

**GOVERNMENT OF INDIA**

**MINISTRY OF COAL**

**RAJYA SABHA**

**QUESTION NO 21.12.2009**

**ANSWERED ON**

**. ANNUAL PROFIT OF COAL INDIA LTD. .**

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Shri Ravi Shankar Prasad

Will the Minister of COAL be pleased to state :-

(a) whether an assessment has been made regarding increase in annual profit of Coal India Limited as a result of increase in selling price of coal;

(b) if so, the estimates thereof as a result of recent increase in price and the percentage of increase in profit; and

(c) whether the other alternatives for increasing profit have also been assessed and if so, the details thereof and the likely increase in profit from each alternative source?

**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) & (b): Out of additional revenue of Rs.4,629 crore (approx.), expected to be generated from price revision, subject to full off-take of the production quantity, CIL is to absorb around Rs.200 crore per annum towards increased input cost of coal feed to washeries of CIL and balance amount will contribute to reduce the burden of increased wages cost, whose impact in the first year (i.e. 2009-10) is around Rs.4,000 crore.

(c): Apart from the profit from coal and its related operations like washeries and other, interest on term deposits lying with Banks also contribute towards total profit of CIL and its subsidiary companies. Against interest income of Rs.2,241 crore during 2008-09, interest contribution during 2009-10 has been estimated to be reduced to Rs.1,718 crore mainly because of significant reduction in the rates of interest on term deposits.