

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2226

ANSWERED ON:07.12.2011

PRICE OF COAL

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Will the Minister of COAL be pleased to state:

- (a) whether the price of coal is increasing thereby affecting cost of steel, cement, etc;
- (b) if so, the number of times price of coal has been increased during the current five year plan so far;
- (c) the percentage of said hike alongwith the details of rate of price rise during the year 2009-10, 2010-11 and in the first half of current year; and
- (d) the steps taken/proposed to be taken by the Government to check the price of coal and provide relief to the consumers?

Answer

MINISTER OF STATE FOR COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a) & (b) : Yes, Sir. Due to overall increase in input cost, the price of coal is increasing. During the current five year plan, the revision of raw coal price have taken place three times i.e. on 12.12.2007, 16.10.2009 and 27.2.2011.

(c) :The average percentage increase in price in the price revision effective from 16.10.2009 was 11.0%. In the last price revision effective from 27.2.2011 –

1. There has been no increase in price of raw coal for Grades other than Grade 'A' and Grade 'B' for supply to consumers in the Regulated Sector (Power Sector, Fertilizers and Defence).

2. There has been 30% increase in price of coal for Grades other than Grade 'A' and Grade 'B' for supply to consumers in Non-Regulated sector.

3. The prices of Grade 'A' and 'B' of coal produced by the subsidiary companies of CIL including North Eastern Coalfields (NEC) have been increased and brought at par with price of imported coal with a discount of 15%. The increase price will be same for supply to consumers of all sectors. The increase ranges from 73% to 187% varying from subsidiary to subsidiary.

4. The prices of coal for Grades other than A & B produced by the collieries of Mahanadi Coalfields Limited (MCL) have been brought to the level of prices of equivalent grades of coal produced by the Korba and Raigarh field of South Eastern Coalfields Limited (SECL).

There have been no increases in coal price in the current year i.e. in 2011-12 till date.

(d) As stated above, during the last revision, prices of coal except for Grade 'A' & 'B' have not been increased for the sectors like, Power, Fertilizer and Defence, thereby ensuring minimum impact on maximum consumers.