

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:4316

ANSWERED ON:02.05.2012

IMPORT OF COAL

Singh Alias Pappu Singh Shri Uday;Sinha Shri Yashwant

Will the Minister of COAL be pleased to state:

- (a) whether the Government had to issue a Presidential directive to Coal India Ltd (CIL) in order to enforce coal supplies to the power companies ;
- (b) if so, the details thereof;
- (c) whether CIL has decided to go in for costly import of coal to fulfil the needs of supplying minimum assured quantity of coal to power firms under the Presidential directive ;
- (d) if so, the reasons for issuing a Presidential directive;
- (e) the details of foreign countries from where coal is likely to be imported alongwith the terms and conditions therefor; and
- (f) the details of steps being taken by the Government to increase indigenous production of coal to cut imports ?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a) & (b): Yes, Sir. A Presidential Directive was issued by the Ministry of Coal to Coal India Limited (CIL) on 4.4.2012 to implement the instructions of Ministry of Coal dated 17.2.2012 for signing of Fuel Supply Agreement(s) (FSA(s))by the subsidiary companies of Coal India Limited (CIL) with the power utilities. The instructions of Ministry of Coal dated 17.2.2012 had been to sign Fuel Supply Agreement(s) with power plants commissioned/to be commissioned on or before 31.3.2015, which have long term Power Purchase Agreement with Distribution Companies (DISCOMs)., with the stipulation that FSAs with the said power plants, which have been commissioned by 31.12.2011, are to be signed by 31.3.2012. The tenure of the FSA in such cases is to be for a period of 20 years, to be reviewed after every five years, with trigger level of 80% for levy of disincentive and 90% for levy of incentive.

(c): The decision of Coal India Limited (CIL) to import coal to fulfil the commitment of supplying minimum quantity as per the terms of the FSA would be dependent on receiving specific acceptance from power generation companies.

(d): The Board of Coal India Limited (CIL) could not take a view on the implementation of the instructions of Ministry of Coal issued on 17.2.2012 after deliberating on the matter in its meetings held on 12th , 22nd and 28th March 2012. In view of the need and urgency for making adequate coal available to the power utilities and to get the instructions implemented, Ministry of Coal had to issue the Presidential Directive.

(e): The process of procurement of imported coal and finalization of the terms and conditions for the same would start only after receiving specific acceptance from the power companies. So far, CIL has not received any specific commitment from power companies in respect of accepting coal imported by CIL.

(f): CIL has persistently been making efforts to augment their production to meet the rise in demand of coal. The following measures have been taken / are being taken by CIL for increasing the coal production during the 12th Plan period:-

- i) their production from ongoing projects is programmed to increase from 227.63 Million Tonnes in 2011-12 to 300.18 Million Tonnes in 2016-17. Another 63.80 Million Tonnes is envisaged to come up from their future / expansion projects to be taken up during 12th Plan.
- ii) modernization and mechanization of existing mines
- iii) implementation of the ongoing projects in a time bound manner
- iv) to obtain environmental/forestry clearance within the scheduled time frame so that projects can start production, by pursuing the matter with the concerned Department/State Government/Central Government agencies and
- v) liaison with the State Government agencies to expedite the process of acquiring land for identified and expanded projects.