

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
STARRED QUESTION NO.*131
TO BE ANSWERED ON 10.02.2021**

Import of Coal

***131. SHRI E.T. MOHAMMED BASHEER:**

Will the Minister of COAL be pleased to state:

- (a) whether there is any proposal to curb the import of coal and produce more coal in the country;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government for reducing the import of coal in the country?

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 referred to in reply to parts (a) to (c) of Lok Sabha Starred Question No. 131 for answer on 10.02.21 asked by SHRI E.T. MOHAMMED BASHEER

(a) & (b): Coal is 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. Coal import substitution, wherever feasible, by domestic coal is a priority of the Government under Atmanirbhar Bharat initiative to save the precious foreign exchange. Import of coal has reduced from a level of 165.57 Million Tonnes (MT) during April-November 2019 to 134.35 MT (Provisional) during April-November-2020 showing a negative growth of 18.86 %. A number of steps have been taken to increase the supply of domestic coal in the market. Coal India Limited (CIL), Singareni Collieries Company Limited (SCCL) and captive block coal production by 2023-24 is targeted for 1 Billion Tonnes (BT), 80 MT and 154 MT respectively. Ministry of Coal has launched the auction of 41 coal mines for commercial mining on June 18, 2020 under CM (SP) Act, 2015 and MMDR Act, 1957. 38 mines were actually put up for auction for commercial mining. It has opened-up the coal sector to private and foreign players. The Blocks spread over five states have total geological reserves of 16,979 MT and accumulative peak capacity of 225 MT per annum. The commercial coal mine auction is an attempt to attract private investment into the coal mining sector thus bringing in more competition and efficiency in the coal sector. The Union government launched Single Window Clearance portal for the coal sector to speed up the operationalisation of coal mines. It is a unified platform that facilitates grant of clearances and approvals required for starting a coal mine in India. A Project management Unit (PMU) has been launched by Ministry of Coal for hand-holding of coal block allottees for obtaining various approvals/clearances for early operationalisation of coal mines. CIL has formulated a production enhancement plan to reduce demand supply gap and also to minimize non-essential imports of coal in the country through a slew of measures. These include adapting State-of-the-Art-technology, operationalizing new mines through Mine Developer & Operator (MDO) mode, identifying and approving new/expansion projects/schemes, obtaining Environment Clearance expansion for additional production through capacity enhancement and improvement in overall efficiency by way of digitization of mining system and greater levels of mechanization.

(c): An Inter - Ministerial Committee (IMC) has been constituted in the Ministry of Coal for the purpose of coal import substitution. The Representatives from Ministry of Power (MoP), Ministry of Railways, Ministry of Shipping, Ministry of Commerce, Ministry of Steel, 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. This Committee provides a platform for discussions on a larger forum with the Administrative Ministries so as to guide them to encourage the coal consumers of their respective sector to eliminate imports of coal. Eight meetings of the IMC have been held so far. IMC has also directed for development of an Import Data System by Ministry of Coal to enable the Ministry to track the imports of coal. Coal India Limited (CIL) has also started an online portal to register the requests of coal consumers willing for import substitution of coal.

In addition to it, the following steps have also been taken to reduce coal imports:

- The Annual Contracted Quantity (ACQ) of the Power Plants have been increased upto 100% of the normative requirement in those cases where the ACQ was earlier reduced to 90% of normative requirement and the power plants were required to import balance 10%.
- CIL has signed Memorandum of Understanding (MoU) under Import Substitution for about 12 Million Tonne Per Annum (MTPA) coal with the Power plants linked with CIL. Accordingly, CIL has allocated 9.11 MT coal to the power plants till January' 2021 under Import Substitution.
- Reserve/floor price across all e-auction schemes was kept to notified price till 2nd quarter (earlier by 10-30% above the notified price) with a view to maximize coal utilization by the consumers.
- Increase in the dispatch to Non-regulated Sector (NRS) consumers in the current Financial Year (Till 13th January' 2021) to 37.2 rakes/day compared to 28.3 rakes/day last year with a growth of 31%. Total dispatch to NRS registered a growth of 13% as compared to same period of last year.
- Facility of Usance LC (Letter of Credit) payment mechanism in addition to the existing Irrevocable Revolving Letter of Credit (IRLC) payment was introduced to help the consumer avail credit facility from bank.
- A special Spot auction scheme was started for the coal importers including the traders, so as to enable coal import substitution. CIL has offered about 29 MT coal under this window out of which 7.5 MT coal was booked by the consumer/Importers/Traders.
