

BCCL to seek higher coking coal price from SAIL

Bharat Coking Coal Ltd (BCCL), a subsidiary of Coal India Ltd, will ask for a 40 percent hike in coking coal prices supplied to Steel Authority of India Ltd (SAIL) from 2008-09, BCCL said Wednesday.

'Keeping in mind the coking coal price increase in the international market, we have decided to seek a price of Rs.6,300 per tonne from SAIL. At present we are selling coking coal to SAIL at a price of Rs.4,500 per tonne,' BCCL chairman and managing director A.K. Paul said at a press conference here.

The price of coking coal in the international market is around Rs.14,000 (\$335) per tonne.

Paul said: 'We have already got offers from Rashtriya Ispat Nigam Ltd (RINL) and Durgapur Project Ltd (DPL), a domestic steel and mining machinery manufacturing company in West Bengal, who have agreed to buy coking coal from us at a price of Rs.6,300 per tonne.'

BCCL supplied 1.68 million tonnes of coking coal to SAIL in 2007-08.

'The old agreement with SAIL expired on March 31. Now we will demand a higher price from them. If they agree with the increased amount, we would go into a further contract. Otherwise we will supply coking coal to RINL and DPL at the new price,' he said, adding that BCCL was in talks with both the domestic steel players.

Industry sources said RINL has already asked for 600,000 tonnes of coking coal and DPL for 100,000 tonnes from BCCL in 2008-09.

'We are presently supplying 40,000 tonnes of coking coal to RINL on a temporary basis,' Paul said.

BCCL has set a target to produce 4.38 MT of raw coking coal in 2008-09 of which 2.2 MT would be washed coal production.

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