

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION No.1720
TO BE ANSWERED ON 27.07.2022

Performance of Coal Sector

1720. SHRIMATI HIMADRI SINGH:

Will the Minister of COAL be pleased to state:

- (a) the performance of India's coal sector during FY 2021-22;
- (b) the details of the star rating policy of coal mines along with the steps taken by the Government to increase ease of doing business in coal sector;
- (c) the contribution of coal sector for Atmanirbhar Bharat; and
- (d) the steps taken to bring transparency and accountability in the coal sector to deal with accusation of malpractices?

Answer

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

(a): The coal production in the country increased to 778.19 MT in 2021-22 from 716.08 MT in 2020-21. This was a significant growth of 8.5% in coal production in 2021-22. Further, overall dispatch / offtake of Coal in 2021-22 was 819 MT as compared to 691 MT in 2020-21, thereby showing a growth of 18.5%.

(b): Star Rating Policy for all the operational Coal Mines envisages 50 evaluation parameters in Opencast Mines and 45 such parameters in Underground Mines under seven broad modules namely – Mining Operations Related Parameters, environment related Parameters, Adoption of Technologies: Best Mining Practices, Economic Performance, Rehabilitation & Resettlement related parameters, Worker related Compliance and Safety and security related parameters.

To enhance ease of Doing Business, the Ministry has taken following steps:

Single Window Clearance: The Union Government has launched Single Window clearance portal for the coal sector to speed up the operationalisation of coal mines. It is an unified platform that facilitates grant of clearances and approvals required for starting a coal mine in India. Now, the complete process shall be facilitated through Single Window Clearance Portal, which will map not only the relevant application formats, but also process flow for grant of approvals or clearances. Mining Plan approval process has also been simplified and converted to an online process.

Amendment of MMDR Act 1957: Necessary amendment has been carried out in Mines and Minerals (Development and Regulation) Amendment Act, 1957 and MCR 1960 to allow sale of coal or lignite up to 50% of annual production after meeting the requirement of the end use linked plant and also increased the lease period upto 50 years.

e-Auction: Offering of all the non-linkage coal by coal companies through one e-auction window which would cater to all the sectors viz. Power sector and NRS including traders.

Besides the above, Coal companies have reduced the maximum Earnest Money Deposit (EMD) from Rs. 1.00 Crore to Rs. 50.00 lakh; Submission of EMD has been made online; the EMD or unsuccessful bidders is auto-refunded; Security Deposit amount for existing contracts and for tenders to be floated till 31.03.2023 has been reduced from 10% of contract value to 3% of contract value; for Micro, Small & Medium Enterprises and Startups are exempted from criteria of prior experience and turnover for participation in tenders; and the MSEs, and Startups are also exempted from submitting Earnest Money against tenders. Various tender eligibility parameters have also been relaxed in case of works and services contracts to reduce entry barriers.

(c): In order to curb coal imports and make India Atmanirbhar in respect of coal consumption, Ministry of Coal has taken many measures to increase domestic production of coal. Coal companies have been given enhanced production target, Coking coal mission has been launched to reduce import of coking coal, Coal gasification mission has also been launched and First Mile connectivity projects have been undertaken to enhance coal evacuation capacity.

(d): Following are some of the steps taken to bring transparency and accountability to deal with accusation of malpractices.

(1) **E-procurement:** E-procurement has been implemented in CIL and its subsidiaries on NIC platform for procurement of goods, services and works. This, completely automatic online platform, has eliminated the human interface between the buyer and seller and ensures transparency and accountability in all procurement related transactions. Also the method of reverse auction is being used for methodical bidding and discovery of right prices in procurements of goods costing more than Rs. 50 lakhs. This method has resulted in huge savings of time and money.

(2) **GeM portal:** As per the directives of Government of India Coal India is using GeM portal for procuring goods and services since 2017.

(3) **On line auto refund of EMD:** The facility of, online auto refund of Earnest money deposit to the unsuccessful bidders in the NIC e-procurement portal, is used by coal companies.

(4) **Bill- tracking system:** An online system has been introduced where the vendors who submit their bills can track the current status of process and payment. This system enhances the transparency, in bill processing and release of payment. This is a major step towards elimination of scope for corruption.

(5) **Enterprises Resource plan (ERP):** All coal companies have rolled out ERP for efficiency and transparency in operation.