

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:4268

ANSWERED ON:23.04.2008

REVIVAL OF LOSS MAKING COAL COMPANIES THROUGH PEOPLE S PARTICIPATION

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Will the Minister of COAL be pleased to state:

(a) whether attention of the Government has been drawn to the news item entitled 'People's power puts BCC1, back on track' as reported in 'The Times of India' dated March, 21,2008;

(b) if so, the details thereof and the reaction of the Government thereto;

(c) whether the Government proposes similar revival programme for other sick coal companies in the country;and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI SANTOSU BAGRODIA)

(a)&(b): The Bharat Coking Coal Ltd. (BCCL) was incurring losses since nationalisation in 1972. The networth of the company was fully eroded on 31.03.1995 and it was registered as a sick company with the Board for Industrial and Financial Reconstruction (BIFR). The networth of the company became Rs. 463.51 crore as on 31.03.1998 after getting capital restructuring package approved by the Government i.e. deregulation of coal prices, waiver of interests, capital restructuring, conversion of Rs. 996.00 crores loan of Coal India limited (CIL) into equity etc. The networth of the company again became negative by 1999-2000 and company was again referred to BIFR on 13.01.2001. The annual losses incurred reduced the company's networth to (-) Rs. 4926.00 crore in 2004-05. However, the company made a turn around after 2004-05 and profits made since then are as follows:

Year

2005-06 Rs. 202.67 crore

2006-07. RS. 49.58 crore

2007-08 (provisional) Rs. 85.17 crore (.without considering the impact of prov.sion for National Coal Wage Agreement (NCWA) VIII of Rs.275 crore).

This has been possible by several steps taken by the company with the cooperation of people,union etc.

(c)&(d): Yes,sir.The only other subsidiary of CIL under reference to BIFR is the Eastern Coalfields Limited(ECL).The Government have already approved a revival Plan for ECL on 5th October`2006,based on the concurrence of BIFR and the Board for Reconstruction of Public Sector Enterprises(BRPSE).