

GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO.50
TO BE ANSWERED ON 25.11.2024

Support for Coal production

50 Dr. Medha Vishram Kulkarni:

Shri Babubhai Jesangbhai Desai:

Will the Minister of Coal be pleased to state:

(a) whether there has been an increment of 7.4 per cent in the production of coal in October 2024 as compared to the same period last year, if so, the specific steps taken by Government to support this increase in coal production across both public and private sectors;

(b) whether Government has set any additional production targets for the current fiscal, if so, the details thereof; and

(c) whether Government has identified any challenges or bottlenecks in the coal supply chain, if so, the measures being implemented to address these issues?

ANSWER
MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)

(a): The all-India domestic coal production in the month of October, 2024 was 84.47 Million Tonne (MT) (provisional) in comparison to 78.57 MT of the same period last year with a growth of about 7.5 %.

The steps taken by the Government to increase production are as follows:

- i. Regular reviews by Ministry of Coal to expedite the development of coal blocks.
- ii. Enactment of Mines and Minerals (Development and Regulation) Amendment Act, 2021 [MMDR Act] for enabling captive mines owners (other than atomic minerals) to sell up to 50% of their annual mineral (including coal) production in the open market after meeting the requirement of the end use plant linked with the mine in such manner as may be prescribed by the Central Government on payment of such additional amount.
- iii. Single Window Clearance portal for the coal sector to speed up the operationalization of coal mines.
- iv. Project Monitoring Unit for hand-holding of coal block allottees for obtaining various approvals / clearances for early operationalization of coal mines.

- v. Auction of commercial mining on revenue sharing basis launched in 2020. Under commercial mining scheme, rebate of 50 % on final offer has been allowed for the quantity of coal produced earlier than scheduled date of production. Also, incentives on coal gasification or liquefaction (rebate of 50 % on final offer) have been granted.
- vi. Terms and conditions of commercial coal mining are very liberal with no restriction on utilization of coal, allowing new companies to participate in the bidding process, reduced upfront amount, adjustment of upfront amount against monthly payment, liberal efficiency parameters to encourage flexibility to operationalize the coal mines, transparent bidding process, 100% Foreign Direct Investment (FDI) through automatic route and revenue sharing model based on the National Coal Index.

In addition to above, coal companies have also taken following steps to increase the domestic coal production:

- i. Coal India Limited (CIL) has adopted number of measures to increase coal production. In its Underground (UG) mines, CIL is adopting Mass Production Technologies (MPT), mainly with Continuous Miners (CMs), wherever feasible. CIL has also planned Highwalls (HW) mines in view of the availability of Abandoned/ Discontinued mine. CIL is also planning large capacity UG mines wherever feasible. In its Opencast (OC) mines, CIL already has State-of-the- Art technology in its high-capacity Excavators, Dumpers and Surface Miners.
- ii. Regular liaison is being undertaken by Singareni Collieries Company Limited (SCCL) for grounding of new projects and operation of existing projects. SCCL has initiated action for developing infrastructure for evacuation of coal like Coal Handling Plants (CHPs), Crushers, Mobile Crushers, Pre-weigh-bins etc.

(b): All India coal production target for the current fiscal year is 1080 MT.

(c): Few challenges are encountered in transportation of coal through rail mode like disruption in traffic flows, congestion on select routes and terminal etc. To address challenges in coal evacuation by rail mode, Ministry of Coal has taken up 8 railway projects, out of which 5 are commissioned and remaining 3 are under construction. In addition, Ministry of Coal has identified 38 critical Railway projects to address challenges related to coal evacuation.

Further, as informed by Ministry of Railways, they have also undertaken several initiatives to cater to the increased demand of coal transportation in the country. The Gross Budgetary Support in Financial Year (FY) 2022-23 was ₹ 1.6 Lakh Crores (BE) which has increased to ₹ 2.65 Lakh Crores (BE) in FY 2024-25 for capacity expansion and asset modernization to support the growing demand of coal in the Indian Power Sector. Wagons are also inducted on a regular basis by the Railways to facilitate evacuation of coal.
