

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

UNSTARRED QUESTION NO:7038

ANSWERED ON:13.05.2002

PROFIT TO CIL

ASHOK NAMDEORAO MOHOL;GOWDAR MALLIKARJUNAPPA;IQBAL AHMED SARADGI

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

(a) whether the Coal India Limited (CIL) suffered Rs. 1414 crores loss during the year 2000-01;

(b) if so, the reasons therefor ; (

(c) whether the CIL has earned profit of Rs. 1400 crores during 2001-02;

(d) if so, whether the Government has made any study in regard to amazing profit earned by the CIL;

(e) if so, whether the Government have any plan to encourage the factors responsible for remarkable profit and growth in the coal sector; and

(f) if so, the details thereof ?

Answer

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

(a) : Yes, Sir. Coal India Limited(CIL) had suffered a loss of Rs. 1414.47 crore during the year 2000-2001.

(b) : Loss incurred during the year 2000-2001 was on account of massive impact of wage revision with its arrear liability under National Coal Wage Agreement-VI, with effect from 1.7.96 for non-executives and pay revision with effect from 1.1.97 for executives. The provision made for the wage arrears in 2000-2001 was Rs. 3031.66 crore.

(c) to (f) : Yes, Sir. CIL has earned a profit of Rs.1400 crore approximately during 2001-02 (This is a provisional figure. Firm figure will be available only after the accounts of CIL and its subsidiaries are audited and adopted in the Annual General Meeting). The year 2001-02 also witnessed increased production, off take and productivity. The Government is committed to speed up growth and all round development in the coal sector.

A prior period adjustment in wage arrears under National Coal Wage Agreement- VI made in the year 2000-01 of Rs. 2,300 crores was not needed to be made in the year 2001-02. Besides, overall coal production also increased in 2001-02 by over 11 million tonnes compared to production in 2000-01. This directly contributed Rs. 460 crores towards the profit of 2001-02. Both these were the major contributing factors in the profits for 2001- 02, apart from improvements in the functioning of the coal companies. Overall, after taking into account the above factors and also accounting for the increase in expenditure and provisions etc. in 2001-02, the provisional profit has been arrived at Rs. 1400 crores.

(b) : While the immediate reason for loss of CIL during 2000-2001 is the massive impact of wage revision with its arrears liability under National Coal Wage Agreement -VI(NCWA) amounting to Rs. 3031.66 crores, the reasons for the losses incurred by ECL, BCCL and CCL are as under :-

- Existence of large number of small underground mines which are no longer amenable to significant increase in productivity.
- Low productivity of underground mines as compared to successive wage increase.
- Surplus manpower.
- Adverse geo-mining conditions.
- Problem of land acquisition and settlement of land oustees affecting production from some large mines.