

**Government of India  
Ministry of Coal  
Lok Sabha  
Starred Question No. 441  
To be answered on 24.07.2019  
Commercial Coal Mining**

**\*441. SHRI SYED IMTIAZ JALEEL:**

**SHRI ASADUDDIN OWAISI:**

Will the Minister of COAL be pleased to state:

- (a) whether the Government has opened commercial coal mining to the private sector;
- (b) if so, the details thereof and the time since when it has been opened;
- (c) whether currently the Coal India Limited (CIL) is the world's largest miner being allowed to sell coal to end-users and if so, the details thereof;
- (d) whether CIL has not been able to fulfil its responsibility due to which the commercial coal mining has been allowed/opened to the private sector, if so, the details thereof and the reasons therefor; and
- (e) the steps taken/being taken by the Government to ensure that the opening of coal mines to the private sector is transparent?

**ANSWER**

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

(a) to (e): A statement is laid on the Table of the House.

**Statement referred to in reply to parts (a) to (e) of Lok Sabha Starred Question No. 441 for answer on 24.07.2019 asked by Shri Syed Imtiaz Jaleel and Shri Asaduddin Owaisi regarding Commercial Coal Mining.**

(a) & (b): Yes, Sir. The policy for auction of coal mines/blocks for sale of coal was issued on 27.02.2018. The objective of the policy is to create a market place for coal with multiple producers to drive competition and adopt best practices in mining as well as environment management. Auction of coal mines for sale of coal in a transparent manner is expected to encourage transparent pricing of coal, based on market forces and also to enhance overall domestic production. Public Sector Undertakings (PSUs) are also eligible to participate in this auction. Coal blocks have already been allotted to Central and State PSUs for sale of coal. Further, the coal block allocatees are allowed to sell excess coal to Coal India Limited and now a methodology has been issued allowing allocatees of coal mines for specified end use or own consumption to sell up to 25% of actual production in open market.

(c) & (d): Coal India Limited (CIL) is the largest company in the world in terms of coal production. CIL sells coal to its linked Power and non-Power consumers through bilateral Fuel Supply Agreements and Memorandums of Understanding. CIL also sells coal to the end consumers including traders through various e-auction schemes. Details of domestic coal demand from CIL projected by Ministry of Power and actual supply of coal to Power Sector from CIL sources for last two years and current year are as under:

**(in Million Tonnes)**

2017-18		2018-19		2019-20 (up to 30.06.2019)	
Demand	Supply	Demand	Supply	Demand	Supply
478.00	454.22	525.00	491.25	132.50	119.62

Details of coal supply to non-Power Sector from CIL sources for last two year and current year are as under:

**(in Million Tonnes)**

2017-18	2018-19	2019-20 (up to 30.06.2019)
126.07	116.89	33.67

(e): As per the provisions of the Coal Mines (Special Provisions) Act, 2015 [CM(SP) Act, 2015] and the Mines and Minerals (Development and Regulation) Act, 1957 [MM(DR) Act, 1957], coal mines are allocated to private sector companies by way of auction. Auction of coal mines under the provisions of CM(SP) Act, 2015 has been done on e-platform after conducting security audit of the e-platform. Further, any prior allottee who is convicted of an offence relating to coal block allocation and sentenced with imprisonment for more than three years is not eligible to participate in the auction under CM(SP) Act, 2015.

\*\*\*