

**GOVERNMENT OF INDIA
MINES AND MINERALS
LOK SABHA**

UNSTARRED QUESTION NO:2767
ANSWERED ON:17.12.1999
PRODUCTION COST OF COAL
SHANKERSINH VAGHELA;SUSHIL KUMAR INDORA

Will the Minister of MINES AND MINERALS be pleased to state:

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- (a) whether the expenditure incurred on production of coal by Coal India Limited has been estimated more from the comparative point of view.
- (b) if so, the details thereof;
- (c) whether a foreign company has been assigned the job of giving report on all the aspects relating to reduce the production cost in view of the high cost of production at present;
- (d) if so, the name of the company and the criteria and procedure of selecting the above company for this purpose; and
- (e) the amount likely to be given to the company as remuneration?

Answer

THE MINISTER OF STATE FOR MINES & MINERALS -

(SMT. RITA VERMA)

- (a) & (b): No, Sir. The cost of production of coal by Coal India Limited (CIL) is comparatively lower than the cost of production in many countries of the world. However, the delivered price of coal produced by CIL includes freight, royalty/cess, taxes over and above the cost of production. The imported coal is not subjected to domestic levies like royalty/cess and sales tax. The imported coal also enjoys concessional Railway freight as well as nominal customs duty.
- (c): CIL have not engaged any foreign company to prepare a report on the aspects relating to reduction in production cost.
- (d) & (e): Do not arise in view of the answer to part (c) of the question.