

Review of viability of projects by CIL

1411. SHRI AVINASII RAI KHANNA: Will the Minister of COAL be pleased to state:

- (a) whether it is a fact that the Coal India Limited (CIL) proposes to review the viability of all its projects during the Twelfth Five year Plan;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken/proposed to be take by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL): (a) to (c) As per the guidelines of Ministry of Coal and Resolution of the Coal India Limited Board, only those project investment proposals are being considered for approval where internal rate of return (IRR) is at least 12%. Thus the prime criterion for approval of any project is 12% IRR. When the expenditure from any project under implementation exceeds the 50% level, a mandatory review by the competent authority is being done to assess the project cost based on the residual project activities & accordingly action is initiated for preparation of Updated cost estimates of the project & its approval, if required.

Consensus on price pooling system

1412. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of COAL be pleased to state:

- (a) whether it is a fact that the Ministry is proposing to introduce a system of price pooling for coal;
- (b) if so, the details thereof;
- (c) whether various Ministries have expressed their acceptance or general consensus has been reached among the Ministries on implementation of the system;
- (d) whether it is a fact that several States are against such system;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the measures being taken by Government to bring consensus among various Ministries involved and the State Governments on the proposed system?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL): (a) to (f) A proposal on pooling of price of imported coal with domestic coal was considered by the Cabinet Committee on Economic Affairs (CCEA). The CCEA has approved in-principle, certain guidelines for pooling of price and has directed for constitution of an inter-Ministerial Committee to work out the modalities. Earlier 5 power utilities had agreed to the price pooling, while 10 power utilities opposed it. Reservations were expressed by some State Governments. It has now been decided by CCEA that in respect of plants commissioned upto 31.3.2009, domestic coal will continue to be supplied as hitherto at CIL's notified prices. This will address the major concerns raised by the states with regard to price pooling

Price pooling of coal

1413. SHRI RAJKUMAR DHOOT: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that Government has decided for price pooling of imported and domestic coal;

(b) if so, the details thereof; and

(c) what would be the likely benefits of this price pooling to Coal India Ltd. and coal consumers in the country, particularly the power sector?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL): (a) to (c) Government has approved in principle certain guidelines related to the concept of price pooling. Specific capacities/quantities are to be worked out. It has been decided that in respect of plants commissioned upto 31.3.2009, domestic coal will continue to be supplied as hitherto at CIL's notified price. Price pooling is likely to enable Coal India Limited (CIL) to meet its fuel supply obligations to the power sector through import of coal, in addition to coal supplied from indigenous production which will mean higher power generation in the country.

Target of coal production

†1414. SHRI RAVI SHANKAR PRASAD: Will the MINISTER OF COAL be pleased to state :

†Original notice of the question was received in Hindi.