

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2143
ANSWERED ON:06.12.2006
REVIVAL OF LOSS MAKING COAL FIELDS
Kharventhan Shri Salarapatty Kuppasamy;Sugavanam Shri E.G.

Will the Minister of COAL be pleased to state:

- (a) the amount of profit/loss earned/incurred by the various coal fields and their subsidiaries during the last three years, year-wise, coal field-wise;
- (b) whether the Government has initiated any schemes for the revival of loss making coal fields ;
- (c) if so, the details thereof; and
- (d) the success achieved in this regard so far ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARINARAYANA RAO)

(a): Profit earned by Neyveli Lignite Corporation during the last three years from 2003-04 to 2005-06 is furnished below :

Year Profit before tax (Rs. In crore)

2003-04	1413.08
2004-05	1756.68
2005-06	987.39

The profit (before tax and dividend) earned/loss incurred by Coal India Ltd. and its subsidiaries during the last three years is furnished below:

(Rs. In crore)
Company 2003-04 (Actual) 2004-05 (Actual) 2005-06 (Actual)

ECL -326.38 -679.20 371.96

BCCL -569.85 -959.43 205.08

CCL 370.38 437.81 1164.98

NCL 1647.06 1976.03 2116.26

WCL 743.60 935.30 1446.96

SECL 1314.22 1580.93 1286.12

MCL 1418.60 1469.36 1837.21

CMPDIL 1.76 1.73 3.94

CIL/NEC 1355.97 1328.30 1979.27

TOTAL 5955.36 6090.83 10411.78

Less Dividend 1066.20 1289.31 1735.06
from subsidiaries

TOTAL 4889.16 4801.52 8676.72

(b): Yes, Sir.

(c) & (d) : The networth of the Eastern Coalfields Limited (ECL), a subsidiary of Coal India Ltd. (CIL) had turned negative and it was referred to the Board for Industrial and Financial Reconstruction (BIFR). BIFR had sanctioned a rehabilitation scheme for revival of ECL. The scheme was examined and recommended by the Board for Reconstruction of Public Sector Enterprises (BRPSE) as well. The rehabilitation scheme has since been considered and approved by the Govt. The rehabilitation scheme does not involve any fresh budgetary support from the Government. Consequent upon these measures, ECL, which has earned a profit of Rs.371.96 crore in 2005-06 would be able to liquidate its accumulated losses and earn profit on a sustainable basis thereby making its networth positive by the year 2009-10.

Bharat Coking Coal Limited (BCCL) is another loss making subsidiary Company of Coal India limited. During 2001-02 to 2003-04, the Company incurred a loss of Rs. 1832 crore. Government had submitted a Rehabilitation Scheme of BCCL to BIFR in December, 2000. After the constitution of BRSPE in December, 2004, the matter was referred by the Government to the newly created body in May, 2005. BRPSE in August, 2005 asked the Ministry/BCCL for getting the appraisal of the revival plan done by some independent consultant before it is considered by the Board. As per directions of BRPSE, the BCCL has appointed M/s. Credit Analysis and Research Ltd. (CARE) as a consultant for appraisal of rehabilitation plan. CARE has submitted its final report, which is under consideration before the CIL Board.