

GOVERNMENT OF INDIA
MINISTRY OF COAL

LOK SABHA
UNSTARRED QUESTION NO. 331
TO BE ANSWERED ON 12.12.2018

Issuance of Coal Permits

331. SHRI ASHOK MAHADEORAO NETE:

Will the Minister of COAL be pleased to state :

- a. the price of coal per metric tonne fixed and extracted so far during this financial year;
- b. the guidelines and terms/conditions fixed by the Union Government for giving coal permit to the Government and private industries and organisations;
- c. the details of complaints/ information received regarding issuance of coal permits in violation of the guidelines and terms and conditions as on date; company-wise; and
- d. the action taken by the Government in this regard so far?

ANSWER

MINISTER OF RAILWAYS AND COAL

(SHRI PIYUSH GOYAL)

(a): Pricing of Coal has been completely decontrolled w.e.f 01.01.2000, as such Government has no role in fixing of price of coal. Coal India Limited(CIL) Board approve and notify the prices of coal based on changes in Consumer Price Index(CPI) and Wholesale Price Index(WPI), increase in input costs ,capacity of the market to absorb the coal price, demand and supply scenario of coal etc. The latest coal prices notified by CIL vide notification dated 08.01.2018 is attached as Table-I and II.

(b) There is no system in vogue for issuing coal permits. Earlier consumers used to get coal through fuel supply agreements executed in term of New Coal Distribution Policy 2007. Coal linkages are now being granted to Government and private industries falling under the category of non-regulated sector consumer through "Linkage Auction Policy for Non- regulated sector dated 15.02.16".

Salient features of Linkage Auction Policy are given below:

- i. Proportion of coal allocation between power and non-power sectors to continue at the same level as average proportion of the last five years i.e. 75% Power and 25% Non-power.
- ii. All allocations of linkages/LoAs for non-regulated sector shall henceforth be auction based. The tenure of new Fuel Supply Agreements (FSAs) may be as decided by Ministry of Coal/ CIL, subject to a maximum of 15 years. There may not be premature termination of FSAs of non-regulated sector as of now. However, there will be no renewal of existing FSAs of non-regulated sector [except FSAs of CPSEs and Fertilizer (Urea)] which are maturing in 2015-16 onwards.
- iii. The existing FSAs with Central Public Sector Enterprises (CPSEs) may continue to be renewed on expiry. However, in case CPSEs require linkages over and above the existing linkages, they may participate in auction of linkage. Currently this guideline is applicable for both State and Central PSE's.
- iv. Separate quantities shall be earmarked for sub-sectors of non-regulated sector. The sub-sectors shall compete within themselves. The sub-sectors could be Cement, Steel/Sponge Iron, Aluminum, and Others [excluding Fertilizer (Urea) sector], including their CPPs etc. The Ministry of Coal may review the sub-sectors as and when required. As of now there is separate auction for each sub-sector viz' Sponge Iron, Cement, CPP, Others, Steel(Coking) & Others (Coking).
- v. The methodology for auction of linkages shall be non-discriminatory Ascending Clock Auction where the system increases the price on the electronic platform till demand-supply equilibrium is established. There will be an initial reserve price and auction will be conducted on this reserve price.
- vi. If total demand is less than offered quantity, then all bidders will get coal at reserve price.
- vii. If total demand is more than offered quantity, then the price will be increased by the system and the process will continue till the demand-supply equilibrium is established.
- viii. The price increment shall be determined based on a transparent computerized system without any manual interference.

(c) & (d): Coal linkages are presently being granted to Government & private industries falling under the category of non-regulated sector consumer through Linkage Auction Policy for Non-regulated sector. So far, CIL has not received any complaint/ information regarding violation of guidelines/ terms & conditions etc. in this regard.

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Table - I

PIT HEAD ROM PRICE OF NON-COKING COAL APPLICABLE FOR EASTERN COALFIELDS LIMITED, BHARAT COKING COAL LIMITED, CENTRAL COALFIELDS LIMITED, NORTHERN COALFIELDS LIMITED, MAHANADI COALFIELDS LIMITED, SOUTH EASTERN COALFIELDS LIMITED AND NORTH EASTERN COALFIELDS.

Grade	GCV Range (Kcal/Kg)	Run of mine price for Non-Coking coal	
		Power Utilities (including IPPs), Fertilizer & Defence sector (Rs./Tn)	Sectors other than Power Utilities (including IPPs), Fertilizer & Defence (Rs./Tn)
G1	Exceeding 7000	*	*
G2	Exceeding 6700 and not exceeding 7000		
G3	Exceeding 6400 and not exceeding 6700	3288	3288
G4	Exceeding 6100 and not exceeding 6400	3144	3144
G5	Exceeding 5800 and not exceeding 6100	3000	3000
G6	Exceeding 5500 and not exceeding 5800	2737	2737
G7	Exceeding 5200 and not exceeding 5500	2317	2524
G8	Exceeding 4900 and not exceeding 5200	1926	2311
G9	Exceeding 4600 and not exceeding 4900	1465	1757
G10	Exceeding 4300 and not exceeding 4600	1140	1368
G11	Exceeding 4000 and not exceeding 4300	1024	1228
G12	Exceeding 3700 and not exceeding 4000	955	1145
G13	Exceeding 3400 and not exceeding 3700	886	1063
G14	Exceeding 3100 and not exceeding 3400	817	980
G15	Exceeding 2800 and not exceeding 3100	748	897
G16	Exceeding 2500 and not exceeding 2800	590	708
G17	Exceeding 2200 and not exceeding 2500	504	604
		447	536

* For GCV exceeding 7000 Kcal/Kg, the price shall be increased by Rs. 100/- per tonne over and above the price applicable for GCV band exceeding 6700 but not exceeding 7000 Kcal/Kg, for increase in GCV by every 100 Kcal/Kg or part thereof.

An additional amount of Rs. 450 per tonne (as per existing practice) to be charged over and above the notified price in respect of the coal produced from Rajmahal mine of Eastern Coalfields Limited

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Table II

**PIT HEAD PRICE OF NON-COKING COAL APPLICABLE FOR WESTERN
COALFIELDS LIMITED.**

Grade	GCV Range (Kcal/Kg)	Pithead Run of mine price for Non-Coking coal	
		Power Utilities (including IPPs), Fertilizer & Defence sector (Rs./Te)	Sectors other than Power Utilities (including IPPs), Fertilizer & Defence (Rs./Te)
G1	Exceeding 7000	*	*
G2	Exceeding 6700 and not exceeding 7000	3288	3288
G3	Exceeding 6400 and not exceeding 6700	3144	3144
G4	Exceeding 6100 and not exceeding 6400	3000	3000
G5	Exceeding 5800 and not exceeding 6100	2737	2737
G6	Exceeding 5500 and not exceeding 5800	2524	2580
G7	Exceeding 5200 and not exceeding 5500	2311	2423
G8	Exceeding 4900 and not exceeding 5200	1757	2109
G9	Exceeding 4600 and not exceeding 4900	1368	1642
G10	Exceeding 4300 and not exceeding 4600	1228	1474
G11	Exceeding 4000 and not exceeding 4300	1145	1374
G12	Exceeding 3700 and not exceeding 4000	1063	1275
G13	Exceeding 3400 and not exceeding 3700	980	1176
G14	Exceeding 3100 and not exceeding 3400	897	1076
G15	Exceeding 2800 and not exceeding 3100	708	850
G16	Exceeding 2500 and not exceeding 2800	604	725
G17	Exceeding 2200 and not exceeding 2500	536	643

* For GCV exceeding 7000 Kcal/Kg, the price shall be increased by Rs. 100/- per tonne over and above the price applicable for GCV band exceeding 6700 but not exceeding 7000 Kcal/Kg, for increase in GCV by every 100 Kcal/Kg or part thereof.

A. Chandra

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