

# Diversifying Coal Usage and Reducing Dependence on Imports

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The Ministry of Coal had launched "Mission Coking Coal" in August 2021 to increase domestic production of coking coal in India and reduce reliance on imports, particularly for the steel sector. The achievements/Progress under Mission Coking Coal are as follows,

- i. Coking coal production of the country has increased from 44.79 MT in FY21 to 66.47 MT in FY25.
- ii. CIL has offered 11 discontinued coking coal mines on a new innovative model of Revenue Sharing with the private sector.
- iii. New Madhuband Coking Coal Washery of BCCL, having a capacity of 5 MTPA, was commissioned in FY24.
- iv. CIL has monetized one Coking Coal Washery.

Other initiatives to reduce dependence on imports by increasing domestic coking coal production are

- Through the Amendment to the Non-Regulated Sector (NRS) linkage auction policy introduced in 2020, the tenure of coking coal linkages in the NRS linkage auction has been revised for a period up to 30 years. An increase in tenure of the coking coal linkages in the NRS linkage auction for a period up to 30 years is expected to have a positive impact on coal import substitution.
- A new sub-sector 'Steel using Coking coal through WDO route' has been created in March 2024 under the NRS linkage auctions, which shall lead to an increase in the domestic coking coal consumption and shall increase the availability of washed coking coal in the country, thereby reducing coking coal imports.

The current status of setting up of new coking coal washeries are as follows:

S I . No.	Washery	C a p a c i t y (MTPA)	Timeline	Location	Status
1	Bhojudih	2.0	FY2025-26	West Bengal	Under Construction
2	Patherdih II	2.5	FY2026-27	Jharkhand	Under Construction
3	New Moonidih	2.5	FY2028-29	Jharkhand	Stage of Tendering
4	New Kathara	3.0	FY2028-29	Jharkhand	Contract agreement signed
5	New Rajrappa	3.0	FY2029-30	Jharkhand	Letter of Intimation issued
6	Dhori	3.0	FY2029-30	Jharkhand	Stage of Tendering
7	Basantpur-Tapin	4.0	FY2028-29	Jharkhand	Letter of Award issued
8	New Sawang	1.5	FY2028-29	Jharkhand	Letter of Intimation issued
	<b>Total (Coking)</b>	<b>21.5</b>			

Coal PSUs follow the policy and guidelines issued by the Ministry of Coal to distribute coal transparent



manner.

The current policies in place are as follows, and these policies are modified as and when required:

- New coal distribution policy (NCDP),
- Revised Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India (SHAKTI),
- Linkage Auction Policy for Non-Regulated Sector (NRS).
- Bridge Linkage Policy.
- Single Window Mode Agnostic Auctions,
- Linkage rationalization etc.

The Coal is supplied to the consumer as per the Fuel Supply Agreement between coal companies and the consumers.

This information was given by Union Minister of Coal and Mines Shri G. Kishan Reddy in a written reply in Rajya Sabha today.

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