

GOVERNMENT OF INDIA
MINISTRY OF COAL

RAJYA SABHA
UNSTARRED QUESTION NO. 1804
ANSWERED ON 09.03.2026

MAJOR CHALLENGES OF COAL SECTOR

1804 SHRI PRAMOD TIWARI:

Will the Minister of COAL be pleased to state:

- (a) the details of major challenges of coal sector at present;
- (b) the steps taken to deal with un-seasonal and extended rainfall in coal bearing areas;
- (c) the present status of grade conformation of the coal supplies to power utilities; and
- (d) the measures undertaken to simplify the process for disposal of coal washery rejects?

ANSWER

MINISTER OF STATE FOR COAL AND MINES
(SHRI SATISH CHANDRA DUBEY)

(a) The major challenges presently faced by the coal sector are as under:

- i. Rapid growth of renewable energy sources, with declining cost of solar and wind power, requiring reduction in coal-based generation during certain periods thereby resulting in accumulation of pit-head coal stocks.
- ii. Depletion of reserves at shallow and medium depths and techno-economic viability issues in extraction of coal beyond 300 metre depth.
- iii. Challenges in land acquisition and taking physical possession of tenancy land due to authentication issues of land records and resistance from landowners.
- iv. Non-availability of Government land for development of Rehabilitation & Resettlement (R&R) sites and scarcity of suitable land for resettlement.
- v. Delay in grant of Forest Clearance and consequent delay in possession of forest land.
- vi. Law and order issues in certain coal-bearing areas.
- vii. Disputes relating to employment claims, family disputes over compensation, demand for enhanced compensation beyond norms, delay in issuance of genealogical charts, NoCs under relevant land laws, and resistance from Project Affected Persons (PAPs) in shifting to R&R sites.

viii. Delay in authentication of land records, survey measurements and settlement of Government land.

ix. Significant augmentation required in rail infrastructure, rake availability, line capacity, terminal turnaround, wagon and locomotive availability and evacuation corridors, in view of projected increase in coal production and evacuation requirements.

x. Increased competition due to commercial and captive mining and the need for improved operational efficiency and diversification in view of long-term energy transition trends.

(b) To address un-seasonal and extended rainfall, coal companies implement Monsoon Action Plans; strengthen drainage systems including garland drains and sumps; deploy additional high-capacity pumps; monitor forecasts issued by the India Meteorological Department; protect haul roads and infrastructure; and activate emergency response mechanisms to ensure safety and continuity of operations.

(c) For the current financial year, grade conformity for CIL (Coal India Ltd.) and SCCL (Singareni Collieries Company Ltd.) for the F.Y. 2025-26 till 30th January 2026 is 85% (prov.) and 64% (prov.) respectively for coal supplies made to power utilities. Grade conformity is ensured through Third-Party Sampling (TPS) agencies in accordance with prescribed guidelines, with provision for referee analysis in case of disputes, the results of which are binding on the concerned parties.

(d) The Ministry of Coal had issued 'Policy for Handling & Disposal of Washery Rejects' dated 27.05.2021 for streamlined handling and disposal of washery rejects, which was further simplified on 18.12.2025. The revised policy removes the requirement of prior approval of Coal Controller Organization for utilization of washery rejects for energy or other productive purposes, enabling faster and efficient disposal.
