

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:95

ANSWERED ON:25.11.2009

RISE IN COAL PRICE

Hassan Dr. Monazir ;Joshi Dr. Murl Manohar

Will the Minister of COAL be pleased to state:

- (a) whether the price of coal has been increased by the coal companies recently;
- (b) if so, the details thereof;
- (c) the hike in coal prices effected during the last three years;
- (d) the norms/criteria adopted by the coal companies to regulate hike in coal prices;
- (e) whether the recently effected increase was based on input costs, inflation index, market trends, etc; and
- (f) if not, the reasons therefor, company-wise?

Answer

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

(a) to (f): A statement is laid on the Table of the House.

STATEMENT AS MENTIONED IN LOK SABHA STARRED QUESTION NO.95 FOR ANSWER ON 25.11.2009 ASKED BY DR. MURLI MANOHAR JOSHI AND DR. MONAZIR HASSAN

(a)&(b): Yes Sir, Coal prices have been increased with effect from 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.

(c) : The position with regard to the last three years is given below :

(i) Coal prices were revised on 13th December 2007. ROM coal prices for all coal companies of CIL other than North Eastern Coalfields (NEC) were increased by 10% for all grades of coking and non-coking coal, over the then existing prices and in case of NEC the increase was 15%.

(ii) Coal prices of NEC were further revised on 09th March 2008. ROM coal prices of all grades of coal of NEC were increased by 50% over the then existing prices.

(iii) Coal prices were last revised in the current year on 16th October 2009, the details of which are given in the reply to part (a)&(b) above.

(d): The hike in the coal prices has been so regulated to ensure that –

(i) it remains competitive vis-à-vis price of imported coal,

(ii) the market is able to absorb such hike in coal price,

(iii) it generates additional resources in meeting the additional recurring expenditures,

(iv) it generates additional resources for fresh investment in new projects.

(e): Yes sir.

(f): Does not arise in view of the answer to part(e) above.