

**GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
UNSTARRED QUESTION No.1638
TO BE ANSWERED ON 13.12.2021**

Contribution of coal in achieving the target of \$5 trillion economy

1638. SHRI SAMBHAJI CHHATRAPATI:

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

- (a) whether the coal sector has sufficient potential to contribute substantially in achieving \$ 5 trillion economy by 2024-25;
- (b) if so, the details thereof;
- (c) whether the country imports a huge quantity of coal from other countries despite huge coal reserves; and
- (d) the major policy decisions which have been taken to drastically reduce imports and increase quality coal for use within the country by 2025?

Answer

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

(a)&(b): A plan to increase all India coal production to the level of 1 BT by 2022-23 and Coal India Limited's production to 1 BT by 2023-24 has been prepared, which will contribute forwards achieving \$ 5 trillion economy.

(c): The total coal resource of the country as per Coal Inventory of India published by GSI as on 01/04/2020 is 3,44,021 Million Tonnes. During 2020-21, 214.99 MT coal was imported from other countries. This is largely because of import of 51.29 MT of coking coal and 35.08 MT of high grade thermal coal by power plants designed on imported coal.

Demand of coal is higher than the current level of domestic supply of coal in the country. The entire demand of coal is not met from domestic production as the supply of high quality coal /coking coal (low-ash-coal) in the country is limited and thus no option is left but to resort to import of coking coal. Further, coal imported by power plants designed on imported coal and high grade coal required for blending purposes cannot be substituted by domestic coal.

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(d): Coal import substitution by domestic coal is one of the top priorities of the Government to save the precious foreign exchange. At present, as on 06/12/2021, Coal India Limited is having a coal stock of about 31.80 MT at its coal mines and power plants are also having about 18.72 MT coal stock with them. Thus, ample domestic coal availability is being ensured for the consumers.

An Inter-Ministerial Committee (IMC) was constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. The Representatives from Ministry of Power, 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. On the directions of the IMC, an Import Data System has been developed by Ministry of Coal to enable the Ministry to track the imports of coal. Efforts are taken to ensure more domestic supplies of coal. To take the task of coal import substitution to the next level, Coal India Limited has been asked to plan zero coal Import Mission by 2023-24 for substitutable coal. Thus, the entire substitutable imported coal demand is planned to be met by the country and no import other than very essential should happen. Coal India Limited has been directed to prepare the action plan. Further, CIL introduced a new e-auction window 'Special Spot e-auction Scheme, 2020 for Import Substitution (where only coal importers can participate) with liberal coal lifting period to promote coal import substitution. To encourage domestic coal production enhancement, captive mine lessees are allowed to sell coal or lignite up to 50 % of the total coal or lignite produced in a financial year after meeting requirement of linked EUP. Necessary amendment in MMDR Act 1957 has been carried out through Mines and Minerals (Development and Regulation) Amendment Act, 2021. Corresponding amendment in the MCR, 1960 has also been carried out through Mineral Concession (Amendment) Rules, 1960 and notified vide gazette notification G.S.R 717(E) on 01.10.2021. By inserting Rule 27A in the MCR, 1960, lessee of captive mine is allowed to sell coal or lignite up to such percent (50%) of the total coal or lignite produced in a financial year after meeting the requirement of the end use plant linked with the mine. This provision is not applicable to a power project awarded on the basis of competitive bid for tariff including Ultra Mega Power Projects.
