

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:437
ANSWERED ON:24.02.2010
INCREASE OF COAL PRICES
Tirkey Shri Manohar

Will the Minister of COAL be pleased to state:

- (a) the amount of profit likely to be earned annually by Coal India Limited (CIL) as a result of recent hike in coal prices by CIL;
- (b) the manner in which the profit earned will be utilised by CIL; (C) if so, the details thereof;
- (d) whether Government proposes to revamp coal sector into a free trade zone; and
- (e) if so, the details thereof and the time by which it is likely to be implemented?

Answer

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL AND MINISTRY OF STATE (IC) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (SHRI SRIPRAKSH JAISWAL)

(a) to (c): Out of the additional revenue expected to be generated from the price revision (w.e.f. 16.10.2009) of about Rs. 4,629 crore per annum, Coal India Limited (CIL) is to absorb around Rs. 200 crore per annum towards increased input costs of coal feed to washeries of CIL and the balance amount will contribute to reduce the burden of increased wage cost, whose impact in the first year (during 2009-10) is more than Rs. 4000 crore.

(d): No, Sir.

(e): Does not arise in view of the reply to part (d) above.