

- (a) whether it is a fact that the price fluctuation in the trading of foodgrains in futures market affects the prices in the actual market;
- (b) if so, whether any steps have been taken by Government to overcome this problem; and
- (c) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) The futures market merely discovers the likely prices of a given commodity at future points of time depending on the likely supply-demand scenario. The price of any commodity is determined by actual demand and supply position in the market. Prices are bound to fluctuate depending on the additional information/data available or expectations of market participants relating to demand and supply factors. Such information is received and price expectations change almost on a continuous basis. An Expert Committee chaired by Shri Abhijit Sen, Member of the Planning Commission that analyzed annual trend growth rate in prices of sensitive commodities (food grains and sugar) in pre-futures and post futures period, concluded that although inflation clearly increased post-futures in some sensitive commodities that have higher weight in consumer price indices, it is not possible to make any general claim that inflation accelerated more in commodities with futures trading.

Other factors particularly demand supply mismatches, degree of dependence on imports and international prices in these commodities etc. also tend to effect commodity prices.

(b) and (c) FMC has put in place several regulatory measures such as limits on open position, daily price limits, initial margins, special and additional margins to regulate excessive variation in the prices of the commodities traded on the futures exchanges. The FMC has also implemented a staggered delivery system for several agricultural commodities which has reduced the price fluctuations in these commodities in the near month. Further, the FMC monitors the trade details from the Exchanges on a daily basis.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Losses to Coal Companies due to cut in spot sales

2326. SHRI Y.S. CHOWDARY: Will the Minister of COAL be pleased to state:

- (a) whether it is a fact that coal producing companies may lose Rs. 6,000 crore every year, due to cut in spot sales;

(b) if so, the details thereof; and

(c) the steps/measures taken/being taken by Government to make up the loss?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL): (a) to (c) The provisions of New Coal Distribution Policy of October, 2007 provides for sale of coal through, *inter-alia*, e-auction. During 2011-12, the subsidiary companies of CIL have earned Rs. 5600 crores more than the notified price of coal, by selling coal through e-auction. As the Government has not taken any decision to discontinue e-auction of coal, the question of the coal companies incurring any loss on this account would not arise. It is, however, stated that the purpose of sale of coal under e-auction is basically to provide access to coal for such consumers who are not able to source coal through the available institutional mechanisms for reasons like seasonality of coal requirement, limited requirement of coal not warranting long term linkage etc. Sale of coal under e-auction also provides access to consumers to procure coal of their choice and any incremental amount earned over the notified price, through e-auction, is incidental.

Prevention of thefts from coal mines

2327. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of COAL be please to state:

(a) the estimated amount of coal lost due to pilferage and thefts;

(b) the steps taken to prevent thefts of coal from the mines; and

(c) what is the impact of the efforts made?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL): (a) It is not possible to specify the exact quantum of coal stolen and losses incurred on account of theft/pilferage of coal.

However, as per raids conducted by security personnel as well as joint raids with the law and order authorities of the concerned State Government, the quantity of coal recovered and its approximate value during 2010-11 and 2011-12 are as under: