

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2005

ANSWERED ON:17.12.2013

PRICE POOLING

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Will the Minister of COAL be pleased to state:

- (a) whether the Government is considering for price pooling of domestic and imported coal for supplying to power plants and other coal based industries;
- (b) if so, the details thereof and the extent to which it is likely to affect the production and the cost of power production;
- (c) whether there are different prices for same grade of coal in different coal companies or their subsidiaries;
- (d) if so, the details thereof, company – wise and subsidiary – wise; and
- (e) the steps taken by the Government to evolve a mechanism to ensure uniformity in prices of same grade of coal sold by these companies?

Answer

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

(a)&(b): The proposal for pooling of prices of imported coal with domestic coal was mooted by the Central Electricity Authority (CEA). The Cabinet Committee on Economic Affairs (CCEA) considered various options to augment coal supplies to the Thermal Power Plants (TPPs) in the country including the proposal of pooling of price of imported coal with domestic coal and approved the proposal for supply of coal to the power projects with a capacity of 78,000 MW commissioned / to be commissioned during the period from 01.04.2009 to 31.03.2015. Supply of domestic coal to these projects has been restricted to 65%, 65%, 67% and 75% during remaining four years of 12th plan, keeping in view the availability of coal. To meet the balance Fuel Supply Agreement (FSA) obligations, Coal India Limited (CIL) was to import coal and supply the same to the willing Thermal Power Plants (TPPs) on cost plus basis. TPPs can also import coal themselves. CCEA has further directed that coal be supplied to power projects of 4660 MW power projects and other similarly placed projects without any linkage, without affecting the supplies to the 78,000 MW power projects and other Latter of Assurance (LoA) holders. The Coal India Limited has been issued a Presidential Directive for implementation of the CCEA decision. As on date CIL has signed 157 FSAs.

(c)&(d): As per the rationalized pricing introduced price from 28.05.2013, a uniform price has been kept for a particular Gross Clorific Value (GCV) grade across all the subsidiary coal companies of Coal India Limited (CIL) including North Eastern Coalfields (NEC) in respect of grades G1 to G5. For Grades G6 to G17, a uniform price has been kept for a particular GCV grade across all the subsidiary coal companies of CIL including NEC but except Western Coalfields Limited (WCL). For coal produced from Rajmahal fields of Eastern Coalfields limited there is an add-on of Rs. 300 per tonne over and above the applicable prices. For raw coking coal, different subsidiary coal companies have different prices for the same grade of coal applicable vide price notification no. CIL: S&M: GM(F): 1907 dated 26.02.2011.

(e): Steps have already been taken by CIL to introduce uniform grade-wise price across the subsidiary coal companies. However, exceptions are made in those cases where the cost of production is much higher than the average.