

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2125
ANSWERED ON:10.03.2010
LOSSES IN COAL INDIA LIMITED
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Will the Minister of COAL be pleased to state:

- (a) whether losses of crores of rupees have been reported in the Coal India Limited (CIL) and its subsidiary companies;
- (b) if so, the details thereof and the reasons therefor during each of the last three years and the current year, company-wise and subsidiary-wise;
- (c) whether the Government has identified that one of the reasons for losses are the corrupt officers of CIL;
- (d) if so, the details thereof; and
- (e) the action taken by the Government against those officers who have been found guilty ?

Answer

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL AND MINISTER OF STATE (IC) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a) & (b) : Coal India Limited (CIL) and its subsidiary companies are making profit except Eastern Coalfields Ltd. (ECL) and Bharat Coking Coal Ltd (BCCL).

ECL : ECL which made a profit of Rs. 110.60 crore in 2006- 07 is also likely to make a profit in 2009-10 but it incurred losses in 2007-08 and 2008-09, as per the details given below :

Year Profit (+)loss (-) (Rs. crore)

2006-07 (+) 110.60

2007-08 (-) 1029.93

(see
(i) below)

2008-09 (-) 2109.09

(see
(i) below)

2009-10 (upto February, (-) 15.06
2010) (Provisional)

i) In 2007-08, the provision for NCWA-VIII & Executive pay revision was made for Rs. 388.59 crore and in 2008-09, the total additional impact for NCWA-VIII & Executive pay revision was Rs. 1083.55 crore.

ii) In 2008-09, due to change in the gratuity limit from Rs. 3.50 lakh to Rs. 10.00 lakh per employee, the additional impact in the accounts was Rs. 711.95 crore.

iii) In 2008-09, due to change in the rate of depreciation on certain items of plant & machinery, the additional impact was Rs. 15.26 crore.

BCCL : BCCL was incurring losses till 2004-05. It made profits in the year 2005-06, 2006-07, 2007-08 and again incurred losses in

the year 2008-09 as per the details given below .:

Year	Profit (+)/loss (-)	Remarks
2006-07	(+) 49.58	Profit made during the year
2007-08	(+) 86.61	Profit made during the year
2008-09	(-) 1380.47	Implementation of NCWA VIII for Non-executives and pay revision for executives
2009-10	(+) 363.20	Quick estimate up to February, 2010

Further, the main reasons for these companies incurring losses were as follows :

- i) Highly loss making old mines with large number of work force leading to low product & low productivity.
- ii) Huge unproductive manpower in underground mines.
- iii) Difficult geo-mining conditions.
- iv) Long distance working area from the entry point in underground mines requiring more manpower and leading to low productivity.
- v) Presence of surface features causing non- availability of land for caving and other adverse conditions. Hydraulic sand stowing has been resorted to in many mines increasing operating cost and also lessening the productivity and limiting the capacity of the mine.
- vi) Many mines are operating with multiple opening of small diameter shafts.
- vii) Mines are not amenable to mechanization.

(c) to (e):- No clear connection between losses and corrupt officers could be identified. However, corruption cases as and when reported are dealt with as per the established procedure. Guilty officers are penalized in consultation with Central Vigilance Commission (CVC) where necessary. Action taken against officials, company-wise, during the last three years and this year, are as in the table given below:

Number of officials punished:-

	2006-07		2007-08		2008-09		2009-10	
	Major Penal ty	Minor Penal ty	Major Penal ty	Minor Penal ty	Major Penal ty	Minor Penal ty	Major Penal ty	Minor Penal ty
Eastern Coalfields Ltd. (ECL)	11	26	22	29	11	03	10	03
Bharat Coking Coal Ltd. (BCCL)	27	38	12	30	05	33	06	08
Central Coalfields Ltd., (CCL)	60	92	65	60	28	24	07	-
Northern Coalfields Ltd. (NCL)	00	00	04	31	05	18	02	03
Western Coalfields Ltd. (WCL)	08	03	03	05	03	10	03	05
South Eastern Coalfields Ltd. (SECL)	02	-	08	-	04	-	00	-
Mahanadi Coalfields Ltd, (MCL)	10	12	01	20	00	17	00	00

Central Mine Planning and Design Institute
Ltd. (CMPDIL) - - - - - - - 01

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