

GOVERNMENT OF INDIA  
MINISTRY OF COAL

**RAJYA SABHA**  
**UNSTARRED QUESTION NO 2590**  
TO BE ANSWERED ON 24.03.2025

**Measures to establish a resilient and cost-effective coal evacuation logistics system**

**2590. Smt. Jebi Mather Hisham:**

Will the Minister of Coal be pleased to state:

- (a) manner in which technological obsolescence in mining-affected productivity, costs, and safety risks, details thereof;
- (b) the details of Foreign Direct Investment (FDI) and technological advancements introduced in the coal mining sector during the last five years;
- (c) manner in which higher coal logistics costs have impacted power generation and distribution expenses, the details thereof;
- (d) measures adopted to establish a resilient and cost-effective coal evacuation logistics system;
- (e) details of investments in coal gasification projects during the last five years; and
- (f) the current National Coal Index (NCI) and trend of fluctuation in recent years?

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

(a): Coal companies have phased out manual mining and focused on mass production technologies with minimal manual intervention to boost productivity, reduce costs, and enhance safety. Continuous Miners (CMs) in underground mines and Surface Miners in opencast mines are also deployed. These technologies, particularly Eco-friendly and blast-free methods, are gradually replacing outdated systems to address obsolescence, reduce costs, and mitigate safety risks.

(b): As per information available on DPIIT, during April 2000 to December 2024 Foreign Direct Investment (FDI) of Rs.119.19 crores has been made in coal sector.

(c): Coal is supplied to power plants through various modes of transportation like Rail, Road, MGR, belt, ropeway, etc. The landed cost of coal at the power plant includes the cost of coal and the transportation cost. Any increase in coal transportation cost increases the landed cost of coal at the power plant and thereby increases its Energy Charge Rate (ECR), which may further affect the merit order dispatch of the Power Plant.

(d): Following measures have been adopted to establish a resilient and cost-effective coal evacuation logistics system;

- i. **Development of First Mile Connectivity (FMC) Projects** to enhance the efficiency of coal evacuation from mines to dispatch points. These projects focus on developing mechanized coal loading infrastructure, such as conveyor belts, and crushers with minimal manual intervention to make the system more cost-effective.

- ii. **Improvement in Rail Infrastructure** to expand rail network to ensure smoother and faster evacuation of coal.
- iii. **Use of Rail Sea Rail Mode** as an alternate route to rail or road for coal evacuation especially for power plants and industries located near coastal regions to ease the coal transportation movement in the country.

(e): Till date, Coal India Ltd (CIL) has infused total equity of ₹ 902.14 Cr.in Talcher Fertilizer Ltd. (TFL), a Coal Gasification based Project.

(f): The current Provisional National Coal Index for the month of January, 2025 is 134.40. The data of National Coal Index (Base 2017-18) from FY 2020-21 to FY 2024-25(upto January, 2025) is as given below:

**National Coal Index (Base 2017-18) from FY 2020-21 to FY 2024-25(upto January, 2025)**

Price Channel	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>2020-21</b>	100.13	98.06	91.74	88.66	88.96	88.54	89.55	92.07	93.08	95.44	99.18	101.89
<b>2021-22</b>	103.68	103.77	106.49	114.73	122.88	133.69	147.74	167.96	164.31	155.55	162.31	193.02
<b>2022-23</b>	231.93	246.97	239.22	233.09	207.82	186.39	188.48	188.56	169.24	170.32	164.98	168.96
<b>2023-24</b>	169.05	157.63	147.25	140.75	140.08	144.24	151.39	155.09	155.50	154.53	148.91	150.13
<b>2024-25</b>	148.75	144.46	142.13	141.94	141.58	140.12	135.99	134.52	132.38	134.40		

*\* NCI from Apr'24 to Jan'25 are Provisional as the Import Data is Provisional*

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