

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

UNSTARRED QUESTION NO:4033
ANSWERED ON:25.08.2004
PROFIT AND LOSS OF COAL PROJECTS
Singh Shri Sitaram

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

- (a) the total number of coal projects earning profit in the country alongwith the number of those which are incurring losses during the last three year;
- (b) whether the losses incurred on the above projects are increasing continuously;
- (c) if so, the reasons therefore; and
- (d) the remedial/corrective steps taken/proposed to be taken in this regard?

Answer

MINISTER OF STATE FOR COAL (Dr. DASARI NARAYANA RAO)

(a): The total number of coal mines earning profits and losses during the last three years are as follows:

2001-2002 2002-2003 2003-2004

No. of profit earning mines	No. of loss earning mines	No. of profit earning mines	No. of loss earning mines	No. of profit earning mines	No. of loss earning mines
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Coal India Limited (CIL)	141	350	143	338	150	326
Singareni Collieries Company Ltd.(SCCL)	14	53	10	58	9	56

(b): Out of the above mines, losses in 50 mines of CIL and 53 Mines of SCCL are increasing continuously.

(c): The major reasons for losses in coal mines are following:

- i) Inheritance of old underground mines not amenable for higher production and productivity.
- ii) Difficult geo-mining conditions.
- iii) Exhaustion of good quality reserves.

iv) Difficulty in land acquisition affecting continuance of existing mining operations and opening of new projects.

- v) High manpower
- vi) Deep seated deposit
- vii) Steeply sloping coal seams, which are not amenable for mechanization etc.

(d): The following steps are taken I proposed to be taken to reduce the losses:

- i) Introduction of Intermediate technology to increase production and productivity.
- ii) Rationalization of manpower including retraining, redeployment and VRS (Voluntary Retirement Scheme)

- iii) Systematic and proper liaisoning with State Government for expediting land acquisition and forest land clearances.

- iv) Improving utilization of equipments.
- v) Improving the quality of coal produced
- vi) Conversion of underground mine to opencast mine wherever feasible etc.