

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

UNSTARRED QUESTION NO:5928
ANSWERED ON:06.05.2002
REPLACEMENT OF EXISTING SALE POLICY OF COAL
VILAS BABURAO MUTTEMWAR

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

- (a) whether the Government propose to replace the existing sales policy of coal so as to have a uniform pit head price of different grades of coal;
- (b) if so, the details of the existing policy in this regard and the rates of different varieties of coal;
- (c) whether the new policy has been formulated; and
- (d) if so, the extent to which the new policy is likely to be beneficial to the coal industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD)

- (a) The price and distribution of all grades of coal have been deregulated with effect from 1.1.2000. In the deregulated scenario, Coal India Limited (CIL) is in the process of formulating and implementing new sales policy, primarily in respect of non-core sector. Pricing will be a part of the new sales policy. Pricing mechanism is proposed to be flexible and may vary from one colliery to another for a particular grade of coal.
- (b) In the existing policy, different basic prices are charges for different collieries and different grades of coal uniformly for all consumers. The existing rates of different varieties of coal are given in the enclosed statement.
- (c) and (d) In view of the liberalised and deregulated economy, CIL is formulating a sales policy which will be simple, transparent and customer friendly. With increased consumer satisfaction, the coal industry is likely to grow faster. Thus the new sales policy would be beneficial for the customers as well as CIL and therefore would serve the larger interest of coal industry in the long run.