

GOVERNMENT OF INDIA

MINISTRY OF COAL

**LOK SABHA
UNSTARRED QUESTION NO. 2603
TO BE ANSWERED ON 04.08.2021**

Prices of Coal

2603. SHRI ASHOK MAHADEORAO NETE:

Will the Minister of COAL be pleased to state:

- (a) whether the Government is in favour of making the domestic prices of coal at par with international rates;
- (b) if so, whether it has been strictly opposed because the international players do not want India's interference in deciding the prices of coal; and
- (c) whether lower international prices and insufficient domestic production are leading to increase in coal import in India and if so, the details thereof?

ANSWER

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

(a) & (b) Fixing the price of coal is not in the domain of Government. Pricing is an operational decision of Coal India Limited(CIL) and the Government does not play any role in it. After complete decontrol of coal prices w.e.f. 01.01.2000, Coal India Limited (CIL) fixes the basic prices of coal produced by CIL and its subsidiary companies. The coal companies fix the coal price based on input costs, inflation index, market trends etc.

(c) 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. In view of limited domestic availability of coking coal, coking coal will continue to be imported for use by the steel sector. Further, coal imported by power plants designed on imported coal and high grade coal required for blending purposes will also be imported in the country as this cannot be fully substituted by domestic coal. However, coal import is being reduced by increasing availability of domestic coal in India. Import of coal has reduced from a level of 248.5 MT during 2019-20 to 214.99 MT (Provisional) during 2020-21 showing a negative growth of 13.5%. For the long term, Government has taken many measures including commercial coal mining, with a provision for 100% foreign direct investment to increase domestic availability of coal.
