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'Even after coal, CIL will remain a viable entity'

Coal India (CIL) has set a target of producing 1 billion tonne (BT) coal by FY 26. Just last fiscal, it increased its output by 81 million tonne (MT) to 703 MT. The state-run miner aims to help substitute 100 MT of coal imports and begin exports next fiscal. Outgoing chairman **Pramod Agrawal** told FE's **Manish Gupta** coal will remain the mainstay for thermal power in the next two decades too. Edited excerpts.

How optimistic are you that Coal India will achieve 1 billion tonne target by FY26?

If coal demand persists and the market is able to consume, we are geared up to ramp up our output to the required level. Last fiscal, we produced 703 MT with an unprecedented 13% year-on-year growth and a record high of 81 MT increase in a single year. This year again, the target is 780 MT. In the first quarter, so far we are almost on track with 10% growth over a high base of last year's Q1. This is likely to increase in the second quarter. We have already started work in some of our big mines like Searmal, Kotre Basantpur, Balibhadra, Chandragupt through mine developer and operator mode. These are expected to come into production by FY26. Alongside, we are increasing production from mega mines like Gevra, Dipha and Kusmunda. Cumulatively, these efforts will aid us in our 1 BT pursuit.

With India's commitment for net zero emissions, how do you see it impacting the coal sector as a whole and CIL in particular?

Net zero does not mean there will be total cessation of emissions. Whatever emissions there would be, will be offset by carbon sequestration while pursuing mining activities. Net zero cannot be achieved unless we dump the use of coal and fossil fuels and the target is by 2070. The country will be coal dependent at least for the next two decades. Whereas, to develop renewable energy and its storage, technological advances are essential requiring significant capital investment. It is not likely to take place in next two decades, and during that process CIL will seek alternative options to establish itself as an economically viable entity.

What is CIL doing to protect the environment and what is its contribution in India's energy transition journey?

We are striving to reduce our carbon footprint. Right from exploration to

extraction and evacuation of coal, we are designing systems to reduce the energy consumption and lower the impact on environment. In overburden removal, we are using electronic detonators which lead to controlled blasting. We are also exploring technologies that can do away with blasting. Around 378 MT or 54% of our total production was achieved through eco-friendly surface miners in FY23 which entail blast free selective mining. This will go up in coming years.

Our energy efficient measures helped save 84 million Kwh energy with significant reduction of CO₂ emissions in FY23. Pursuit of solar power generation is a major step in our net zero aspirations and we are planning 3,000 MW solar capacity by FY26. Already 350 MW is on the table for implementation in our areas. Our plantation in mining areas was up two-fold to 1,613 Ha in two years ending FY23 with 81K tons of carbon sink potential per year.

How will the increase in domestic coal production impact coal imports of both coking and non-coking coals?

Increased coal output from CIL and other domestic sources will certainly bring down non-coking coal imports. This variety of coal when produced in India is comparatively much cheaper than imported coal.

With increased availability of indigenous coal we will be in a position to meet the demand and reduce the import burden. Substitutable coal, to the tune of 100 MT, that can be produced in the country will witness import shrinkage in FY25.

This fiscal as well there will be sizeable downward trend. In case of coking coal certain import is unavoidable due to scarce availability of its reserves in the country.

What have been CIL's major achievements in recent years and do the challenges still remain?

During the three-year period, coal production, total off-take and supplies to country's power plants increased by 101 MT, 113 MT and 121 MT, respectively. But I would rather say this was because of



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fructification of earlier systemic improvements which I pursued hard. The 81 MT production increase in one single year in FY23 was almost equivalent of the combined growth of previous seven financial years. Capex has grown 2.8 fold or 181% during the three year span till FY23. Our perennial challenges are getting land, quicker green clearances, local law and order issues as we have no controlled borders in our mining areas. Resettling the land losers is also a major challenge.

These, I categorise as external challenges. Our internal challenges like improving mechanization, digitization and automated processes, reducing envi-

ronmental load in areas of operations, system improvements, furthering operational efficiency, coal quality improvement, are more critical.

By when do you see Coal India becoming a major coal exporter?

Nothing on the radar for this year, but we can export to nearby countries by next fiscal that is 2025. We will have surplus coal by then. The quantity we will be able to export depends on their demand and requirement.

What needs to be done to increase coal production from underground mines?

Our aim to scale up UG production is born out of two considerations. Primarily, it is eco-friendly compared to the OC mining. It is also minimally invasive on land, society friendly and importantly yields high grades of coal. The goal is to make UG production sizably supplement OC output in future. We are aiming for a four-fold increase in our UG production to 100 MT by FY28. This helps in reducing the import burden and resultant forex outgo for higher grades. Hurdles are omnipresent and we have to overcome them. Introduction of mass production technologies on larger scale is essential for increasing UG output, which we are already doing. Now we also have indigenous manufacturers, skilled labour and technologies to tap UG reserves which were pain points earlier. Outsourcing to contractors is another upshot in scaling up the output.

How does Coal India see competition from private coal miners?

Competition from private players is not a worrying factor for CIL. We have best of the mines with favourable stripping ratio making our coal highly cost competitive.

We have decades of core competence, human resource pool of skilled manpower, multi-disciplinary professionals, established infrastructure, streamlined operations, uniform coal quality and reliable timely delivery of supplies. Our organisation is also becoming slimmer that leads to operational efficiency and higher productivity.

In fact, the role of private players will be complementary to our efforts as they replenish additional quantities of domestic coal in the supply chain reducing the import burden. It will be good for the country. Instead of importing coal from overseas it is better to have more indigenously produced coal.