Introduction

- Ministry of Coal has taken initiatives to re-visit old laws with an aim to improve efficiency, ease of doing business and to open up coal sector which would result in improving domestic coal production and reduce imports.
- In the present scenario of coal sector, there has been dominance of public sector companies both in exploration and mining of coal.
- Age old Mineral Concession Rule, 1960 was governing many aspects of coal mining and needed amendment in furthering the Coal Sector Reforms and also due to several legislations coming into existence such as those related to Environment and Forest conservation etc.

Mineral Laws (Amendment) Act, 2020: Salient features

- Amendment to provide for allocation of coal blocks for composite Prospecting License-cum-Mining Lease (“PL-cum-ML”) to help in increasing the available inventory of coal/ lignite blocks for auction.
- Provisions for any company selected through auction/ allotment to carry on coal mining operation for own consumption, sale without possessing any prior coal mining experience in India.
- FDI Policy in Coal Sector allowing 100% FDI through automatic route for sale of coal, coal mining activities including associated processing infrastructure.
- Provisions to remove the requirement of previous approval in cases where the allocation or reservation of coal/ lignite block is made by the Central Government
- Entitlement to an allottee to utilize mined coal in any of its plants or plants of its subsidiary or holding company.

Amendment in Mineral Concession Rule 1960: Salient features

- Registration of Qualified Persons for Mining Plan preparation is no longer required. Project proponent’s declaration in this regard will suffice.
- Empowering block allocatee to make minor changes in mining plan and reducing requirement of repeated approvals thus giving flexibility in operation.
- An option is now available to Coal Block allocatee to engage an Accredited Prospecting Agency for conduct of prospecting operation and preparation of Geological Report (GR) with a view to expedite exploration, bringing technology and faster growth of coal sector.
- Additional option is also made available to Project Proponent through accreditation system for Mining Plan Preparing Agency for preparation.
- Similarly, a peer review of Mining Plan to improve quality of mine planning and fast tracking approval system has also been introduced.
- Process has been made compatible to online approval so as to formulate an online single window clearance system.