

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:232
ANSWERED ON:10.11.2010
INCREASE OF COAL PRODUCTION
Pakkirappa Shri S.

Will the Minister of COAL be pleased to state:

- (a) whether the prices of coal have been increased recently;
- (b) if so, the extent to which coal prices have been increased and the additional amount of revenue/profit likely to be earned annually by Coal India Ltd. as a result thereof;
- (c) whether the Government has decided to invest this likely additional profit in coal production sector so as to increase the production; and
- (d) if so, the likely increase in coal production as a result thereof?

Answer

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

(a) to (d): Yes, Sir. Coal prices were last revised on 16th October, 2009. Run of Mine (ROM) coal prices in all coal companies of Coal India Limited (CIL) other than Eastern Coalfields Limited (ECL) & Bharat Coking Coal Limited (BCCL) have been increased by 10 % for all grades of coal over the then existing prices and such increase in respect of coal produced by ECL and BCCL is 15% except for the portion of Raniganj coal of Grades A&B from such mines of ECL, which are supplied under Memorandum of Understanding (MOU) to specific consumers at special price.

The main reasons for price hike were wage revision of all employees CIL and its subsidiary coal companies and also the steep increase in cost of inputs. Based on the production and off-take target of 2011-12, additional revenue likely to be generated per annum due to revision of price is around Rs. 4467 crores. The surplus generated in the process would be used for fresh investments in new projects, which would lead to increase in coal production. As per the projections made, CIL's production is likely to increase from 431.27 Million Tonnes in 2009-10 to 486.50 Million Tonnes by 2011-12.