

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
STARRED QUESTION No.244
TO BE ANSWERED ON 11.03.2020

Imported Coal

244. SHRI JYOTIRMAY SINGH MAHATO :

Will the Minister of COAL be pleased to state:

- (a) whether there is any proposal to reduce the dependence of the country on the imported coal and if so, the details thereof;
- (b) whether the Government proposes any policy structure based on public-private partnership to increase production of coal to ensure its supply to power producers and other consumers;
- (c) if so, the present details thereof;
- (d) the time by which the said policy is likely to be finalised and implemented; and
- (e) the details of the coal imported during the year 2019-20 so far and likely to be imported during 2020-21 to cater to the domestic demand?

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 IN REPLY TO LOK SABHA STARRED QUESTION NO. 244 FOR ANSWER ON 11.03.2020 BY SHRI JYOTIRMAY SINGH MAHATO, M.P. REGARDING “IMPORTED COAL”.

(a): As per the current import policy, coal is kept under Open General License (OGL) and consumers are free to import coal from the source of their choice as per their contractual prices on payment of applicable duty. In view of limited domestic production of coking coal, coking coal will continue to be imported for use by the steel sector. Further, coal imported by power plants designed on imported coal and high grade coal required for blending purposes will also be imported in the country as this cannot be fully substituted by domestic coal. With enhanced domestic availability of coal, coal imports, which was growing at a compound annual growth rate of 22.86% between 2009-10 to 2013-14, has reduced to 1.96% between 2014-15 to 2018-19.

(b)to(d): In order to increase production of coal and ensure greater participation of private sector following steps have been taken:

1. Methodology for allowing allocatees of coal mines for specified end use or own consumption to sell upto 25% of actual production in open market (RoM basis) with payment of additional premium on such sale has been approved and 10 mines have been allocated in the year 2019 under this methodology.
2. Mineral Laws (Amendment) Ordinance, 2020, has enabled the allocation of coal blocks for composite prospecting license-cum-mining lease (PL-cum-ML) which will help in increasing of the inventory of coal/ lignite blocks for allocation.
3. With the promulgation of Mineral Laws (Amendment) Ordinance, 2020, the repetitive and redundant provision requiring previous approval of Central Government even in cases where the allocation or reservation of coal/ lignite block has been made by the Central Government itself has been done away with. This would significantly reduce the time taken for operationalisation of coal/ lignite mines.
4. Earlier, the mines in Schedule II and III of Coal Mines Special Provision (CMSP) Act could only be auctioned to companies that were engaged in specified end use. The promulgation of Minerals Laws (Amendment) Ordinance, 2020 has provided flexibility to the Central Government in deciding the end use of Schedule II and III coal mines under the CMSP Act. This would allow wider participation in auction of Schedule II and III coal mines, for a variety of purposes such as own consumption, sale or for any other purpose, as may be specified by the Central Government.
5. Government has reviewed the Foreign direct Investment (FDI) policy in the coal mining, and a Press Note dated 18/09/2019 has been issued by Department for Promotion of Industry & Internal Trade, intimating allowing 100% FDI under automatic route for sale of coal, coal mining activities including associated processing infrastructure subject to the provisions of CM(SP) Act and MMDR Act as amended from time to time and other relevant Acts on the subject.

(e): During April 2019 – January 2020, 207 MT of coal was imported in the country. As coal is kept under Open General License (OGL) and consumers are free to import coal, it is not possible to estimate import of coal for 2020-21.
