

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION No. 10
TO BE ANSWERED ON 07.12.2022

Coal Import Policy

10. SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:
SHRI JAIDEV GALA:
SHRIMATI MALA RAJYA LAXMI SHAH:
SHRI CHANDRA SEKHAR BELLANA:
SHRI RAJESHBHAI CHUDASAMA:

Will the Minister of COAL be pleased to state:

- (a) whether the Government has formulated any policy to import coal for continuous supply of coal in the country and if so, the details thereof;
- (b) whether the Government has taken any step to ensure higher production of coal and timely payment of coal price to the concerned companies in the country; if so, the details thereof;
- (c) the details of the coal imported and tariff charged therein during the last three years;
- (d) whether the Government proposed to reduce the tariffs charged on coal imports to tackle the coal shortage in the country; if so, the details thereof and if not, the reasons therefor;
- (e) whether there has been reduction in the import of coal and if so, the reasons therefor;
- (f) whether the reduction in import of coal, especially non-coking coal would impact the generation of power; and
- (g) whether the sustainable substitute for non-coking coal has been made available for the generation of power?

Answer

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

(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. Government of India does not interfere in this matter. However, Ministry of Power advised power plants on 28.04.2022 to import 10% of the total requirement of coal for blending purpose and ensure continuous power supply in the respective states. This decision was subsequently reviewed and decided on 01.08.2022 that now onward, States/IPPs and Ministry of Coal may decide the blending percentage after assessing the availability of domestic coal supplies. CIL was mandated to import coal for blending on behalf of thermal Power Plants of States and IPPS

(b): The Government has taken several steps to ramp up domestic coal production in the country. 100% Foreign Direct Investment is allowed for commercial mining. The major initiatives taken to increase domestic production of coal include Single

Window Clearance, amendment of Mines and Minerals (Development and Regulation) Act, 1957 to allow captive mines to sell up to 50% of their annual production after meeting the requirement of the end use plant, production through MDO model, increasing use of modern technologies such as surface miner, continuous miner etc., taking up new projects and expansion of existing projects, and auction of coal blocks to private companies/PSUs.

As regards timely payment of coal price to the coal companies, GENCOs have been advised to adhere to timely payments and clear dues as well.

(c) to (e): The details of imported coal during last three years are given below:-

Year	Import of coal (MT)
2019-20	248.54
2020-21	215.25
2021-22	208.93

Custom duty applicable to coal import during last three years was 2.5%. The same was revised for a short duration with effect from 22nd May, 2022 exempting import duty on coal. However, exemption of import duty on coal has been again withdrawn with effect from 19.11. 2022. Presently custom duty applicable to import of coal is 1% BCD and 1.5% of AIDC totaling 2.5%. The reduction in import of coal may be attributed to a number of factors like fall in coal demand during covid-9 pandemic, higher coal production and dispatch inpost covid period etc. However, in current year of 2022-23, coal import shows increasing trend due to increase in coal demand.

(f): For reason mentioned at para-a above, import of coal by power sector increased during the current financial year of 2022-23. As against the total import of 27MT by power sector in entire year of 2021-22, the import of coal by power sector in first 7 months increased to 38.84 MT. However, much of the increase in import has gone to feed domestic coal based plants and the restoration of power generation by ICB plants to its potential level has remained slow.

(g): In order to promote use of biomass pellets in coal based thermal power plants, Ministry of Power revised the earlier policy of 2017 on Biomass Utilization in power plants in October, 2021 to mandatorily co-fire the suitable biomass pellets in the range of 5% to 7% in all coal based power plants depending upon their type of milling system. As per record of Sustainable Agrarian Mission on use of Agri-Residue in Thermal Power Plants (SAMARTH), total 83888 Metric Tonne biomass has been cofired in power plants till 31.10.2022.
