

#### Increased in prices of coal

283. SHRI SHIVANAND TIWARI :

SHRI RAVI SHANKAR PRASAD :

Will the Minister of COAL be pleased to state :

- (a) whether it is a fact that 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 profit to be earned annually by Coal India Ltd. as a result thereof;
- (c) whether Government has decided to invest this additional amount of 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?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL) : (a) and (b) Yes, Sir. Run of Mine (ROM) coal prices in all coal companies of Coal India Ltd. (CIL) other than Eastern Coalfields Ltd. (ECL) & Bharat Coking Coal Ltd. (BCCL) have been increased *w.e.f.* 16th October, 2009 by 10% for all grades of coal over the then existing prices and the 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 a Memorandum of Understanding (MOU) to specific consumers at special prices. The additional revenue expected to be generated from the price revision is about Rs. 4,629 crore per annum.

(c) and (d) The upward revision of coal price has been necessitated on account of increased wage bills arising out of execution of the National Coal Wage Agreement-VIII (NCWA-VIII) for workmen affective from 01.07.2006 and the revision of pay of executives as per the guidelines issued by the Department of Public Enterprises (DPE) effective from 01.01.2007. The coal production target for the year 2009-10 from CIL sources is 437.00 MT against actual of 403.73 MT during the year 2008-09. However, this likely increase in coal production is not related to the recent revision of coal prices.

#### Criteria to increase coal price

284. SHRI NAND KUMAR SAI : Will the Minister of COAL be pleased to state :

- (a) whether Government has raised the coal prices in the year 2007;
- (b) if so, the details thereof;
- (c) the details of the criteria fixed by Government to increase the prices of coal;
- (d) whether Government proposes a complete revamp in the existing criteria and allow entry of coal sector into a free trade zone; and
- (e) if so, the details thereof and by when it is likely to be implemented?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL) : (a) and (b) Coal pricing has been decontrolled since 01.01.2000. The Coal companies themselves fix the coal price. Run of Mine (ROM) coal prices for all coal companies of Coal India Limited (CIL) other than North Eastern Coalfields (NEC) were increased in 2007 by 10% for all grades of coking coal and non-coking coal over the then existing prices and in case of NEC the increase was 15%.

(c) The coal companies raise the coal price based on input costs, inflation index, market trends etc. and notify the same periodically.

(d) No, Sir.

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

#### **Funds for developments of captive coal mines**

285. SHRI RANJITSINH VIJAYSINH MOHITE PATIL : Will the Minister of COAL be pleased to state :

(a) the details of the funds provided to the Coal India Limited and Singareni Collieries Company Limited, by the Planning Commission to take care of the development of captive coal mines for new power projects in power sector, specially in Maharashtra;

(b) whether the funds so provided are adequate, if not the steps being taken to augment the resources for development of captive coal mines for supporting the power projects; and

(c) what is Governmentus thinking for mobilization of adequate resources required under the new Coal Policy, with the details of cost and location of the projects in Maharashtra?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL) : (a) Planning Commission has not provided any funds to Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL) to take care of the development of captive coal mines for new power project in any state including Maharashtra.

(b) Does not arise.

(c) The approved plan outlay for CIL for the XI Five Year Plan for supporting activities from internal resources for their production plans is Rs. 17390 crore. This outlay of CIL includes an amount of Rs. 1168.52 crore for the mines in the state of Maharashtra under the command area of Western Coalfields Limited (WCL), a subsidiary of CIL.

#### **Revision of coal price**

286. SHRI B.K. HARIPRASAD : Will the Minister of COAL be pleased to state :

(a) whether there has been substantial increase in the cost of inputs in the coal sector since the last price revision resulting in an erosion of CILus profitability;