

**GOVERNMENT OF INDIA  
MINISTRY OF COAL**

**LOK SABHA  
UNSTARRED QUESTION NO. 2639  
ANSWERED ON 04.08.2021**

**Coal Exploration**

**2639. SHRI T.R.V.S. RAMESH:**

Will the MINISTER OF COAL be pleased to state :

- a. whether there is a huge potential for exploration of coal and lignite deposits in the district of Cuddalore in Tamil Nadu and if so, the details thereof;
- b. whether the Government propose to use the Augmented Reality and Virtual Reality technology for the exploration of these mineral deposits in the district and if so, the details thereof;
- c. whether the Government propose to introduce private companies in the exploration of coalfields in India and if so, the time by which the concept of private partnership is going to materialize in the coal sector;
- d. whether the Government proposes to explore the possibility of extracting and utilizing the Methane gas from the coal mines by private agencies for added revenue generation and if so, the details thereof; and
- e. whether the Government thus propose to incentivize gasification/ liquefaction through rebate in revenue sharing and if so, the details thereof?

**ANSWER**

**MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES  
(SHRI PRALHAD JOSHI )**

**(a):** As per the National Inventory of Indian Coal & Lignite Resources as on 01.04.2020, the total geological resource of lignite estimated for Cuddalore district, Tamilnadu, Neyveli Lignite Field is 6850.21 million tonne. Details of the depth-wise categorized resource is given below:

**Lignite Resource in Cuddalore District, Tamilnadu, Neyveli Lignite Field**

(In million tonne)

<b>Depth Range (m)</b>	<b>Measured</b>	<b>Indicated</b>	<b>Inferred</b>	<b>Grand Total</b>
0-150	3415.51	327.49	421.82	4164.82
150-300	202.18	1423.20	705.87	2331.25
>300	0.00	179.60	174.54	354.14
<b>Total</b>	<b>3617.69</b>	<b>1930.29</b>	<b>1302.23</b>	<b>6850.21</b>

**(b):** Most of the areas in Cuddalore district has been covered under Regional exploration and as such area of future exploration for lignite is very limited. Accordingly, NLC India Limited a PSU under Ministry of Coal has not planned to use the Augmented Reality and Virtual Reality technology for the exploration.

**(c):** As per the amendments made to Mines and Minerals (Development & Regulation) Act, 1957 and enactment of The Coal Mines (Special Provisions) Act, 2015, Coal Mines Special Provisions Rules, 2016 and the Coal Block Allocation Rules 2017, all the coal/ lignite blocks in the country are being allocated through auction. The successful allottee of Regionally Explored block is eligible for Prospecting License cum Mining Lease. Such allottee can get exploration done through private/government agencies. After these amendments, one tranche of auction of coal blocks including regionally explored blocks has been conducted.

**(d):** Yes Sir, Government has planned to explore the possibility of extracting and utilizing the Methane gas from the coal mines by private agencies for added revenue generation and accordingly following provisions have been made in the methodology for auction of coal and lignite mines / blocks for sale of coal / lignite on revenue sharing basis dated 28.05.2020.

In case there is presence of Coal Bed Methane (CBM) in the coal mine, the successful bidder may also commercially exploit the CBM present in the mining lease area and shall approach the Directorate General of Hydrocarbon (DGH) for its technical approval followed by the grant of CBM mining lease by respective State Government. In addition to monthly revenue share payable for coal, the successful bidder shall also make payments of monthly revenue share for CBM based on same percentage revenue share quoted (final bid) by it during auction of coal mine. Other mechanisms with regard to arriving at the price of CBM shall be governed by the applicable Policy issued by M/o Petroleum and Natural Gas being the administrative Ministry.

**(e):** Yes Sir. To incentivize gasification/ liquefaction through rebate in revenue sharing, the following provisions have been made:

If the successful bidder consumes the coal produced either in its own plant(s) or plant of its holding, subsidiary, affiliate, associate for coal gasification or liquefaction or sells the coal for coal gasification or liquefaction process, a rebate of 20% on the percentage revenue share quoted by the successful bidder will be allowed on the total quantity of coal consumed or sold or both for gasification or liquefaction on an yearly basis, subject to the following conditions:

- i. At least 10% of scheduled coal production as per approved mining plan for that year shall be consumed or sold for gasification or liquefaction; and
- ii. A certificate issued by Coal Controller's Organisation certifying the quantity of coal consumed or sold or both for Coal Gasification or Coal Liquefaction shall be submitted by the Successful Bidder to the State Government. The said certificate shall be issued in accordance with the Guidelines issued by Coal Controller's Organisation, as may be amended.