

GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
STARRED QUESTION No. 83
TO BE ANSWERED ON 11.12.2023

Curbs on coal import

*83. SHRI BRIJ LAL:

Will the Minister of COAL be pleased to state:

- (a) whether Government is planning to curb the imports of coal in the country;
- (b) whether Government has taken any steps to reduce the dependency of coal imports in the country; and
- (c) if so, the details thereof?

Answer

MINISTER OF PARLIAMENTARY AFFAIRS, COAL AND MINES
(SHRI PRALHAD JOSHI)

(a)to(c): A statement is laid on the table of the House.

Statement in reply to Rajya Sabha Starred Question No. 83 for answer on 11/12/2023 by Shri Brij Lal, MP regarding “Curbs on coal import”.

(a)to(c): As per the existing 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 agreement on payment of applicable duty. However, during 2022-23, in India domestic coal production increased to 893.19 MT registering thereby a growth of 14.77% over previous financial year. During the current year till November 2023 also, coal production was 591.40 MT registering 13% growth compared to the same period of pervious year. Government has been taking many measures to increase domestic production of coal. (Given below in detail).

At the same time in the current year (FY 2023-24), coal import upto the month of Sept.2023 was 125.21 MT which is 5% lower than in the corresponding period of last year. In fact, had the production through auction mode /commercial coal auction not started, then as per CAGR growth rate we would have needed to import 150.00 MT of coal but we have actually imported only 125.21 MT during the April-Sept. FY 23-24.

Measures taken by the Government to substitute coal imports:

- i. Thrust is on enhancement of domestic coal production which is the key to achieve Atmanirbhar Bharat and reduce dependence on imported coal. In the year 2022-23, coal production increased by 14.77% over the previous year. As stated above, during the current year till November 2023, domestic coal production has increased over 13% compared to the same period of last year. In the current financial year, coal production target is 1012.14 Million tonnes. Similarly, it is targeted that by 2025-26, Coal India Ltd. (CIL) alone will produce One Billion Tonnes.
- ii. The ACQ has been increased upto 100% of the normative requirement, in the cases where the ACQ was either reduced to 90% of normative requirement (non-coastal) or where the ACQ was reduced to 70% of normative requirement (coastal power plants). Increase in the ACQ would result in more domestic coal supplies, thereby reducing the import dependency.
- iii. Under the provisions of Para B (viii) (a) of SHAKTI Policy, coal linkage is provided for short term for sale of power generated through that linkage in any product in power exchanges or in short term through transparent bidding process through DEEP portal. In addition, with the amendment to the NRS linkage auction policy introduced in 2020, the tenure of coking coal linkages in the NRS linkage auction has been revised for a period upto 30 years. The coal offered for short term to the Power Plants under the amended provisions of SHAKTI Policy as well as increase in the tenure of the coking coal linkages in the Non-Regulated Sector linkage auction for a period upto 30 years is expected to have a positive impact towards coal imports substitution.
- iv. Government has decided in 2022 that the coal to meet the full PPA requirement of all the existing linkage holders of Power Sector shall be made available by the coal companies. The decision of the Government of meeting the full PPA requirement of the linkage holders of the Power Sector shall reduce the dependence on the imports.
- v. An Inter - Ministerial Committee (IMC) has been constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. The Representatives from Ministry of Power, Ministry of Railways, Ministry of Shipping, Ministry of Commerce, Ministry of Steel, Ministry of Mines, Ministry of Micro, Small & Medium Enterprises (MSME), Department for Promotion of Industry & Internal Trade (DPIIT), Central Electricity Authority (CEA), Coal Companies and Ports are members of this IMC. Nine meetings of the IMC have been held so far. On the directions of the IMC, an Import Data System has been developed by Ministry of Coal to enable the Ministry to track the imports of coal. Efforts are taken to ensure more domestic supplies of coal.
