

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3056
ANSWERED ON:11.12.2014
PRODUCTION OF COAL
Thota Shri Narasimham

Will the Minister of COAL be pleased to state:

- (a) whether the Government is looking for new coal mines with substantial reserve and pre-obtained clearances to attract investments and to tackle power crisis in the country;
- (b) if so, the details thereof;
- (c) whether the Government is able to locate mines under the above category;
- (d) if so, the details thereof
- (e) whether the majority of power plants have become dependent on imported coal and prices of the imports have gone up recently; and
- (f) if so, the details thereof and the steps being taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL, POWER AND NEW AND RENEWABLE ENERGY
(SHRI PIYUSH GOYAL)

(a) & (b): In order to augment coal production and to address rapidly increasing demand of coal by power sector in the country, Coal India Limited (CIL) has framed a Model Contract Agreement for mining of coal in some of its mines. The responsibility of acquisition of land, obtaining statutory clearances etc shall be with CIL / subsidiary companies. The compensation for land and R&R shall be paid by CIL as per its approved R&R policy.

The contractual mine operator shall be responsible for taking physical possession of land, construction of infrastructure facilities, development & operation of the coal mine and deliver the desired quantity of coal to CIL / Subsidiary Company as per agreement.

(c) & (d): Government Does not locate or allocate mines exclusively for operation under any particular contract model. Depending upon the operational expediency, CIL or its subsidiaries award works/projects via this route.

(e) & (f): In the Annual Plan for 2014-15, All India demand of coal of power utility sector has been assessed to be 551.60 MT against which supply from indigenous sources has been planned to be 466.89 MT (CIL: 405 MT; SCCL: 35MT & Others including captive blocks: 26.89 MT) with a gap of 84.71 MT which is envisaged to be met through coal imports.

Considering the gap between coal demand and indigenous availability, Government of India has placed coal under Open General Licence to facilitate import of coal freely by anyone in the country on payment of applicable duties. Over the years, Government has also reduced the import duty on coal and in Union Budget for 2014-15, Government has rationalised the import duty for all types of coal and coke to 2.5%.

Besides the above, under the provisions of new Fuel Supply Agreements, in accordance to the Presidential Directives issued to CIL, option is also given to Power Utility sector consumers to opt for supply of a part of the Annual Contracted Quantity (ACQ) from imported coal through CIL (viz. 15% of ACQ up to 2014-15, 13% of ACQ in 2015-16 and 5% of ACQ from 2016-17 onwards). CIL has put in a modality for importing coal through a PSU supply agency to the willing power plants. During 2014-15, CIL had received a firm order for import supply to the tune of approximately 5.0 lakh tonnes. The supply is expected to be completed in 3rd and 4th quarters of the current fiscal.