

Coal Secretary Anil Swarup urges stakeholders to facilitate the formulation of a realistic commercial coal mining policy

Releases FICCI's approach paper & briefing note on commercial coal mining

NEW DELHI, June 23, 2015. There is a need to formulate a realistic policy for the success of commercial coal mining in India, stated **Mr. Anil Swarup, Union Coal Secretary**, here today at a workshop on **'Commercial Mining of Coal: The Enablers'** organized jointly by the Ministry of Coal and FICCI.

The workshop was organized after the landmark initiative taken by the Government of India in legislating the Coal Mines (Special Provisions) Act, 2015, and consequently adding a new Section 3A of the Coal Mines Nationalisation (CMN) Act 1973 along with amending Section 11A of the Mines and Minerals, Development and Regulation (MMDR) Act 1957, to enable commercial mining of coal. Along with subordinate rules would be needed to provide a supportive policy environment for commercial mining.

On the occasion, the Secretary released FICCI papers on **'Commercial Mining of Coal: The Enablers'** and **'Suggested Framework of Commercial Mining'**.

The Secretary said that the two FICCI papers suggested possible roadmap for commercial coal mining. He added that the workshop deliberations should focus on a feasible and sustainable action plan. The stakeholders should specifically indicate the amendments that they would recommend in the existing bidding process to conform to commercial coal mining.

Mr. Swarup said it would be appropriate if the industry could prepare a comprehensive document underlining the suggested regulations for bidding. He added that stakeholders while suggesting rules must realize that these would form the fundamentals for commercial coal mining. Hence, due diligence must be observed to make the law transparent and devoid of any discrepancy.

Dr. A K Dubey, Additional Secretary, Ministry of Coal, said that the new CMN Act provides a legal regime to regulate the business. The content of business may change with time, but the regime would give a secure environment to private sector. Also, a financing regime should run alongside the legal framework instead of being subservient. He added that this would ensure reasonable return to the private sector to sustain itself in the long run.

Dr. Dubey said that the enabling conditions would also be reflected upon, where the most discerning is environmental issue. Technological intervention would be an apt response to environmental issues, but it would result in making business costly. Hence, there is a need to formulate relevant policies to operate and sustain commercial coal mining in an environmentally and a socially friendly manner. He added that the government looks forward to the outcome of the workshop.

In his theme presentation on 'Policy and Legal Framework Redefined', **Mr. Vivek Bharadwaj, Joint Secretary, Ministry of Coal**, highlighted that the amendments in the Act were transformative and presented a regulatory framework which was liberal and reform oriented. However, he added that the Act with it brought two implications – legal and administrative. The implications need to be deliberated upon with stakeholders to establish a transparent

policy.

Speaking about the workshop, Mr. Bharadwaj said that the consultations with stakeholders would help in firming up the format for commercial mining in the country. He assured that the framework would provide an enabling provision to the private sector.

A presentation on the coal landscape of India, contour of bidding process and principles of market design was made by **Mr. Prabir Neogi, Chairman, FICCI Power Committee and Chief Executive – Corporate Affairs, RP-SG Group**, based on the report prepared by FICCI which suggested a framework for commercial mining. The report discusses at length about the coal reserves, suggests options for bidding and advocates creation of a structured market for commercial coal mining.

Dr. A Didar Singh, Secretary General, FICCI, said that coal mining which had remained outside the realms of the private sector witnessed a paradigm shift when the Government of India opened a window and allowed commercial coal mining by way of new legislation. He added that private participation would bring with it a feasible business plan, viable financing options and much-needed high-end technology.

Dwelling on the issue of climate change, Dr. Singh said that India faces pressure on the global climate front when it comes to coal mining. Therefore, for energy security and decarbonized growth, India needs to look at technology to enhance sustainability.

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