

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:272
ANSWERED ON:22.07.2009
SUPPLY OF COAL TO STEEL PLANTS
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Will the Minister of COAL be pleased to state:

- (a) the demand and supply of coal to various industries including steel during the last three years and the current year, year-wise;
- (b) whether the Coal Public Sector Undertakings (PSUs) are able to meet the demand of various industries particularly the steel;
- (c) if so, the details thereof;
- (d) whether the Government is contemplating to import coal to meet the demand of coal of various sectors;
- (e) if so, the details thereof; and
- (f) the steps taken by the Government to meet the demand of steel plants and other industrial units in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (INDEPENDENT CHARGE) AND MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a) to (f) : A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No.272 for 22.7.2009

(a) to (c) : As per the Annual Plan, demand of coal in the country during 2009-10 for various sectors including coking coal for Steel, non-coking coal for power utilities, captive power plants, sponge iron plants, cement sector and others has been estimated at 604.33 Million Tonnes (excluding direct import of coking coal by steel sector). As against this, indigenous coal availability has been estimated at 534.33 MT.

In terms of Fuel Supply Agreement (FSA) as stipulated under New Coal Distribution Policy, 100% of normative requirement for power, fertilizer, railways and defence and 75% of normative requirement for all other consumers using non-coking coal has to be met by coal companies namely Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL) and consumers have to source their balance requirement on their own either through imports, by participating in e-Auction or production from captive blocks, if any.

Coking Coal imports are resorted to by Steel Plants on account of limited availability of coking coal in the country, both quantitatively and qualitatively. Non-Coking coal is imported by Power Plants and industries including sponge iron plants on environmental consideration as also cost, quality and locational advantages.

The details of all India coal demand and supply by Coal Public Sector Undertakings viz. Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL) during last three years are given below:-

Year	Estimated all India coal demand (in million tonnes)	Total supply (off-take) by Coal India Limited (in million tonnes)	Total supply (off-take) by SCCL (in million tonnes)
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2006-07	474.18	351.14	37.63
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2007-08 492.50 375.33 41.95

2008-09 550.00 401.41 41.50

(d) & (e): Government does not import coal. Under the New Coal Distribution Policy (NCDP), notified by the Government in October, 2007, CIL is required to meet the commitments made under Fuel Supply Agreements through indigenous coal and, if required, through import of coal, if feasible.

(f): The following measures have been/are being taken by the Government to increase indigenous availability of coal: -

i) Navaratna Status has been granted for CIL to facilitate faster growth by taking speedier decisions on production and investment matters.

ii) Exploration capacity of Central Mine Planning and Design Institute Limited (CMPDIL) is being increased from existing 2 Lakh meters per annum to 4 Lakh meters per annum of drilling by end of 11th Plan (2011-12).

ii) 7 high capacity underground mines have been conceived by CIL

iii) 18 abandoned mines are being revived by CIL

iv) 134 new mining projects have been envisaged by CIL in 11th Plan for achieving ultimate production capacity of 309 MTs with estimated capital investment of about 26,000 Crores. During 2009-10, 29 new projects with estimated production capacity of 46 MTs per annum is likely to commence production.

vi) a large number of coal blocks have been allocated by Government to augment indigenous availability of coal.