

basis, and the contract for main plant for Dadri project would also be on turn-key basis. The progress of works would be monitored very closely by the project authorities, the Central Electricity Authority and the Department of Power.

Violation of capacity production by companies with foreign shareholdings

35. SHRI RAM BHAGAT PASWAN: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government are aware that some companies with foreign shareholdings have violated the capacity of production;

(b) whether the goods produced in excess of capacity have been cleared after payment of excise duty; if not, the details thereof for the year 1988; and

(c) what action Government have taken against those companies?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) to (c). In order to encourage industrial units to maximise their production by utilization of installed capacities, Government has from time to time introduced schemes of re-endorsement of capacities by recognising capacities already installed as evidenced by the highest production achieved by the concerned undertaking. Re-endorsement is granted on the basis of production performance only, subject to certain conditions, and no further examination/enquiry as to the build-up of capacity is to be undertaken. Excise duty is leviable on the goods actually produced irrespective of the licensed capacity.

Losses in Coal India Limited

36. SHRI RADHAKANTA DIGAL: Will the Minister of ENERGY be pleased to state:

(a) the year since when the Coal India Ltd. has been incurring losses;

(b) the main reasons therefor;

(c) whether any efforts have been made to improve its performance;

(d) if so, the result of those efforts;

(e) the performance of CIL in 1988-89?

THE MINISTER OF ENERGY (SHRI VASANT SATHE): (a) Since its inception, the Coal India Limited has been suffering losses every year except during the year 1981-82 when it earned a profit of Rs. 34.20 crores.

(b) Main reason for losses in Coal India Limited, is that in the past the increase in administered price did not fully cover the escalation in the cost of various inputs like wages, power, fuel, explosives, capital etc. and there was always a time lag between price increase and escalation in the cost of inputs. Low productivity has also been responsible for losses.

(c) Some of the important steps to contain the losses of Coal India Ltd. and increase its efficiency are briefly indicated below:-

- (i) Increase in production and productivity, with special emphasis on underground mines.
- (ii) Improvement in availability and utilisation of equipment by providing adequate workshop

support, improved management of spares and timely rehabilitation of equipment.

- (iii) Improved manpower planning including redeployment of surplus workers and restricting the intake of new employees against vacancies caused by natural wastage.
- (iv) Economy in the consumption of spares and various other inputs by improving blasting efficiency, power factor and improved inventory control.
- (v) Improved monitoring of cost reduction measures.
- (vi) Efforts are being made to reduce the total outstanding against major consumers like State Electricity Boards.
- (vii) A number of systems improvement and managerial measures have been adopted to improve efficiency of operations.
- (viii) Efforts towards reorganisation of existing mines to improve productivity.

(d) As a result of these efforts man and machine productivity of Coal India Ltd. has improved during last few years and consequently the losses in Coal India Ltd. has been less than what they would have been otherwise.

(e) The Accounts of Coal India Ltd. for the year 1988-89 have not yet been finalised. It is, however, expected that loss in Coal India Ltd. during the year 1988-89 will be substantially less than what was budgeted and will also be lower than the loss

during the year 1987-88.

Security Deposits towards Lost Cylinder and Regulator

37. SHRI R.M. BHOYE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the security deposit for the L.P.G. cylinder and its regulator is Rs. 450/- and Rs. 50/- respectively in Delhi;

(b) if so, whether the I.O.C. gas agencies ask for a security deposit of Rs. 1500/- and Rs. 250/- for the cylinder and the regulator respectively in case the cylinder and the regulator are stolen;

(c) if so, the rationale behind these abnormal rates of security deposit;

(d) whether it is proposed to reduce the amount of this security deposit; and

(e) if so, when and if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) Yes, sir

(b) No, sir;

(c) to (e). Do not arise in view of (b) above.

Oil Refinery at Mangalore Project

38. SHRI SRIKANTHA DATTA NARASIMHARAJA WADIYAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to the reply given on 6 December, 1988 to Unstarred Question No. 3569 regarding Mangalore Refinery project and state: