

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO.2106
TO BE ANSWERED ON 02.08.2023**

Domestic Production of coal

**†2106. SHRIMATI VEENA DEVI:
SHRI FEROZE VARUN GANDHI:
SHRI ANIL FIROJIYA:**

Will the Minister of Coal be pleased to state:

- (a) whether the Government has taken any steps to increase the domestic production of Coal and reduce the import of coal, if so, the details thereof, percentage-wise during the last nine years;
- (b) the details of total number of proposals invited for research and development in the coal sector;
- (c) the details of the coal mines closed/likely to be closed after completion of extraction work during the last three years;
- (d) whether the Government has taken any steps to explore new areas for mining and if so, the details thereof;
- (e) whether the Government is planning to encourage development of large-scale operations into independent entities or companies devoid of end usage instead of creating subsidiaries to sell in the open market, if so, the details thereof;
- (f) whether the Government is planning to revise the coal grades pricing mechanism from grades based on coal mine to grade based on coal desired for end use; and
- (g) if so, the details thereof?

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

(a): 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. In the year 2022-23, coal production increased by 14.77% over the previous year. During the current year till June' 2023, domestic coal production has increased over 8.51% compared to the same period of last year.

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. Coal India Limited (CIL) is adopting Mass Production Technologies (MPT) in its Underground (UG) mines, mainly Continuous Miners (CMs), wherever feasible. Coal India Limited has also envisaged working large numbers of Highwalls (HW) mines in view of the availability of Abandoned / Discontinued mines. Coal India Limited is also planning large capacity UG mines wherever feasible.
- vii. In its Opencast (OC) mines, CIL already has State-of-the-Art technology in its high capacity Excavators, Dumpers and Surface Miners. Digitization is being tried on pilot scale in 7 of its mega mines and shall be replicated further.
- viii. SCCL has planned to produce 75 MT by 2023-24 from the present level of 67 MT. Regular liaisoning is being undertaken for grounding of new projects. In addition, progress of activities of new projects and operations of existing projects is being regularly monitored.

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 in Day Ahead Market (DAM) through 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. Nine 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.

The details of domestic coal production during last nine years is given below:-

(in Million Tonnes)	
YEAR	Production of Coal
2013-14	565.765
2014-15	609.179
2015-16	639.230
2016-17	657.868
2017-18	675.400
2018-19	728.718
2019-20	730.874
2020-21	716.083
2021-22	778.210
2022-23(Prov.)	893.190

Major leap in coal production over the years has been witnessed. The all India Coal Production in the year 2022-23 stood at 893.19 Million Tonne (MT) in comparison to 565.77 MT in the year 2013-14 with a growth of about 58%.

As per the current import policy, coal is kept under Open General License (OGL) and consumers are free to import coal from the source of their choice as per their contractual prices on payment of applicable duty.

(b): (i) Details of research proposals for R&D funding of CIL received during last four years are given:

Year	No. of R&D proposal received	No. of R&D proposals found appropriate and approved	Total values of approved proposals. (Rs. in Crore)
2020-21	42	09	19.01
2021-22	23	10	41.74
2022-23	27	04	58.10
2023-24 (till date)	20	01	17.70

(ii) Details of research proposals for S&T funding of Ministry of Coal received during last four years are given:

Year	No. of S&T proposal received	No. of S&T proposals found appropriate and approved	Total values of approved proposals. (Rs. in Crore)
2020-21	34	05	11.73
2021-22	19	02	2.44
2022-23	38	09	11.41
2023-24 (till date)	50	05	10.96

(c): The details of CIL coal mines abandoned/closed/discontinued during the last three years, is given below:

CIL Subsidiary	Name of Mines
ECL	Kalipahari OC Patch A
	New Kenda
BCCL	Bera

	Damagoria
	Kenduadih
	KB 10/12 Pits
	Salanpur
	Bhowrah (N)
WCL	Shobhapur
	Ghorawari/Jharna
	Barkuhi OC
	Bharat (Ghorawari-2)
SECL	Pinoura
	Mahamaya
	Bishrampur
	Mahan
	Mahan-II
	Katkona 3 & 4
MCL	Orient-3
NEC	Tipong
	Tirap

The coal mines likely to be closed by Coal CIL after completion of coal extraction work are as under:

CIL Subsidiary	Name of Mines
WCL	New Sethiya Scheme OC, Mohan Scheme Ph-IV OC, Mathani UG, Chhattarpur II UG, New Majri Sec I & II A OC, Penganga OC, Kolgaon RPR OC, Junad Extn OC, Umrer OC, Ballarpur OC, Chhinda Scheme OC (11 mines)
SECL	North Chirimiri UG, Malga UG, Pinoura UG (3 mines)
NCL	Kakri OCM
MCL	Basundhara (West) Expansion OCP
CCL	Dakra OC

Closed coal mines of SCCL due to exhaustion of reserves / conversion to OC mines for the last three years are as below:

Name of Mines
RK-8 Incline
VK-7 Incline
JVR OC
GDK 7 LEP
BPA OC II
Medipalli OC

List of the mines proposed to be closed by SCCL in the current year & next three years:

KK1 Inc.
RK1A Inc.
GK OCP
JK5OC
RKPOC

RK-NT
RK-6 Inc.
SRP-1 INC
MNG OC
RG OC-1 Expn. & Ph-II

(d): Finding new areas for mining coal and lignite through exploration is a continuous process. There is one sub-scheme i.e. Promotional (Regional) exploration continuing through Central Sector Scheme of Ministry of Coal for exploration of new areas of coal & lignite. In addition to this Geological Survey of India (GSI) also carries out investigation of minerals including coal.

(e): Presently no proposal is under consideration to encourage development of large-scale operations into independent entities or companies devoid of end usage instead of creating subsidiary to sell in the open market.

(f) & (g): Currently, coal pricing is done on the basis of grades of coal. There is no proposal for pricing mechanism for coal grades based on coal desired for end use.
