

**GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION NO. 206
TO BE ANSWERED ON 05.02.2024**

Present annual consumption and production of coal in the country

206 # Ms. Saroj Pandey:

Will the Minister of Coal be pleased to state:

(a) the quantity of coal in million tonnes being consumed and the quantity of coal being produced in proportion to its consumption annually in the country along with quantity of its imports from other countries; and

(b) the steps taken by Government to reduce imports of coal and to increase its production in the country?

**ANSWER
MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES
(SHRI PRALHAD JOSHI)**

(a): The details of the production and consumption of coal in the country is as under :-

[Figures in Million Tonnes (MT)]				
Year	2020-21	2021-22	2022-23	2023-24 (upto Nov'23)
Total Domestic Coal Production	716.08	778.21	893.19	591.43
Total Domestic Coal Supply (a)	690.88	819.21	877.37	623.69
Total Import (b)	215.25	208.63	237.67	169.08
Total Consumption / Demand (a+b)	906.13	1027.84	1115.04	792.77

The import includes high grade metallurgical coal (coking coal) which is not available in the country, and for plants which are mainly designed to use import grade coal. The Government is committed to reduce import of all substitutable grade coal. It may be noted that in this fiscal year up to Nov'23, coal import for blending has decreased substantially by 44.3% over the corresponding period of previous year.

(b) : The Government has taken several steps to increase the domestic production of Coal and reduce the import of coal. The focus of the Government is on increasing the domestic production of coal and to eliminate non-essential import of coal in the country. Most of the requirement of coal in the country is met through indigenous production/supply.

The steps taken by the Government to increase the domestic production of coal 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 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 would be 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 identified and initiated actions for fulfilling all the resources required like Environment Clearance / Forest Clearance, land acquisition, evacuation infrastructures such as mechanized loading through Coal Handling Plant (CHP) / SILO, Rail Projects etc. CIL is in constant endeavour to enhance its coal production through expansion of mines (brownfield projects), opening of new mines (greenfield projects), mechanization and modernization of its mines, both Underground (UG) & Opencast (OC). In its UG mines, CIL is adopting Mass Production Technologies (MPT), mainly with Continuous Miners (CMs), wherever feasible. CIL has also planned Highwalls (HW) mines. In its 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 CHPs, Crushers, Mobile Crushers, Pre-weigh-bins etc.

Measures taken by the Government to substitute coal imports:

- i. The 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 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 Non-Regulated Sector 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 PPA requirement of all the existing linkage holders of Power Sector shall be made available by the coal companies. The 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) has been 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. Eleven 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 taken to ensure more domestic supplies of coal.
