

No Shortage of Coal

Varied Efforts Underway to Further Increase Production

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Owing to Covid-19 pandemic, the subdued demand in power and non-power sectors had adversely affected coal dispatch from the coal companies. The pithead coal stock at Coal India Limited was 99.33 Million Tonnes (MT) as on 1st April, 2021 and 28.66 MT at the Thermal Power Plants end. The coal production got regulated due to high levels of coal inventory and less demand from the consumers.

There is no shortage of coal in the country. Due to increased demand of power, less power generation by imported coal based power plants and some interruption in supply of coal due to heavy rains, the coal stock at the power plants depleted to 7.2 MT as on 8th October, 2021. Subsequently with increased coal supplies, the coal stock has started increasing and has now reached 26.5 MT as on 09.03.2022 with respect to the plants based on domestic coal. In addition, coal stock at Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL) pithead as on 13.03.2022 is 47.95 MT and 4.49MT respectively.

The following action has been taken by Government to further enhance the production and supply of coal in the country:

- i. **Commercial Auction of coal on revenue share mechanism:** Auction of commercial mining on Revenue Sharing Mechanism was launched on 18.06.2020 by Hon'ble Prime Minister. Under this scheme, total of 2 tranches have been successfully completed and third Tranche is currently under process. From these two tranches total of 28 coal mines have been successfully auctioned for which Vesting order have in signed for 27 coal mines.
- ii. **Allow 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. The Mines and Minerals (Development & Regulation) Act had been amended in 2021. 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 their captive needs.
- iii. **Rolling auction:** In order to expedite the process for conducting auction and to carryout 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:
 - a. 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)
 - b. 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.

- iv. **Single Window Clearance:** The Union government has already 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 approval or clearances. Considering the increased demand as projected by the Ministry of Power, Coal India Limited (CIL) has already taken steps to augment the dispatch & build-up stock at power plants end which is as under:

- CIL has planned to supply 565 Million Tonne (MT) during 2022-2023 to the power sector to meet the generation requirement of domestic coal-based power generators.
- CIL has already additionally allocated 11.2 MT of coal from its high stock mines through RCR mode which is to be lifted from different Goods Shed/Private Washeries to build up stock at the plant end.
- Railways are regularly being requested to give priority in supply of rakes to the power generators.
- CIL has already started building stock at its railway sidings to facilitate adequate rake loading for power sector.

The number of functioning coal mines in India as on 31.03.2021 is 442.

The details of production and consumption of coal in the country during the year 2020-21 is as under:

(Fig. in MT)

Year	Domes tic Produc tion	Domestic Dispatch	Total Import	Total Consumption (Domestic Dispatch + Import)	% Import
2020-21*	716.08	690.88	215.25	906.13	23.75

*Provisional

This information was given by the Union Minister of Coal, Mines and Parliamentary Affairs Shri Pralhad Joshi in a written reply in Lok Sabha today.

MV/AKN/RKP

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