

GOVERNMENT OF INDIA  
MINISTRY OF COAL  
LOK SABHA  
UNSTARRED QUESTION No.1278  
TO BE ANSWERED ON 09.02.2022

Demand and Supply of Coal

1278. SHRI JUGAL KISHORE SHARMA:

Will the Minister of COAL be pleased to state:

- (a) whether there is a big gap in demand and supply of coal in the country;
- (b) if so, the details thereof;
- (c) whether the Government has formulated any work plan to deal with this situation;  
and
- (d) if so, the details thereof?

**Answer**

**MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES**  
**(SHRI PRALHAD JOSHI)**

**(a)&(b):** Demand of coal is higher than the current level of domestic supply of coal in the country. The gap between demand and domestic 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 as the country has limited reserve of high grade coal. The details of all India demand and domestic supply of coal during last five years is given below:-

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Actual Demand (MT)	836.93	898.25	968.14	955.72	905.88
Domestic Supply (MT)	645.98	690.00	732.79	707.18	690.89
Import (MT)	190.95	208.25	235.35	248.54	214.99
MT – Million Tonne					

**(c)&(d):** The following action has also been taken by Government to further enhance the production of the coal in the country.

**1. Commercial Auction of coal on revenue share mechanism:** Auction of commercial mining on Revenue Sharing Mechanism was launched on 18.06.2020. Under this scheme, total of 2 tranches have been successfully completed. From these two tranches total of 28 coal mines have been successfully auctioned for which Vesting order have been signed for 27 coal mines.

**2. Allowed sale of excess coal production:** The Ministry of Coal has amended Mineral Concession Rules, 1960 with a view to allowing sale of coal or lignite, on payment of additional amount, by the lessee of a captive mine up to 50 percent of the total coal or lignite produced in a financial year, after meeting the requirement of the end use plant linked with the mine. Earlier this year, the Mines and Minerals (Development & Regulation) Act had been amended to this effect. This is applicable for both the private and public sector captive mines. With this amendment, the Government has paved the way for releasing of additional coal in the market by greater utilization of mining capacities of

captive coal and lignite blocks, which were being only partly utilized owing to limited production of coal for meeting only their captive needs.

**3. Rolling auction:** In order to expedite the process for conducting auction and to carry out more rounds of auction in a year, a mechanism of rolling auctions of coal mines has been planned. Under this mechanism, upon completion of the electronic auction process of a tranche, the next tranche of auction would be launched for following mines:

- i. Mines where no bid or only single bid was received in the previous tranche of auction (except for those mines where Ministry of Coal decides to go for second attempt of auction)
- ii. New mines, if any, identified by Ministry of Coal

In the current III tranche of commercial auction, total of 48 coal mines have been rolled over from the II tranche of mines.

**4. Single Window Clearance:** The Union government has launched Single Window Clearance portal on 11.01.2021 for the coal sector to speed up the operationalisation of coal mines. It is an unified platform that facilitates grant of clearances and approvals required for starting a coal mine in India. Now, the complete process shall be facilitated through Single Window Clearance Portal, which will map not only the relevant application formats, but also process flow for grant of approvals or clearances.

**5.** Coal India Limited (CIL) has envisaged a coal production programme of one Billion Tonne from CIL mines. CIL has taken the following steps to achieve the target of augmentation of coal production capacity.

- i. 15 Projects identified with a Capacity of about 160 MTPA (Million Tonnes per Annum) to be operated by Mine Developer cum Operator mode.
- ii. Capacity addition through special dispensation in Environment Clearance under clause 7(ii) of Environmental Impact Assessment (EIA) 2006
- iii. CIL has taken steps to upgrade the mechanized coal transportation and loading system under 'First Mile Connectivity' projects.

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