

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:3783  
ANSWERED ON:19.03.2015  
FIXATION OF COAL PRICES  
Rajoria Dr. Manoj

**Will the Minister of COAL be pleased to state:**

- (a) whether the Government has adopted a new formula for fixing coal prices in the country;
- (b) if so, the details thereof;
- (c) whether the prices of coal would rise with onset of new mechanism;
- (d) if so, whether various coal consumers such as power, cement industries etc. have the new mechanism; and
- (e) if so, the details thereof and the steps being taken by the Government in this regard?

**Answer**

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) to (c): After complete decontrol of coal prices w.e.f. 01.01.2000, Coal India Limited (CIL) is fixing the prices of raw coking and non-coking coal produced by CIL and its subsidiary companies from time to time keeping in view the input costs, inflation index, market trends, etc.

Further, keeping in view the international coal trading practices and also on the recommendations of the Integrated Energy Policy document and the committee headed by T.L. Sankar on Coal Sector Reforms, Government issued notification w.e.f. 31.12.2011 for switching over from the Useful Heat Value (UHV) based grading and pricing system to Gross Calorific Value (GCV) based classifications of non-coking coal. There is some impact of such price revision (upward or downward) on the coal consuming industries depending upon the actual GCV bands of coal being supplied to such industries.

(d) & (e): Various coal consumers such as power, cement industries etc. opposed the price applicable vide price notification dated 31.12.2011 and as a consequence, the said notification was subsequently withdrawn and replaced by another price notification dated 31.01.2012 and made applicable retrospectively w.e.f. 01.01.2012.