

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
STARRED QUESTION NO.*418
TO BE ANSWERED ON 24.03.2021**

Production of Coal

***418. SHRI RAVNEET SINGH BITTU:**

Will the Minister of Coal be pleased to state:

- (a) whether the current domestic production of coal is not adequate to meet the demands of the country;
- (b) if so, the details thereof along with quantum of shortfall in meeting the requirements of coal, State/UT-wise;
- (c) whether the Government is taking any measures for augmenting the availability of coal for meeting the energy needs of the country;
- (d) if so, the details thereof; and
- (e) the details of the steps being taken by the Government to speedily implement the import substitution of coal?

ANSWER

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES

(SHRI PRALHAD JOSHI)

(a) to (e) : A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 418 for answer on 24.03.21 asked by SHRI RAVNEET SINGH BITTU:

(a) & (b): Demand of coal is higher than the current level of domestic production/supply of coal in the country. The gap between demand and domestic production/supply of coal cannot be bridged completely as there is insufficient availability and reserve of prime coking coal in the country. Further, coal imported by power plants designed on imported coal and high grade coal required for blending purposes is also imported in the country as this cannot be fully substituted by domestic coal which has limited reserve of high grade coal. All India demand and domestic production of coal during last year and current year is given below:-

Year	2019-20	2020-21
Actual Demand (MT)	955.26	1085.00#
Domestic Production (MT)	730.87	620.10*
* Upto February, 2021, MT – Million Tonne # Estimated at the initial stage which is likely to reduce significantly on account of effect of COVID - 19.		

(c) & (d): The focus of the Government is on increasing domestic production of coal and to achieve these targets through allocation of more coal blocks, pursuing with State Government for assistance in land acquisition and coordinated efforts with Railways for movement of coal.

In order to enhance domestic production, 25% of coal production has been allowed for sale of coal for newly allocated captive coal blocks. Commercial mining, with a provision for 100% foreign direct investment, has been allowed by the Government.

In order to enhance coal production and achieve coal production targets, Coal India Limited (CIL) has taken the following steps:

- Implementing on-going projects in time bound manner to achieve targeted production as per schedule.
- 15 Greenfield Projects identified with a Capacity of about 160 MTPA (Million Tonnes per Annum) to be operated by Mine Developer cum Operator mode.
- Manual loading method eliminated in all underground mines of CIL (except one mine of CCL) by introducing Side Discharge Loader (SDL)/ Load Haul Dump (LHD) loading in conjunction with belt conveyors.
- Introduction of Surface Miners in opencast mines to improve operational efficiency and cater to environmental needs.

- Introduction of Mass Production Technology in underground coal mines.

In order to enhance coal production, achieve these targets, Singareni Collieries Company Limited (SCCL) has taken the following steps:

- Planning to open 11 new mines (9 in GVCF and 2 in Talcher, Odisha).
- Commencement of BDCR – Sattupalli railway line (54.1 KM) and completion of JVR Coal Handling Plant (CHP).

(e): An Inter – Ministerial Committee (IMC) has been constituted in the Ministry of Coal for the purpose of coal import substitution. The Representatives from Ministry of Power (MoP), Ministry of Railways, Ministry of Shipping, Ministry of Commerce, Ministry of Steel, 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. This Committee provides a platform for discussions on a larger forum with the Administrative Ministries so as to guide them to encourage the coal consumers of their respective sector to eliminate imports of coal. Nine meetings of the IMC have been held so far. IMC has also directed for development of an Import Data System by Ministry of Coal to enable the Ministry to track the imports of coal. Coal India Limited (CIL) has also started an online portal to register the requests of coal consumers willing for import substitution of coal.

In addition to it, the following steps have also been taken to reduce coal imports:

- The Annual Contracted Quantity (ACQ) of the Power Plants have been increased upto 100% of the normative requirement.
- CIL has signed Memorandum of Understanding (MoU) under Import Substitution for about 12 Million Tonne Per Annum (MTPA) coal with the Power plants linked with CIL. Accordingly, CIL has allocated 9.53 Million Tonne (MT) coal to the power plants till February' 2021 under Import Substitution.
- Reserve/floor price across all e-auction schemes was kept to notified price till 2nd quarter (earlier by 10-30% above the notified price) with a view to maximize coal utilization by the consumers.
- Facility of Usance LC (Letter of Credit) payment mechanism in addition to the existing Irrevocable Revolving Letter of Credit (IRLC) payment was introduced to help the consumer avail credit facility from bank.
- A special Spot auction scheme was started for the coal importers including the traders, so as to enable coal import substitution. CIL has offered about 32.7 MT coal under this window out of which 7.53 MT coal was booked by the consumer/Importers/Traders.
