

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO. 4167
TO BE ANSWERED ON 21.3.2018**

Fuel Supply Agreement

**4167. SHRI SUDHEER GUPTA:
SHRI T. RADHAKRISHNAN:
SHRI A. ANWHAR RAAJHAA:
SHRI S.R. VIJAYAKUMAR:
SHRI BIDYUT BARAN MAHATO:
KUNWAR HARIBANSH SINGH:
SHRI NARANBHAI KACHHADIYA:
SHRI GAJANAN KIRTIKAR:**

Will the Minister of COAL be pleased to state:

(a) whether the average price realisations of coal sold by Coal India Limited (CIL) through the fuel supply agreement (FSA) route has fallen quarter- on-quarter basis;

(b) if so, the details thereof and the reasons for the same;

(c) whether the CIL has also missed its production target in first nine months of current financial year as compared to the previous year;

(d) if so, the details thereof and the reasons for the same;

(e) the steps taken/being taken by the Government to achieve its coal production target; and

(f) whether CIL has taken steps to curtail its expenses and increase its profit and if so, the details thereof?

ANSWER

**MINISTER OF RAILWAYS AND COAL
(SHRI PIYUSH GOYAL)**

(a) & (b): Average price realization of coal sold by Coal India Limited (CIL) through Fuel Supply Agreements (FSA) for the Quarters ended 31st Dec. 2017 and 30th Sept. 2017 is as follows:

Quarter periods (2017-18)	July '17 to Sept. '17	Oct. '17 to Dec. '17	Decrease (in %)
Average Realisation for FSA Sales (in Rs per Tonne)	1224	1182	-3.4%

The sales realization per tonne may vary with the grade mix of quantity dispatched to regulated and non-regulated sectors, dispatch ratio of higher and lower grades of coal etc.

(c) to (e): As per Annual Plan 2017-18, the production target of Coal India Limited (CIL) was fixed as 600 Million Tonnes (MT). During April-December, 2017, CIL has produced 383.93 MT which is a growth of 1.6% over the production of 377.77 MT in the corresponding period of 2016-17. Owing to less demand of coal from January to July, 2017 which had resulted into accumulation of coal stock in the pithead of CIL, the production was restricted in the early part of 2017-18. However, the offtake of coal has registered a growth of 8% during April - December, 2017 over the corresponding period of 2016-17. The measures taken to increase the domestic production include expediting Environment Clearances & Forest Clearances, pursuing with State Government for assistance in land acquisition and coordinating with Railways for movement of coal. A roadmap has been prepared by CIL to substantially enhance production of coal by 2019-20. This includes capacity addition from new projects, use of mass production technologies and identification of existing on-going projects with growth potential.

(f): Some of the measures taken by CIL to curtail its expenses and increase its profit include the following:

- i) Introduction of e-tendering with reverse auction in procurement of high value goods and services including explosives.
- ii) Planning for high capacity OC mines with introduction of large sized HEMMs with emphasis on surface Miners in suitable mining conditions.
- iii) Up-gradation of HEMMs in existing OC mines with an aim to introduce high capacity equipment with standardized configuration.
- iv) Planning for high capacity UG mines with introduction of Mass production technology.
- v) Converting the existing unsafe UG mines into OC mines to extract the balance reserves, wherever feasible.
- vi) Staggering of rest days of employees to reduce the adverse impact of Sunday wages on salary and wages cost.
- vii) Introduction of GPS/GPRS based vehicle tracking system to check the pilferage of coal during transportation.
