

**GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO. 44
TO BE ANSWERED ON 03.02.2025**

Coal production and dependence on Imports

44 Dr. Syed Naseer Hussain:

Will the Minister of **Coal** be pleased to state:

- (a) the details of the coal production and dispatch during the last five years, along with a year-by-year growth rate;
- (b) the details of coal production targets set for the next five years;
- (c) the details of the amount and value of coal imports during the last five years based on country of origin;
- (d) the reasons for the continued dependence on coal imports, especially from Indonesia; and
- (e) the steps taken or planned by Government to reduce dependency on imports and to ensure energy security for the country?

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

(a): The details of the coal production and dispatch during the last five years along with growth rate are given below:

(Quantity in MT)

Year	Production	Growth (%)	Dispatch	Growth (%)
2019-20	730.874	0.30	707.176	-3.50
2020-21	716.083	-2.02	690.884	-2.30
2021-22	778.210	8.68	819.213	18.57
2022-23	893.191	14.78	877.369	7.10
2023-24	997.826	11.71	973.009	10.90

(b): The details of the coal production targets set for next five years is given below:

Company/Year	Annual Plan Target	Projection Plan (in MT)				
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
CIL	838.00	915.00	1004.00	1043.00	1082.00	1131.00
SCCL	72.00	75.00	79.00	80.00	82.00	82.00
Captive & Others	170.00	203.39	227.80	255.14	285.75	320.04
Total	1080.00	1193.39	1310.80	1378.14	1449.75	1533.04

(c): The details of the quantity and value of coal imported from various countries (including Indonesia) during the last five years is at Annexure-A.

(d): As per the current import policy, coal is kept under Open General License (OGL) and consumers are free to import coal from the source of their choice as per their contractual prices on payment of applicable duty. At present, most of the requirement of coal in the country is met through domestic production, however some high-grade coal like coking coal and low ash thermal coal is imported mainly by steel industry and imported coal based (ICB) power plants as per their requirements.

(e): Measures taken by the Government to substitute coal imports are as under:

- i. The Annual Contracted Quantity (ACQ) has been increased upto 100% of the normative requirement, in the cases where the ACQ was either reduced to 90% of normative requirement (non-coastal) or where the ACQ was reduced to 70% of normative requirement (coastal power plants). Increase in the ACQ would result in more domestic coal supplies, thereby, reducing the import dependency.
- ii. Under the provisions of Para B (viii) (a) of SHAKTI Policy, coal linkage is provided for short term for sale of power generated through that linkage through any product in Power Exchanges or in short term through a transparent bidding process through DEEP portal. In addition, with the amendment to the Non-Regulated Sector (NRS) linkage auction policy introduced in 2020, the tenure of coking coal linkages in the NRS linkage auction has been revised for a period upto 30 years. The coal offered for short term to the Power Plants under the amended provisions of SHAKTI Policy as well as increase in the tenure of the coking coal linkages in the NRS linkage auction for a period upto 30 years is expected to have a positive impact towards coal imports substitution.
- iii. Government has decided in 2022 that the coal to meet the full Power Purchase Requirement (PPA) requirement of all the existing linkage holders of Power Sector shall be made available by the coal companies irrespective of the trigger level and ACQ levels. This decision of the Government of meeting the full PPA requirement of the linkage holders of the Power Sector shall reduce the dependence on the imports.
- iv. An Inter - Ministerial Committee (IMC) was constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. The Representatives from Ministry of Power, Ministry of Railways, Ministry of Shipping, Ministry of Commerce, Ministry of Steel, Ministry of Mines, Ministry of Micro, Small & Medium Enterprises (MSME), Department for Promotion of Industry & Internal Trade (DPIIT), Central Electricity Authority (CEA), Coal Companies and Ports are members of this IMC. 11 meetings of the IMC have been held so far. On the directions of the IMC, an Import Data System has been developed by Ministry of Coal to enable the Ministry to track the imports of coal. Efforts are being made on a continuous basis to ensure more domestic supplies of coal. Thus, the entire substitutable imported coal should be met by the country and no import other than the very essential should happen. A Strategy Paper on Coal Import Substitution has been released.
- v. A new sub-sector 'Steel using Coking coal through WDO route' has been created in March, 2024 under the NRS linkage auctions which shall lead to increase in the domestic coking coal consumption and shall increase the availability of washed coking coal in the country, thereby, reducing coking coal imports.
- vi. Coking Coal Mission has been launched to enhance coking coal supply to the Steel Sector to reduce imports of coking coal. Initiatives have been taken to enhance coking coal production.

The steps taken by the Government to increase the coal production in the country to ensure energy security are as under:

- 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. Further, 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 the above, coal companies have also taken the following steps to increase domestic coal production:

- i. Coal India Limited (CIL) has adopted a 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 mines. 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.

Annexure A

Country Wise Import of Coal during 2019-20 to 2023-24										
(Quantity in Million Tonnes & Value in Million Rs.)										
Country	2019-20		2020-21		2021-22		2022-23		2023-24	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Australia	46.72	510169.88	54.95	426857.04	66.80	971299.40	47.50	1161690.55	44.46	891898.04
Canada	4.69	57583.53	2.96	27351.85	2.15	34900.18	2.90	83946.25	3.17	74163.67
China	0.21	3832.23	0.03	755.87	2.62	31774.99	0.13	5594.28	0.09	1912.18
Indonesia	116.66	460848.91	92.53	341262.08	72.53	488344.67	109.83	1152252.72	115.71	804827.43
Mozambique	5.48	40272.62	3.57	23492.41	6.57	75620.47	9.17	144267.72	9.73	113427.61
New Zealand	0.41	4376.83	0.23	1917.64	0.10	969.90	0.32	7482.12	0.22	3962.87
Russia	8.23	60491.62	6.75	45674.77	8.25	118663.01	21.34	385884.09	23.12	304649.81
South Africa	42.48	212693.03	31.09	142867.13	25.77	241288.99	17.45	277460.47	28.72	274068.40
U S A	12.16	97484.01	12.20	86477.69	14.37	167868.79	13.69	300592.72	22.30	357391.58
Others	11.50	79567.90	10.93	63584.06	9.47	157110.84	15.34	316672.85	17.01	275852.91
Total	248.54	1527320.55	215.25	1160240.54	208.63	2287841.24	237.67	3835843.76	264.53	3102154.51