

Current Scenario:

Coal Production has actually surpassed its target production for two consecutive months of March & April 2015. Production in the month of April has declined by 28% in comparison to March, as indicated in the table. The extreme right hand column represents percentage growth of coal production in that month against coal production for that month in previous year. Growth has remained positive for these two months which was 10.7% and 6.9% respectively. It is a remarkable achievement for coal sector on the backdrop of a dip of core sector growth of 17-month low of -0.1% in March. In 2014-15, Coal India produced 493 million tonnes of coal which marked a 32 million tonnes surge in output which is more than the cumulative increase recorded in the previous four years and the highest since 1975. 4 new mines also got operational in the year 2014-15.

Coal Production of CIL and its Subsidiaries (in million tonnes)

40.93	41.52	101%	10.7%
56.87	57.27	101%	6.9%

Future Scenario:

As about two dozen brown-field and green-field coals were made operational last year, the total production is expected to go up significantly this year. The total capacity of these fields in totality is 40 million tonnes a year. The states like West Bengal and Maharashtra have cleared some long-stalled projects which would add to the basket of coal production soon. Western coalfields which were on the verge of turning sick, has already commissioned two new mines in Maharashtra. States like Jharkhand, Chhattisgarh, and Odisha have also helped fast-track clearances for three critical rail lines in untapped coal rich belts. Further, the steady growth in Indian steel industry works as a key component for higher demand and concomitantly higher import of coal. The country is expected to remain a key driver of global net coal trade , especially semi-soft coal and pulverized coal.

Policy Level Announcements:

Coal Ministry rejects Odisha's demand for Coal Blocks

The Ministry of Coal has turned down the state government's demand for allocation of Chhendipada and Chhendipada II coal blocks in favour of its PSU – Odisha Thermal Power Corporation Ltd (OTPCL). With the Ministry no longer keen to award more blocks to state PSUs under the nomination route, OTPCL will be left with no option but to participate in bidding to win a coal block. OTPCL is setting up a 2,400 Mw coal-fired power plant at an estimated cost of Rs 17,000 crore. The power station has been proposed at Kamakhyanagar in Dhekanal district. The project needs 1,767.90 acres of land, including 1,074.95 acres of private land, 684.25 acres government land and 8.7 acres forest land. The power purchase agreement (PPA) for sale of entire power generated at this project to Gridco has been executed.

Coal India sets a target of one billion tone Coal Production by 2020

Coal India Ltd has unveiled a roadmap to achieve ne billion production mark by the year 2019-20. With estimated coal demand hovering around 1200 MT during that period, CIL expects to contribute around 908 MTs from independent projects. The rest of the amount is to come from two Coal India subsidiaries Sambalpur based Mahanadi Coalfields Limited and the Bilaspur based South Eastern Coalfields Limited with production of 250 MTs and 240 MTs respectively.