

Coal India's fuel supply deal likely to be deferred

The proposed fuel supply agreement (FSA) between Coal India (CIL) and its customers, scheduled to be finalised June 30, may get deferred, company chairman Partha S. Bhattacharyya said here Friday.

According to the agreement, if CIL fails to deliver 60 percent of supplies committed, it would invite penalty charge. Similarly, if the consumer does not take 60 percent of the coal that it places orders for, it has to pay a penalty.

CIL and coal consumers are negotiating the agreement, originally supposed to have been signed in mid-April and later deferred to June-end.

This could once again get postponed, Bhattacharyya said at a seminar here.

In his address at the same seminar, Union Minister of State for Coal Santosh Bagrodia said efforts were on to cobble together a comprehensive Indian Coal Act. 'It is important to add a number of new policies to optimise coal production,' he said.

Bagrodia said there was a need to forge partnerships with the private sector for better productivity and management of coal mines.

The minister said the Planning Commission was studying a proposal for a coal regulator, as proposed by Finance Minister P. Chidambaram in his budget speech. After this is finalised, the proposal would be moved to the cabinet committee for the final go-ahead.

Bhattacharyya said CIL welcomed the move. 'It is not desirable that the regulator will decide on the price. But if it does, we have no problems,' he said.

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