

**No. 43016/9/2015-CRC-I**  
**Government of India**  
**Ministry of Coal**  
**(MPS Section)**

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Room No. 622-A, Shastri Bhavan,  
New Delhi, dated 9<sup>th</sup> August, 2021

**Sub: Implementation of Recommendations given by the Inter-Ministerial Committee, constituted by MoC for making suggestions on augmentation and consumption of domestic coking coal by steel sector. - reg**

This Ministry has constituted an IMC under the Chairmanship of Mr. M. Nagaraju, Additional Secretary, Ministry of Coal on 19.3.2021 for making suggestions on augmentation and consumption of domestic coking coal by steel sector. Composition and ToR of the IMC are as under:

I. Composition-

Sl. No.	Name	Designation
1	Mr. M. Nagaraju, Additional Secretary, Ministry of Coal	Chairman
2	Adviser (Projects), Ministry of Coal	Member
3	Representative of Ministry of Steel (not below the rank of Joint Secretary)	Member
4	CMD, CMPDI	Member
5	DT, CIL	Member
6	DT, BCCL	Member
7	Mr. Ravinder Bhan, Director (Regulatory & Policy), ISA	Member
8	Mr. Deepak Sindkar, Head (Procurement), Arcelor Mittal Nippon Steel India Ltd.	Member
9	Mr. Avind Rajgopalan, AVP, JSW Steel	Member
10	Mr. L.K.S. Rao, Executive Director, SAIL	Member
11	Mr. Pankaj Satija, Chief, Regulatory Affairs, Tata Steel Ltd.	Member
12	Mr. Kapil Dhagat, Executive Vice President/ Business Unit Coal – Jindal Steel and Power Limited	Member

II. Terms of Reference of the IMC-

The Terms of Reference (TOR) of the Inter-Ministerial Committee are:

1. To suggest national strategy to enhance coking coal and suggest road map to projectise and explore more coking coal block.
2. To suggest R&D to beneficiate coking coal to reduce ash% with upgraded technology.
3. Methodology to encourage the private sector to set up coking coal washery.
4. Examine domestic coking coal and suggest competitive pricing strategy.
5. Suggest incentive to steel sector to redesign blast furnace.
6. Address coking coal quality issues and suggest measures to improve coking coal quality.
7. To incentivise the coking coal production from Underground (UG) mines considering better quality of coal from UG mines – TOR added by IMC members.

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2. Now, IMC has submitted its report and after stake-holders' consultation, the same has been approved by the chairman of the IMC. Approved Report of IMC is attached. Summary of IMC's recommendations for each of the TOR are as under:

1. **Recommendations TOR 1:** To suggest National Strategy to enhance production of coking coal and suggest road map to projectise and explore more coking coal blocks-
  - a. Exploration of coking coal by Government and outsourcing of exploration activity to private sector
  - b. Allocation of adequate funds by the Government for exploration of deep-seated coal reserves
  - c. Adoption of new technology for exploration
  - d. Resource classification to be standardized
  - e. Adoption of new technology for increase in production
  - f. CIL to discuss with steel sector for supply of coking coal being produced to steel sector
  - g. Supply of low ash non-coking coal to steel sector for use as PCI coal
  - h. Identification of additional coking coal blocks for production by CIL and private sector
  - i. Government should allocate adequate funds with the aim to extinguishing fire at Jharia within next 5 years.
  - j. Consultation with private sector for Jharia coking coal blocks
  - k. Development of Non-coal Bearing Land or De-coal Land by Government.
  - l. Auction of CBM overlap coking coal blocks
  - m. Joint annual review by Ministry of Coal and Ministry of Steel
  
2. **Recommendations TOR 2:** To suggest R&D initiatives to beneficiate coking coal to reduce ash% with upgraded technology-
  - a. Adoption of existing advanced technology for beneficiation of coking coal
  - b. R&D initiatives to improve flotation efficiency and other technologies for beneficiation
  - c. Policy framework to be reviewed and elaborated for incorporating the mechanism of selling of rejects/ middlings into the market using e-auction platforms or through open trades by washery operators/ aggregator model
  - d. R&D initiatives for utilisation of non-coking coal for coke making
  - e. Strategic plan to be devised by Government for time bound stoppage of supply of Low Volatile coking coals to the power generating companies
  
3. **Recommendations TOR 3:** Methodology to encourage the private sector to set up coking coal washery -
  - a. Allocation of coking coal linkages by CIL to private washeries
  - b. Setting up of coking coal washeries on aggregator model basis to be explored
  - c. Possibility of setting up small (1 MT) Mobile washeries to be explored.
  - d. CIL should conduct consultations with MDOs to gauge their interest for participating in integrated MDO contracts and a framework should be prepared for award of contracts
  - e. Requirement of washed coking coal (domestic) should be projected by Ministry of Steel till 2030 and long-term contract between coal companies and steel manufacturers needed for taking investment decisions on setting up of washeries
  
4. **Recommendations TOR 4:** Examine the domestic coking coal pricing and suggest competitive pricing strategy -
  - a. CIL has already appointed a consultant for suggesting import parity based pricing mechanism for domestic coking coal factoring the quality parameters

- b. Commodity wise carrying capacity based freight structure should be adopted by Indian Railways instead of charging idle freight for commodities like coking coal and coke
5. **Recommendations TOR 5:** Suggest incentives to steel sector to redesign blast furnace-
- Ministry of Steel to prepare a plan for setting up of 300 MT steel making capacity by steel sector; incentive framework to encourage steel sector for utilisation of stamp charging technology and invest into R&D initiatives for redesigning blast furnaces for utilisation of domestic coking coal
6. **Recommendations TOR 6:** Address coking coal quality issues and suggest measures to improve coking coal quality-
- CIL to publish mine-wise/ seam-wise details of coking properties of coal on its website and purchaser may be allowed to choose from specific source
  - Beneficiation of coal should be done prior to coke making to get desired level of ash% and moisture%.
  - Preparation of optimum coal blend** (using a basket of coals, domestic as well as imported) to obtain required rheological properties (CSN, fluidity, plastic range etc). Provision for advanced blending facility should also be available.
  - Plant Automation and real-time quality measurement instruments** – Ash analysers, moisture analysers should be used including the use of statistical models to predict the optimum coal blend.
  - Standardization of coal sampling and testing procedure
7. **Recommendations TOR 7:** To incentivise the coking coal production from Underground (UG) mines considering better quality of coal from UG mines -
- Tax incentives may be provided to the entities engaged in UG mining and for manufacturing of underground mining machinery
3. IMC has also suggested a roadmap for implementation of its recommendations along with timelines. Suggested Action along-with concerned section/Organization are as under-

S. No.	TOR	IMC's Recommendations	Action Item	Concerned Section/ Organization
	<b>TOR 1: Production &amp; Exploration</b>			
1.	TOR1: To suggest National Strategy to enhance production of coking coal and suggest road map to projectise and explore more coking coal blocks	Adoption of new technology for exploration	A. Ministry of Coal to mandate exploration agencies to use latest exploration technology  B. CIL along with CMPDIL to undertake a study to assess the feasibility of building geological models for Jharia, East & West Bokaro, North & South Karanpura Coalfields with latest technology.	CCT/CMPDI  CCT/CMPDI/CIL

S. No.	TOR	IMC's Recommendations	Action Item	Concerned Section/ Organization
2.		Resource classification may be standardized by implementing CRIRSCO (or equivalent international standard) classification	A. Ministry of Coal to prepare framework for resource classification by implementing CRIRSCO (or equivalent international standard) classification	CCT/CMPDI
3.		Exploration of 15BT Indicated and Inferred category blocks should be taken up on priority basis so that production can be started from these blocks at the earliest.	A. Ministry of Coal to undertake exploration either through Government agencies or by outsourcing contract to private sector and allocation of partially explored blocks.	CCT
			B. Government to allocate adequate funds for exploration of deep-seated coal reserves	CCT
4.		CIL to discuss with steel sector for supply of coking coal being produced to steel sector	CIL to undertake discussions with steel sector to supply washed coking coal to steel sector based on its production plan	1. CPIAM/CIL 2. Ministry of Steel
5.		Supply of low ash non-coking coal to steel sector for use as PCI coal	A. CIL to offer low ash non-coking coal to steel sector for use as PCI coal through linkage auction	1. CPIAM/CIL 2. Ministry of Steel
6.		Identification of additional coking coal blocks for production by CIL and private sector	A. CMPDIL to identify additional coking coal blocks for production by CIL and private sector	CCT/CMPDI
			B. Ministry of Coal to undertake action for allocation of these blocks	NA
7.		Allocation of adequate funds by the Government with the aim to extinguishing fire at Jharia within next 5 years. Consultation with private sector for Jharia coking coal blocks	A. Government should allocate adequate funds with the aim to extinguishing fire at Jharia within next 5 years.	MPS/BCCL
			B. Ministry of Coal to undertake consultations with private sector for allocation of Jharia coal blocks on PPP basis or VGF basis	NA

S. No.	TOR	IMC's Recommendations	Action Item	Concerned Section/ Organization
			C. A framework for allocation to be prepared by Ministry of Coal upon consultations with the industry players	NA
8.		Auction of CBM overlap coking coal blocks	A. Ministry of Coal to undertake discussions with MoPNG for relinquishment of non-active CBM blocks	CCT
			B. Upon relinquishment, Ministry of Coal to auction CBM overlap coking coal blocks	NA
9.		Adoption of new technology for increase in production	A. CIL to undertake cost benefit analysis of adoption of new production technologies and identify pilot projects for deployment of the same.	CPIAM/CIL
			B. In second phase, the deployment may be undertaken for other projects	CPIAM/CIL
			C. Ministry of Coal to undertake discussions with other blocks allocatees to encourage adoption of stated production technologies	NA
10.		<b>Development of Non-coal Bearing Land or De-coal Land:</b> As CIL is vested with CBA land, Government should invest in non-coal bearing land or de-coal land for coal development of infrastructure including washeries.	Ministry of Coal to prepare framework for investments in non-coal bearing land or de-coal land for coal development of infrastructure including washeries.	LA&IR
11.		Joint annual review by Ministry of Coal and Ministry of Steel to sync up coking coal production with demand	Ministry of Coal and Steel to set up a mechanism for joint annual planning meet	1. CPIAM 2. Ministry of Steel
	<b>TOR 2: R&amp;D Initiatives</b>			



S. No.	TOR	IMC's Recommendations	Action Item	Concerned Section/ Organization
12.	TOR 2: To suggest R&D initiatives to beneficiate coking coal to reduce ash% with upgraded technology	Adoption of existing advance technology for beneficiation of coking coal	A. CIL to undertake the analysis to determine whether existing beneficiation technology may be adopted by CIL or not and identify pilot projects where such technology may be implemented. Upon successful implementation of pilot project, these technologies may be deployed for other projects.	CPIAM/CIL
			B. MoC to engage with SAIL & Tata Steel regarding adoption of advanced beneficiation technology in their washeries	1. CPIAM 2. Ministry of Steel
13.		R&D initiatives to improve flotation efficiency and other technologies for beneficiation. R&D initiatives for utilisation of non-coking coal for coke making	Ministry of Coal, Ministry of Steel and CIL to set up a task force to identify R&D projects in the stated areas and prepare an implementation plan	1. CPIAM 2. CIL 3. Ministry of Steel
14.		Policy framework for the disposal of washery rejects and middlings may be reviewed and made more elaborate	The policy framework needs to be reviewed and elaborated by Ministry of Coal for incorporating the mechanism selling of rejects/middling into the market using either E-Auction Platforms or through open trades by Washery Operators/Aggregator Model.	CCT
<b>TOR 3: Setting up Washery</b>				
15.	TOR 3: Methodology to encourage the private sector to set up coking coal washery	Allocation of coking coal linkages by CIL to private washeries	A. Ministry of Coal to prepare policy framework through which CIL can award coking coal linkage to washeries who can beneficiate coal and sell to steel sector.  B. Award of linkages by CIL upon finalisation of policy framework	CPD/CIL

S. No.	TOR	IMC's Recommendations	Action Item	Concerned Section/ Organization
16.		Setting up of coking coal washeries on aggregator model basis	A. CIL to undertake analysis and identify projects for which washery may be set up on aggregator model basis	CPIAM/CIL
			B. CIL to set up the washery upon establishing project viability	CPIAM/CIL
			C. Ministry of Coal to take action and encourage private sector to set up washeries on aggregator model basis.	CPIAM/NA
17.		Requirement of washed coking coal(domestic) should be projected by Ministry of Steel till 2030 and long term contract between coal companies and steel manufacturers needed for taking investment decisions on setting up of washeries	A. Ministry of Steel to provide requirement of washed coking coal (domestic) by steel industry till 2030 B. Ministry of Steel to facilitate execution of long term contracts between CIL and steel manufacturers for supply of washed coking coal by CIL	1. CPIAM/CIL 2. Ministry of Steel
18.		Possibility of setting up small (1 MT) Mobile washeries to be examined	A. Players to examine the possibility of setting up Mobile Washeries B. Setting up of mobile washeries, if found viable	CPIAM/CIL
19.		Consultations may be held with MDOs to understand if they would be interested in integrated MDO contracts i.e. mine development & operation and BOO washery	A. CIL to hold consultations with MDOs to gauge their interest for participating in integrated MDO contracts (MDO + Washery) B. CIL to prepare a framework for award of integrated MDO contracts	CPIAM/CIL
20.		Feasibility of washing Washery Grade V & VI coal to 18% ash level may be explored on aggregator model basis. Also, investments into R&D for washing Washery Grade V & VI coal may be considered.	CIL and other players to explore feasibility of washing Washery Grade V & VI coal to 18% ash level on aggregator model basis. Also, investments into R&D for washing Washery Grade V & VI coal to be considered.	CPIAM/CIL
<b>TOR 4: Pricing</b>				
21.	TOR 4: Examine	CIL has already	CIL to finalise import parity-	CPIAM/CIL

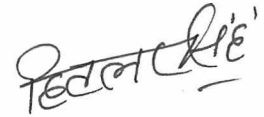
S. No.	TOR	IMC's Recommendations	Action Item	Concerned Section/ Organization
	the domestic coking coal pricing and suggest competitive pricing strategy	appointed a consultant for suggesting import parity-based pricing mechanism for domestic coking coal factoring the quality parameters	based pricing mechanism for coking coal	
22.		Commodity wise carrying capacity based freight structure should be adopted by Indian Railways instead of charging idle freight for commodities like coking coal and coke	Ministry of Coal to take up with Indian Railways to adopt a commodity wise carrying capacity based freight structure instead of charging idle freight for commodities like coking coal and coke	CPD
	<b>TOR 5: Redesigning BF</b>			
23.	TOR 5: Suggest incentives to steel sector to redesign blast furnace	Ministry of Steel to prepare a plan for setting up of 300 MT steel making capacity and use of stamp charging battery technology by steel sector; incentive framework to encourage steel sector for utilisation of stamp charging technology and invest into R&D initiatives for redesigning blast furnaces for utilisation of domestic coking coal	Ministry of Steel to prepare a plan for setting up of 300 MT steel making capacity and use of stamp charging battery technology by steel sector  B. Ministry of Steel to prepare an incentive framework to incentivise steel industry for redesigning blast furnaces for utilisation of domestic coking coal  C. Ministry of Steel to prepare an incentive framework to encourage steel sector for utilisation of stamp charging technology	1. CPIAM 2. Ministry of Steel
	<b>TOR 6: Quality</b>			
24.	TOR 6: Address coking coal quality issues and suggest measures to improve coking coal quality	CIL to publish mine-wise/ seam-wise details of coking properties of coal on its website and purchaser may be allowed to choose from specific source	A. CIL to publish mine-wise/ seam-wise details of coking properties of coal on its website  B. CIL to offer source specific (mine-wise) supplies in the auction	MPS/CCO/CIL
	<b>TOR 7: Incentivising production from underground mines</b>			
25.	To incentivise the coking coal production from	Tax incentives may be provided to the entities for manufacturing of	Ministry of Coal to take up with Ministry of Finance for providing tax incentives for	CA



S. No.	TOR	IMC's Recommendations	Action Item	Concerned Section/ Organization
	Underground (UG) mines considering better quality of coal from UG mines	underground mining machinery and entities engaged in UG mining.	manufacturing of underground mining machinery and entities engaged in UG mining.	

4. All concerned are requested to take further necessary action to implement the recommendation of the IMC and to provide ATR to this Ministry urgently at [hitlar.singh85@nic.in](mailto:hitlar.singh85@nic.in) and [socpam.moc@nic.in](mailto:socpam.moc@nic.in).

Encl.: IMC Report



(Hitlar Singh)

Under Secretary to the Government of India

To,

1. The Secretary, Ministry of Steel, Udyog Bhawan, New Delhi
2. Chairman, Coal India Limited, Kolkata. [[chairman.cil@coalindia.in](mailto:chairman.cil@coalindia.in)]
3. CMD, CMPDI
4. CMD, BCCL
5. Coal Controller, CCO, Kolkata

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4. JS (Establishment), MoC
5. Project Advisor, MoC
6. Senior Director (Technical), NIC - for uploading the Report on Website of Ministry of Coal

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