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**Air Journey by Officials of Oriental
Insurance Company**

1691. SHRI MANIKBAO HODLYA GAVIT : Will the Minister of FINANCE be pleased to state:

(a) the details of air journey, in India and abroad, performed by each of the Chairman-cum-Managing Director, General Manager, AGM, Manager, Deputy Manager of the Oriental Insurance Company Limited during the last three years;

(b) the expenditure incurred on each tour; and

(c) the purpose of each tour?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (c) The information is being collected and will be laid on the Table of the House.

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Revival of ECL

1692. SHRI TAPAN SIKDAR : Will the Minister of COAL be pleased to state:

(a) whether the Government are contemplating to refer the Eastern Coalfields Limited (ECL), a subsidiary of Coal India Ltd. to BIFR;

(b) if not, the action being taken to revive the ECL;

(c) whether the Government have examined the reasons for heavy losses in ECL, particularly the impact of exorbitant cess levied by the West Bengal Government;

(d) whether the Government worked out the viability of the mines taking into account a drastic rationalisation of cess levied by West Bengal; and

(e) if so, the hurdles coming in the way of implementing a package with zero cess by the State Government?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) Under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, it is the Board of Directors of an Industrial Company who are required by law to refer the company as a Sick Industrial Company to the BIFR if in their opinion the company's net worth has become negative at the end of any financial year.

(b) ECL has been incurring losses in most of the financial years from its inception. Over a period of time, the Government of India and the Coal India Limited (CIL) have provided the following support to ECL—

(i) Contribution from Coal Price Regulation Account amounting to Rs. 3265 crores.

(ii) Waiver of interest and penal interest amounting to Rs. 1309 crores.

(iii) Conversion of debt into equity in 1997-98 amounting to Rs. 1179 crores.

(iv) A moratorium of three years on repayment and interest payment of non-plan loan of Rs. 259 crores.

(v) Investment by Government of India and CIL amounting to Rs. 2800 crores at the end of 1997-98.

Studies have been conducted on ECL in an effort to prepare a revival package. The last revival package prepared in 1997 did not produce the desired yields mainly on account of surplus manpower. In order to revive this company, presently the management has worked out several alternative proposals which are under discussion with the Trade Unions. So far no agreed package has been arrived at.

(c) to (e) As has been indicated in the answer to part (b) of the question, the situation in ECL has been studied on several occasions. The cesses on coal levied by the Government of West Bengal have reduced the flexibility of the company to increase coal prices. Recently, the Government of West Bengal have reduced the average incidence of their cesses from 47% of the average base price of ECL coals to 25%. This sharp decrease in the cesses would certainly enable the company to realise a slightly higher price from the customer. However, this measure alone will not enable a viable rehabilitation package to be worked out. The fundamental problem of high manpower in ECL in relation to its production and productivity will require to be