

# GOVT ENDS MONOPOLY OVER COAL, ALLOWS COMMERCIAL MINING ON REVENUE-SHARING BASIS

Relevant for: Geography | Topic: Distribution of key Natural Resources - Mineral & Oil Resources of India

While asserting that many sectors need "policy simplification and structural reforms", Finance Minister Nirmala Sitharaman on Saturday announced the fourth tranche of 20 lakh crore economic stimulus. She said structural reforms will be the focus of fourth tranche of economic stimulus package with an aim to boost growth, create jobs.

"PM Modi had said that we should prepare for tough competition. When we speak of "self-reliant India", we are not looking inwards, it is not isolationist policy, it is making India rely on its strengths, ready to face global challenges," [she said](#).

"Many sectors need policy simplification, to make it simpler for people to understand what sector can give, participate in activities and bring transparency. Once we decongest sectors, we can boost the sector, for growth and jobs," Sitharaman said.

Sitharaman said the government has identified sectors that need reforms and these are coal, minerals, defence production, airspace management, airports, MRO, power distribution companies in union territories, space, atomic energy.

"The structural reforms being announced today will impact those sectors which are new horizons of growth, unleashing new investment, boosting production and creating jobs," the FM said.

"Commercial mining in coal sector to be brought in and government monopoly will be removed. Government will introduce competition, transparency, and private sector participation in the coal sector through revenue sharing mechanism instead of the regime of fixed rupee/tonne. 50 new coal blocks for commercial mining will be offered immediately," the FM said.

50,000 crore to be spent by govt for evacuation of mined coal, announced Sitharaman on Saturday.

The investment of 50,000 crores is for the evacuation of enhanced CIL's (Coal India Limited) target of 1 billion tons of coal production by 2023-24 plus coal production from private blocks.

Seamless composite exploration-cum-mining-cum-production regime will be introduced in mineral sector and 500 blocks will be auctioned, the FM said.

"500 mining blocks would be offered through an open and transparent auction process, a joint auction of bauxite and coal mineral blocks will be introduced to enhance aluminum industry's competitiveness," said Sitharaman.

The FM announced rationalisation of stamp duty payable at the time of awarding mining leases.

So far, as part of the economic package, Sitharaman on Friday had announced 1 lakh crore Agri Infrastructure Fund for farm gate infrastructure for farmers and 10,000 crore scheme for the formalisation of Micro Food Enterprises (MFEs) under the 20 lakh crore stimulus package.

She had also proposed amendments to the Essential Commodities Act to enable better price realisation for farmers, and said no stock limit should apply to processors or value chain

participants.

On Thursday, Sitharaman announced the 'One Nation One Ration Card', free food grain supply to migrants and creation of affordable rental housing complexes (ARHC) in urban areas for migrant workers and poor under the COVID-19 stimulus package. On Wednesday, she had announced collateral-free automatic loans worth up to 3 lakh crore for MSMEs and also extended the date of filing income tax returns and 90,000 crore liquidity for cash-starved discoms.

The announcements by Sitharaman came in a series of press conferences after the Prime Minister on Tuesday announced 20 lakh crore special economic package for the country to become 'self-reliant' and deal with Covid-19 crisis.

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