

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:1455
ANSWERED ON:31.07.2001
AUSTERITY MEASURES IN COAL PSUS
IQBAL AHMED SARADGI

Will the Minister of COAL be pleased to state:

- (a) whether the Union Government have directed coal PSUs to adopt new austerity measures to improve their bottomline and avoid wasteful expenses;
- (b) if so, the details in this regard;
- (c) the other steps being taken or proposed to be taken to weed out corruption in the coal PSUs; and
- (d) the extent to which the performance of the coal PSUs has been improved?

Answer

MINISTER OF STATE FOR COAL (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) & (b): Guidelines on expenditure management and austerity measures have been issued by the Ministry of Coal to Coal India Limited, Neyveli Lignite Corporation Limited and Singareni Collieries Company Limited on 22.11.2000. Broad features of the guidelines are declaration of minimum dividend on equity of 20% or 20% of post tax profits, whichever is higher, issue of bonus to the Government, recovery of cost of services, prevention of time and cost overruns, rationalization of manpower, mandatory cut in non-plan expenditure, economy in use of vehicles and restriction for purchase of vehicle, 10% cut in posts etc.

(c): The Vigilance Departments of Coal companies make concerted efforts towards preventive vigilance. This is done through surprise inspection of corruption prone areas of activity. Whenever any defect or gap in procedure comes to notice which leaves scope for corruption, immediate steps are taken for remedial action. Further, transfer of executives and staff from the sensitive department is being done periodically by the coal companies.

(d): The performance of the company is dependent on various factors. During the last three years, Coal India Limited (CIL) have recorded growth in coal production consistently:-

Year	Production (million tones)
1998-1999	256.48
1999-2000	260.58
2000-2001	268.26 (Provisional)
2001-2002	279.00 (Target)

There has also been considerable reduction of manpower in CIL during the last three years :-

Date	Number of employees
1.4.1999	5,86,882
1.4.2000	5,62,071
1.4.2001	5,42,051

SCCL has been able to achieve a saving of Rs. 27 crores per year as a result of reduction in Playday/Paid Holiday and overtime allowances.