

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2211
ANSWERED ON:02.12.2002
REDUCTION IN IMPORT DUTY ON NON-COKING COAL
IQBAL AHMED SARADGI

Will the Minister of STEEL be pleased to state:

- (a) whether the Ministry has forwarded a proposal to Finance Ministry to reduce import duty on non-coking coal for metallurgical purposes bringing it at par with coking coal;
- (b) if so, the details thereof;
- (c) the time by which a final decision is likely to be taken in this regard;
- (d) whether the Steel Authority of India (SAIL) is planning to set up a coal based sponge iron plant; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): Yes, Sir. Non-coking coal is an essential raw material for coal based sponge iron units and COREX process for production of Hot Metal. Quality of domestic non-coking coal is not up to the mark, making it unsuitable for DRI and COREX plants. Therefore Ministry of Steel has recommended that customs duty on non-coking coal used for manufacture of sponge iron and hot metal be reduced from 25% to 5%. Such a measure will bring the duty on non-coking coal at par with that on coking coal of ash content below 12%.

(c) No specific time frame has been indicated by the Ministry of Finance.

(d)&(e): Yes, Sir. A proposal to set up a coal based Sponge Iron Plant is at the initial stage of consideration but no firm decision has been taken as yet.