



Policy for use of Land Acquired under CBA Act, 1957

For Prelims: CBA Act, Atmanirbhar Bharat, Coal gasification

For Mains: Coal Sector and associated challenges

Why in News?

Recently, the Union Cabinet has **approved the policy for use of land acquired** under the **Coal Bearing Areas (Acquisition & Development) Act, 1957 [CBA Act]**.

- The policy **provides for utilisation of such land for the purpose of development** and setting up of infrastructure relating to coal and energy.

What is the CBA Act, 1957?

- The **Coal Bearing Areas (Acquisition and Development) Act, 1957** provides for the acquisition of land containing or likely to contain coal deposits and for matters connected therewith.
- Under the provisions of this Act, the **land is acquired for Government Companies only for coal mining** and activities strictly incidental to mining purposes.
- For other requirements, like permanent infrastructure, offices, residence etc. the land is acquired under **Land Acquisition Act, 1894**.
- **Mining rights and surface rights of a single patch of land** may not be acquired under different Acts.

What are the Provisions of the Proposed Policy?

- **Provides Framework for Utilisation of Land:**
 - The policy **provides clear policy framework for utilisation** of following types of lands acquired under the CBA Act:
 - **Lands no longer suitable or economically viable** for coal mining activities, or
 - Lands from which coal has been mined out / de-coaled and such land has been reclaimed.
- **Coal India Ltd. (CIL) will Remain Owner of the Land:**
 - The Government coal companies, such as [Coal India Ltd. \(CIL\)](#) and its subsidiaries shall remain owners of these lands acquired under the CBA Act.
- **Leasing of Land for Specified Period:**
 - The Government company which owns the land **would lease such land for a specific period** given under the policy.
 - The **entities for leasing shall be selected through a transparent, fair and competitive bid process** and mechanism in order to achieve optimal value.

- The lands will be considered for activities such as **setting up washeries, [coal gasification](#) and coal-to-chemical plants** and to set up or provide for energy-related infrastructure.

What is the Significance of Such Policy?

- **Generate Employment:**
 - **Establishment of various coal and energy related infrastructure**, without transfer of ownership from Government companies, would lead to generation of a large number of direct and indirect employment.
 - The lands which are **mined out or are practically unsuitable for coal mining are prone to unauthorised encroachment** and entail avoidable expenditure on security and maintenance.
- **Reduce Cost of Operators:**
 - The unlocking of non-minable land for other purposes will **also help CIL in reducing its cost of operations** as it will be able to set up coal related infrastructure and other projects such as solar plants on its own land by adopting different business models in partnership with the private sector.
 - It will **make coal gasification projects viable** as coal need not be transported to distant places.
- **Ensure Proper Utilization of Land:**
 - The proposal to **utilise land for rehabilitation purposes would ensure proper utilization of land** and would **eliminate wastage of all-important land resources**, avoid acquisition of fresh chunks of land for rehabilitation of Project Affected Families, eliminate loading of additional financial burden on the projects and increase profit.
- **Address the Demand of the Displaced Families:**
 - It will **also address the demand of the displaced families** as they always prefer to stay as close as possible to their original residential places.
 - It will **help in obtaining local support for coal projects** and also providing land to the State Government for afforestation in lieu of forest land diverted to coal mining.
- **Help in Realizing the Goal of Atmanirbhar Bharat:**
 - The Policy will **help in realizing the goal of [Atmanirbhar Bharat](#)** by encouraging domestic manufacturing, reducing import dependence, job creation, etc.
 - The policy will **unlock land for various coal and energy infrastructure development activities** that would encourage investment in backward areas of the country.
 - Utilisation of already acquired land would also **prevent fresh acquisition of land** and related displacement and would promote local manufacturing and industries.

What are Key Highlights about Coal?

- It is one of the most abundantly found fossil fuels. It is **used as a domestic fuel**, in industries such as iron and steel, steam engines and to generate electricity. Electricity from coal is called thermal power.
- The coal which we are using today was **formed millions of years ago** when giant ferns and swamps got buried under the layers of earth. Coal is therefore referred to as Buried Sunshine.
- The **leading coal producers of the world** include China, US, Australia, Indonesia, India.
- The **coal producing areas of India** include Raniganj, Jharia, Dhanbad and Bokaro in Jharkhand.
- **Coal is also classified into four ranks:** anthracite, bituminous, subbituminous, and lignite. The ranking depends on the types and amounts of carbon the coal contains and on the amount of heat energy the coal can produce.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Q. Consider the following statements: (2019)

1. Coal sector was nationalized by the Government of India under Indira Gandhi.
2. Now, coal blocks are allocated on lottery basis.
3. Till recently, India imported coal to meet the shortages of domestic supply, but now India is self-sufficient in coal production.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 and 3 only
- (c) 3 only
- (d) 1, 2 and 3

Ans: (a)

- Coal sector was nationalised in two phases **under the Indira Gandhi Government in 1972.**
- The coal blocks are allocated **through auctions and not on a lottery basis.**
- The coal sector is the monopolistic sector in India. India holds the 5th biggest coal reserves in the world, but due to the incapacity of coal production by monopolistic firms, it imports coal to meet the shortages of domestic supply. Hence, statement 3 is not correct.

[Source: PIB](#)

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