

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

UNSTARRED QUESTION NO:4094  
ANSWERED ON:25.08.2004  
LOSS IN CIL SUBSIDIARIES  
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**Will the Minister of COAL AND MINES be pleased to state:**

- (a) whether some subsidiaries of Coal India Limited (CIL) are running in loss;
- (b) if so, the details and the reasons therefor;
- (c) the amount of loss sustained by these subsidiaries of CIL during the last three years;
- (d) the details thereof; and
- (e) the steps taken to make these coal companies profit making?

**Answer**

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

(a): Yes, Sir.

(b): Eastern Coalfields Limited (ECL) and Bharat Coking Coal Limited (BCCL) have been suffering losses. Central Coalfields Limited (CCL) has suffered loss in 2001-02 and have made profit in 2002-03 and is expected to earn profit in 2003-04 also.

Main reasons for losses in loss making companies include inheritance of large number of old underground mines not amenable to higher production and productivity, difficult geo mining conditions, excess manpower, lack of funds for required investments, difficulties in acquisition of land, low productivity & higher cost of production, law & order problems etc.

(c) & (d): The profit (+)/loss(-) in ECL, BCCL and CCL during the last three years is given below :

(Rs. in crore)

Company    2001-02    2002-03    2003-04 (Provisional)

ECL	-277.64	-338.78	-322.98
BCCL	-755.00	-507.13	-556.88
CCL	-108.32	+384.65	+428.68

(e) ECL and BCCL stand referred to the Board for Industrial & Financial Reconstruction (BIFR) for their revival.

In addition, some of the steps taken to make these coal companies profitable include :

i) Increasing production using intermediate technology like Side Discharge Loader (SDL)/Load Haul Dumper (LHDs).

ii) Increase in productivity both for men and machines

iii) Regulating controllable cost

iv) Improvement in quality

v) Agreement with equipment supplier on gain/loss sharing basis.

vi) Rationalization of manpower.

vii) Close liaison with state Govts. for speedy acquisition of land for existing as well as new projects.

viii) New locales have been identified in ECL and BCCL for introduction of high productive technology like powered support longwall and continuous miners etc.