

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

UNSTARRED QUESTION NO:1475
ANSWERED ON:03.03.2000
DEBT ON COAL COMPANIES
SRIKANTA DATTA NARASIMHARAJA WADIYAR

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

- (a) whether some coal companies are running at loss;
(b) if so, the reasons thereof;
(c) the debt burden of each coal company at present; and
(d) the steps taken by Coal India Limited to refund the debt?

Answer

MINISTER OF STATE FOR MINES & MINERALS (SMT. RITA VERMA)

(a) The three subsidiary companies of Coal India Limited (CIL) namely, Eastern Coalfields Limited (ECL), Bharat Coking Coal Company Limited (BCCL) and Central Coalfields Limited (CCL), have incurred loss as on 31.3.99.

(b) The reasons for the loss incurred by these three companies are as under:-

- i) Large number of deep old mines mainly underground and fire in coal seam adjacent to the mining area.
ii) Uneconomical mines on account of small size and exhaustible reserves.
iii) Surplus manpower engaged in these three companies.
iv) Reduced demand of coking coal and competition from imported coking coal.
v) Adverse geo-mining conditions.

(c) There are eight subsidiary companies of CIL namely, Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Northern Coalfields Limited (NCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Mahanadi Coalfields Limited (MCL) and Central Mine Planning & Design Institute Limited (CMPDIL). The debt burden on each of the subsidiary companies of CIL as on 31.3.99 is given below:-

(Rs. in crores)

	ECL	BCCL	CCL	NCL	WCL	SECL	MCL	CMP	CIL	Total	
Loan from CIL			615.57	1406.76	1106.36	109.61	226.05	371.59	184.12	2.12	4022
Foreign Loan		389.00			409.54	178.17	56.97	79.55	87.02	393.32	1593.57
Term Loan		0.76			59.12		150.00	157.50			367.38
Bank overdraft		8.97		95.40	1.94					610.14	716.45
Loan from Financial Institution & Corporation		125.11		65.83	0.72		200.00			575.00	966.66
Bonds									884.34	884.34	
Loan from Govt. of India										1920.58	1920.58

Interest accrued

26.93 26.93

Total 1014.30 1627.27 1642.49 288.25 433.58 808.10 271.61 2.12 4410.31 10498.03

(d) CIL is repaying the debt as per the schedule of the repayment agreed with the lenders.