

GOVERNMENT OF INDIA
MINISTRY OF COAL

RAJYA SABHA
UNSTARRED QUESTION NO. 3396
ANSWERED ON 23.03.2026

ESTABLISHMENT OF COAL WASHERIES AND VALUE ADDITION IN ODISHA

3396 SHRI MANAS RANJAN MANGARAJ:

Will the Minister of COAL be pleased to state:

- (a) whether Government proposes to establish additional coal washeries and coal-based value addition industries within the State of Odisha;
- (b) whether Odisha is losing potential revenue due to transportation of raw coal to other States for processing; and
- (c) the steps taken to ensure that coal-bearing districts of Odisha receive proportionate economic benefits including employment generation?

ANSWER

MINISTER OF STATE FOR COAL AND MINES
(SHRI SATISH CHANDRA DUBEY)

(a): Coal India Limited (CIL) has planned to establish two additional non-coking coal washeries in Mahanadi Coalfields Limited (MCL) i.e. within Odisha. Tentative capacity of these washeries is 27 MTPA (Balaram-Hingula mines: 15MTY, Int Kulda – Garjanbahal: 12MTY).

A coal gasification based ammonium nitrate plant with expected commissioning in FY 29-30 is being set up in Lakhanpur by Bharat Coal Gasification and Chemicals Limited (BCGCL), a joint venture company of CIL and Bharat Heavy Electricals Limited (BHEL).

(b): The movement of raw coal to other States for washing or end-use is guided by logistical efficiency and proximity to consuming centres. While such transportation may shift certain value addition activities outside Odisha, the State continues to receive revenue through royalties, District Mineral Foundation (DMF) contributions, and other statutory levies on coal production.

(c): The government has taken multiple steps to ensure that coal-bearing districts of Odisha derive economic and employment benefits, including:

- **Employment Generation:** Direct employment is provided by MCL to eligible members of displaced/ affected families in accordance with the Odisha R&R Policy, 2006. Employment benefits have been sanctioned to 300 PAFs (project affected families) in 2023–24, 315 PAFs in 2024–25 and 447 PAFs in 2025–26 (till date).

Cumulatively, employment has been provided to 18,272 Project Displaced Families (PDFs).

- **Skill Development:** 3,688 youth have been trained, with about 2,900 placements under CSR initiatives of MCL.
- **CSR Initiatives:** Significant investments has been made by MCL in infrastructure, healthcare, education, women empowerment, and livelihood projects, with over ₹1000 crore spent in the last five years, largely in Angul, Jharsuguda, Sambalpur, and Sundergarh districts.
- **Livelihood Support:** Projects such as self-employment schemes, organic farming, and financial assistance initiatives for local communities have been undertaken by MCL.
- **Compensation & Rehabilitation:** Compensation and resettlement is provided as per the RFCTLARR Act, 2013 and Odisha R&R Policy, including financial assistance and alternative livelihood measures.
- **Local Economic Participation:** Preferential allotment of certain contracts upto certain value (e.g. coal transportation) is provided to project affected persons by MCL.

These measures collectively ensure inclusive development, enhanced local value addition, and sustained livelihood opportunities in coal-bearing regions of Odisha.
