

**GOVERNMENT OF INDIA  
COAL AND MINES  
LOK SABHA**

UNSTARRED QUESTION NO:125  
ANSWERED ON:19.11.2001  
LOSS IN CIL  
GUNIPATI RAMAIAH

**Will the Minister of COAL AND MINES be pleased to state:**

- (a) whether the Coal India Limited (CIL) and its subsidiaries have suffered loss worth crores of rupees during 2000-2001;
- (b) if so, the facts and details thereof;
- (c) whether the Government have transferred most of its officials in the wake of losses suffered by CIL;
- (d) if so, whether the transfer of officials will have any impact on the losses of CIL; and
- (e) the other strategies being adopted to check losses of CIL?

**Answer**

MINISTER OF STATE FOR COAL AND MINES ( SHRI RAVI SHANKAR PRASAD)

(a) & (b) : The profits(+)/losses(-) earned/incurred by Coal India Limited and its subsidiaries during the year 2000-2001 are given below.

(Rs. in crores)

Eastern Coalfields Limited (-) 917.19

(ECL)

Bharat Coking Coal Limited (-) 1276.70

(BCCL)

Central Coalfields Limited (-) 792.91

(CCL)

Northern Coalfields Limited (NCL) (+) 1025.05

Western Coalfields Limited (+) 28.23

(WCL)

South Eastern Coalfields Limited (SECL) (+) 116.92

Mahanadi Coalfields Limited (MCL) (+) 641.35

Central Mine Planning and Design Institute (CMPDIL) (-) 3.81

Coal India Limited (CIL) (+) 280.21

Total (-) 898.85

Less dividend from subsidiaries (-) 515.62

Over all CIL (-) 1414.47

(c) & (d) : Some officials of CIL were transferred during 2000-2001 as a part of the normal transfer policy of CIL

(e) In February, 1996, a package of capital restructuring of CIL was approved by the Government in order to revive the loss making companies, whereby CIL's overdue liabilities of Rs. 2228.57 crores were taken care of by waiver of arrears of interest, partly by conversion to preference equity and partly by moratorium on repayment and interest accrual. These benefits were passed on to the loss making subsidiaries such as ECL and BCCL. Further, in order to improve the performance of the loss making companies of ECL and BCCL, CIL had effected an internal restructuring of the equity and loan structure of its subsidiaries whereby debts of Rs. 994 crores in ECL and Rs. 1,180.70 crores in BCCL, were converted into equity. Since 1982, the losses of the losing companies of CIL were being subsidised through a mechanism of Coal Price Regulation Account. This has been discontinued since 1997.

Following steps have been taken to check the losses and to make the coal mines profitable :-

- i) Conversion of underground mines to opencast mines, wherever practicable.
- ii) Mechanisation of underground mines wherever feasible by introducing SDLs, LHDs and Continuous Miners.
- iii) Encouraging Voluntary Retirement Scheme to reduce manpower and facilitate introduction of mechanisation.
- iv) Effective utilisation of existing resources by motivation to achieve higher productivity by way of close monitoring and incentives.
- v) Coal Quality Improvement drive in all mines.