

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:5180  
ANSWERED ON:29.04.2005  
LOSSES IN MINING SECTOR  
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**Will the Minister of MINES be pleased to state:**

- (a) whether public sector and joint sector companies functioning in mining sector are continuously facing losses and the production is less despite investment of huge capital;
- (b) if so, the details thereof, company-wise;
- (c) whether losses in the mining sector have increased as the rates of imported minerals have come down;
- (d) if so, the details thereof;
- (e) the company-wise details of investments made therein;
- (f) whether some of the sick public sector undertakings are proposed to be closed down;
- (g) if so, the details thereof; and
- (h) the steps taken by the Government to revive the sick units?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF MINES ( DR. DASARI NARAYANA RAO )

(a) to (e): The Ministry of Mines, at present has three public sector undertakings namely - (1) National Aluminium Company Ltd.(NALCO); (2) Hindustan Copper Ltd.(HCL); and (3) Mineral Exploration Corporation Ltd.(MECL) - under its administrative control; and two joint sector companies namely - (1) Hindustan Zinc Ltd.(HZL); and (2) Bharat Aluminium Company Ltd. The company-wise details is as under:

NALCO:

It has been a consistently profit earning enterprise ever since its inception. Its production has also been increasing over the years. The Government of India has invested Rs.1288.62 crores as paid up capital in the Company.

HCL

Hindustan Copper Limited had been suffering recurring losses for a decade. However, the company has posted profit during the last 15 months and in 2004-05, the company earned a profit of Rs.52.07 crores (provisional). So far the Government has invested Rs. 768.22 crores in the equity capital and Rs. 180.73 crores in the preference capital of the company.

MECL

The premier exploration agency in the country, carries out its exploration activities under Promotional Programmes funded by Government of India and Contractual Programmes on behalf of other agencies including Public Sector, Private Sector and State Governments. Though the company has been suffering losses during the last 14 years( with accumulated losses of Rs.93.43 crores). It has earned a profit of Rs.2.44 crores during 2004-05.

BALCO

There has been increase in production and profits of BALCO during the last four financial years.

HZL

HZL is a consistently profits making enterprise. During the financial year 2004-05, the company has made capital investment of Rs.204.27 crores in its mining activities.

(f) to (h): The Department. of Public Enterprises (DPE), as per the definition of the sick enterprises as given in para 4 of the Resolution dated 6.12.2004 relating to constitution of Board for Reconstruction of Public Sector Enterprises(BRPSE), has identified HCL and MECL as sick enterprises. However both HCL & MECL are not sick companies as per SICA Act 1985. The Financial restructuring proposals of HCL & MECL have been received for referring them to BRPSE. There is no proposal to close HCL and

MECL because of accumulated losses.