operate through Mine Developer and Operator model out of which 10 are open cast projects and rest 5 are underground projects. Combined, these projects have been planned for a total targeted capacity of around 158 Mty.

(e) The following changes have been made in the Manual and Guidelines to enhance the Ease of Doing Business by CIL

#### **For Turnkey Contracts:**

- Single stage two-part Bid system without Reverse Auction introduced.
- Experience Criteria of similar work for Turnkey Contracts reduced by 50% i.e. now 40% for single work, 25% for two works and 20% for three works of the estimated value put to tender.
- Definition of Similar work broadened for wider participation.
- Percentage of share to be lead partner modified to maximum share in JV instead of previous requirement of more than 50%.
- Requirement of Working capital has been made on Annualised value instead of the previous provision of total contract value.
- Payment to be withheld on account of Preliminary and final acceptance w.r.t. has been reduced from 15% to 10% in case of Design & Engineering, Supply of equipment and Installation and Commissioning and reduced from 10% to 5% in case of Civil/ Structural works.
- Limitation of liability Clause modified.

#### **For Works Contracts:**

- For tenders less than Rs.50 lakh, no technical and financial criterion is required.
- Single stage two-part Bid system without Reverse Auction introduced.

### **For Mining Services Contracts:**

- Shift to Percentage rate tender after adoption of Schedule of Rates for estimation.
- Single stage two-part Bid system without Reverse Auction for Estimated Cost Value (ECV)> Rs.50 Lakh and Single stage single cover for ECV<Rs.50 Lakh.
- No prior experience or eligibility criteria for tenders upto Rs.50 lakh.
- Price Bid is opened of Techno-commercially eligible Bidders for two-part Bid.
- Submission of Performance Security Deposit (PSD) within 21 days of Letter of Acceptance.
- Commencement of work on submission of PSD.
- Eligibility criteria in Work Experience of similar work reduced to 50% (earlier 65%) of the annualized or estimated value of work put to tender.
- Condition for forfeiture of Earnest Money Deposit [EMD] made specific and unambiguous.
- Bidders registered under GST composition scheme allowed to Bid.
- Provisional payment in case of non-dispatch of Coal for no fault of Contractor:
  - a. 80% for coal produced & transported upto Surface Coal Dump after weighment.
  - b. Balance payment will be released only after its dispatch.
  - c. For quantities of Overburden commensurate with 80% quantity of coal produced, as per current stripping ratio after measurement.

### **For both works and services**

- Reduction of Performance Security from 5% to 3% on contract value or annualized value as applicable.
- The provision regarding Bid Security / EMD has been removed from the Bid documents till 31.12.2021.
- Removal of Additional Performance Security in case of Abnormally Low Bids.

### **For Materials Management**

- Earnest Money amount has been reduced from Rs. 1.00 Crore to Rs. 50.00 lakhs
- EMD submission has been made online with auto-refund of EMD to unsuccessful bidders
- Further, Bid Securing Declaration is being sought instead of Earnest Money against tenders floated till 31.12.2021
- Security Deposit for existing contracts and for tenders to be floated till 31.12.2021 has been reduced from 10% of contract value to 3% of contract value
- Bank Guarantees are now being confirmed through Structured Financial Messaging System (SFMS)
- Medium and Small Enterprises [MSEs] and Startups are exempted from criteria of prior experience and turnover for participation in tenders
- MSEs and Startups are exempt from submitting Earnest Money against tenders
- No separate eligibility criteria for Bureau of Indian Standards / Directorate General of Mines & Safety approved items.
- Procurement through Government e-Marketplace [GeM] has been made mandatory for all items available on GeM portal

(f): CIL has planned to enhance its coal production from its present level of 602 MT to 1000 MT by 2023-24. In view of the projected production, CIL has envisaged evacuation infrastructure projects to ensure seamless evacuation of coal.

CIL is investing in the construction of new Broad Gauge rail lines and railway sidings to evacuate the planned coal production, strengthening of the existing sidings and their rail connectivity in the major coal producing states of Chhattisgarh, Odisha and Jharkhand.

First Mile Connectivity (FMC) Projects with Coal Handling Plants and silos with Rapid Loading Systems will have benefits like crushing, sizing of coal and speedy computer aided loading. Another upside is that with the reduced manual intervention, precise pre-weighed quantity of coal can be loaded. It also spurs loading of better quality coal. Improved loading time will bring down the wagon idling increasing their availability. With the commissioning of the 35 FMC Projects up to 2023-24, coal handling arrangement by mechanized conveyor loading shall increase the existing mechanized loading capacity of 151 MTPA to 555.5 MTPA.

Government is working on 14 Rail lines for increasing efficiency in Coal Evacuation. The details of these 14 critical rail lines are as under:

<b>Sl. no.</b>	<b>Name of the Railway Line</b>	<b>Concerned Coalfield</b>
1	Tori- Shivpur Rail line ( 44.37 km)	North Karanpura Coalfield, Jharkhand
2	Jharsuguda –Barapalli-Sardega Rail line (50.3 km)	Ib-Valley Coalfield, Odisha
3	Rail Connectivity Lingraj Silo with existing Deulbeda siding (3.60 km)	Talcher Coalfield, Odisha
4	Bhadrachalam – Sattupalli rail line (53.2 km)	Godavari Coalfield, Telangana
5	Shivpur – Kathautia Rail line (80 km)	North Karanpura Coalfield, Jharkhand
6	East Corridor Rail line (132 km including feeder & spur)	Mand-Raigarh Coalfield, Chhattisgarh
7	East West Rail Corridor Rail line (186 km including feeder & spur)	Korba Coalfield, Chhattisgarh
8	Angul- Balram rail link (14.22 km)	Talcher Coalfield, Odisha
9	Singrauli to Shaktinagar via Karaila Road Railline (Doubling) (45 km)	Singrauli Coalfield, Madhya Pradesh
10	Singrauli to Katni Rail line (doubling) (261 km)	Singrauli Coalfield, Madhya Pradesh
11	3 <sup>rd</sup> Rail Line from Patratu to Tori to Son Nagar (291 km)	Coalfields of Jharkhand
12	4 <sup>th</sup> Rail line in Jharsurguda to Bilaspur (205 km)	Coalfields of Odisha
13	DFC-Dadri to Sonnagar and extension up to Koderma	Coalfields of Jharkhand
14	3 <sup>rd</sup> & 4 <sup>th</sup> Rail lines from Talcher to Budhapank (72 km)	Coalfields of Odisha

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