

F.No. 23011/78/2015-CPD
Government of India
Ministry of Coal

Shastri Bhawan, New Delhi
16th November, 2016

Office Memorandum

Subject: - Minutes of Fourth Meeting of Inter-Ministerial Committee (IMC) on augmenting coastal shipping of coal and other commodities/products held on 14.10.2016.

The undersigned is directed to forward herewith Minutes of Fourth Meeting of Inter-Ministerial Committee (IMC) held on 14.10.2016 at 18:00 Hrs. in the Conference Hall, Shastri Bhawan, New Delhi.


(MadanPal Singh)
Joint Director MOC

To

1. Chairman, Railway Board, Rail Bhavan, New Delhi.
2. Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
3. Secretary, Ministry of Shipping, Transport Bhawan, New Delhi.
4. Secretary, M/o Road Transport & Highways, Transport Bhawan, New Delhi.
5. Secretary, M/o Fertilizer, Shastri Bhavan, New Delhi.
6. Secretary, M/o Steel, Udyog Bhavan, New Delhi.
7. Secretary, M/o Petroleum and Natural Gas, Shastri Bhavan.
8. Secretary, D/o Industrial Policy and Promotion, Udyog Bhavan, New Delhi.
9. Secretary, M/o Food & Public Distribution, Krishi Bhavan, New Delhi.
10. Chairman, IWAI, Head Office, A-13, Sector-1, Noida, U.P. Pin: 201301.
11. Chairman, Paradip Port Trust, Paradip Port – 754142, Odisha, India.

Copy to:-

- (i) PSO to Secretary (Coal).
- (ii) PPS to JS (RKS).
- (iii) TD, NIC with the request to upload it on the website of Ministry of Coal.

Annexure

List of Participants of the 4th Meeting of Inter-Ministerial Committee (IMC) on augmenting coastal shipping of Coal and other commodities/products held on 14.10.2016.

List of Participants:

IMC Members

1. Shri A.K. Mital, Chairman, Railway Board, Rail Bhawan, New Delhi.
2. Shri Anil Swarup, Secretary, Ministry of Coal, Shastri Bhawan, New Delhi.
3. Shri P.K.Pujari, Secretary, Ministry of Power, Shram Shakti Bhawan, New Delhi.
4. Shri Rajive Kumar, Secretary, Ministry of Shipping, Transport Bhawan, New Delhi.

In Attendance

5. Shri R.K. Sinha, JS, Ministry of Coal, Shastri Bhawan, New Delhi.
6. Shri R. K. Agarwal, JS, Ministry of Shipping, Transport Bhawan, New Delhi.
7. Shri Devendra Singh, ED (Planning), Railway Board, Rail Bhawan, New Delhi.
8. Shri Abhishek Chandra, DS (Sagarmala), Ministry of Shipping, Transport Bhawan, New Delhi.
9. Shri Madanpal Singh, Joint Director, Ministry of Coal, Shastri Bhawan, New Delhi.
10. Shri S.C. Gupta, General manager, RITES, Plot No-1, Sector - 29, Gurgaon
11. Shri Suvojoy Sengupta, Consultant, Mckinsey & Co.
12. Shri B.S.Sehrawat, General Manager, RITES.
13. Shri Anoop Agarwal, RITES.

Minutes of the Meeting

Subject : 4th Meeting of the Inter-Ministerial Committee (IMC) on augmenting coastal shipping of coal and other commodities/products
Date and Time : 14.10.2016; 1800 hrs
Venue : Conference Hall, Ministry of Coal, Shastri Bhawan
In the Chair : Chairman, Railway Board

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1. The 4th meeting of the Inter Ministerial Committee (IMC) on augmenting coastal shipping of coal and other commodities / products was held on 14.10.2016 in the Conference Hall, Ministry of Coal under the chairmanship of CRB. The list of participants is enclosed as Annexure.

2. A presentation was made by RITES on Heavy Haul Rail Corridor from Salegaon to Paradip Port. It was pointed out during the presentation that, the project will be developed in two phase preferably in JV model. Phase-I will be from Salegaon to Kandarpur and will be developed between 2017 and 2021. This will resolve the congestion prevailing in Cuttack in the present alignment. The second phase from Kandarpur to Paradip port will be commissioned in synchronisation with commissioning of upcoming Outer Harbour at Paradip Port between 2024 and 2026. The total approximate project cost is Rs. 3298 cr. and the Capex is Rs. 5849 cr. Following timelines for submission of DPR were given-

SN	Milestones	Target date of Completion
1	Review of approved 3 rd and 4 th line from	Completed

	Budhapank to Salegaon	
2	Inception Report	Completed
3	Revised Inception Report	Completed
4	Approval on the Revised Inception Report	21.10.2016 – From IPRCL 07.11.2016 – From IR
5	Surveys (Traffic, Topographic) & Alignment design	31.12.2016
6	Submission of Land width requirement	15.01.2017
7	SPV Formation	15.03.2017
8	Draft DPR submission	15.03.2017
9	Submission of Draft Bid Documents	15.04.2017

3. MD, IPRCL mentioned that at DPR stage, Rate of Return in NGR model may also be worked out, with inflated mileages, if required.
4. Secretary (Coal) informed that the aspirational target of coal production by 2020 from the Ib and Talcher coalfields of MCL is 250 MT, however, the anticipated production would be according to the demand pattern that is still emerging. The coastal shipping potential of coal may have to be accordingly calibrated. PDC for Sagarmala apprised that the potential has been made in a realistic manner.
5. It was noted that the escalation component in CAPEX was almost 50% of the Project cost. RITES was directed to examine this.

6. Member (Traffic), IWAI made a presentation on the potential of movement of domestic coal from Rajmahal area to the power plants located on the banks of NW-1. He also presented a brief account of the workshop held at Rajmahal on 14.06.2016. Based on the findings of the workshop, he stated that IWAI will provide infrastructure for the movement of 3-4 MMTPA of coal to thermal power plants by March, 2019. However, as directed by the Secretary (Coal) and Secretary (Power), the operational plan and feasibility for the evacuation of coal with the end to end logistic cost has to be prepared by the Consultant of IWAI for each of the individual thermal plants as identified on NW-1.
7. A comparative cost analysis has to be worked to suggest the cost logistic in a manner that the cost of infrastructure along with the operational cost is competitive vis-a-vis rail and road transport. Member (Traffic), IWAI reported that their consultant will complete the study of entire logistic plan by January, 2017.
8. PDC made a detailed presentation of bulk commodities that form over 85% of cargo transported in India which include Fertilizer, POL, Steel, Food grains & Cement. It was submitted that the Coastal Shipping potential of 50 MTPA of POL, 12 MTPA of Steel, 10 MTPA of cement, 10 MTPA of Fertiliser, and 16 MTPA of Food-grains by 2025 exist as far as non-coal commodities are concerned.
9. It was decided that a detailed note on actionable points for each ministry to realize this potential be worked out and shared with individual ministry. The next IMC

will then deliberate on the means to operationalize the coastal routes for the individual commodities.

10. The issue of cabotage relaxation was discussed in detail. The IMC was of the opinion that cabotage restrictions, if relaxed will introduce competition in coastal movement of cargo. The Committee noted that due to higher cost of operations of Indian flag vessels on account of various taxes, the Indian shipping companies would be adversely impacted by cabotage relaxation. However, the economy would benefit as cost of transportation of foreign flag vessels is lower. IMC directed that case for short term cabotage relaxation may be considered by Ministry of Shipping keeping in view the expected benefits to the economy on account of lower cost of coastal transportation and for achieving modal shift of cargo towards coastal shipping.

Annexure

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IMC Members

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