



KAMARAJ IAS ACADEMY
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Exploration of Coal and Lignite Scheme

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Why is in news? Union Cabinet approves continuation of Central Sector Scheme of 'Exploration of Coal and Lignite Scheme'

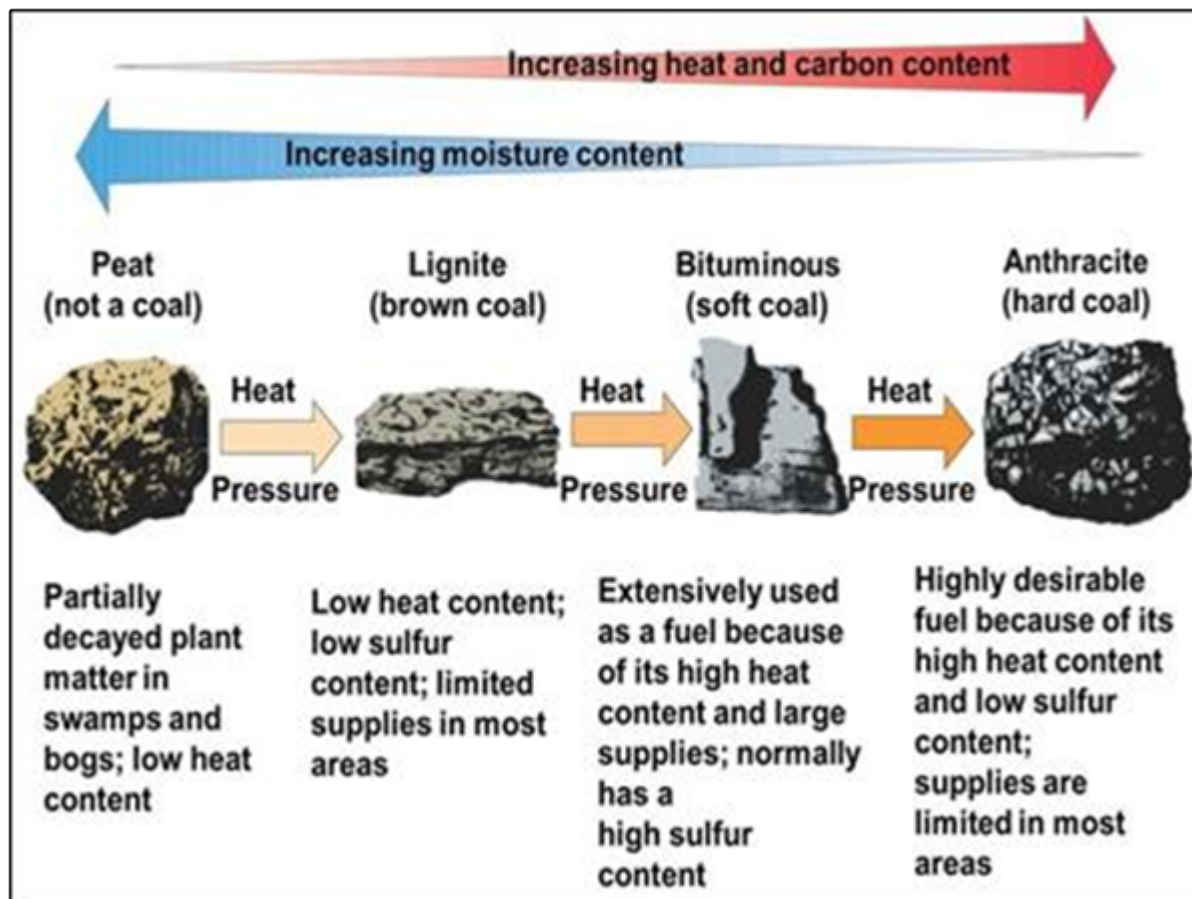
The Cabinet Committee on Economic Affairs (CCEA) chaired by the Hon'ble Prime Minister approved the continuation of the **Central Sector Scheme** of "Exploration of Coal and Lignite scheme" with an estimated expenditure of Rs. 2980 crore from 2021-22 to 2025-26 co-terminus with the 15th Finance Commission cycle.

The scheme aims to **explore and estimate coal resources in the country**, facilitating the preparation of detailed project reports for coal mining.

This initiative plays a **crucial role in assessing coal reserves, auctioning new coal blocks, and recovering costs from successful bidders.**

Under this scheme, **exploration for Coal and Lignite is conducted in two broad stages:** (i) Promotional (Regional) Exploration and (ii) Detailed Exploration in Non-Coal India Limited blocks.

Types of coal:



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Coal Sector in India:

- India has the **fifth largest coal reserves**, is **second in coal production** (after China) and is **among the largest importer of coal** (mainly from Indonesia, South Africa and Australia).
- Coal accounts for almost 50% share in the total installed electricity generation capacity in India.

The **top 5 States in terms of total coal reserves** in India are **Jharkhand > Odisha > Chhattisgarh > West Bengal > Madhya Pradesh**.

- **Other Government Initiatives for the Coal sector:** UTTAM (Unlocking Transparency by Third Party Assessment of Mined Coal) Application for coal quality monitoring; New coal linkage policy to ensure adequate supply of fuel to power plants through reverse auction; Online Coal Clearances System; Coal Allocation Monitoring System (CAMS); Opening up of commercial coal mining

