

Government of India
Ministry of Coal
Lok Sabha
Unstarred Question No. 504
To be answered on 20.11.2019
FDI in Coal Sector

504. SHRI VINAYAK RAUT:
SHRI SHRIRANG APPA BARNE:
SHRI HEMANT SRIRAM PATIL:
DR. DNV SENTHILKUMAR S.:
DR. HEENA GAVIT:

Will the Minister of COAL be pleased to state:

- (a) whether the Government has approved 100 per cent foreign direct investment under the automatic route in mining, processing and sale and if so, the details thereof;
- (b) the advantage of opening 100 per cent foreign direct investment in coal sector;
- (c) whether this move would end monopoly of Coal India Ltd. and encourage competition and if so, the details thereof;
- (d) whether the Government has consulted other stakeholders including workers' union before going for 100 per cent foreign direct investment and if so, the details thereof;
- (e) whether around half a million coal mine workers has gone on strike recently against FDI in coal thereby affecting the coal production in Coal India and also steep revenue loss;
- (f) if so, whether the Government has held discussion with unions of coal mine workers on this issue and if so, the outcome thereof; and
- (g) the other steps taken by the Government to boost coal production in the country and reduce its import from other countries?

ANSWER

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

(a) to (f): 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 Coal Mines (Special Provisions) Act, 2015 and the Mines and Minerals (Development and Regulation) Act, 1957 as amended from time to time and other relevant Acts on the subject. Associated Processing Infrastructure includes coal washery, coal handling and separation (magnetic and non-magnetic). For sale of coal, allowing 100% FDI for coal mining activities including associated processing infrastructure is expected to attract international players and create efficient and competitive coal market.

Various Central Trade Unions (CTUs), namely, Indian National Mines Workers Federation, Hind Khadan Mazdoor Federation, Indian Mines Workers Federation, All India Coal Workers Federation and Coal Mines Workers' Union had given one day strike notice for 24.09.2019 and Bhartiya Mazdoor Sangh had given strike notice for five days (23rd to

27th September, 2019) to stop work in all subsidiaries of Coal India Limited (CIL) opposing the decision of the Government to allow 100% FDI in coal mining and associated processes via automatic route, for sale of coal. As per the status of production given by CIL, percentage of coal production in CIL and its subsidiaries was 81.25% of normal production on 23.09.2019, 43.38% of normal production on 24.09.2019 and 87.14% of normal on 25.09.2019. Ministry of Coal and CIL made efforts to persuade the CTUs to withdraw the proposed strike. A meeting was called by Ministry of Coal on 19.09.2019 with the representatives of CTUs, however, CTUs did not attend the meeting.

(g): In order to enhance coal production, Government has taken a number of steps, namely, a number of coal mines under CM (SP) Act, 2015 and MM (DR) Act, 1957 have been allocated by way of auction and allotment, coal block development and operationalization is intensely and regularly monitored, efforts are made for expeditious Environmental and Forest clearances of allocated coal blocks, coordination with State Governments are made for timely land acquisition etc. Besides these, CIL has taken the following steps to boost its coal production:

- Opening of 55 greenfield projects having capacity of 92 MTPA and expansion of 193 brownfield projects having capacity of about 310 MTPA in next five years.
- Portal based monitoring of on-going projects to ensure timely completion of projects.
- Introduction of state of the art technology to improve its work efficiency with high capacity Heavy Earth Moving Machinery (HEMM), like 42 cum Shovel and 240 T Rear Dumpers in Gevra Expansion, Dipka & Kusmunda open cast mines.
- Introduction of Surface Miners in opencast mines to improve operational efficiency & to cater to environmental needs. During 2018-19 in CIL, around 50% of the opencast coal production was through Surface Miners.
- Introduction of IT enabled Operator Independent Truck Dispatch System (OITDS) in 11 nos. of mines of CIL,
- Introduction of Mass Production Technology in underground coal mines, 2 Mines are worked with Powered Support Longwall technology and 9 mines are worked with Continuous Miner technology.
- For rapid coal evacuation, 19 nos. Coal Handling Plants with silos and rapid loading system having existing capacity of 152.5 million tonne are in operation.

Further, in order to reduce import of coal, some of the steps taken by CIL are as under:

- i. Source rationalization with part supply from higher grade coal sources.
- ii. More coal from various sources was offered through various types of e-auction schemes particularly special forward e-auction for power consumers, not having FSA with CIL sources.
- iii. The provisions of SHAKTI policy of the Government of India for meeting the demand of various categories of power utilities are being implemented.
- iv. Implementation of Linkage auction for non-regulated sectors.