

**GOVERNMENT OF INDIA
MINISTRY OF COAL
LOK SABHA
UNSTARRED QUESTION NO.217
TO BE ANSWERED ON 18.07.2018**

Swapping of Coal

217. SHRIMATI JAYSHREEBEN PATEL:

Will the Minister of COAL be pleased to state:

- (a) whether the Government of India is aware about the agreement of swapping of coal with Gujarat Government/Gujarat State Electricity Corporation Ltd. (GSECL) with NTPC to reduce the burden of transportation cost of fuel;
- (b) if so, whether the Government of India / Western Coalfields Limited (WCL) would supply the coal to GSECL at notified rated only and not on cost plus, as the same shall not be viable to GSECL as cost will increase;
- (c) if so, the time-frame to allocate more coal from WCL to GSECL to cater to its requirement at notified rates only;
- (d) whether transfer/swapping will be based on heating value terms; and
- (e) if so, whether the WCL will allow the third party to do the sampling and analysis at loading?

ANSWER

MINISTER OF RAILWAYS, COAL, FINANCE AND CORPORATE AFFAIRS

(SHRI PIYUSH GOYAL)

(a) to (c) : Yes, Madam. In line with the recommendation of the Standing Linkage Committee (Long Term) dated 11.08.2014, an agreement for swapping of coal linkage was signed between Gujarat State Electricity Corporation Limited (GSECL) and NTPC in November, 2014 for swapping of 1.0 MT of coal. As per the agreed terms, GSECL offered its South Eastern Coalfields Limited (SECL) linked coal to NTPC Korba STPS and the coal imported by NTPC was to be supplied to GSECL plant to avoid criss-cross movement of domestic and imported coal. This led to a potential annual savings of Rs. 458 crore to

GSECL. The swapping arrangement was continued till import of coal by NTPC upto 2016-17.

The Inter-Ministerial Task Force (IMTF) constituted in June, 2014 for a comprehensive review of existing coal sources and also to see the feasibility for rationalization of these sources with a view to optimize transportation cost recommended for shifting of 1.2 MTPA coal linkage of GSECL from SECL to Western Coalfields Limited (WCL), leading to annual potential savings in transportation cost of about Rs. 100 crore to GSECL. Though Coal India Limited (CIL) had advised WCL to execute Fuel Supply Agreement (FSA) for 1.2 MT of coal with GSECL, but due to non-availability of sufficient coal at notified price, WCL is supplying coal to GSECL at notified price under MoU on best effort basis. Meanwhile, WCL has offered to sign FSA with coal mix of notified and cost-plus basis. Till such time, supply of coal from WCL on best effort basis is continued.

(d): The transfer of coal is not based on heat value term.

(e): Coal supplied to GSECL from WCL is covered under Third Party Sampling and analysis at loading point for which a Tripartite Agreement between WCL, GSECL & CIMFR (Third Party Agency) has already been concluded.
