

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:390
ANSWERED ON:25.07.2000
LOSSES OF CENTRAL COALFIELDS LIMITED
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Will the Minister of COAL be pleased to state:

- (a) the number of coal mines under Central Coalfields Limited running into losses as on date;
- (b) the losses suffered by each mine during the last three years;
- (c) the reasons therefor, coal-mine wise; and
- (d) the steps taken by the Government to check losses in the coal mines?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a) & (b): The number of coal mines of Central Coalfields Limited (CCL) running into losses during the last three financial years is given below:-

	1997-98	1998-99	1999-2000 (provisional)
Number of loss-making mines of CCL		50	50 53

The annual accounts for CCL for the year 1999-2000 are yet to be audited. The accounts of CCL and other subsidiary companies of Coal India Limited are prepared for one full financial year and therefore, the number of coal mines in CCL running into losses and the losses incurred by them from the period from 1.4.2000 to 25.7.2000 are not available. However, the losses incurred in the mines of CCL during the last three financial years of 1997-98, 1998-99 and 1999-2000 (provisional) are given mine-wise in the Annexure.

(c): The reasons for losses in the 53 coal mines of CCL listed in the Annexure are generally common in all such mines. The main reasons for losses in such mines are given below:

- i) Share of production from low grade reserves has increased against the high grade reserves resulting in adverse product-mix.
- ii) On account of delay in land acquisition, forest land clearance and rehabilitation of villages, the workable coal reserves got depleted. As a result coal production could not be made good.
- iii) Production of medium coking coal got reduced on account of depletion of workable reserves.
- iv) Seven areas in CCL have old and less productive mines with large work force. This adverse production-manpower ratio is affecting profitability of the company. In particular, the uneconomic underground mines of CCL have high incidence of manpower. Out of 53 loss-making mines of CCL listed in the Annexure, 32 are underground mines. 60.38 % of the loss making mines of the company are underground and therefore, the majority of the loss making mines of the company are underground.
- v) Adverse age profile of Heavy Earth Moving Machine (HEMM) in CCL on account of high number of older equipment resulted in poor availability and utilization. This situation has led to low productivity of the equipment.

One of the main reasons for losses of CCL as a whole, has been the write off/ adjustment against old sundry debtors during the last three years amounting to about Rs.215 crores.

(d): The steps taken to check losses in the coal mines in the CCL are given below:-

- i) Closure of some of the most uneconomic and unviable mines and re-organisation or restructuring of existing uneconomic mines so that production and productivity is increased in those mines.
- ii) Reduction of manpower through VRS as well as redeployment of manpower in a planned way by imparting training as well as upgradation of the skill of existing manpower.

iii) Developing new mines like Jharkhand Opencast and Topa Opencast and diversion of PhusroJarangdih Rail line which will improve not only product mix but also increase coking coal production thereby improving the capacity utilisation of the washeries.

iv) Focusing attention on rehabilitation as well as land acquisition and forest clearance matters. The mines are being completed within the scheduled time-frame which will increase production and productivity in CCL in coming years.

v) Taking corrective steps to improve the age profile of HEMM by giving thrust on replacement of HEMM during the current year as well as terminal year of the IXth Plan. This will improve availability and utilisation. In fact, the capacity utilisation of HEMM which was around 64% before three years has now come to about 77 % in 1999-2000.

Annexure

Statement of losses incurred in the mines of CCL during the last three financial years.

(Rs. In lakhs)

Name of the Mine	1997-98	1998-99	1999-2000 (Provisional)
Bhurkunda OC	840.00	719.00	1725.00
Bhurkunda UG	913	721	576
Lapanga UG	488	488	467
Saunda-D UG	1468.00	1343.00	1270.00
Saunda-D OC	618.00	740.00	905.00
Central Saunda UG	1150.00	965.00	989.00
Saunda UG	797.00	1255.00	1373.00
Hendigir UG	531.00	656.00	896.00
Sayal-D UG	2082.00	2529.00	2465.00
Urimari UG	255.00	210.00	172.00
Gidi-C OC	Nil	730.00	1203.00
Religara UG	85.00	121.00	194.00
Religara OC	683.00	Nil	621.00
Sirka UG	807.00	740.00	789.00
Sirka OC	1885.00	439.00	286.00
Argada UG	210.00	344.00	430.00
Mankichuri UG	144.00	82.00	40.00
Hutar UG	261.00	219.00	190.00
Rajhara OC	305.00	490.00	411.00
Bachra-Ray UG	557.00	622.00	111.00
Kuju UG	959.00	1423.00	1299.00
Kuju OC	274.00	160.00	226.00
Ara UG	710.00	499.00	469.00
Ara OC	568.00	881.00	860.00
Sarubera UG	576.00	630.00	790.00
Sarubera OC	543.00	486.00	415.00
Topa UG	809.00	932.00	1174.00
Pindra UG	660.00	706.00	689.00
Pundi OC	210.00	625.00	384.00
Kedla UG	501.00	483.00	311.00
Tapin (S) UG	27.00	95.00	110.00
Tapin (S) OC	Nil	Nil	214.00
Jharkhand OC	13.00	254.00	534.00
Laiyo UG	531.00	635.00	459.00
Bokaro OC	1043.00	765.00	1316.00
Kargali UG	338.00	316.00	357.00
Kargali OC	119.00	1485.00	2771.00
Karo-1 UG	396.00	366.00	436.00
Khasmahal UG	419.00	435.00	570.00
Karo Spl. UG	695.00	815.00	714.00
Gridih UG	139.00	157.00	172.00
Gridih OC	1633.00	2275.00	2432.00
Dhori OC	1241.00	743.00	586.00
Amlo OC	Nil	Nil	171.00
N.S. Dhopi UG	659.00	675.00	549.00
Dhori (K) UG	269.00	211.00	134.00
Dhori (K) OC	18.00	416.00	234.00
Kathara OC	1797.00	2798.00	2272.00
Jarangdih UG	1111.00	1412.00	1141.00
Sawang UG	752.00	993.00	874.00
Sawang OC	670.00	520.00	311.00
Govindpur UG	878.00	956.00	1019.00
Govindpur OC	752.00	975.00	1104.00