

GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO - 488
TO BE ANSWERED ON 05.02.2020

Coal Mining

488. SHRI UNMESH BHAIYYASAHEB PATIL:

Will the Minister of COAL be pleased to state:

- (a) whether the Government has conducted cost benefit analysis of removing end user restrictions on coal mining in the country and if so, the details thereof;
- (b) whether the Government has estimates on the benefits likely to accrue from such a move and if so, the details thereof;
- (c) the details of the extent to which India's reliance on imported coal can be reduced; and
- (d) whether mechanism has been devised to consider the environmental impact of removing end user restrictions on coal mining and if so, the details thereof?

ANSWER

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

(a) to (c): The High Power Expert Committee (HPEC) constituted to examine efficacy and challenges in the current bidding system and suggest changes for conducting auction of coal mines in future, recommended gradual shifting from allocation of coal blocks for own consumption to allocation of blocks for sale of coal. With the promulgation of Mineral Laws (Amendment) Ordinance, 2020 on 10.01.2020, sub-section (3) of Section 4 of CMSP Act has been omitted. 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 Govt. and would enhance competition in auction. Coal is under Open General License and can be imported by consumers from the source of their choice as per their contractual prices on payment of applicable duty. The entire demand of coking coal is not met due to limited domestic availability of high quality coking coal. To substitute import of coking coal with domestic coking coal, allocation of coking coal blocks has been done as well the tenure of coking coal linkage has been increased to 15 years. There may be some import of non-coking coal by power plants designed on imported coal and for blending purposes. As reduction in import of coal in the country is a priority area of the Government, production plan has been made to substitute the replaceable non-coking coal import.

(d): Use of coal at various end user plants is governed by environment clearances granted to the specific plant and is not related to grant of environmental clearance for coal mining. As such, removal of the end use restrictions on coal mining will have no additional environmental impact.
