

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:6668
ANSWERED ON:07.05.2015
MARKETING AND PRICING POLICIES
Pathak Smt. Riti

Will the Minister of COAL be pleased to state:

- (a) whether the Government has permitted the subsidiaries of Coal India Limited to set individual marketing and pricing policies, if so, the details thereof;
- (b) whether it is a fact that following the notification, one subsidiary is encroaching upon the marketing territory of the other, if so, the details in this regard;
- (c) whether there is no similarity in the coal production cost of each subsidiary, if so, the details thereof and the reasons therefor; and
- (d) whether in the absence of level playing field, the permission of the Government is leading to unhealthy competition and liquidation of disadvantaged companies, if so, the Government's reaction thereto?

Answer

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

(a&b): No Madam, after complete decontrol of coal prices w.e.f. 01.01.2000, the Coal India Limited (CIL) has been fixing the prices of all the grades of coal produced by its subsidiary companies based on input costs, inflation index, market trends, etc. As per information received from Coal India Limited (CIL) a uniform price has been kept for all the Subsidiary Companies of CIL across all the bands of GCV, except the Western Coalfields Limited (WCL). For WCL, there is add-on of 10% over and above the applicable price for GCV bands not exceeding 5800 Kcal/Kg and below.

(c): Apart from CIL notified prices, there are certain mines in WCL which are on cost plus basis. Coal production cost vary from one subsidiary to another. Subsidiary-wise cost of production per tonne of coal as provided by CIL for the last three years is as follows:

[Fig. in Rupees]

Subsidiary	2011-12	2012-13	2013-14
Eastern Coalfields Limited	2459.94	2210.53	2237.07
Bharat Coking Coal Limited	2003.16	2014.89	1906.02
Central Coalfield Limited	1038.67	1020.51	1079.15
Northern Coalfield Limited	713.34	802.30	974.11
Western Coalfields Limited	1595.79	1617.87	1693.01
South Eastern Coalfields Limited	841.63	910.20	894.88
Mahanadi Coalfields Limited	507.55	483.53	530.14
Coal India Limited	1037.02	1048.45	1088.52

The variation in the coal production cost in different subsidiaries is due to depth of coal, geo-mining condition, technology and evacuation infrastructure, etc.

(d): Not applicable in view of reply to question (a) and (b) above.