

GOVERNMENT OF INDIA  
MINISTRY OF COAL

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1577**  
**TO BE ANSWERED ON 27.12.2017**

**Efficiency of Coal Mines**

**1577. SHRIMATI BHAVANA PUNDALIKRAO GAWALI PATIL:**

Will the **MINISTER OF COAL** be pleased to state :

- (a) Whether the Union Government has taken any steps to increase the efficiency of coal mines in the country;
- (b) If so, the details thereof;
- (c) Whether any exchange of mines has been carried out to ensure supply of coal from coal mines located near to the plants and if so, the details thereof along with the savings accrued therefrom; and
- (d) Whether the Coal India Limited propose to increase the said savings by enhancing such exchange of mines and if so, the details thereof?

**ANSWER**

**MINISTER OF COAL AND RAILWAYS**  
**(SHRI PIYUSH GOYAL)**

**(a) & (b):** As informed by Coal India Limited (CIL), it has taken the following measures to improve the work efficiency of coal mines:

- 1) Benchmarking of mining operations/equipment
- 2) Optimizing size and capacity of the mine
- 3) Use of Man riding system in underground mines
- 4) Use of mechanised drilling and roof bolting machine
- 5) Replacement of tub transport system by belt conveyors in underground mines
- 6) Cutting down the idle time and breakdown time of machinery by better maintenance and timely procurement of spares
- 7) Correcting mismatch in excavation and transport equipment capacity, by action at corrective level
- 8) Simulator training of workers for new technology & machinery
- 9) Proper monitoring at every level.

**(c) & (d):** To reduce the cost of production of power utilities source rationalization of coal for TPPs has been the priority area for MOC/CIL. In June, 2014, an Inter-Ministerial Task Force was constituted by MOC for a comprehensive review of existing coal sources as also feasibility for rationalization of these sources with a view to optimize transportation cost. The IMTF held several rounds of meetings with representatives from Ministry of Coal, Power, Railways, Steel, Shipping, DIPP, CEA, NTPC, CIL, SCCL, Subsidiary coal companies and KPMG. After details deliberation, IMTF recommended rationalization of existing sources on case to case basis for 19 TPPs. The recommendations of IMTF was circulated vide MOC letter dated 2<sup>nd</sup> February, 2015.

In the meanwhile, Policy for swapping of coal linkage as recommended by Standing Linkage Committee (Long-term) in its Meeting held on 11<sup>th</sup> August, 2014, an agreement was signed between GSECL and NTPC on November, 2014 by which 1.0 MT of domestic coal to be supplied by SECL to GSECL would be transferred to NTPC instead of GSECL. As per their mutually agreed terms, NTPC on the other hand would be importing equivalent quantity of 1 Mt of domestic coal for supply to GSECL plants. The Swapping mechanism was implemented by SECL in terms of the directives of Government of India vide Order No.23021/79/2014-CPD dated 09.12.2014.

During 2015-16, rationalization of sources of all these 19 TPPs have been implemented by CIL/SCCL and revised Fuel Supply Agreements (FSAs) have been signed. This has resulted in rationalization of sources of 24.238 MT coal with a view to reduce transportation cost and annual savings of Rs.1013 crores of transportation cost.

In addition to the above, Coal India has also rationalized sources of supply to the tune of 22.6 MT on the basis of the request received from the consumers with a view to optimize the transportation cost and enhanced supply materialization resulting into annual savings in transportation cost to the tune of Rs.1526 crores. Rationalization in 2017-18 is 7.86 MT from April'17 to till date with annual potential savings of Rs.359 crores (Provisional).

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