

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION No.2218
TO BE ANSWERED ON 12.03.2025**

Policy for Coal Import

2218. SMT. BHARTI PARDHI:

Will the Minister of **Coal** be pleased to state:

- (a) the current policy of coal import in the country along with the norms laid down in this regard;
- (b) whether the Government has taken any steps to augment the coal production in the country and ensure timely payment of coal prices to the concerned companies and if so, the details thereof;
- (c) the details of coal imported and charges levied thereon during the last three years;
- (d) whether the Government proposes to reduce the duty imposed on coal imports to tackle the shortage of coal in the country and if so, the details thereof;
- (e) whether the import of coal has reduced and if so, the reasons therefor; and
- (f) whether sustainable alternative to non-coking coal has been made available for power generation and if so, the details thereof?

Answer

**MINISTER OF COAL AND MINES
(SHRI G. KISHAN REDDY)**

(a): As per the current import policy, coal is kept under the 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 duties. Further, as per Foreign Trade Policy governing import of goods, coal is freely importable without any restrictions. However, w.e.f. Dec' 20, the same has been revised from "Free" to "Free subject to compulsory registration in Coal Import Monitoring System Portal".

(b): Government has initiated several steps to ramp up domestic coal production in the country in order to achieve self-reliance. Some of the major initiatives undertaken 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 plants, production through MDO mode, increasing use of mass production technologies, new projects and expansion of existing projects, and auction of coal blocks to private companies/PSUs. Foreign Direct Investment (100%) has also been allowed for commercial mining.

Coal Sales Dues are continuously being monitored by the coal companies and regular follow-up is done with consumers for early recovery. From time to time, coal sales dues of SEBs / State Gencos and Central Public Sector Undertakings are realized following settlement of accounts. The coal companies are also ensuring bilateral meetings to settle commercial disputes. Commercial disputes which cannot be settled bilaterally are referred to the Inter-Ministerial Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

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

Year	Import of coal (MT)
2021-22	208.93
2022-23	237.67
2023-24	264.53

(i) The import duty on coal in the last three years is given below:

	2022-23			2023-24		2024-25
	Till 22.05.2022	w.e.f 22.05.2022	w.e.f 19.11.2022	Till 01.02.2023	w.e.f. 02.02.2023	
Import duty on Coal	1% BCD and 1.5% AIDC	*Nil	1% BCD and 1.5% AIDC	1% BCD and 1.5% AIDC	2.5% BCD	2.5% BCD

* Anthracite/pulverized coal injection (PCI) coal and Coking Coal

At present, Coal attracts GST rate of 5% and GST compensation cess of Rs 400 per tonne.

(ii). Coal already attracts a concessional duty of 2.5%. There is no proposal to reduce duty on coal

(e): Most of the demand of coal in the country is met through indigenous production / supply. The actual demand for coal increased to 1237.54 Million tonnes (MT) in 2023-24 from 1115.04 MT in 2022-23. As against the increased coal demand, domestic coal production has also increased. In 2023-24, the domestic coal production increased by 11.71% to reach 997.83 MT from 893.19 MT in 2022-23. The total import of coal during the current year i.e. April 24 – December 24 was 183.42 Million Tonnes (MT) against 200.19 MT during the corresponding period of last financial year showing negative growth of 8.4%. The details of import of coal during last five years are given below: -

(Quantity in Million Tonne & Value in Million Rs)						
Year	Coking Coal		Non-Coking Coal		Total Coal	
	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.
2019-20	51.83	612668.32	196.70	914652.23	248.54	1527320.55
2020-21	51.20	453552.10	164.05	706688.44	215.25	1160240.54
2021-22	57.12	1027908.35	151.50	1259932.89	208.63	2287841.24
2022-23	56.05	1538399.74	181.62	2297444.02	237.67	3835843.76
2023-24	58.81	1330003.62	205.72	1772150.89	264.53	3102154.51
2023-24 Till Dec.24	44.39	974011.49	155.80	1363711.82	200.19	2337723.31
2024-25 Till Dec.24	42.75	798179.53	140.67	1116387.09	183.42	1914566.62

Following measures have been taken by the Government to substitute coal imports:

- i. The Annual Contracted Quantity (ACQ) has been increased upto 100% of the normative requirement, in the cases where the ACQ was either reduced to 90% / 70% of normative requirement as applicable. Increase in the ACQ would result in more domestic coal supplies, thereby, reducing the import dependency.
- ii. With the amendment to the NRS linkage auction policy introduced in 2020, the tenure of coking coal linkages has been revised for a period upto 30 years. The coal offered for short term to the Power Plants under the amended provisions of SHAKTI Policy as well as increase in the tenure of the coking coal linkages in the Non-Regulated Sector linkage auction for a period upto 30 years is expected to have a positive impact towards coal imports substitution.
- iii. Government has approved creation of a new sub-sector under the Non-Regulated Sector (NRS) linkage auctions with the nomenclature of 'Steel using Coking coal through Washery Developer and Operator (WDO) route'. Creation of the new sub-sector with the assurance for long-term coal linkage to the Steel Sector from the identified mines for the entire term of the contract period shall increase the availability of washed coking coal in the country and enhanced domestic coking coal consumption by the Steel Industry in the country, thereby reducing the coking coal imports.

(f): As a sustainable alternative to non-coking coal, Renewable Energy initiatives have already been taken-up by Coal India Limited (CIL) and Neyveli Lignite Corporation (NLCIL). To neutralize fossil fuel-based energy consumption and moving towards a Net Zero Energy Company. Till date, CIL has installed capacity of 122.492 MW Solar Project. Currently, NLCIL operates 1380 MW of solar power plants across various districts in Tamilnadu and the Andaman & Nicobar Islands, along with a 51 MW wind power plant situated in the Triuneveli district of Tamilnadu.
