

GOVERNMENT OF INDIA
MINISTRY OF COAL

RAJYA SABHA
UNSTARRED QUESTION NO. 50
ANSWERED ON- 20.07.2026

FIRST MILE CONNECTIVITY AND COAL LOGISTICS INFRASTRUCTURE

50. Shri Kanad Purkayastha:
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Will the Minister of COAL be pleased to state:

- (a) progress made in implementation of First Mile Connectivity (FMC) projects, including number of projects commissioned, under implementation and proposed as on date;
- (b) whether targets under the Coal Logistics Plan and Policy, 2030 have been achieved, particularly with regard to rail connectivity, mechanised coal handling and conveyor-based transportation;
- (c) the bottlenecks identified in evacuation of coal from pitheads to end-use destinations, if so, the details thereof;
- (d) measures taken to reduce coal logistics costs and improve evacuation efficiency through multimodal transport and dedicated rail infrastructure; and
- (e) impact of these initiatives on coal dispatch and timely supply to the power plants and other consuming sectors?

ANSWER

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

- (a) The Ministry of Coal has undertaken 139 FMC projects having a capacity of 1,319 million tonnes per annum (MTPA) for implementation by FY 2029-30. Out of these, 72 projects with a cumulative capacity of about 589 MTPA have been commissioned, while the remaining 67 projects are at various stages of implementation, tendering and planning.
- (b) The targets under the Coal Logistics Plan and Policy, 2030 are to be achieved progressively by FY 2029-30. Progress made as follows:
 - i. Expanding rail infrastructure for coal evacuation- out of 08 railway projects, 05 projects are commissioned, and the remaining 03 will be commissioned by FY 2028. Also, MOC identified 33 critical projects, taken up by the Ministry of Railways, for future coal evacuation.
 - ii. Mechanised coal handling and conveyor-based transportation- out of 139 FMC projects, 72 projects are commissioned and remaining will be completed by FY 2030.

(c) The major bottlenecks identified in evacuation of coal from pitheads to end-use destinations include:

- (i) inadequate rail capacity and congestion on certain high-density routes;
- (ii) Delays in sanction, land acquisition, forest and environmental clearances and execution of railway projects;
- (iii) operational constraints relating to availability, placement and turnaround of railway rakes;
- (iv) road congestion and environmental concerns associated with coal transportation through trucks; and
- (v) constraints in developing alternate modes such as rail-sea-rail, inland waterways and coastal shipping, including availability of suitable terminals and last-mile connectivity.

The Ministry regularly reviews critical railway and FMC projects with the Ministry of Railways, coal companies, State Governments and other concerned agencies for resolution of these issues.

(d) Ministry of Coal, in collaboration with Ministry of Railways, Ministry of Power and Ministry of Road & Transport & Ports, launched an Integrated Coal Logistics Plan. This plan aims to develop a technology-enabled, cost-effective, resilient logistics ecosystem to improve multimodal transportation and reduce the overall cost of coal delivered to end consumers. It includes:

- a. Identification of 33 critical railway projects for coal evacuation and development of mechanized handling infrastructure (e.g., First Mile Connectivity Projects).
- b. Increase in the share of coal transportation through railways to 75% by FY2030, thereby reducing dependence on comparatively higher-cost road movement.
- c. Promotion of coastal shipping and inland waterways to diversify coal transportation routes and streamlined multimodal transportation to achieve reduction in overall logistics cost.
- d. Coal movement through the Rail-Sea-Rail (RSR) mode is facilitated by CIL through reduction of Performance Incentive (PI) for coal supplies beyond ACQ from 40% to 20%, thereby encouraging the adoption of cost-effective movement through Rail-Sea-Rail (RSR) mode and reducing the overall logistics cost for consumers.

(e) These initiatives have contributed to augmentation of coal evacuation capacity, improvement in loading efficiency and more reliable movement of coal from mines to consumers. Mechanised loading through silos and rapid loading systems has reduced rake loading time, improved wagon utilisation and minimised transit and handling losses.

Expansion of rail connectivity and close coordination among the Ministry of Coal, Ministry of Railways, coal companies and power sector stakeholders have facilitated sustained coal dispatch and timely supply to power plants and other consuming sectors. The development of additional rail, FMC and multimodal infrastructure is expected to further improve rake turnaround, reduce dependence on road transportation, lower logistics costs and support the projected increase in domestic coal production up to FY 2029-30.
