

**GOVERNMENT OF INDIA**  
**MINISTRY OF COAL**  
**RAJYA SABHA**  
**QUESTION NO 26.07.2010**  
**ANSWERED ON**  
**PRICE OF DOMESTIC COAL .**

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Shri Mohd. Ali Khan

Will the Minister of RURAL DEVELOPMENT COAL be pleased to state :-

- (a) whether Government is considering to bring the price of domestic coal at par with global rates;
- (b) if so, the details and present position thereof; and
- (c) the views of experts and general public in this regard?

**ANSWER**

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL AND MINISTER OF STATE (IC) IN THE  
MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

(SHRI SRIPRAKASH JAISWAL)

(a) to (c) : A Statement is laid on the Table of the House.

Statement referred to in part (a) to (c) of the reply to Rajya Sabha Starred Question No.12 for answer on 26.07.2010.

(a)&(b): No, Sir. At present there is no proposal to bring prices of domestic coal at par with global prices. The prices of coal are fixed by the coal companies and are generally kept at rates, which are lower than the global rates. Coal prices were last revised on 16th October, 2009 wherein Run of Mine (ROM) coal prices in all coal companies of Coal India Limited (CIL) other than Eastern Coalfields Limited (ECL) & Bharat Coking Coal Limited (BCCL) have been increased by 10 % for all grades of coal over the then existing prices and such increase in respect of coal produced by ECL and BCCL is 15% except for the Grade 'A' & 'B' coal from the underground mines of ECL which is supplied to specific consumers at special prices limited to import parity.

(c) The Expert Committee on Integrated Energy Policy under the Chairmanship of Member, Planning Commission in its Report of August 2006, inter- alia, recommended that :-

1. Ideally coal prices should be determined in a competitive market. This, however, is not possible as the number of suppliers are limited and in the largest coal consuming sector, i.e. Power, cost is passed through while determining the electricity tariffs.
2. High quality coking and non-coking coal which is exportable, may be sold at export parity prices as determined by import price at the nearest port minus 15%.
3. 20% of the coal produced should be sold through e- auctions.
4. Remaining coal should be sold under long term Fuel Supply and Transport Agreements (FSTAs).
5. Pithead prices of coal under FSTAs should be revised annually by a coal regulator. 6. Coal prices may be made fully variable based on Gross Calorific Value (GCV).

Besides, Committee on Integrated Energy Policy, the Energy Coordination Committee, Working Group of Coal for 11th Plan, and Shri TL Sankar Committee on Coal sector had also recommended creation of an independent Coal Regulatory Authority which inter- alia should regulate pricing of coal.