

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

UNSTARRED QUESTION NO:2336
ANSWERED ON:23.07.2004
MERGER OF ANCILLARY UNITS OF COAL INDIA LIMITED
Dubey Shri Chandra Shekhar

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

- (a) whether some ancillary units of Coal India Limited are carrying profits and paying thousands of crores of rupees as tax annually;
- (b) if so, the details of such companies / units;
- (c) whether the Government are aware that B.C.C.L., E.C.L and C.C.L. units are incurring losses following which workers/ employees are not getting LTC, Provident Fund, Pension, Gratuity and even their monthly salary in time;
- (d) if so, whether the Government are in favour of merger of all ancillary units of Coal India Limited to form into one integrated unit like the SAIL in order to remove the aforesaid anomaly; and
- (e) if so, by when and if not, the steps being taken to remove the anomalies?

Answer

MINISTER OF STATE FOR COAL AND MINES (DR. DASARI NARAYANA RAO)

(a & b) : Profit and Loss of Coal India and its subsidiary companies and tax paid by them during 2001-02, 2002-03 and 2003-04 (Prov) is as under :

(Rs. In crores)

Company	2003-04	Tax	2002-03	Tax	2001-02	Tax
(prov)	includi	Profit	includ	Profit	includ	
Profit(+)	ng	(+)/	ing	(+)/	ing	
/Loss	dividend	Loss(-)	divide	Loss (-)	divide	
(-)	tax	before	nd tax	before	nd tax	
before	in 03-04	tax &	in 02-03	tax &	in 01-02	
tax &	(Prov)	dividend	dividend			
dividend						
ECL	(-) 322.00	-	(-) 338.78	-	(-) 277.64	-
BCCL	(-) 556.00	-	(-) 507.23	-	(-) 755.00	-
CCL	(+) 400.00	75.00	(+) 384.65	-	(-) 108.32	3.22
NCL	(+) 1656.00	695.14	(+) 1293.01	585.72	(+) 1387.34	487.30
WCL	(+) 742.00	245.68	(+) 472.52	207.09	(+) 310.20	208.48
SECL	(+) 1315.00	440.74	(+) 882.13	355.39	(+) 768.87	242.36
MCL	(+) 1460.00	551.91	(+) 882.31	345.06	(+) 719.60	246.32
CMPDIL	(+) 2.74	0.98	(+) 1.99	(-) 2.65	(+) 2.80	2.86
CIL/NEC	(+) 1356.00	23.00	(+) 280.08	46.08	(+) 561.80	45.00

(c): ECL and CCL are making the payment of LTC, Provident Fund, Pension, Gratuity and monthly salary in time. There is no default in payment of monthly salary, gratuity, PF and Pension in BCCL also. However, due to cash crunch, accumulated liability on account of PF and Pension amounting to Rs. 454.17 crores has not been cleared. However, the same is not being allowed to increase further. Though employees are availing LTC/LLTC considering cash crunch their payments are released only on separation due to retirement/ resignation, death and on transfer out from BCCL.

(d) & (e) : The subsidiary companies of CIL are independent corporate entities under the Companies Act, 1956 . Though the tax outgo

could be reduced by merging the subsidiaries of Coal India Limited into one company, Government have considered the issue and have not favoured merging of the seven subsidiaries of Coal India Limited into one company in the over all interest of efficiency and productivity in the coal sector.