

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:387

ANSWERED ON:26.02.2013

COAL PRICES

Kaswan Shri Ram Singh

Will the Minister of COAL be pleased to state:

(a) the increase in the prices of coal registered during each of the last three years and the current year along with the reasons therefor; and

(b) the efforts made by the Government to check the prices of coal?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a)&(b): Pricing of coal has been fully de-regulated w.e.f. 01.01.2000 after promulgation of the Colliery Control Order 2000. Coal companies fix the coal price themselves. During the last three years price revision of raw coal has taken place on three occasions i.e. on 16.10.2009, 27.02.2011 & 31.01.2011. The average increase in price of raw coal in the price revision of 16.10.2009 was 11%. There was no increase in price of raw coal for grades other than Grade 'A' & 'B' for supply to regulated sectors (viz. Power, Fertilizer and Defence) in the price revision on 27.02.2011. However, the increase was 30% for supply of coal to the non-regulated sectors.

The price of non-coking coal was revised on 31.01.2011 due to switchover from the existing Useful Heat Value (UHV) of grading and pricing system to Gross Calorific Value (GCV) based system of grading. The conversion of price from UHV based system to GCV based system has been done keeping revenue neutrality to the extent possible for Coal India limited as a whole.

The reasons for increase of the price of raw coal include the general increase in price of commodities leading to increase in the cost of inputs in the production of coal; revision in pay of executives and non- executives due to wage revision; generate additional resources for fresh investments in new projects to augment coal production to achieve planed production target, etc.