

**GOVERNMENT OF INDIA**  
**MINISTRY OF COAL**  
**RAJYA SABHA**  
**QUESTION NO 30.11.2009**  
**ANSWERED ON**  
**EXPERT COMMITTEE FOR COAL SECTOR .**

1060

Shri Parimal Nathwani

Will the Minister of COAL be pleased to state :-

- (a) whether an Expert Committee for suggesting a road map for the Coal Sector has submitted its report;
- (b) if so, the details of the findings and recommendations of the committee;
- (c) the findings of the Committee about mining in Jharkhand; and
- (d) the action Government has taken so far on the recommendations of the Committee?

**ANSWER**

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL AND MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION

(SHRI SRIPRAKASH JAISWAL)

(a) (b) & (d): Yes, Sir. The Expert Committee constituted by Ministry of Coal on Road Map for Coal Sector Reforms under the Chairmanship of Shri T.L. Shanker submitted Part –I of the Report in December, 2005 and Part-II in September, 2007.

The Major recommendations and action taken thereon are as under:

Sl. Major Recommendations	Action Taken /proposed to be	No.	taken
1 Augmenting domestic coal production to bridge the gap between demand and supply.	Government has allotted a number of new captive coal blocks, besides taking up a number of new coal projects under captive coal mining.	1	
2 As coal shall remain India's primary source of commercial energy supply, a time-bound plan to cover under regional exploration.	An action Plan has been prepared to cover the balance coal commercial energy supply, a bearing area of 5438 sq. km in the entire country by is envisaged that an area of regional mapping in 15 2791 sq. km will be covered years should be prepared by during the XI Plan and the Geological Survey of India, balance there after. Central Mine Planning and Exploratory drilling capacity of Design Institute (CMPDIL) CMPDIL is being doubled. and Ministry of Coal (MOC).	2	
3 Coal India Limited (CIL) has been granted Navaratna status.	CIL has been granted Navaratna may be granted the status status.	3	
4 Besides this, 6 of its of Navratna company and the subsidiary companies (South subsidiaries of CIL may be Eastern Coalfields Ltd.; Western granted the status of Mini Coalfields Ltd.; Mahanadi Ratna companies in which Coalfields Ltd.; Northern case only those proposals Coalfields Ltd.; Central of such a subsidiary would Coalfields Ltd., Central Mine need government approval Planning and Design Institute wherein the capital Limited) and Neyveli Lignite expenditure exceeds Rs. 500 Corporation Ltd. have been crore.	Eastern Coalfields Ltd.; Western granted the status of Mini Coalfields Ltd.; Mahanadi Ratna companies in which Coalfields Ltd.; Northern case only those proposals Coalfields Ltd.; Central of such a subsidiary would Coalfields Ltd., Central Mine need government approval Planning and Design Institute wherein the capital Limited) and Neyveli Lignite expenditure exceeds Rs. 500 Corporation Ltd. have been crore.	4	
5 The Government has approved enhancing the financial powers of SCCL Board to approve projects, and to incur capital expenditure from 100 crore to Rs. 500 crores.	the Government has approved enhancing the financial powers of SCCL Board to approve projects, and to incur capital expenditure from 100 crore to Rs. 500 crores.	5	
6 The issue of restructuring of CIL should be considered during the 12th Plan Period.	This is agreed to. restructuring of CIL should be considered during the 12th Plan Period.	6	
7 The environmental issue in The Government has issued new respect of coal projects Environment notification on should be taken up on 14.9.2006 as per which the priority consideration by proposals of coal mining the Government.	Environment notification on should be taken up on 14.9.2006 as per which the priority consideration by proposals of coal mining the Government.	7	
8 Planned imports of coal Imports are planned by Power need to be encouraged. Sector every year in advance keeping in view the requirement. CIL is also contemplating to import coal.	Planned imports of coal Imports are planned by Power need to be encouraged. Sector every year in advance keeping in view the requirement. CIL is also contemplating to import coal.	8	
9 Increasing proportion of E-auction of coal has already all domestic coal that is been started. not earmarked for Power Sector be brought into the E-auction market over the next 2 to 3 years.	Increasing proportion of E-auction of coal has already all domestic coal that is been started. not earmarked for Power Sector be brought into the E-auction market over the next 2 to 3 years.	9	
10 The current system of The new coal distribution policy linkages feeding the power of Government provides for long sector may be replaced with term fuel supply and transport formal long term Fuel agreements that include Supply and Transport railways. Agreements that include the Railways.	The new coal distribution policy linkages feeding the power of Government provides for long sector may be replaced with term fuel supply and transport formal long term Fuel agreements that include Supply and Transport railways. Agreements that include the Railways.	10	
11 All possible legal measures On the basis of regular review should be evolved to cancel of the progress of captive the licenses issued earlier blocks,	On the basis of regular review should be evolved to cancel of the progress of captive the licenses issued earlier blocks,	11	

de-allocation of some if the allottee has not coal blocks has been done. taken adequate steps to Regular monitoring is being done bring the allotted mines to to review the progress production or in setting up periodically. the end use units. 10 Coal price would need to be So far as Ministry of Coal is regulated in light of the concerned, the pricing of coal market realities. The has been fully deregulated after regulation of coal price the Colliery Control Order, 2000 has to be differentiating notified with effect from 1st the pricing of coal for January, 2000 in supersession of power generation since it the Colliery Control Order, consumes 80% of the 1945. Under the Colliery domestic production and the Control Order, 2000 the Central quality of coal it consumes Government has no power to fix is not easily saleable to the prices of coal. Coal the steel and cement Companies are empowered to fix sectors. the price of coal. 11 Promotion of underground Action has been initiated by CIL mining to enhance the level of production from underground mines from around 44 million tonnes achieved in 2006-07 to about 67 million tonnes by 2011- 12 mainly by adopting mechanisation of operations, introduction of continuous miner technology and longwall technology. The additional investment has been estimated at Rs. 5185.59 crores for attaining this production level. CIL has also identified 7 blocks which can be developed into mega mine (more than 2 million tonnes production per annum) with state of the art consultancy and technology with foreign expertise. 12 Improve production and Action has been initiated to productivity of men & improve productivity of heavy machinery with focus on earth moving machinery (HEMM) in technology up gradation opencast mines mainly by increasing the number of hours of operation and awarding maintenance and repair contracts, streamlining the replacement of old equipment, and deployment of large size equipment. In underground mines, improvement in productivity is being addressed through mechanized coal loading operations adopting side discharge loaders, load haul dumpers, conveyor belts etc. and introduction of continuous miner technology and longwall technology wherever it is feasible. Shortwall technology on experimental basis has also been introduced. Adoption of Highwall technology is also envisaged in some of the opencast mines. 13 There is need to have A department has already been permanent cell for created at Coal India and also technology evaluation and at CMPDIL for adoption of new monitoring and improving technology. CMPDIL as the the systematic operating planning wing of Coal India procedures for modern new provides the initial inputs for equipment procurement (in adoption of new technology. CIL). 14 Switch over to Gross For adopting the GCV system of Calorific Value (GCV) based grading of coal, it was agreed pricing and grading of coal between Coal India Limited (CIL) and NTPC to try out the proposed bandwidth price structure with 300 k. cal/kg for coal supply at some NTPC power plants initially for 60 days. However, this has not come through due to the lapse of time agreed to between NTPC and Coal India Limited and also lack of installation of automatic mechanical samplers at the loading points. Accordingly, CIL has submitted a revised proposal mentioning the corresponding GCV values of sub-graded UHV bands and respective price ranges along with the time frame during which it proposes to install Auto Mechanical Samplers (AMSs) at the loading points on priority basis so as to notify the same through a Gazette Notification for switching over to GCV based grading. 15 Promote coal washing Government has already taken a policy decision to encourage use of washed coal by permitting private entrepreneurs to set up washeries on coal company's land. CIL has also taken a decision to supply washed coal to power sector by setting up new washeries on Build Own Maintain

(BOM) basis and funding will be made by CIL. Additional washing capacity of about 140 million tonnes per year is envisaged to be created in next five years time. 16 Promotion of cutting edge Government has already permitted technologies like CBM operations on commercial Underground Coal lines and 26 blocks have been Gasification (UCG), Coal allotted to various Bed Methane (CBM), Coal entrepreneurs. Directorate Mine Methane (CMM), Coal to General of Hydrocarbons (DGH) Liquid (CTL) etc under Ministry of Petroleum & Natural Gas (MoP&NG) regulates the CBM operations. For CMM, coal companies are taking action to extract methane gas from the existing mines and a demonstration project in association with United Nations Development Programme (UNDP) / Global Environmental Fund (GEF) is under implementation in one of the mines of Bharat Coking Coal Ltd. (BCCL). Government has recently recognized UCG, CTL as one of the permitted end uses under the captive mining policy. 17 Although India is not under Action already initiated for any obligation under Kyoto adopting clean coal Protocol to reduce technologies. CIL has committed emissions, it is to sell processed coal to all recommended that India its consumers. should assume their role of Government has given lot of a responsible user of coal stress for the extraction of taking every effort to coal bed methane which would reduce the emission level eventually reduce emission from of coal as well as its burning coal. consumption. 18 Outsourcing should be CIL and its subsidiaries have differentiated from initiated action and have contract labour employment. included clauses in the It is not a method to tenders/contracts to remove extract more work and pay exploitation of labour and also less to unskilled and semi have generated training skilled labour. In fact, it programmes for uplifting skills becomes relevant and of its own workmen. inevitable in tasks, which call for specialized skills. 19 Setting up of a Coal Action initiated for creating a Governance & Regulation Coal Regulatory Authority. As authority (CGRA) to co- suggested by Ministry of Law ordinate and attend to all some major modifications in the issues relevant for Draft Bill has been examined and development of coal modified Draft Bill is under resources, regulation of concurrence of Ministry of Law. coal price (wherever necessary), and nurturing level playing field between the entrenched large public sector coal companies and the emerging small coal companies in the State public sector and the captive mining sector. 20 Ensure proper mine closure Draft guidelines for mine and restoration of mined closure have been issued by the out areas. The Coal Ministry of Coal which would be Regulatory Authority should implemented by the Coal be given the responsibility Controller till the Coal to monitor the restoration Regulatory Authority is put in work. A fee of Rs.10 per place. tonne of coal mined as Mine- restoration levy should be collected annually and release as grants on for such work. 21 Coal R&D fund should be The creation of R&D fund is created whereby half of one agreed to. It is preferable percent of the turnover of that the proposed fund should be all coal companies in the kept available with the industry public and private sectors instead of the Coal Regulatory is deposited. CGRA could Authority. In the present manage the funds. system the R&D activities are identified, monitored and funded through a Standing Scientific Research Committee (SSRC), which is chaired by Secretary (Coal).

(c): Findings of the Committee are broadly concerned with the coal sector development in India but not specific for any particular state.