E. C. No. 837

ESTIMATES COMMITTEE (1975-76)

(FIFTH LOK SABHA)

NINETIETH REPORT

MINISTRY OF ENERGY (Department of Coal)

Action Taken by Government on the recommenations contained in the Sixty-Eighth Report of ıe Estimates Committee (Fifth Lok Sabha) on ıe Ministry of Energy (Department of Coal)— vailability and Distribution of Coal.

LOK SABHA SECRETARIAT
NEW DELHI

April, 1976/Chaitra, 1898 (Saka)

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12. Shri Aravinda Bala Pajanor
13. Shri Dhan Shah Pradhan
14. Shri Shiv Kumar Shastri

INTRODUCTION

I, the Chairman, of the Estimates Committee, having been authorised by the Committee, present this Ninetieth Report of the Estimates Committee on Action Taken by Government on the recommendations contained in the 68th Report of the Estimates Committee (Fifth Lok Sabha) on the Ministry of Energy (Department of Coal) —Availability and Distribution of Coal.

2. The 68th Report was presented to Lok Sabha on the 19th December, 1974. Government furnished the replies indicating the action taken on the recommendations contained in this Report on the 24th June, 1975. The replies were examined by the Study Group 'F' of the Estimates Committee at their sitting held on the 15th March, 1976. The Draft Report was adopted by the Committee on the 20th March, 1976.

3. The Report has been divided into the following Chapters:—

I. Report.

II. Recommendations that have been accepted by Government.

III. Recommendations which the Committee do not desire to pursue in view of Government's reply.

IV. Recommendations in respect of which replies of Government have not been accepted by the Committee.

4. An analysis of the action taken by Government on the recommendations contained in the 68th Report of the Estimates Committee (Fifth Lok Sabha) is given in Appendix II to this Report. It would be observed therefrom that out of 170 recommendations made in the Report, 128 recommendations *i.e.* about 75.3 per cent have been accepted by Government and the Committee do not desire to pursue 33 recommendations *i.e.*, about 19.4 per cent in view of Government's replies. The replies of Government to 9 recommendations *i.e.* about 5.3 per cent have not been accepted by the Committee.

NEW DELHI:
April 21, 1976
Vaisakha 1, 1898 (S).

R. K. SINHA,
Chairman,
Estimates Committee.

CHAPTER I

REPORT

ACHIEVEMENT OF PRODUCTION TARGETS

The Committee are glad to note that there has been a significant improvement in the production and supply of coal during the last one year and that the demand for coal is now being met in full and adequate stocks have been built up with major consumers. The Committee have been informed (vide footnote at p. 91) that during the calendar year 1975, production of coal was 96.27 million tonnes as against 84.76 million tonnes in 1974. The monthly coal production exceeded 9 million tonnes in December, 1975 and January, 1976 and it is anticipated that the target of 98 million tonnes fixed for the plan year 1975-76 will be exceeded by about one million tonnes. The Committee also note that the despatches of coal have also been correspondingly high because of consistently satisfactory availability of railway wagons, and that all major consumers have built up comfortable stocks. 'A note on the subject received from the Ministry of Energy (Department of Coal) *vide* their O.M. No. 5412(1)/75-CDT, dated 20-4-76 is at Appendix-I'.

2. The Committee, however, wish to point out that the demand for coal has increased considerably in the wake of energy crisis. While the Government are currently reassessing the demand more realistically, according to the assessment of the Department of Coal, the demand for coal for the Fifth Plan is about 145 million tonnes. The Committee, therefore, feel that consistent and concerted efforts will be called for to achieve the increased production and would urge Governments to gear up their production programmes accordingly.

3. The Committee note that with a view to ensure that coal of right quality is supplied to consumers, quality control Departments have been set up in all the coal producing organisations and are being expanded to meet the requirements of the consumers (vide reply to Recommendation Sl. No. 86.3—p. 63). The Committee also note that in pursuance of their recommendation made in paragraph 7.60 regarding the quality of coal supplied to power stations, Government have taken a number of measures for supply of adequate quantity and proper quality of coal to the various thermal power stations. Important measures taken are (i) a standing Linkage Committee has been set up to review linkages and monthly allocation of correct specifications of coal to power stations; (ii) a

Control Room has been set up in the Ministry of Railways to review the daily supply; (iii) a joint cell has been created at Calcutta to review the loading and allotment of wagons for movement of coal at the power stations; (iv) the State Electricity Boards have been instructed to post their officials at the loading points and C.M.A. have agreed to post their officials at unloading points to check the quality of coal supplied; and (v) it has been decided that middlings for 3 stage washeries only should be used for power generation and action is being taken to convert 2 stage washeries into 3 stage washeries.

4. The Committee are confident that these measures will go a long way to ensure assured availability of coal of suitable quality to various thermal power stations and other consumers.

5. Apart from assured supply of adequate quantity and proper quality of coal to various consumers, the Committee would like Government to take concerted action to ensure correct weighment of the connsignments to obviate any complaints in this regard. Concerted action will also be required to bring down the cost of coal production by utilising, where possible, the modern and economic techniques of production.

PUBLICATION OF DATA REGARDING TARGETS OF PRODUCTION

Recommendation at Sl. No. 13 (Para 3.45)

6. In paragraph 3.45 of their 68th Report the Committee had expressed regret that the annual targets of production of coal had not been indicated in the draft Fifth Plan. They had recommended that these targets should be laid down and published in the Plan documents to enable Parliament to keep a watch over their fulfilment. The Committee had further recommended that apart from the annual targets of production from various coalfields, the coal Mining Organisations should also fix targets of production colliery-wise and month-wise and that a continuous watch should be kept on the attainment of these targets. The Committee desired that the targets of production and the actual achievement should be analysed periodically to locate bottlenecks and take effective remedial steps to arrest the declining trend. They also recommended that the annual targets fixed colliery-wise and the actual achievements should be suitably published in the Annual Report of the Ministry.

7. In their reply the Ministry of Energy (Department of Coal) have stated that the Committee's observations that annual targets of production of Coal should be laid down and published in the Plan documents have been brought to the notice of the Planning Commission.

8. The Ministry have further stated that the Coal Mining Organisations have already fixed the programme of production colliery-wise. Daily and monthly production targets are set for the collieries and these are monitored at the Area level. They have added that the publication of targets and production of about 450 collieries in the Annual Report would make it cumbersome. It has been stated that the data relating to each undertaking will, however, be given for the information of Parliament.

9. The Committee note that the question of laying down of production targets of coal and their publication in the Plan documents has been brought to the notice of the Planning Commission. They would reiterate their recommendation that the targets of production of coal should be published in the Plan Documents.

10. The Committee further note that since the publication of data relating to production targets and actual production of 450 collieries will make the Annual Report cumbersome, and will involve large amounts of labour in compiling and publishing the data, Government are willing to supply the data relating to each of the 5 undertaking for information of Parliament. In view of these circumstances, the Committee agree that the targets of production and actual achievements in respect of 5 undertakings may be published in the Annual Report of the Ministry. They, however, desire that annual targets of production of coal and the actual achievements in respect of major collieries should also be suitably published for the information of Members of Parliament.

11. The Committee would in this connection like to draw attention of Government to the working conditions of the miners brought to light by recent happenings. They would like Government to take concerted measures in the direction of improving the working conditions of the miners with a view to bringing about a perceptible improvement in the quality of life of the miners and their family members. In this effort it will also have to be ensured that any wage increase is duly linked with the achievements of higher productivity in terms of quality and quantity.

Designing of Boilers to suit available Grades of Coal

Recommendation at Sl. No. 45 (Para 4.73)

12. The Committee, in paragraph 4.73 of their 68th Report had recommended that it should be ensured that the boilers of new

Thermal Power Stations are so designed that they can use coal of different grades available from neighbouring coalfields. They had further recommended that for the existing power stations efforts should be made to introduce such modifications in the boilers as would enable them to utilise coal, of a quality/grade which available from the coalfield to which they have been linked.

13. The Ministry in their repy have stated that this has generally been the practice followed in the design of boilers. But difficulties have been experienced in the past when the development of certain coalfields and the power stations did not synchronise which led to such power stations being supplied with coal from other sources. The Ministry have further stated that the matter regarding the modifications in the existing boilers, where necessary, would have to be examined by the Department of Power in greater details depending on the techno-economic feasibility and the merit of each case.*

14. The Committee reiterate that efforts should be made to introduce such modifications in the boilers in existing plants as would enable them to utilise coal of a quality/grade which is available from the coalfields to which they have been inked. The Committee urge that the matter regarding the modifications in the existing boilers, where necessary, should be examined by the Department of Power urgently and difficulties, if any, sorted out.. As the Department of Power is also under the Ministry of Energy, the Committee desire that an early decision should be arrived at in this regard. The Committee would like to be apprised of the final decision taken in the matter.

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*At the time of factual verification, the Ministry of Energy (Department of Coal) have stated that the recom mendation of the Committee that the matter regarding the modifications in the existing boilers, where necessary, should be examined urgently and that efforts should be made to introduce such modifications in the existin g boilers as would enable them to utilise the coal of the quality available from the linked coalfield, is acceptable to that Department and will be taken up with the Department of Power.

5

MOVEMENT OF COAL

Recommendation Sl. Nos. 58.1, 59.1, 59.2 and 60

(Paragraph Nos. 5.48, 5.50, 5.51 and 5.52)

15. In paragraph 5.48 of their 68th Report, the Committee had noted that the Railways which were to be geared to move the targeted traffic of 84.4 million tonnes of coal traffic during the Fourth Five Year Plan (later revised to 77.5 million tonnes at the time of Mid-term Plan Appraisal) could move only about 60 million tonnes of coal during the last year of the Plan, which is 17 million tonnes less than the devised target and 11 million tonnes less than what was actually carried in the first year of the Fourth Plan. In this context, the Committee pointed out that the Railways had made a capital investment of over Rs. 1400 crores during the Fourth Plan and there was no reason why they should not have developed the capacity for carrying at least 77.5 million tonnes of coal traffic (if not 84.4 million tonnes as originally envisaged in the Fourth Plan) when the money made available for the Plan was fully expended. The Committee, therefore, expressed concern with regard to the general reasons advanced by the Ministry of Railways for this unsatisfactory performance in the matter of transport of coal. The Committee drew pointed attention to this shortfall in the movement of coal by Railways which had such wide repercussions on economy, and stressed that detailed and thorough planning (direction-wise, route-wise etc.) should be done at least for each of the remaining years of the Fifth Five Year Plan to ensure that Railways moved in full the coal required by various industries and consumers all over the country.

16. The Ministry of Energy in their reply have stated that the Fourth Five Year Plan of the Railways envisaged an outlay of Rs. 1400 crores corresponding to a freight traffic target of 240.5 million tonnes, with an average lead of 630 kms. This in terms of work load for the Railways measured by the index of net tonne kilometers was equivalent to 152 billion NTKMs. .Planning of resources was, however, made only for 235 million tonnes, with a lead of 630 kms. equivalent to 148 billion NTKMs. As against the above targets, in the first year of the Fourth Plan itself the materialisation of traffic was 207.9 million tonnes, with a lead of 643 kms. In subsequent years while the originating traffic did not increase, the lead of the traffic continuously kept on increasing with the result that the work load with the Railways also increased in terms of NTKMs.

17. The Ministry have further stated that India's Fourth Five Year Plan had projected an overall rate of growth of 5.7 per cent per annum. However, the actual rate of growth during this period has been much lower. Several factors had affected the growth of economy in the country during the years of the Fourth Plan. Failure of monsoon in consecutive years, acute shortage of power in various parts of the country, influx of a large number of refugees from the former East Pakistan and the Indo-Pakistan hostilities in 1971-72 etc., were some of the important causes for stagnation in the growth of economy of the country. Growth of traffic on the Railways is vitally linked with the growth in various sectors of the economy of the country. Failure on the part of the latter is, therefore, bound to affect the prospect of traffic to be moved by the Railway system and this is reflected in the quantum of traffic in different commodities moved by the Railways during different years of the Fourth Plan.

18. It has also been stated that another factor which has seriously affected Railway operations during the Fourth Plan is the spate of strikes, bandhs and agitations both by the Railway staff as well as the outsiders, culminating in the strike by the Railway staff in May, 1974. All these factors led to serious immobilisation of rolling stock on the Railways and thus reduced Railway capacity to handle traffic.

19. While the factors listed above explain in general terms the reasons for lack of growth of freight traffic on the Indian Railways during the Fourth Five Year Plan, failure in achieving original targets in different sectors of the economy of the country explain the shortfall in lifting the traffic originally anticipated in different commodities. For example, production of the coking coal in the country during the Fourth Five Year Plan was 33 per cent less than the target whereas the production of non-coking coal was 9 per cent less than the target.

20. The Ministry of Railways have contended that the shortfall in the movement of coal by the Railways during the Fourth Plan period can largely be attributed to the factors which were beyond the Railways' control. It has been further added that the entire plan outlay is not related to the development of the capacity for handling freight traffic only. Investments on replacement of assets financed from Depreciation Reserve Fund and expenditure on items like 'Users amenities', 'staff quarters', 'staff welfare' scheme etc., financed from Depreciation Reserve Fund and Open Line Works

Revenue do not contribute to any addition to the transport capacity. Even out of the capital investments, investment on new lines, cost saving schemes like electrification and investment in road services and inventories did not contribute to the increase in the transport capacity of the Railways. Even out of the balance capital investments a substantial portion is also on development of passenger transport capacity and only the residual amount contributes towards development of freight transport capacity. Thus, out of a total investment of Rs. 1419 crores during the fourth Plan only Rs. 565 crores constituting only 40 per cent of the total outlay was utilised on development of transport capacity of the Railways. Here again a substantial portion has been spent on development of passenger transport capacity.

21. As regards the Fifth Five Year Plan, the Ministry of Railways had on their own appointed two Coal Transport Study Teams one for Bengal and Bihar and the other for Outlying Coalfields for examining the transport requirements for the anticipated production of coal during the Fifth Five Year Plan and recommended measures for creating necessary facilities to meet the anticipated increase in production and movement. These Study Teams had made their recommendations under two categories: one of immediate nature which are based on the traffic targets already insight and are required to be implemented immediately. The other set of recommendations pertain to the long term requirements which have to be developed as and when the coal traffic anticipated comes up. The works recommended under the Immediate category are being processed, wherever necessary. However, despite higher traffic target and provision of inputs fixed by the Planning Commission for the Fifth Plan, on account of financial stringency, Railways have expressed the view that the actual allocation during the first two years (1974-75 and 1975-76) is grossly inadequate to ensure procurement of the required rolling stock and progress in line capacity works having long gestation period. This, in their opinion, is bound to affect Railways' ability to build required transport capacity which in turn would affect the movement of coal.

22. In paragraph 5.50 of their 68th Report, the Committee had noted that the production of coal which was tentatively fixed at 135 million tonnes in the Draft Fifth Five year Plan, might go upto 145 million tonnes if the revised programmes, proposed by the Department, were accepted. The Task Force on Coal and Lignite had estimated the Rail transport requirements of coal at about 125 million tonnes by the end of the Plan. The Committee were informed dur-

ing evidence that for moving one million tonne of coal in a year, the daily requirement of wagons would be about 125. On that basis, the transport of 125 million tonnes of coal by rail would require daily loading of 15,625 wagons.

23. In paragraph 5.51 of their 68th Report the Committee had observed that the annual estimated percentage increase in production of coal during each of the Fifth Five Year Plan over the previous year, was of the order of 16 per cent, 9.7 per cent, 12.6 per cent, 13.5 per cent and 10.4 per cent respectively. Viewed against the daily average loading of 7228 wagons during 1973-74 and 8493 wagons in September 1974, the provision of matching rail transport for the increased coal production during each year of the Fifth Plan, rising to a daily average of 15,625 wagons in 1978-79, posed a challenging task for the Railways. The Committee pointed out that this task called for concerted efforts in streamlining the transport system and infusing it with a purpose and dynamism for optimum utilisation of existing resources. The Committee had also urged that adequate attention should be paid to rail transport planning in regard to the development of additional capacity, provision of modern signalling and telecommunication facilities etc. The problems of coal movement in the Bengal—Bihar areas needed serious attention and removal of all constraint which came in the way of movement of coal.

24. In paragraph No. 5.52 of their 68th Report, the Committee drew attention to the provision of transport for coal movement during the Fifth Plan from Bengal-Bihar and outlying coal fields where the projected increase in production as compared to 1973-74 was estimated to be of the order of 36.80 million tonnes and 30.44 million tonnes respectively. The Committee had recommended a study in depth regarding the feasibility of maximising production in outlying coalfields where the daily average loading of wagons had shown more improvement from time to time than that obtaining in the Bengal Bihar Coalfields. The Committee had desired that the Railways should develop sufficient transport capacity in the outlying coalfields in coordination with Coal Mining Authorities so as to be able to move any additional quantity of coal which might be required from there by consuming sectors, particularly the Thermal Power Stations, on account of switch-over to coal consumption in the light of the oil crisis.

25. The Ministry of Energy in their reply have stated that the Draft Fifth Five Year Plan document envisages a freight traffic target of 300 million tonnes within which the share of coal has been

indicated as 108.5 million tonnes. Provision of Rolling Stock has, however, been made on the basis of a traffic target of 280 million tonnes only due to which the coal movement is likely to be still less.

26. The Ministry have further stated that necessary action is being taken in consultation with the user Ministries and other concerned organisations to create necessary railway capacity to match the additional traffic. Railways fear that the creation of adequate capacity has been seriously affected due to inadequate funds being made available to them. As the allocation for the Railways during 1974-75 and 1975-76 has been below the requirement, the Ministry of Railways are pursuing with the Planning Commission for allocation of additional funds to them during the current year, However, with the slippage that has already taken place, it is unlikely that adequate capacity to meet the original targets can be created.

27. While the Committee recognise that the power shortfall, Indo-Pak. conflict, staff agitations, and the difficult law and order situation in the Eastern region and a variety of other factors have adversely affected the Railway operations, particularly in the matter of loading of coal, they are constrained to point out that the shortfall in the availability of coal with the respective consumers has had a crippling effect on the industrial development of the country. The Committee note that the Ministry of Railways had on their own appointed two coal transport study teams, one for Bengal and Bihar and the other for outlying coal fields for examining the transport requirements for the anticipated production of coal during the Fifth Five Year Plan and recommended measures for creating necessary facilities to meet the anticipated increase in production and movement. The Committee emphasise that the recommendations made by the Study Teams should be expeditiously examined and implemented by the concerned Ministries so that there are no more bottlenecks in the rail transport of coal in the remaining years of the Fifth Five Year Plan.

28. The Committee would also like to draw attention to the following observation of the Railway Convention Committee contained in Para 3.21 of their 8th Report on Railways' Fourth & Fifth Five Year Plans and other Ancillary Matters:

29. "The Committee observe that the Railways had lifted 66.7 million tonnes of coal at the end of the Third Plan vis-a-vis the original target of 91.4 million tonnes and the revised target of 89 million tonnes. The original target of 84.4 million tonnes for the Fourth Plan which itself was 4.6 million tonnes less than the revised target for the Third Plan was scaled down to 77.5 million tonnes and could, therefore, not be considered at all ambitious. In fact, the Railways had spent Rs. 360 crores more than the outlay provided for them in the Third Plan, which is sufficient reason to believe that the capacity available with them was in excess of the requirements. With the additional investments made by the Railways for the rolling stock and line capacity works in the Fourth Five Year Plan and in the three inter-plan years preceding it, the total capacity and cushion that the Railway already had at the end of the Third Plan has surely increased."

30. The Committee find that during the Fourth Plan against the revised target of 77.5 million tonnes, the Railways had moved only 62.5 million tonnes of coal. While conceding that 1973-74 was an abnormal year for the Railways, the Committee observe that there have been persistent shortfalls in the earlier years of the Plan as well including the year 1969-70 which was the best year so far as the Railways' performance during the Fourth Plan is concerned.

31. In view of the above, the Committee feel that the constraint of resources cannot be held as a plea for slow movement of coal traffic. The Committee regret to note that with an additional investment of more than Rs. 1400 crores in the Fourth Five Year Plan, Railways had moved only 62.5 million tonnes of coal during the Fourth Five Year Plan which was lower than the amount of coal traffic moved during the Third Five Year Plan. The Committee, therefore, reiterate their earlier recommendation.

Utilisation of the Gidi Washery

Recommendation S. Nos. 75.1, 75.2 and 75.3 (Para Nos. 6.36, 6.37 and 6.38)

32. In paragraphs Nos. 6.36, 6.37 & 6.38, the Committee had noted that the Gidi Washery with a capacity of 2.84 million tonnes of coal per annum and a capital investment of Rs. 9.5 crores was commissioned in November, 1970. The washery was originally conceived for washing some specific coal seams in Karanpura with a view to supply washed steam coal to Railways and washed slack coal to the Steel plants for use as blendable coal. The Committee had further noted that both the Railways and the Steel plants were reluctant to

use the coal produced by this washery. The Railways find that the cost of washed coal is too high, compared to the cost of raw coal and consequently the Railways took a decision to use more of Grade I coal, instead of selected grade coal. As regards Steel plants, there is at present sufficient raw blendable coal available to meet their current requirement which has not risen as expected, due to slow progress of steel production.

33. The Committee felt deeply concerned to note that Gidi Washery had remained idle for want of market and this had resulted in a total loss of Rs. 162.31 lakhs upto 31st March, 1973. The Committee were not sure whether the economics of the whole project had been worked out in sufficient detail before it was decided to set up this washery. Normally the cost of washed coal to be produced by this washery, should have been worked out and the concurrence of the Railway Administration should have been obtained therefor. Similarly, the extent of utilisation of the slack coal to be produced in this washery, for the Steel Plants, should have been fully considered. The Committee regretted to observe that the Gidi Washery was a case of frittering away of public funds, without any consideration about the viability and remunerativeness of the project and the marketability of the product. The Committee had recommended that the whole matter should be thoroughly investigated with a view to fix responsibility on the persons concerned.

34. The Committee had further noted that trials were made to process the washing of medium coking coal in this Washery from some of the newly takenover Collieries and the results were found satisfactory. The Committee hoped that earnest steps would be taken to utilise the coal washed by the Gidi Washery. If any modifications were necessary to improve the quality of the washed coal, the same should be introduced immediately so that his washery did not remain inoperative any longer. The Committee desired that an integrated plan might be formulated to make this washery run on economic lines, by ensuring a steady demand for its product.

35. The Government in their reply have stated that Gidi Washery started regular production during the year 1974-75. The production from this washery was 1,16,000 tonnes during the year. The production from this Washery would have been higher, if adequate transport had been available for the clean coal and middlings.

36. It has been further stated by Government that the Gidi Washery is situated in an area which is producing mainly non-coking Coal, and some blendable coal. A small quantity of medium coking

coal is produced in Kedla—Jharkhand area at a distance of 30/40 kms. At present the medium coking coal is being transported to this washery by road. But the quality of suitable medium coking coal is not sufficient to keep the washery operating at economic level. The demand of blendable coal from the steel plants is also not sufficient to justify operating this washery for this purpose. The Government are exploring the possibility of export of washed non-coking coal/blendable coal from this washery to parties in Europe and Japan. If the negotiations succeed, the washery would be run to the desired capacity to meet the export demand.

37. The Committee regret to note that the Gidi Washery which was set up in 1970 produced only 1,16,000 tonnes of coal in 1974-75 as against its capacity of 2.84 million tonnes per year. The Committee further note that the production from this washery would have been higher if adequate transport had been available for clean coal and middlings. They fail to understand why the matter regarding availability of transport was not sorted out by the Ministry of Energy with the Ministry of Railways.

38. From the reply of Government it is not evident whether the economics of the Gidi Project had been worked out in sufficient detail before it was decided to set up the washery which sustained a loss of Rs. 162.31 lakhs upto 31st March, 1973. The Committee are constrained to observe that the Gidi Washery is a case of frittering away of public funds without any consideration about the economic viability, remunerativeness of the project and the marketability of the product. They would re-iterate that Government should formulate an integrated plan to make this washery run on economic lines by ensuring a steady demand for its produce.

Implementation of Recommendations

39. The Committee would like to emphasise that they attach the greatest importance to the implementation of the recommendations accepted by the Government. They would, therefore, urge that Government should keep a close watch so as to ensure expeditious implementation of the recommendations accepted by them. In cases where it is not possible to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.

40. The Committee also desire that further information where called for in respect of recommendations included in Chapters II and III of the Report may be intimated to them expeditiously.

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Serial No. 1.1, Para 1.25)

The Committee note that with the nationalisation of the coking coal mines on 1.5.1972 and the non-coking coal mines on 1.5.1973 all the coal mines in the country except the captive mines of the private sector steel plants are under Government control and management to facilitate coordinated, rational and scientific development of the coal resources of the country. The management of 214 coking coal mines and 12 coke oven plants has been vested in the Bharat Coking Coal Ltd., a Government Company, which is functioning as a subsidiary of the Steel Authority of India Ltd. The management of 711 non-coking coal mines, is vested in the Coal Mines Authority Ltd., a Government Company, which also holds Central Government shares in the Singareni Collieries Ltd. The existing National Coal Development Corporation Ltd., is also its subsidiary. The Committee also note that for administrative convenience, 184 fragmented non-coking coal mines have been brought under the management of Bharat Coking Coal Ltd. Both the Companies are responsible for the entire gamut of functions in relation to the coal mines coming under their control, mainly production, distribution and sales, conservation, safety, development, planning and scientific utilisation of coal resources etc. Moreover, under the Coal Mines (Conservation and Development) Act, 1974 the Coal Board which is responsible for the promotion of measures for safety in coal mines and conservation and development of coal resources is being dissolved and the control assumed by the Central Government through the two Government Companies.

Reply of Government

No action is called for on this para. These are factual observations of the Committee.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 1.2, Para 1.26)

The Committee consider that nationalisation of coal mines is an epoch making step and marks a new era for the development of coal mining in the country in the overall interest of the nation. Coal is the most important and crucial indigenous source of energy. It is a national asset on which the manufacturing industires and economic expansion of the country largely depend. Basic industries like iron and steel depend on coal. A large part of power generation is coal-based. Construction inputs such as cement and bricks require coal. The present oil crisis has further underlined the importance of coal and added a new urgency to the task of stepping up coal production rapidly. The Committee feel that nationalisation of coal mines has afforded not only new opportunities but also posed new challenges to the Government and management to meet the increasing requirements of coal in the coming years. Urgent attention is required to be given not only to ensure rational and coordinated development of coal production in the country but also to promote optimum utilisation of coal resources, consistent with the growing requirements of the country. Coal mines have to be reorganised and restructured and are to be worked on modern scientific lines by paying special regard to conservation and safety of mines and welfare of the workers.

Reply of the Government

The observations of the Committee have been noted and are being acted upon. Reorganisation of mines and restructuring them on modern scientific lines is a continuous process. Both, CMA and BCCL are conscious of the need to increase production during the V Plan by keeping these primary considerations in view. Mines have been reorganised and are further being restructured with the help of modern technology as suited to local conditions with due regard to Conservation and Safety of mines and welfare of workers.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 1.3, Para 1.27)

There is an urgent need for rapid step up in the production of coal in the country. The increased production of coal envisaged for 1978-79 will call for not only large scale investment but concerted organisational efforts by the Coal Mines Authority and Bharat Coking Coal Ltd. Suitable advance action is, therefore, to

be initiated to meet the targets of increased production of coal during the 5th Plan period which is prerequisite for the achievements of planned targets in vital sectors such as power and transport etc. in the 5th plan. Advance plans for future expansion have also to be drawn up. Other tasks which require to be attended to urgently by the management of nationalised mines, *inter alia* are:

(i) Evolving of a suitable managerial structure;

(ii) Strengthening of distribution system to serve the interests of both the producers and the consumers;

(iii) Elimination of malpractices;

(iv) Supplying of suitable quality of coal to consumers at reasonable prices;

(v) Working out appropriate linkage between bulk consumers and coal fields as well as special arrangements for domestic consumers; and

(vi) Streamlining of transport arrangements for movement of coal etc.

Reply of Government

The recommendations have been brought to the notice of CMA/BCCL for implementation. The Ministry is also keeping a close watch in these matters.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Comments of the Committee

The progress regarding implementation of the recommendation by CMA/BCCL may please be intimated to the Committee.

Recommendation (Serial No. 1.4, Para 1.28)

The Committee realise that these tasks are challenging but they can be overcome by farsighted, sustained and dedicated efforts on the part of the management. The Committee would like to stress that nationalisation of coal mines would have a meaning only if the objectives behind nationalisation i.e. coordinated, rational and scientific development of coal industry in the country, massive and rapid increase in coal production to meet the needs of consumers, conservation and optimum utilisation of coal reserves etc., are fulfilled

Reply of Government

The recommendations have been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 2.1 Para 2.4)

The Committee note that the demands for coal by the end of Third Plan viz., 1965-66 and by end of the Fourth Plan viz., 1973-74 were assessed at @98.55 million tonnes and @100.19 million tonnes respectively, whereas the actual consumption was 67.20 million tonnes and 77.87 million tonnes respectively. The Committee are concerned to note that the shortfall in consumption vis-a-vis assessed demands during the Third and Fourth Plans were of the order of 33 per cent and 21 per cent respectively.

Reply of Government

The Committee have observed that the wide gap between projection and performance calls for a critical and analytical review of the system of assessment of demands and have suggested that a critical study should be made of the areas in which the basic assumptions were found to be wide off the mark. It had been submitted to the Committee that the demand for coal being derived from the requirement of a large number of consuming sectors, the actual consumption of coal depends on the performance of the consuming sectors. During the Third Plan and Fourth Plan periods there were serious shortfalls in the targets of major coal consuming industries like Steel. There was also a general slackness in industrial growth. It may not therefore be correct to feel that the basic assumptions which have necessarily to be adopted from the targets and rates of growth given in the Fifth Plan were off the mark. For conducting studies in connection with the formulation of policies and programmes for coal and lignite for the Fifth Five Year Plan, the Planning Commission set up a Task Force on Coal and Lignite on 29.6.1972 under the Steering Group on Minerals and Petroleum Industries. The Task Force completed its deliberations and finalised its Report in January, 1973.

Steel Plants: In order to review the plans for coal supplies to the steel plants during the Fifth and Sixth Five Year Plans, a Committee under the Chairmanship of the Secretary, Deptt. of Coal was constituted on 26th December, 1974. This Committee will examine/

review the production and supply of coking coal to the steel industry and will suggest corrective action in the areas of planning, organisation and implementation of programmes for the supply of coking coal in the light of difficulties so far identified. The report of the Committee is expected to be received shortly.

Cement and Power Houses: The Standing Linkage Committee set up in January 1973 with the representatives of the Ministry of Railways, Central Electricity Authority, Deptt. of Industries, the Planning Commission, the Coal Producing Orgn., and the Deptt. of Coal as Members, has been meeting periodically to review the coal requirements of the existing thermal power stations and cement factories for establishing linkage with the sources of coal supply and for the new thermal power stations and Cement factories proposed to be set up in the Fifth Plan. In addition, it has examined the question of conversion of some power stations using furnace oil to coal. As a result of the periodical review made by this Committee, coal supplies to the power houses and the cement plants have shown considerable improvement. Coordination between the development of new power/cement projects and production is also assured.

Railways: After the energy crisis, the Railways have made a review of the dieselisation programme and revised their coal requirements. This revised demands of 14.4 million tonnes during each year of the Fifth Plan has been adopted.

Hard Coke: A Committee has assessed the demand for hard coke. At present the availability is adequate to meet the current demand. It is expected that there will be no difficulty in meeting the future demand also. The Jt. coke Allocation Committee makes a monthly review of requirements and link supplies.

Textile: With a view to identify the steps necessary for ensuring regular supplies of coal as per the realistic requirements of each of the textile units, a meeting was taken on 14th January, 1975 in the Department of Coal. As a result, the mining agencies have been advised to offer adequate coal to the textile industry.

Fertiliser: Discussions have been held with the Deptt. of Fertilisers and Chemicals, FCI etc. and the coal requirements of each unit have been identified. A linkage with specified collieries is being proposed.

It would thus be seen that with the above measures, the realistic demand of the major consumers is examined from time to time and maximum possible coordination is being attempted between the demand and supply. The marketing wings of CMA and BCCL are also being entrusted with the task of collecting and evaluating the demand data on a continuing basis. The deficiency that was noticed in the earlier plans is now being rectified by subjecting these assessments of demands to regular scrutiny and adjustment so that corrective steps are possible in time.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 2.2 Para 2.5)

The Committee note that the assumptions underlying the assessment of demands have been based on the past trends of coal consumption, the availability of facilities for transport of coal, the latest available data regarding the consuming sectors, norms of coal consumption, time-lag in the units reaching the capacity, production programme etc. For sectors in which this method could not be adopted, an average rate of growth was assessed. In the opinion of the Committee, the wide gap between projections and performance calls for a critical and analytical review of the system of assessment of demands. The Committee consider that a sound system for collection and evaluation of data regarding demand is pivotal for fixing plan targets on a realistic basis. A critical study of the areas in which the basic assumptions and were found to be wide off the mark would be very revealing and should be undertaken without delay so as to throw up objective lessons for realistic assessment of demand at least for the current plan period which has only commenced in April last.

Reply of the Government

This item has been covered along with item 2.4.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation Serial No. 2.3 Para 2.1)

The Committee note that according to the Secretary of the Ministry the original assumptions of demand for coal did not materialise because of the shortfalls in the achievements of production targets by the major consuming industries whose demands for coal form a significant proportion of the total demands. The Committee further

note that the growth rate in the industries sector which was assumed to be 7.7 per cent in the Fourth Plan, was not achieved. Against this, the actual growth rate has been 5 per cent in 1969-70, 1.8 per cent in 1970-71, 2.9 per cent in 1971-72 and 4.2 per cent in 1972-73. The Committee consider that while in some cases the 'cut back' in production of coal may be due to the lack of demands as emphasised by the Secretary of the Department this may not be true in respect of all sectors of industries where production may have fallen due to non availability of coal. This again underlines the need for a more scientific system of assessment of likely demand for each major sector of industry so as to ensure that the demand estimates are as realistic as possible. The Committee consider that there is great scope for framing demand estimates more realistically in respect of major identifiable sectoral consumers like steel, thermal power stations, Railways, cement factories etc., which account for the bulk of the total demand for coal in the country. In this connection they feel that the problems, besetting the steel sector, where coal consumption was reduced by over 40 per cent of the original estimates could have been well anticipated by closer statistical analysis. The Committee urge that a rational and scientific system should be evolved for assessment of demand for coal, based on modern methods of statistical analysis, integrating it with the actual and anticipated patterns of consumption, in all sectors of the economy so that wide variations between assessed demands and actual consumption are reduced to the minimum. Moreover there should be a system of continuous assessment of demands for coal, particularly for major industries so that advance action could be taken to adjust production and the requisite transport facilities with the likely demands for those industries.

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Sl. No. 2.4, Para 2.19)

The Committee note that against the assessed demand of 100.19 million tonnes of coal during 1973-74, the actual consumption during 1973-74 was 77.87 million tonnes-pointing to an over-assessment of

demand by 22.32 million tonnes. The Committee further note that the shortfalls are attributed to decline in the demand as they actually materialised in sectors like steel and power. The Committee, are, however, concerned to note that there is an atmosphere of scarcity of coal in certain other consuming sectors. In fact, the Secretary of the Ministry also admitted during evidence that availability of coal is far less in certain sectors because of gaps between production and availability at the consumer ends. The Committee are not convinced by the explanation that there was unexpected growth in the demand of power sector due to extreme drought conditions and increased demand of coal in preference to middlings which created constraints in the availability of coal to other sectors. In fact, the Committee find that against the assessed demand for coal for the power sector at 21.88 million tonnes at the end of the Fourth Plan, the estimated consumption in 1973-74 was only 19.50 million tonnes i.e. a shortfall of 2.38 million tonnes. Since the actual consumption of coal by power stations was much less than the planned demand, the plea that there has been unexpected growth in the demand of power sector is not tenable.

Reply of Government

The unexpected growth of demand in certain sectors pointed out during the evidence was only with reference to the extrapolation of the consumption pattern witnessed in the earlier years and not with reference to the estimates drawn up at the commencement of the plan. The Committee's observations have, however, been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Sl. No. 2.5, Para 2.20)

The Committee have been informed that the main area of shortage was the domestic sector and that this shortage was likely to grow because of increase in demands caused by oil crisis.

Reply of Government

It is possible to increase the production of domestic soft coke and if adequate rail transport is made available, the increasing demand for domestic fuel can be met. Efforts are being made in this direction.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Sl. No. 2.6, Para 2.21)

In addition, the Railways had also to discontinue temporarily some of the branch lines train services as steam coal had to be shared by them with some other important industries whose demands were going up.

Reply of Government

In 1973 and 1974, the Railways had cancelled some trains due to various reasons including disturbed industrial relations and the need to conserve the available rail transport for catering to the minimum requirements of essential industries. The train services are being gradually restored and the coal availability at present is such that not only the requirements of the Railways are met fully but they can build up sufficient stocks for meeting emergencies.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Sl. No. 2.7, Para 2.22)

There was also lack of adequate supply of coal to the cement industry as would be seen from the observations contained in Paras 2.18 to 2.36 of the 60th Report of the Estimates Committee on "Avail ability and Distribution of Cement".

Reply of Government

The Standing Linkage Committee set up in January, 1973 with the representatives of the Ministry of Railways, Central Electricity Authority, the Planning Commission, the Deptt. of Industrial Development and Deptt. of Coal as Members has been meeting periodically to review the coal requirements of the Power stations and Cement factories included in the Fifth Plan programme. As a result, coal supply to the cement industry has improved considerably in 1974-75. As on 10-4-75, the cement factories had on an average 26 days requirement in stock. The enclosed copy of letter (Appendix I) written by Director Rail Movement to the Cement Controller is illustrative of the present situation.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 2.8, Para 2.23)

It has, however, been admitted that the overall shortage of coal for 1973-74, taking into account all consuming sectors, was about 4-4½ million tonnes.

Reply of Government

No action is called for.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 2.9, Para 2.24)

The Committee consider that the reasons advanced by the Ministry, do not fully explain the paradox of shortfall in consumption of coal by certain sectors of industries as compared to the Plan target and lack of availability of coal to the tune of about 4½ million tonnes, in some other sectors. The Committee cannot help arriving at the conclusion that cost of the basic factors for this state of affairs, is the lack of a sound system of collection and evaluation of data regarding demand estimates of the various sectors and their periodical review so as to plan and adjust production in time according to the demand of coal by these sectors. Had this been done, it should have been possible to arrange production of right type of coal to suit the particular requirements of these consumers and arrange for its movement by advance planning. It appears that while the demands from some major sectors have been over-pitched, the demands from sectors like small industries, brick-kilns and domestic consumers etc. have been assessed only on *ad hoc* basis with the result that overall assessment of demand for coal was over-estimated in some sectors and under-estimated in other sectors. As has been pointed out in a subsequent section, there was no specific machinery to assess the demand of coal in respect of hard coke, soft coke and requirements of the small scale industries, brick kiln industries etc. falling under the purview of the State Government.

Reply of Government

Kindly see the reply under S. No. 2 (Paras 2.4, 2.5 and 2.10).

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 2.10, Para 2.25)

The Committee recommend that in the light of experience gained, Government should devise a system of scientific assessment of demand, in close coordination among all agencies concerned *viz.* coal mining, major consumers, transport etc. taking into account foreseeable developments in the various sectors. The intention is that the supply of coal should always be a little ahead of requirements and that, in no case, a climate of scarcity should be allowed to be developed, leading to various difficulties.

Reply of Government

Kindly see the reply under S. No. 2 (Para Nos. 2.4, 2.5 and 2.10).

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 3.1, Para 2.44)

The Committee note that the Draft Fifth Five Year Plan has tentatively projected a coal demand of 135 million tonnes by 1978-79. The fuel policy committee, in their final report which was submitted in August, 1974, after taking into account inter-fuel substitution possibilities, has however estimated the demand for coal between 135 million tonnes to 145.8 million tonnes in 1978-79. In the light of energy crisis, the Department has now submitted a revised programme for 1445 million tonnes of coal for the Fifth Five Year Plan. The Planning Commission which had also appointed a number of Working Groups to study the feasibility of reduction of consumption of oil products and their substitution by coal, is examining the Reports of the Working Groups and the additional requirements of coal during the Fifth Five Year Plan.

Reply of Government

The Committee's observations are kept in view while reviewing the demand for coal.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 3.2, Para 2.45)

The Committee recognise that Government is taking steps to reassess the demand of coal, in view of the energy crisis. They would,

however, like to stress that the demand for coal of the various sectors during the Fifth Plan, should be reassessed realistically on a rational and scientific basis, keeping in view the increased requirements, as a result of the change over of the various industrial consumers from oil to coal. They have, no doubt, that under the present circumstances the demand for various types of coal would increase considerably which has to be catered for.

Reply of Government

The Committee's observations are kept in view while reviewing the demand for coal.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 3.3, Para 2.46)

The Committee further consider that planning for a basic energy source like Coal, should be for sufficiency and not for scarcity and should therefore meet fully the needs of the various industries and other consumers so as to avoid scarcity conditions which act as a constraint to the stepping up of production. The Committee would also like the Government to devise a suitable mechanism to keep a watch over the demand for coal of the various consumers so that timely adjustments in coal production and supply could be made to meet the fluctuations in demand of these consumers.

Reply of Government

The Committee's observations are noted. The marketing wings of the Coal Organisations are being advised to keep a watch over the demand for coal of the industrial consumers so that timely adjustments in coal production and supply could be made to meet the fluctuations in demand of these consumers. For steel plants this work is already being done by coal controller and the coking coal allocation Committee. For power houses and Cement Plants, the Standing Linkage Committee takes care of this aspect.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 4, Para 2.1)

The Committee would futher urge that coal requirements for the Sixth Plan should also be broadly kept in view as a long gestation period is required for completion and commissioning of coal mining projects.

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 5, Para 2.48)

The Committee note that in the forecast made by the Fuel Policy Committee the assumptions of demands of raw coal for brick kilns and soft coke for domestic consumption are 8 million tonnes for brick kilns and 9 to 10.6 million tonnes for soft coke. The Committee would urge that an examination in depth of these demands may be made to see whether these demands need to be revised upward in the context of increasing requirements of bricks for house building and other construction works and the extensive scope for use of soft coke, in view of oil crisis.

Reply of Government

An exercise in regard to the realistic estimate of demands from the state controlled sectors like brick burners and soft coke users is being done by the Coal Controller apart from the market intelligence system that is being developed by the coal companies through the regional offices set up by them. The observations of the Committee are being kept in view in this exercise.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 6.1, Para 2.58)

The Committee note that about 80 per cent to 85 per cent of the demands for coal falling in the sector of the State Governments is directly assessed by the Central Government in consultation with the State Governments and the Electricity Boards. For areas of demands such as soft coke, brick kilns and Small Scale Industries exact assessment of demands, has not been made and a rate of growth of 6 per cent per annum has been assumed in the Fifth Five Year Plan for assessing the demands in respect of such consumers. Regarding Hard Coke, the position is no better. Most of the State Governments do not have the requisite machinery to assess precisely the demand for hard coke for units falling in the State Sector with the result that the demands were inflated and unrealistic.

Reply of Government (2.58, 2.59 and 2.60)

In order to assess the requirements of small scale industry, hard coke, brick kiln and domestic consumers, various State Governments were addressed by the Coal Controller to submit details of actual requirements of their States. As the response from the State Governments was not encouraging, a meeting of coal producers, Planning Commission, Railways and representatives of State Governments was convened by the Coal Controller on 28-4-75. The representatives of the State Governments who attended the meeting promised to furnish the desired information to the Coal Controller. The State Governments who could not attend the above meeting have been requested to furnish details of trend of despatches of coal, coke etc. to different industries (quality-wise) by both rail and road separately for the past and assessment of Demand for each year of the Fifth Plan and also for the 6th Plan. Upon receipt of these particulars, the Coal Controller is expected to convene another meeting with a view to assessing the demand of each State and will devise a method for continuous collection of the data regarding requirements of the States. As stated in the reply against para 2.48 regional offices of the Coal producing companies will also provide continuous information in regard to demand and supply. However, primarily the State Governments have been made responsible to assess the demand of their States for small scale industry, hard coke, brick kiln, domestic consumers etc.

It may be pointed out that Planning Commission is of the view that unless the State Authorities conduct proper survey for their requirements of State sponsored industries it would be difficult to examine the coal demand for the State individually.

The representatives of the BCCL and Railways have brought to notice that there was no shortage of coal, coke or wagons on the contrary there was a large number of cancellations from State Corporations or others from a number of States.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 6.2, Para 2.59)

The Committee understand that the Coal Controller has been asked to conduct in consultation with the State Governments

demand survey of the requirements of small scale industries, brick kilns and domestic consumers and that it was contemplated to make the State Governments responsible to assess and consolidate the requirements of such consumers and also the requirements of hard coke and to arrange for equitable distribution to them. The Committee have been informed that the State Governments have been addressed in the matter and that replies are awaited from the State Governments. The Committee note with concern the leisurely progress in finalisation of this important matter. The Committee also note that a Committee which was appointed to assess the requirements of Hard Coke has fixed quotas for consumption for each State after on-the-spot discussion with all State Government agencies. The Committee feel that *ad hoc* fixation of quotas by a Committee of the nature is not likely to serve the purpose and that the assessment of demands should be based on a scientific system that should be devised and implemented by the States themselves. The data collected by the Committee on Hard Coke can provide useful yardsticks against overpitching of demands.

Reply of Government

This item has been covered along with item No. 2.58.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 6.3, Para 2.60)

The Committee urge that a rational and scientific procedure for assessment of demands of coal for brick kilns, small scale industries domestic consumers and for hard coke be laid down and implemented making the State Governments responsible for determining the actual requirements in their Sector. For this purpose it would be desirable that the necessary guidelines are laid down by the Centre and a standard proforma for collection of requisite information is devised and circulated to the State Governments.

Reply of Government

This item has been covered along with item No. 2.58.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 28.5, Para 4.14)

The Committee note that the following proposals/schemes are under consideration of Government to help the low priority consumers:—

(i) to modify the present system of sponsorship for such consumers and to make State Governments responsible to assess and consolidate the requirements of such consumers and to arrange for equitable distribution to them after obtaining coal against such consolidated demands;

(ii) to open dumps under the control of State Governments to cater to the needs of these consumers;

(iii) opening of branch offices by Coal Mines Authority at important consuming centres.

Reply of Government

In view of the record production of 88.35 million tonnes in 1974-75 the anticipated further increase in production of 10 million tonnes during 1975-76 and also significant achievement made from May, 1974 in transport position, it is expected that the requirements of all consumers will be fully met. There is no proposal under consideration for any redical change in the distribution system at present, particularly in view of lack of adequate response from the State Governments. Six coal dumps have already been set up in Uttar Pradesh at Lucknow, Varanasi, Gorakhpur, Agra, Meerut and Kanpur. Opening of more coal dumps will be decided in the light of working of these dumps.

CMA and BCCL have already opened branch offices at New Delhi, Bhopal, Bombay, Lucknow, Bilaspur, Ahmedabad, Kanpur, Varanasi, Madras, Chandigarh, Jaipur, Patna and Ranchi.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 28.6, Para 4.15)

The Committee are concerned to note that the scheme for making the State Governments responsible for assessment and consolidation of requirements of such consumers has not been finalised inasmuch as information has yet to come from State Governments. As regards the scheme for opening dumps, the Committee have referred to this matter in detail in the section of the Report relating to Coal dumps.

Reply of Government

Please see reply under paras 2.59, 2.60 and 4.14.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 28.7, Para 4.16)

The Committee urge that the constraints in implementation of these schemes should be sorted out and effective solutions found so that these could be finalised and implemented expeditiously in the interest of assured and more equitable supply to industries and other users falling in the category of low priority consumers.

Reply of Government

Please see reply under paras 2.59, 2.60 and 4.14.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 29, Para 4.17)

The Committee have earlier emphasised that it should be impressed on the State Governments that the assessment of requirements of coal for non-priority consumers like brick-kiln industry, small scale industries and domestic consumers should be done in a realistic manner so that the consolidated demands by the States reflect their genuine needs of coal. The quota of coal for the non-priority sector industries should be fixed for each State after carefully examining their current and future needs and the number of industrial units/consumers to be catered to by them.

Reply of Government

Please see reply under paras 2.59, 2.60 and 4.14.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Comments of the Committee

Recommendation (S. Nos. 6.1, 6.2, 6.3, Paras 28.5, 28.6, 28.7 & 29)

The decision taken to assess the demands of the State Governments as also the guidelines and the Standard proforma for collection of requisite information, laid down, may please be communicated to the Committee.

Recommendation (Serial No. 7.1, Para 3.31)

The Committee note that during the Second Plan period, against the target of 60 million tonnes, the actual production of coal in 1960-61 was 54.62 million tonnes. During the Third Plan, against the target of 97 million tonnes (revised during the Mid-term Appraisal to 89.9 million tonnes) the actual production amounted to only 67.72 million tonnes. Even during the Fourth Plan, the production of coal reached only 77.9 million tonnes against the target of 93.5 million tonnes. The production of coal has thus lagged behind the targets by 5.4 million tonnes, 22.2 million tonnes and 15.6 million tonnes respectively during the last three Plan periods.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 7.2, Para 3.32)

The shortfall during the Third Plan has been attributed to shortfall in the demand of coal by the consuming sectors like the steel plants, thermal power stations, cement industry, Railways due to their electrification and dieselisation programme, and inadequate rail transport etc. The shortfall during the Fourth Plan is stated to be due to shortfall in the demand of important consumers like steel plants, inadequate rail transport since the last quarter of 1970, frequent power break downs and continuing power shortage in the Eastern region, shortage of explosives, unsettled law and order conditions in West Bengal during the earlier years of the Fourth Plan and inadequate investment and attention paid to send stowing and other measures by private mine owners.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 7.4, Para 3.34)

The Committee note that production of coal which was 77.9 million tonnes during 1973-74 is tentatively planned to be increased

to about 135 million tonnes by 1978-79. The production of coking coal is envisaged to be increased from 15.80 million tonnes in 1973-74 to 33.70 million tonnes in 1978-79 and of non coking coal from 62.10 million tonnes in 1973-74 to 109—30 million tonnes in 1978-79. This target of coal production is likely to be revised upwards in the context of the present oil crisis. The Department of Coal has already submitted a revised production programme for 145 million tonnes by 1978-79 which is under examination by the Planning Commission. Thus an increase between 57 to 67 million tonnes in the production of coal is envisaged during the period of five years.

Reply of Government

The observations of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 7.5, Para 3.35)

From the tentative estimates of year-wise production during the Fifth Five Year Plan, the Committee note that the percentage of annual estimated increase in production during each year from 1974-75 to 1978-79 over the preceding year, is of the order of 18.7, 9.7, 12.6, 13.5 and 10.4 respectively. The overall estimated increase in production in 1978-79, over the production in 1973-74, would be of the order of 86.4 per cent.

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 7.7, Para 3.37)

It is also imperative that apart from other measures, both the administrative and operational machinery in the Coal Mines Authority and the Bharat Coking Coal Ltd., is geared up to face the challenging tasks ahead. Immediate measures should be initiated and organisational mechanism should be built up to ensure full and effective coordination and support from power generating agencies and the Railways as this support is vital for securing substantial increases in coal production, planned during the Fifth Plan.

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)|75-CDT, dated 24-6-1975].

Comments of the Committee

The specific measures taken to ensure full and effective co-ordination and support from power generating agencies and the Railways may please be communicated to the Committee.

Recommendation (Serial No. 8, Para 3.38)

Power is an essential input and should be available without any interruption. There should also be matching transport facilities which should be a little ahead of requirements. It should be therefore ensured that the development of mines is synchronised with the availability of power and transport in adequate measure to secure the raising of required quantity of coal and its movement to the consuming centres. The Committee consider that since the coal mining, power generation, Coal Mining Machinery manufacturing organisations and transport organisations as well as the major consumers like steel plants, Thermal Power stations etc. are in the public sector it would be easier to forge effective coordination among all the concerned organisations so as to develop the requisite facilities to ensure the attainment of coal production targets for each year of the Fifth Plan.

Reply of Government

The recommendation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)|75-CDT, dated 24-6-1975].

Comments of the Committee

The Committee may be apprised of the effective steps taken in the matter of forging coordination amongst the concerned organisations so as to ensure achievement of coal production targets during each year of the Fifth Plan.

Recommendation (Serial No. 9.1, Para 3.39)

The Committee note that 75 per cent of the additional production in the Fifth Plan, is envisaged from the re-organisation and expansion of the existing mines and 25 per cent from the new mines. According to the Report of the Task Force, underutilised capacity of about 18.5 million tonnes over the 1970-71 production level of 71.5 million tonnes, existed in the coal industry and the additional demand of upto 19 million tonnes can be met without going in for new projects. The Committee further note that the total number of new mines which are proposed to be brought in production by 1978-79 will be 55, consisting of 20 opencast mines and 35 underground mines, with anticipated output of 10.3 million tonnes and 8.06 million tonnes respectively.

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)|75-CDT, dated 24-6-1975].

Recommendation (Serial No. 9.2, Para 3.40)

The Committee would like to emphasise that advance action should be taken in order to ensure that the programme in the coal sector are fulfilled according to the time schedule. The mines from which the additional production is to be achieved should be identified and all the new mines to be developed during the Fifth Plan should be demarcated and further action regarding drilling work etc. should be completed according to the detailed programme. The Committee would like to emphasise that development of new mines should be planned on the basis of regional requirements of coal as far as possible, so as to reduce the burden of transport on the Railways. The Committee need hardly emphasise that arrangements should be made to continuously monitor the progress in the implementation of the detailed programme so that there are no slippages and that remedial action, as necessary, can be taken without delay.

Reply of Government

The observation has been noted and action is proceeding on these lines.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)|75-CDT, dated 24-6-1975].

Recommendation (Serial No. 9.3, Para 3.41)

The Committee note that most of the increase in output is planned from the expansion of the existing mines. They consider that to achieve the increased targets of coal production at a quicker pace due to energy crisis, the output from the existing mines should be substantially increased by improving productivity and by implementing modernisation schemes and introducing improved methods of working.

The Committee would like to stress that effective measures should be taken to ensure production of coal, most efficiently and economically. Consumers requirements regarding quality and timely supply of coal should be fully satisfied.

Reply of Government

The Committee's observation has been noted. Substantial increase is being planned from existing mines through expansion, reorganisation and reconstruction. In fact out of the total increase in coal production of about 57 million tonnes planned for achieving in the Fifth Plan by 1978-79, about 72 per cent is proposed to be obtained by expansion, reorganisation and reconstruction and only about 28 per cent will come out of new mines.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)|75-CDT, dated 24-6-1975].

Recommendation (Serial No. 11, Para 3.43)

The Committee note that new underground mines have gestation period of about 7 years while open cast mines take about 4 to 5 years, from planning to full production stage. The Committee would like the Central Mine Planning and Design Institute to initiate research and development activities to reduce the period of gestation of the new mines, both underground and open-cast.

Reply of Government

The observation of the Committee has been noted. The C.M.P.D.I. is being advised to take action on these lines.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)|75-CDT, dated 24-6-1975].

Recommendation (Serial No. 12, Para 3.44)

The Committee further note that in the Report of the Task Force on Coal and Lignite for the Fifth Plan the projected production of coking and blendable coal and non-coking coal by the end of 1978-79 from the various coalfields is as under:—

(Figures in m. tonnes)

	Bengal-Bihar coalfields		Outlying coalfields		Total	
	Estimated Production 1978-79	Increase over 1973-74	Estimated Production 1978-79	Increase over 1973-74	Estimated Production 1978-79	Increase over 1973-74
Coking and blendable coal . .	34.41	17·14	·70	·32	35·11	17·46
Non Coking Coal .	53.07	19·66	54·93	30·12	108·00	49·78
TOTAL .	87·48	36·80	55·63	30·44	143·11	67·24

It would be seen that the increase in projected production of coal over 1973-74 level in the Bengal-Bihar coalfields, is of the order of 36.8 million tonnes and in Outlaying coalfields of the order of 30.44 million tonnes. The Committee recommend that a study in depth should be carried out, analysing the extent to which the projected increase in production of coal in Bengal-Bihar coalfields will affect the problem of transport legistics, considering the present inadequacy of transport in that region to meet even the current levels of supply. The Committee desire that the feasibility of maximising production in the Outlying coalfields by providing matching transport facilities so as to avoid bottlenecks in movement of this vital commodity should be examined.

Reply of Government

Two study teams appointed by the Ministry of Railways have already studied in depth the rail transport facilities required in the Bengal-Bihar coalfields and the outlying coalfields. In addition, a special officer had studied the problems involved in rationalisation of sidings and loading arrangements. Action to maximum output in the outlying fields is also being taken.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)|75-CDT, dated 24-6-1975].

Recommendation (Serial No. 14, Para 3.59)

The Committee note that programmes have been drawn up to increase the production of coking coal from the present level of about 16 million tonnes to about 34 million tonnes by 1978-79 which represents more than double the present output. To achieve this objective, B.C.C.L. have entered into an agreement with M/s. Kopex, a Polish firm for the preparation of a feasibility report for reconstruction and reorganisation of the Jharia coalfields. A preliminary report has been received from the firm which is being examined by B.C.C.L., and also a second agreement has been signed with M/s. Kopex regarding project reports and technical studies. The Committee desire that the preparation of project reports and technical studies should be completed with expedition so that concrete measures are taken to achieve the targets projected.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 15, Para 3.60)

The Committee note that 81 per cent of the collieries in Jharia are producing less than 1000 tonnes per day, whereas for a viable unit, the production should be a minimum of 3000 to 4000 tonnes per day. The Committee also note that for the efficient management of the coking coal mines, 214 Coking Coal Mines and 187 fragmented non-coking coal mines have been consolidated in 5 Areas, having 22 sub-areas, each under a General Manager and sub-Area Manager respectively. These 401 collieries have been merged in to 87 units. The Committee also note that schemes of reorganisation, reconstruction and rationalisation of these mines are being initiated, aiming at a minimum production per unit of 3000 to 4000 tonnes per day. The Committee would urge that concrete measures should be taken to achieve the economics of scale in the production of coking coal from these coalfields so as to meet the requirements in full.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Comments of the Committee

Specific action taken in this regard may please be communicated to the Committee.

Recommendation (Serial No. 16, Para 3.61)

The Committee are concerned to note that there had been a certain amount of fall in the production of coking coal after nationalisation of coking coal mines. This is attributed to the deteriorating law and order situation in Jharia area, short fall in the availability of power from the D.V.C. system and continued disruption in rail traffic. The Committee need hardly stress that coking coal is the back bone of the iron and steel industry and that there should be no slackening of efforts to step up the output of coking coal. It is essential that production of coking coal is stepped up so that the production of iron and steel is not hampered in any way at any time.

Reply of Government

The observations of the Committee have been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)|75-CDT, dated 24-6-1975].

Recommendation (Serial No. 17, Para 3.62)

The Committee desire that necessary steps should be taken to ensure uninterrupted supply of power to the coalmines in Jharia so that there is no shortfall in production on this account. It is also important that industrial relations in the coal belt are improved to avoid disruption in coal production.

Reply of Government

During the years 1972-73 and 1973-74, the power supply position to the coal mines was unsatisfactory. However, with the rehabilitation of existing units, addition to generating capacity in D.V.C. and Bihar State Electricity Board systems and supply of adequate coal, power supply to coal mines in Jharia has improved. The subject of improvement in the industrial relations in the coal belt particularly Jharia, is also being vigorously pursued with all concerned agencies including the State Government, Trade Union etc.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)|75-CDT, dated 24-6-1975].

Recommendation (Serial No. 18, Para 3.63)

The Committee further suggest that advance action should be taken for linking programme of coke production with the production programme of the steel plants and the requisite rail facilities for transport of coking coal assured. The Committee need hardly emphasise the importance of effective coordination among the three organisations so as to ensure that the production of iron and steel does not suffer for want of availability of coal.

Reply of Government

The observation of the Committee has been noted. A Committee under the Chairmanship of Secretary Department of Coal has recently been set up with this object in view. The Railways, Steel Ministry and other concerned agencies required for ensuring maximum coordination are represented in this Committee.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 19.1, Para 3.66)

The Committee note that the tentative target for non-coking coal in the Fifth Five Year Plan is 101 million tonnes by 1978-79 which means an increase of over 62 per cent over the present level. The Committee also note that out of 711 mines nationalised, 527 mines have been vested in the Coal Mines Authority and the balance 184 of the Jharia Sector in the Bharat Coking Coal Ltd. and that the regular working mines under Coal Mines Authority are 297. Regrouping of the mines has been done, keeping in view the principal geographical barriers, possibility of most economical exploitation of all the coal available in each unit etc.

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 19.2, Para 3.67)

The Committee expect that with the nationalisation of non-coking coal mines, the reorganisation and restructuring of these mines

should have been greatly facilitated and should help in the achievement of objective of increased production of non-coking coal during the Fifth Plan period. The Committee in paras 3.36 to 3.43 have suggested various measures for achieving the targets of production of coal during the Fifth Five Year Plan. They hope that concrete action will be taken to implement these plans according to the time schedule laid therefor.

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Comments of the Committee

The Committee may please be informed of the concrete steps taken or proposed to be taken to implement the plans according to the time scheduled laid therefor.

Recommendation (Serial No. 20, Para 3.71)

The Committee note that the pit-head stocks of coal have declined from 9.58 million tonnes in 1970-71 to 5.97 million tonnes in 1972-73. During 1973-74 the pit-head stocks are stated to be 6.65 million tonnes only. While appreciating the views expressed by the representative of the Department that pit-head stocks of coal should be very much lower and more coal should be transferred to the centres of consumer demand, the Committee cannot lose sight of the fact that pit-head stocks at a given time, serve as a monitor of the quantum of coal being produced in the coal mines and the rate of clearance of stock by transport. If the pit-head stocks are below norms at a particular point of time, it may mean either a decrease in production or a faster movement of coal. In the former case, immediate remedial action is called for. The Committee therefore recommended that a careful and continuous watch should be kept regarding the quantum of stoks with reference to quantity offered, wagons allotted and actual loadings. Norms should be fixed in the light of experience, to determine the quantum that should be held in stock facilitating proper grading or despatch of coal. Any fall in the stock below the norms should be properly analysed to find out whether itis due to a real improvement in the movement of coal or due to slackening of effort in the production of coal in which case, urgent action should be taken to set things right.

Reply of Government

The coal producing organisations have been advised to follow the suggestions made by the Committee.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Comments of the Committee

The result of action taken may please be intimated to the Committee.

Recommendation (Serial No. 21.1, Para 3.86)

The Committee note that the production of soft coke during 1972-73 was 2.2 million tonnes which rose to 2.9 million tonnes during 1973-74. The demand for soft coke has been assessed at 3.3 million tonnes in 1974-75 and by the end of the Fifth Plan the demand for soft coke would be of the order of 6 million tonnes.

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 21.2, Para 3.87)

The Committee would like to draw attention to the prevailing scarcity of soft coke for domestic consumers on account of inadequate transport. The Committee have already emphasised the importance of ensuring adequate supply of soft coke to the domestic consumers, after a proper assessment of the demands of this sector.

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 22.1, Para 3.88)

The Committee note that manufacture of smokeless domestic fuel as a means of reducing dependence on firewood and kerosene was

also being provided for in the Low Temperature Carbonisation Plants which are modern carbonisation plants. The Committee have been informed that provision has been made in the Fifth Five Year Plan for 9 million tonnes of raw coal for both soft coke production and L.T.C. production and that the provision for L.T.C. coke was further being reviewed in the context of the studies, made by the Working Groups of the Planning Commission regarding feasibility of substitution of coal for oil.

Reply of Government

The observations of the Committee have been noted. Efforts will be made to increase the production and transport of soft coke and to speed up the construction of L.T.C. projects.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation ((Serial No. 22.2, Para 3.89)

The Committee note that soft coke, which was originally made from coking coal is now made out of Grade-III B coal in the interests of conservation of coking coal and that the concentration of manufacture of soft coke in the Katrasgarh area, where such coal is mostly found, has resulted in transport problems. It has been claimed that if the arrangements for transport could be made, Grade III B coal can be converted into soft coke within a week's notice. The Committee need hardly emphasise that there is an imperative need for extensive use of soft coke, in view of the present oil crisis and the desirability of conserving cowdung for use as fertiliser and also bringing about reduction in consumption of firewood. Since the production of soft coke presents no difficulties and the problem is mainly one of transport, all impediments that stand in the way of coke supplies to common man, should be removed by foresight, determination and coordinated action. The Committee therefore urge that vigorous efforts should be made to increase the production of soft coke to satisfy adequately the rising demands; and to streamline the transport arrangements by concerted efforts. The matter is no longer one of choice but of necessity to make available an essential fuel to the public at large.

Reply of Government

This item has been covered along with item No. 3.83.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 22.3, Para 3.90)

The Committee further note that soft coke has hitherto been made in a somewhat unscientific manner and that a decision has been taken to put up two L.T.C. plants, one in the Bengal-Bihar area and the other in the Singareni area. The proposal to set up L.T.C. plant of 900 tonnes per day at Singareni which will give net yield of 500 tonnes per day of L.T.C. coke, has already been approved; the capital cost of the Project being Rs. 7 crores with a foreign exchange component of Rs. 10 lakhs. The plant is expected to be erected and commissioned in about 30 months time from the date of approval. The programme for L.T.C. plants in the Fifth Plan is to be further reviewed in the light of the decisions taken on the basis of the studies made by the Working Groups of the Planning Commission, which are said to be under examination. The Committee also note that a 1500 tonnes per day Carbonisation plant will produce roughly 1000 tonnes of smokeless solid fuel, about 13 million cubic feet of town gas and 120 tonnes of tar per day, serving about 12.5 lakhs population. The production of L.T.C. coke, smokeless domestic fuel with valuable by-products of town gas and tar has immense possibilities of revolutionising fuel supply in the context of the oil crisis. The Committee urge that concerted efforts should be made to implement the L.T.C. programmes in the overall context of the demand potential, national priorities and economics of production and supply.

Reply of Government

This item has been covered along with item No. 3.88.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Comments of the Committee

Recommendation (Serial Nos. 22.1 to 22.3)

Specific steps taken to increase the production and transport of Soft Coke and to speed up the construction of LTC projects may please be communicated to the Committee.

Recommendation (Serial Nos. 22.1 to 22.3)

The Committee also note that the Bharat Coking Coal Ltd. has found it feasible to manufacture soft coke from middlings and that production plants are under way to manufacture 6 to 9 lakhs tonnes

of soft coke per year from middlings. The Committee would watch with interest the efforts made to produce soft coke out of middlings. They presume that only those middlings which are not suitable for Thermal Power Plants would be utilised in this process.

Reply of Government

CFRI has established that soft coke can be made from middlings. BCCL is setting up a pilot plant for making soft coke from middlings. Based on the experience gained from this plant BCCL will endeavour to convert middlings to soft coke. As coking charactors are necessary for manufacture of soft coke whereas such characteristics are not needed for power generation, it is submitted that middlings should be put to use preferably in the manufacture of domestic fuel rather than in power generation. This will encourage conservation of metallurgical coals.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 23.2, Para 3.1000)

The Committee note that the production of Hard Coke during 1972-73 and 1973-74 was 1.911 m.t. and 2.057 m.t. respectively. The Committee have in an earlier Chapter referred to the absence of any data regarding the actual demands for Hard Coke and recommended remedial action to develop a rational system for assessment of demands. In the absence of correct data regarding demands, the production figures cannot convey any precise idea of the degree to which they fulfil the needs.

Reply of Government

The availability of hard coke has improved and there is at present practically no unsatisfied demand. In fact large stocks are held at the coke plants and even at some of the consuming centres.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 23.3, Para 3.101)

The Committee note that there have been persistant complaints of short supply and unsatisfied demands for Hard Coke. The Committee further note that a Committee set up in October, 1973 to assess the demand for Hard Coke of various grades for different types of

industries, has estimated the total Hard Coke requirements from State sector as 5110 wagons per month. The Committee have in an earlier Chapter emphasised the need for correct assessment of demands, based on the estimates made by the Committee on Hard Coke requirements. It is very necessary that the production programme for Hard Coke is reviewed in the light of these assessments.

Reply of Government

The item has been covered along with item 3.100.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 23.4, Para 3.102)

The Committee note that Hard Coke is mainly of two varieties, one manufactured from Beehive ovens and the other from by-product ovens. The process of manufacture from Beehive ovens, it is stated, involves waste a valuable by-products, though the ovens can be set up within a period of eight months to one year. The process of manufacturing through by-product ovens yields valuable by-products such as Toluene, Benzene, Tar etc., but it takes three years to put up such ovens. The Committee note that Bharat Coking Coal have completed the unfinished coke oven batteries and improved the working patterns of the ovens, and that production of Hard Coke has already registered an increase. The Committee hope that earnest efforts will be made to step up the production of Hard Coke to match the demand and that the valuable by-products would not be allowed to be wasted.

Reply of Government

This item has been covered along with item No. 3.100.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 24.1, Para 3.106)

The Committee note that during 1973 production of coal has suffered in the Assam coalfields on account of flooding of mines. The production of coal which had fallen to 25,000 tonnes in October, 1973 has picked upto 37,000 tonnes in January, 1974. The Department has explained that flooding of mines is not an uncommon occurrence but in 1973 there was an extra ordinary in-rush of water which could not be foreseen. The capacity of the pumps installed was not

sufficient to cope with the volume of water. The Department has stated that the installed capacity of the pumps is being increased to 2000 gallons per minute in place of the earlier 600 gallons per minute.

The Committee regret that the need for higher capacity pumps was not foreseen earlier. They hope that necessary action to instal pumps of higher capacity and other requisite measures will be taken without further loss of time, so that production of coal does not suffer on account of flooding of mines in future.

Reply of Government

The colliery under reference has been operating for the last 50 years. There has been no previous occasion when the installed pumping system was found wanting in dealing with the water problem. Following flooding of the mine, the Chairman, Coal Mines Authority Ltd., constituted an Enquiry Committee under the Chairmanship of a senior mining engineer. The report was submitted in early 1974. The Committee did not find anybody responsible for the incident but it recommended strengthening of existing pumping system and power supply. Since then additional pumps have been installed and Assam State Electricity Board has also agreed to provide adequate power supply.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 24.2, Para 3.107)

The Committee also recommend that the position regarding installation of higher capacity pumps may also be reviewed in respect of other coal mines which are similarly susceptible to flooding.

Reply of Government

The Committee's observations and suggestions have been communicated to the CMA for compliance.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Comments of the Committee

The result of review may please be intimated to the Committee.

Recommendation (Serial No. 26, Para 3.113)

The Committee understand that the project of manufacturing formed coke has interesting possibilities from the point of view of conservation of coking coal. They would like that the economics of the project should be carefully worked out. Taking into account the dwindling reserves of coking coal available in the country and the comparatively abundant reserves of non-coking coal, it may represent a break through of significance if found economically and technically feasible.

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Comments of the Committee

The Committee may please be apprised of the action taken to work out the economics of the project of manufacturing formed coke and the result thereof.

Recommendation (Serial No. 27.1, Para 3.122)

The Committee note that the gross reserves of coal in India are estimated at about 81,000 million tonnes by the Geological Survery of India, out of which the coking coal reserves account for 11,400 million tonnes. The Committee further note that the net coking coal reserves available for metallurgical purposes are estimated at 3180 million tonnes only, which are not expected to last for more than 50 years. The reserves of non-coking coal, though apparently abundant, are poor in quality and unevenly distributed among different regions of the country.

Reply of Government

The Committee's observations have been noted for implementation.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75—CDT dated 24-6-1975].

Recommendation (Serial No. 27.2, Para 3.123)

The Committee understand that there is an apprehension that the reserves of coking coal may prove to be inadequate to cater to the growing needs of a modern steel based economy. As regards non-coking coal, the apparently prolific reserves may also be found to dwindle fast with the increasing dependence on coal as fuel.

Reply of Government

The Committee's observations have been noted for implementation.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75—CDT dated 24-6-1975].

Recommendation (Serial No. 27.3, Para 3.124)

The Committee are of the view that there are immense possibilities of locating more reserves by intensive exploration and drilling with advanced techniques and methodology. Considering the prime importance of coal in the economic development of the country, the Committee need hardly stress the imperative need to intensify exploration and locate new reserves of coal. Geological exploration has to keep itself always abreast of the plans of coal production in view of the long gestation period of new mines. The Committee, therefore, recommend that a strategy of large scale mapping and proving of the coal deposits in qualitative and quantitative terms should be undertaken on an extensive scale so that development plans for the future are not disturbed by coal shortage. The Committee would also like that efforts should be made to prospect for new reserves of coal near the bulk consumers as far as possible so that new coal mines are developed in proximity to the consuming centres. This would help to rationalise movement of coal and give a fillip to the development of all parts of the country, particularly the backward areas. It is of the utmost importance that a well-coordinated programme of survey, investigation and exploratory drilling for coal deposits is formulated and implemented according to a time-bound programme, to meet the long term needs of the steel industry and other users.

Reply of Government

The Committee's observations have been noted for implementation.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75—CDT dated 24-6-1975].

Comments of the Committee

Recommendations (Serial Nos. 27.1 to 27.3)

The Committee would like Government to expedite the formulation of a well co-ordinated programme of survey, investigation and exploratory drilling for coal deposits and its implementation according to a time bound programme.

Recommendation (Serial No. 28.1, Para 4.10)

The Committee note that distribution of Coking Coal is under statutory control and allocation is made by the Coal Controller, through monthly Coal allocation meetings attended by representatives of producers, major consumers and the Railways. Likewise, distribution of Hard Coke is under the control of a Joint Coke Allocation Committee which is headed by the Coal Controller. In the case of Soft Coke, brick-burning coal, coal for State sponsored consumers like glass, refractories, engineering industries, small scale industries etc., despatches are effected to nominee as of State Government/Union Territories and other statutory bodies belonging to the States. Despatches of non-coking coal are effected against the quantities sponsored for the various consumers by respective sponsoring authorities and as per the priority allocated by the Railways.

Reply of Government

These are factual observations of the Committee.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75 CDT dated 24-6-1975]

Recommendation (Serial No. 28.2, Para 4.11)

The Committee also note that currently the requirements and supplies to loco, power houses, steel plants, cement plants, textiles, fertiliser and some of the engineering industries which account for 80 per cent of the total despatches are stated to be more or less streamlined. The problems of distribution are more or less confined to the small consumers, mostly under State priorities who do not enjoy a high priority for the supply of wagons.

Reply of Government

These are factual observations of the Committee.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

(Recommendation (Serial No. 28.3, Para 4.12)

The Committee further note that the Coal Mines Authority has taken a decision not to allow any commission to middlemen/traders for supplying coal to the consumers. If any consumers to utilise the services of middle-men, they will be required to bear the service charges themselves. It is expected that the major consumers will build up on their own suitable organisations to take over effectively the functions currently being discharged by the middlemen.

Reply of Government

The recommendations of the Committee have been communicated to the major consumers.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 28.4, Para 4.13)

The Committee note that a High Level Committee under the Chairmanship of the Deputy Minister of Mines has been set up to look into the problems relating to transportation and distribution of coal and that a number of important decisions have been taken by that Committee. The Committee would like Government to take concerted action to see that an analysis is made in depth of the transport and distribution arrangements and concrete measures taken to ensure that the mining capacity and the rail transport facilities are developed hand in hand in order to meet rationally and satisfactorily the requirements of users.

Reply of Government

In order to meet rationally and satisfactorily the requirements of coal users, the anticipated requirement of rail movement of coal during 1975-76 in respect of CMA|BCC|SCC have already been sent to the Ministry of Railways to enable them to plan for movements of coal to different consumers. Similar exercises have been undertaken for the entire 5th Plan period and close coordination is being maintained with the Railways in these matters.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 30.1, Para 4.18)

The Committee would also like to point out that the classification of industries as high priority and low priority for purposes of

movement of coal, however, justified, is weighted against the small consumer. Situations arise when the small consumer finds himself left out and has to face a battle of economic survival. The Committee urge that the needs of these consumers should be met adequately.

The Committee note that commodity quotas in terms of wagons per day have been fixed for Hard Coke, Soft Coke and brick-burning coke at 300, 200 and 200 respectively and that the Committee under the Chairmanship of the Deputy Minister of Steel and Mines has suggested an increase of quota for Soft Coke to 300 wagons per day. They are concerned to note that the loading for Soft Coke and brick burning continues to remain at a lower level of 130 wagons per day and 107 wagons per day respectively.

Reply of Government

The trend in average daily loading of wagons for soft coke has shown improvement from the month of December, 1974. The loading in the months of December, 1974 January and February, 1975 was 150, 147 and 151 respectively. Similarly, in the month of March, 1975, 250 wagons were loaded for brick-kilns. The recommendation of the Committee has been noted by the Ministry of Railways.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 30.2, Para 4.19)

The Committee need hardly stress that small scale industries and brick kilns play an important role in the overall economic development of the country and it is, therefore, of the utmost importance that their genuine requirements are met so that these industries do not run into difficulties on account of short supply of coal. The Committee consider that the satisfaction of the needs of domestic consumers, who are large in number, is of prime importance, particularly in the context of the difficulties being experienced in getting ready supply of Kerosene oil. Concerted efforts should be made to gear up Railway transport capacity so that these consumers also receive their due share of wagons and coal. The Committee would also urge that a continuous review of the requirements of these consumers should be made to ensure that the quotas fixed and the supplies made meet their needs adequately.

Reply of Government

Position has been explained under para 4.18

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Comments of the Committee

Recommendation (Serial Nos. 30.1 & 30.2)

The Committee would like to emphasize that concerted efforts should be made to achieve that target of 300 wagons per day for Soft Coke. They would also stress that a continuous review of the requirements of small consumers should be made to meet their needs adequately.

Recommendation (Serial No. 31.1, Para 4.30)

The Committee are concerned to note that the supply of Coking Coal to the Steel Plants during the years 1969-70 to 1973-74 has shown a shortfall to the extent of 0.30, 1.61, 2.90, 2.76 and 3.44 million tonnes respectively. The Committee also note that the total daily requirement of coal by the Steel plants is of the order of 36,600 tonnes which requires 2700 rail wagons to be loaded per day. They regret that August 1973, coal movement did not keep pace with the requirements and on several occasions, coal stocks were depleted at the steel plants on account of the dislocation of the railway services. In January, 1974, the daily average loading was only 1933 wagons, against the actual requirement of 2700 wagons per day and consequently the stocks of coal went down from 1,47,000 tonnes (as on 1-1-74) to 1,15,000 tonnes as on 1-2-74.

Reply of Government

The supply of coking of coal to steel plants has improved considerably. As a result, all the steel plants were having average stock of coal for seven days as on 29.4.75.

The recommendation of the Committee has been brought to the notice of the M/s. of Railways for necessary action.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Comments of the Committee

The latest figures regarding daily average loading of Coal for the Steel plants may please be communicated to the Committee.

Recommendation (Serial No. 31.3, Para 4.32)

The Committee are distressed to note that the availability of coal to the steel plants has been badly affected during 1973 and early part of 1974 due to difficulties in the movement of traffic on the Railways. The main problem in the movement of coal is attributed to labour trouble. The Committee have dealt in detail with the problems of inadequacy of transport in the Chapter on "Movement of Coal". The Committee would like to emphasise the need for maximum vigilance in maintaining an uninterrupted supply of coal to the Steel Plants, so that the production of steel does not suffer.

Reply of Government

The observations of the Committee have been noted

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 32 Para 4.33)

The Committee note that the Khandelwal Committee set up in August, 1973 as a result of the decision taken by the high Level Committee to examine *inter alia* the different methods of reducing the detention time of wagons within the Steel Plants, washeries and mines, has since submitted its Report. The Committee would like to stress the need for early examination of that Report with a view to eliminate the bottlenecks coming in the way of smooth and efficient handling of traffic.

Reply of Government

The Department of Steel have noted the recommendation of the Committee. That Department have stated that many of the recommendations of the Khandelwal Committee have already been implemented, while others are in various stages of examination and/or implementation.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 33.1, Para 4.42)

The Committee note that according to the data furnished by the Department there had been shortfall in the supply of coal to the cement industry to the extent of 1.90, 2.18, 2.01 and 2.80 million tonnes, respectively during the years 1970-71, 1971-72, 1972-73, and 1973-74 respectively. The Committee further note that according to the data furnished by the Cement Industry there had been heavy short-fall in the production of cement during August, 1973 to July 1974 ranging from 1.28 lakh tonnes to 4.64 lakh tonnes per month. This shortfall is attributed *inter alia* to short supply of coal, apart from other reasons like shortage of power. Increase in demands for slack coal from power stations was stated to have also affected the availability of slack coal for cement industry. The representative of the Ministry of Railways admitted during evidence that shortage of wagons for the movement of coal was the main reason which had affected coal supplies to cement factories. Against the average daily requirement of 1100 wagons, the actual availability was only 750 wagons in the Raniganj area.

Reply of Government

Please see reply under para 2.22.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Recommendation (Serial No. 33.2, Para 4.43)

The Committee regret to observe that cement production has been abversely affected due to several factors, one of them being shortage of coal supply. The scarecity of cement has further affected various developmental projects/programmes. While noting that the Standing Linkage Committee has finalised coal allocation of all the cement factories, the Committee would urge that a continuous review be made of the linkage arrangements and the coal quotas fixed for each cement factory taking into account the likely realisation of coal production in the various coalfields and the availability of transportation so that the cement industry, which is in the core sector of the economy, does not suffer constraint in production, due to shortfall in supply of coal. The Committee would also draw the attention of Government to their recommendations, contained in paras 2.34 to 2.37 and 3.71 of their Sixtieth Report on Availability and Distribution of Cement, which deal with inadequate supply of coal to cement industry and would reiterate the need for coordination among the Ministries of Industrial Development, Department

of Coal and Railways to ensure adequate and timely supply of coal to the cement industry, and for vigilant follow-up measures by the Joint Monitoring Cell, the Control Room in the Ministry of Railways and the Committee of Secretaries.

Reply of Government

Please see reply under para 2.22.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Recommendation (Serial No. 34, Para 4.44)

The Committee are not sure whether the requirements of coal for cement industry would go down in the Fifth Plan period largely because of anticipated production of slag cement and technological charges in production of cement by the dry process which required less fuel as assumed by the Planning Commission. The Committee would like to stress that the provision of coal for cement industry should be made after fully taking into account the projected expansion in the production of cement during each year of the Fifth Plan period.

Reply of Government

Please see reply under para 2.22.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Recommendation (Serial No. 36, para 4.53)

The Committee further note that a spate of staff agitations on the Railways has also been responsible for the slackness in loading of coal in the Bengal-Bihar coalfields. The Committee hope that now that the Railway strike is over, the Ministry of Railways would make concerted efforts to elicit the cooperation of their employees and to enthuse the staff to pull their weight in the task of efficient running of Railway transport which is vital for the national economy.

Reply of Government

The recommendation of the Committee has been noted by the Ministry of Railways.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Recommendation (Serial No. 37, Para 4.54)

The Committee also suggest that a re-assessment of the requirements of coal for Railways during the Fifth Five Year Plan, be made in view of the oil crisis so that steps may be taken to plan the production of the requisite quantity and quality of coal for the Railways. It should also be ensured that coal supplies to the Railways are linked to particular coal fields as has been done in the case of power plants, so as to facilitate planning and ensure regular and steady supply of coal to the Railways.

Reply of Government

The Railways have communicated their reassessed demand at 14.4 million tonnes during each year of the Fifth Five Year Plan. The fieldwise break-up has also been communicated to the coal producers. A close watch is kept on day to day loading. Periodical coal coordination meetings are being held by the Railways with the coal producing agencies and with the Department of coal to monitor supply of loco coal.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Recommendation (Serial No. 39, Para 4.67)

The Committee further note that some Power stations for example of Ennore (Tamil Nadu), Basin Bridge (Tamil Nadu) and Trombay (Maharashtra) are being fed with coal as well as oil. In view of the enormous rise in the cost of oil in recent times, it is imperative that the use of oil in Power stations is reduced or completely eliminated. The Committee note that the Reports of the Working Groups of the Planning Commission regarding Primary fuel substitution and Secondary fuel substitution in power houses boilers are under examination by the Planning Commission. The Working Groups have found conversion to coal firing technically feasible with some modifications to certain equipment and additional plant and equipment. The Committee would point out that any such scheme of conversion would succeed only if provision of coal of the required quality and quantity is ensured. The Committee recommend that the additional requirements of coal of those power stations which have to be converted from fuel oil consumption to coal firing should be worked out and implemented, at the earlist.

Reply of Government

The consumption of fuel-oil as secondary fuel at Ennore and Basin Bridge Power Stations has since been considerably reduced during the year 1974 as compared to the period before the international oil crisis as will be revealed from the following figures :—

	1973	1974
Ennore	89,000 KL	35,000 KL
Basin Bridge	28,000 KL	7,000 KL

In so far as Trombay Thermal Power Station is concerned, the position is as follows: —

These units are installed at this power station.	
1x150 MW 1x62·5 MW 2x62·5 MW	These are fuel-fired units capable of working both on coal and fuel oil, but now working on coal. These are oil-fired units and require a huge investment for conversion to coal-firing.

The Standing Linkage Committee have allocated the required quantity of coal to the above thermal power stations to meet the requirements of the 6th stage of conversion.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 40, Para 4.68)

The Committee note that the largest consuming sector for non-coking coal is thermal power generation. The coal consumption by thermal stations as tentatively estimated in the draft Fifth Five Year Plan is 45 million tonnes (excluding 6.5 million tonnes of middlings), which is more than double the requirements at the end of the Fourth Plan. This estimate is subject to revision in the light of oil crisis. The magnitude of the estimated increase in coal consumption by power stations is tremendous and demands concerted measures for simultaneously developing adequate production and transport capacity with linear programming for effecting supplies speedily and economically supported by monitoring and evaluation devices.

Reply of Government

The requirements of coal during the Fifth and Sixth Plans period are being assessed/reviewed by the SLC in consultation with Central

Electricity Authority. These estimates take into consideration the additional requirement of coal for new units to be installed and also for conversion of units from oil-firing to coal-firing.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 41, Para 4.69)

The Committee note that the Coalfields Linkage Committee, 1973 have studied the problem of coal requirements of existing and approved power stations and their linkage to particular coalfields. The Standing Linkage Committee is stated to have finalised the coal linkages for all the power stations included in the Fifth Plan programme. In addition, a Control room is functioning in the Railway Board for monitoring day to day coal supplies to the thermal stations. The Committee recommend that coordinated efforts for making optimum use of the available resources in production and transport should be made vigorously and concrete measures taken to ensure that power generation, which is so vital for the economy of the country, is not hampered and that assured supplies of coal are made available regularly and in time to enable the power houses to function with adequate margin of stocks and not on 'fire-fighting basis' as at present.

Reply of Government

The recommendation of the Committee has been noted. This is being implemented.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 42, Para 4.70)

The Committee also recommend that the loading and unloading arrangements for coal at each end should be reviewed with a view to facilitate quick deployment of available wagons. Moreover, optimal stock levels for each plant should be worked out with reference to the source of coal supply, its distance from the power plant, reliability of the rail link, the seasonal variations in these factors etc. The Committee would also invite particular attention to their earlier recommendation that coal production plans and requirements of big consumers should be synchronised. This recommendation is particularly significant in the case of Power stations whose requirements are fairly well established and would therefore facilitate drawing up of meanigful plans for thermal power genera-

tion in a coordinated manner with the development of coal production side by side with the augementing of necessary transport facilities.

Reply of Government

In order to facilitate quick deployment of available wagons for loading and unloading of coal at each end, the Ministry of Railways have set up an Expert Group with representatives of Railways, Energy and the Coal Mines Authority. They have carried out certain time and motion studies for unloading of coal wagons at major thermal power stations in order to have a quick turn-over of the wagons.

A decision was taken by this Ministry that three weeks coal stock at power stations away from the coalfields and about one week's stock for power stations near the pit-heads be maintained. Though this target is yet to be achieved in the case of a number of power stations due to various reasons, the Ministry of Railways and the Department of Coal are making coordinated efforts to acheive the targets set for the purpose. The position as on date has shown considerable improvement over the past.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Recommendation (Serial No. 43. Para 4.71)

The Committee need hardly stress that it is of the utmost importance to develop the outlying coalfields to feed the Thermal Power stations so as to avoid strain on transport as also long distance haulage of coal to meet the needs of the Power stations.

Reply of Government

The recommendation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Recommendation (Serial No. 44, Para 4.72)

As regards the unsuitability of the Middlings supplied to the Power plants, which has resulted in more demand for raw coal, the Committee have referred to this aspect later in the relevant section of the Report. This is a matter which should exercise the attention of the authorities concerned to ensure that the inputs for the func-

tioning of the thermal power plants satisfy the basic criteria of quality.

Reply of Government

It is important that the quality of coal or middlings supplied to thermal power stations should conform to the specifications for which the boilers of these plants are designed. There have been some complaints regarding the improper quality of coal/middlings supplied to power stations resulting in forced outages, lower generation etc. The linkage of thermal power stations is therefore being done, to the extent of feasible only with the specific collieries/ washeries from which coal/middlings are suitable for burning in the respective plants.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Recommendation (Serial No. 46, Para 4.74)

The Committee would like that coal requirements of each Power Station should be worked out carefully not only for the Fifth Plan but even for the Sixth Plan period so that long term planning for production and movement of coal to thermal power stations is done in time. The Committee have no doubt that in future big thermal power stations would be located near the coalifields, as far as possible, to avoid haulage of coal over big distances and consequential strain on transport system.

Reply of Government

Action has already been taken by the Deptt. of Power to estimate the coal requirements of power stations for the Sixth Plan period as well. The Government have already accepted the principle of locating the future large thermal power stations near the coalfields, as far as possible, to avoid haulage of coal over long distances.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Recommendation (Serial No. 47.1, Para 4.80)

The Committee regret to note that during the year 1970-71, 1971-72, 1972-73 and 1973-74 there have been shortfalls in the supply of coal to the Brick kiln industry, of the order of 2.14 m.t., 3.24 m.t., 3.85 m.t.; 4.28 m.t. respectively. The Committee note that in the system of

distribution this industry falls in the category of low priority consumers for whom wagons are allotted after the requirements of the higher priority consumers are met. The Committee are concerned to note that although a quota of 200 wagons per day, has been fixed for this industry, the actual average achieved so far is 107 wagons per day; i.e. about 53.5 per cent. The Committee need hardly stress that both the coal producing and transport organisations which are in the public sector, should make coordinated efforts to meet the requirements of coal of Brick kiln industry and should draw up an integrated long-term plan for the purpose.

Reply of Government 4.80 and 4.81

With increase in coal production and improvement in the availability of rail transport, supplies to low priority consumers like brick burners have started improving considerably. The daily average loading of coal for brick Kiln industry from the Bengal-Bihar area has shown improvement in recent months. During the month of March, 1975 the average daily wagon loading was 250 wagons for brick burners. However, the latest position is that several bulk consumers have requested for temporary suspension or slowing down of coal supplies for one reason or the other and the unsatisfied demand of the small industrial consumers and brick burners has also perceptibly come down.

With the increase in production of coal the present improved rail transport position and the coordinated efforts made by the coal producers and the Railways through the Joint Cell at Calcutta, it is expected that the demand of low priority consumers will be met fully in the near future.

In case the above efforts do not yield the desired results, any scheme for amending the procedure of distribution further can be considered.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial 47.2, Para 4.81)

The Committee has strongly urged earlier that a scheme of equitable distribution of coal to the low priority industries should be devised and implemented without delay in order to assist these industries to make useful contribution to the economic development of the country. The Committee trust that with the implementation of such a scheme the Brick kiln industry will be able to meet the increasing demand for bricks by various consuming sectors.

Reply of Government

This item has been covered along with item No. 4.80.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Comments of the Committee

Recommendation (Sl. No. 47.1 and 47.2)

While the Committee note the improvement in supplies of coal to low priority consumers like brick burners, they would urge Government to draw up an integrated long-term plan for equitable distribution of Coal to low priority industries.

Recommendation (Serial No. 48.1, Para 4.92)

The Committee have already commented on the system of assessment of demand and distribution in respect of low priority consumers of which domestic consumers of soft Coke form an important part. The Committee need hardly emphasise the imperative need for a scientific and rational system of assessment of demands and a scheme of rational and equitable distribution.. They feel that unless the demands of domestic consumers are correctly ascertained and necessary production, transport and distribution arranged and streamlined, scarcity conditions for this commodity which has assumed importance in view of the oil crisis, would continue to prevail causing hardship to the vast number of domestic consumers.

Reply of Government

The position regarding assessment of demand has been explained under paras 2.4, 2.5 and 2.10.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975]

Recommendation (Serial No. 49, Para 4.94)

The Committee have earlier in para 3.80 of this Report referred to the change in the method of manufacture of Soft Coke from better quality Coking Coal to inferior grade coal which is mainly concentrated in Katrasgarh and the problem which has arisen in transport logistics, as the siding facilities at Katrasgarh do not permit the loading of all varieties of coal simultaneously. The Committee regret to note that out of the eleven siding facilities at

Katrasgarh which were expected to be completed by June, 1974, two are still incomplete. The Committee urge that all the sidings should be completed and commissioned expeditiously and movement of Soft Coke from the Katrasgarh depot should be undertaken on a large scale to ease the situation regarding short supply of Soft Coke to the Consumers.

Reply of Government

The recommendations of the Coal Transport Study Team regarding re-organisation of sidings are being implemented by the Bharat Coking Coal Ltd. to the extent considered necessary. The re-organisation of sidings at Katras depot is nearing completion.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 50, Para 4.95)

The Committee note that the quota of 200 wagons per day which was fixed for movement of Soft Coke, has been recommended to be increased to 300 wagons per day by the Committee set up under the Chairmanship of the Deputy Minister of Mines. They regret to observe that the number of wagons allotted from February, 1974 to August, 1974 is in the region of 86 to 130 wagons only. The Committee see no reason why the Railways, with their vast fleet of wagons, cannot make the requisite number of wagons available for the transport of Soft Coke. They trust that with the commissioning of additional sidings, the Railways would increase the availability of wagons for the movement of Soft Coke to at least 300 wagons per day so as to meet the requirements of the domestic consumers adequately.

Reply of Government

Railways have stated that there is no diffiulty to provide more wagons for loading of soft coke provided the demand is sponsored and loading is done in rakes at sidings exclusively meant for them and such loading does not interfere with loading of coal to power plants and steel mills. Within these limitations every effort is being made to improve the loading of soft coke by rail. The supply position currently has improved and recently some of the consuming States have even asked for suspension of supplies.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 51, Para 4.98)

The Committee have referred earlier in the Chapter on "Production" to plans for the production of Coke from Low Temperature Carbonisation Plants and conversion of middlings into Soft Coke. The Committee have also referred to the need for making provision for increased demand for Soft Coke during the Fifth Five Year Plan over and above the quantity as tentatively targetted. The oil crisis has highlighted the difficulty in meeting fully the demand of kerosene oil and has underlined the importance of Soft Coke as the main domestic fuel for the majority of domestic consumers. It is, therefore, imperative that production and availability of Soft Coke is maximised to meet the increasing demand for Soft Coke.

Reply of Government

The recommendation of the Committee has been noted. All possible efforts are being made to increase the production of soft coke, consistent with the availability of rail transport to meet the increased requirement, in view of the necessity to curb consumption of kerosene.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 54, Para 4.99)

The Committee note that the Gobar Gas Scheme of the Khadi and Village Industries Commission which envisages the production of both fuel gas and manure from cow dung, is being undertaken on a large scale by the Government during the Fifth Plan period. The Committee recommend that a close watch on the implementation of this Scheme which has immense potentialities to provide fuel and fertiliser to the rural population, should be kept.

Reply of Government

The recommendation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 55.1, Para 4.105)

The Committee note that during 1973, supply, of 30,000 tonnes of Soft Coke was programmed for the Union Territory of Delhi. But the actual supplies which materialised were only about 20,000 tonnes.

The Committee further note that Bharat Coking Coal Ltd. made the programme for despatch of Soft Coke to Delhi every month in consultation with the Railways. The Soft Coke on arrival in Delhi was received by an agency of the Delhi Administration namely the Delhi Wholesale Consumers Cooperative Society. This agency was responsible for distribution of coal to the consumers, through various Soft Coke dealers.

Reply of Government

The distribution of soft coke in the Union Territory of Delhi is made by the Delhi Administration through the agency of DSIDC (Delhi Small Industrial Development Corporation). The recommendation of the Committee has been noted by the Delhi Administration.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 55.2, Para 4.106)

The Committee regret to note that the supply of Soft Coke to Delhi has been erratic and far below the requirements though it is said to compare favourably with supplies to other States who do not appear to have received even 30 per cent of their total requirements. From the figures of supplies furnished for January, 1974 and subsequent months, the position appears to have somewhat improved. Even so, it cannot be said to be actually satisfactory as barring one month, the supply of wagons never reached the monthly quota of 1200 wagons in Summer and 1500 wagons in Winter. The Committee have earlier stressed the necessity of evolving a proper system of assessment of demands, distribution and transport. The Committee urge that integrated planning should be undertaken to meet the requirements of Soft Coke for Delhi and other metropolitan towns as the non-availability of this domestic fuel causes widespread hardship. The Committee would also like Government to examine cases of dilatoriness in taking delivery of the stocks presumably to exploit scarcity conditions and institute prompt action against such unfair practices.

Reply of Government

The position has been explained under para 4.105.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 58.2, Para 5.49)

The Committee note that recently there has been improvement in the daily average loading of wagons which has increased to 8224 in August, 1974 and 8493 in September, 1974. The Committee have no doubt that with concerted and well directed efforts and optimum utilisation of the existing facilities by the Railways, it should be possible for them to increase the daily loading of wagons considerably so as to meet fully the needs of coal movements to the consuming centres.

Reply of Government

The daily average allotment of wagons has improved considerably recently. The record loading of 9287 wagons was achieved in the month of February 1975. If this trend continues and more wagons are made available during 1975-76, the requirements of all consumers is expected to be met in full.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 61, Para 5.53)

It is well known that linkages of major consuming sectors with coalfields are imperative for an efficient transport system. The Committee note that the Standing Linkage Committee has finalised the linkages in respect of Thermal Power Stations and also the allocations in respect of Cement Industry. The Committee would urge that the linkage of coalfields to other major industries and washeries and of washed coal to steel plants should be expedited. The Committee need hardly emphasise that the linkages should be firm and effective and should be reviewed from time to time to remove bottlenecks in the way of smooth and efficient movement of coal to consuming centres. The Committee have no doubt that in fixing linkages, it would be ensured that bulk consumers are linked to the nearest coalfields with a view to reduce the lead to the minimum possible so as to economise on transport costs.

Reply of Government

The recommendation of the Committee has been noted. In fact, necessary action has already been taken to link major consumers with nearest coalfields when the required quality of coal is available. These linkages are reviewed periodically. The position has already been explained under para 2.5 and 2.10. Briefly the position is as given below:—

Steel Plants and Washeries:

The allocation of coking coal to steel plants and washeries is made every month from collieries producing specific quality of coal required by the steel plants washeries, by the Coal Controller, in consultation with the representatives of Steel Plants, producers and Railways.

A Committee has been appointed under the Chairmanship of Secretary, Deptt. of coal to study the programme of supply of coking coal to the Steel Plants during the Fifth and Sixth Plan periods.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 62, Para 5.54)

The Committee need hardly stress that plans for increased production of coal should be fully tide up with the Railways to make sure that coal is moved from the pithead to the users in adequate quantities and in time.

Reply of Government

Reply given under para 5.48 may also please be seen.

The target of coal production during each year of the Fifth Five Year Plan and also requirements of wagons from each pilot/depot in respect of CMA has been furnished to the Ministry of Railways to enable them to develop matching transport capacity. Similar information in respect of BCCL has been furnished for the year 1975-76. Information for other years will be furnished shortly.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Comments of the Committee

The Committee hope that the wanting information in respect of Bharat Coking Coal Ltd. will be communicated to the Ministry of Railways shortly, if not already done.

Recommendation (Serial No. 63, Para 5.55)

The Committee note that two Study Teams of the Railways have assessed the requirements of rail transport of coal and the facilities required during the Fifth Plan—one dealing with Bengal-Bihar coalfields and the other dealing with Outlying Coalfields. The Committee also note that a Task Force has prepared a plan for rationalisation of coal loading arrangements in the Bengal-Bihar Coalfields. Another Committee under the Chairmanship of Shri G. D. Khandelwal has submitted a report recommending measures for reducing detention time to wagons within the steel plants, washeries and mines. These Reports contain various suggestions regarding layout of loading points, mechanisation of loading arrangements, loading in block rakes, reduction in number and remodelling of colliery sidings etc. The Committee urge that the recommendations contained in the reports of the Study Teams, the Task Force and the Khandelwal Committee should be examined expeditiously, in consultation with the coal mining authorities, the Railways, major consumers etc., and decisions taken and implemented without delay. A firm time-bound programme should be prepared to implement such of the recommendations as are accepted by Government, in the interest of efficient movement of coal to the consuming centres.

Reply of Government

Subject to availability of funds, the various recommendations of these Committees are being implemented.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 64, Para 5.56)

The Committee note that there are about 1200 railway sidings from which loading of coal in wagons takes place at present. In the Raniganj Coalfields, there are 380 loading points for coal which are proposed to be reduced to 120. In the Jharia Coalfields, there are as many as 695 loading points which are sought to be reduced to

75. The Committee have no doubt that in the context of nationalisation of coal mines it should be easier to rationalise the loading points with a view to increase their loading potential as also to improve wagon usage. The Committee would like Government to take effective action in this behalf as per a time-bound programme.

Reply of Government

Necessary action in the light of the reports submitted by the Study Teams to nationalise loading points is being taken both by CMA and BCC as far as practicable. Some items of work have since been completed and some are under progress.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 65.1, Para 5.62)

The Committee note that in the collieries under the Coal Mines Authority in August, 1973, 5563 wagons and in September, 1973, 3720 wagons were 'drawn empty' and 'left behind'. In the Bengal-Bihar Coalfields in October, 1973, 14,973 wagons were 'left behind' and 'drawn employ' on account of low pit-head stocks of coal and due to a large number of holidays. Even in January, 1974, 9,920 wagons were 'left behind' and 'drawn empty'.

Reply of Government

A continuous analysis of the causes for 'left behind' and 'drawn empty' wagons is regularly made by the Traffic Department of CMA and BCC.

The study undertaken in BCC in the matter indicates that in a large number of cases as much as 50 per cent the causes for 'left behind' and 'drawn empty' are on Railways' account. However, in respect of the remaining cases immediate action is taken to reduce the 'left behind' wagons. As a result of these actions the 'left behind' wagons in February '75 was 37 wagons per day and 'drawn empty' wagons per day against an average of 175 wagons per day for 1973-74 in BCCL.

Railways also maintain daily records of wagons drawn empty for inability of the collieries to load and communicate the same to the coal producing units daily.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 65.2, Para 5.63)

The Committee are surprised that no records regarding the empty running of wagons on account of non-availability of coal at the pit-heads are being maintained by the Coal Mines Authority/Railways. In the absence of such data, it is not possible to find out whether the wagons are detained or drawn empty on account of any lapse on the part of the Coal producers or the Railways. The Committee consider that in their own interest, the coal producing organisations namely CMAL and BCCL should maintain complete record about the allotment and movement of wagons. In the case of "left behind" and "drawn empty" wagons, the reasons for retention and empty running should be specifically indicated. As the department itself has stated that the incidence of "left behind" and 'drawn empty' wagons is hardly 25 wagons per day, it should not be difficult for the coal producers to maintain such statistics and to analyse them in the interest of taking timely remedial measures.

Reply of Government

This item has been covered along with item No. 5.62.

[Ministry of Energy (Department of Coal) O.M.No. 54012(1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 65.3, Para 5.64)

The Committee recommend that a continuous analysis should be made of the reasons of wagons "left behind" and "drawn empty" so that effective steps may be devised to reduce them to the minimum. It should be realised that detention of wagons, besides causing heavy expenditure on demurrage, constitutes a national waste from the point of view of utilisation of available transport capacity.

Reply of Government

This item has been covered along with item No. 5.62.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Comments of the Committee

Recommendation (Serial No. 65.1 to 65.3)

The Committee desire that the reasons for wagons 'left behind' and 'drawn empty' should be investigated and remedial measures taken immediately to avoid recurrence.

Recommendation (Serial No. 67, Para 5.79)

The Committee note that there are complaints of short receipt of coal by consumers and pilferages of coal during transit. The difficulty is stated as due to lack of weighbridges at the concerned points. The Committee recommend that cases of short supply of coal should be investigated and stern action taken in cases of pilferage so as to serve as a deterrent to others. The Committee suggest that as the sidings from which loading of coal is done are now being rationalised, it should be possible to provide weighbridges at suitable point to obviate complaints of short despatch etc. from the consumers.

Reply of Government

Weighment of coal is done by the Railway in the weighbridges owned either by Railways or the Coal companies. The coal producers have no detailed knowledge regarding the shortage in transit. However, in order to take care of the pilferage between the loading point and the Railway siding, necessary security personnel are posted with the cooperation of the Railways to guard the loaded wagons.

The recommendation of the Committee for the provision of weighbridges at suitable loading points has been noted and procurement of a large number of weighbridges is under consideration.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT, dated 24-6-1975].

Comments of the Committee

The final decision of Government regarding procurement of weighbridges and installation thereof at suitable loading-points may be communicated to the Committee.

Recommendation (Serial No. 68.3, Para 5.93)

The Committee are unable to comprehend how the movement of coal by the sea route has been kept down to only 25 per cent of the target fixed therefor in the Fourth Five Year Plan especially when acute shortages of coal were being experienced time and again in the southern and the western region of the country. The Committee feel that having regard to the need for development of coastal shipping, the huge investments made in development of major and intermediate ports like Visakhapatnam, Madras, Tuticorin

Mormugao, Bombay, Kandla etc. and the development of Haldia Port to handle 3.5 million tonnes of coal, it should be possible to have an integrated approach regarding movement of coal by coastal shipping particularly to destinations in the southern and western zones of the country. The Committee recommend that the Planning Commission should have firm targets (port-wise and destination-wise) with proper linkage with collieries and consumers so that the quantum of coal to be moved by sea and the agency for movement, Shipping Corporation of India etc. are specified and concerted measures taken to implement this plan in letter and spirit in the interest of making available in time the requisite quantities of coal to the consumers and overall interest of developing shipping which is vital for a country with an extensive coast like ours.

Reply of Government

In a meeting held recently (28-4-75) in the Ministry of Shipping and Transport to consider the question of providing interim facilities for handling coal traffic from 1976-77 to 1978-79 at Madras, Tuticorin and Bombay Ports etc., which was attended by a representative of the Planning Commission, a forcast of coal traffic from 1976-77 to 1978-79 was made. It was indicated that the likely traffic during 1976-77 would be 2.66 million tonnes which will go up to 3.69 million tonnes by 1978-79. The consumers industries, thermal plants and Railways to whom the coal is to be despatched by sea, have been linked.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 70, Para 5.99)

The Committee need hardly stress that while preparing schemes for development of roads, due care should be taken of the needs of the coal-fields in Bengal-Bihar area and other outlying coalfields. The road development schemes should also take into account the location of the various coal dumps as in the absence of good roads, the Railways' programme of moving coal, only in rake loads to the coal dumps, may be seriously affected. Further as distribution of coal to the consumers from these coal dumps will have to be arranged by road, it is imperative that utmost importance is given to the development and maintenance of roads for this purpose.

Reply of Government

The recommendation of the Committee in regard to the development of roads has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 71, Para 5.100)

The Committee further recommend that Government should undertake a detailed study of the transport requirements for the movement of coal during each year of the Fifth Plan and decide upon the most economic, efficient and feasible mode of transport *viz.*, by rail, road, coastal-shipping, inland water etc. which would meet the requirements and make necessary and timely arrangements therefor so that transport does not become a bottleneck in increasing coal production. It would be desirable if the mode of transport from each coal-field is decided in consultation with the linked consuming industry. The Committee recommend that such a study should be completed expeditiously, so as to make for development of best suited and most reliable, economical and efficient means of transport facility.

Reply of Government

The Government is fully aware of the transport problem involved in the movement of coal to different consumers all over the country. Keeping this in view, the anticipated movement of coal to various consumers has already been communicated to the Ministry of Railways to enable them to plan the movement of coal during each year of the Fifth Five Year Plan to match coal availability. With the increase in production and availability of wagons, it would be possible to meet the requirements of all the consumers, including these in the low priority categories.

Besides, efforts are being made in consultation with the concerned authorities to supplement rail transport by movement by rail-*cum*-sea route, by road and riverine transport as also by belt conveyors, ropeways and private rail roads depending upon where the consumer is located and what would be most economical means of transport.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT, dated 24-6-1975].

Recommendation (Serial No. 72.1, Para 6.19)

The Committee note that there are at present 14 coal washeries for washing coal, out of which 11 are operating in the Public Sector and the other 3 in the Private Sector. The total rated coal capacity per annum of all the washeries, is 26.02 million tonnes. The raw coal input of all the washeries during 1971-72, and 1972-73 was 10.32 and 11.38 million tonnes respectively. The percentage utilisation of capacity of all the washeries taken together works out to 39.6 per cent during 1971-72 and 43.7 per cent during 1972-73. Excluding the Gidi washery, which was not in operation till 1973-74 the percentage utilisation works out to 44.8 and 49.4 per cent respectively, which is very low. The output of clean coal in 1972-73 and 1973-74 was only 8.31 million tonnes and 8.44 million tonnes respectively. The short-fall in output has been attributed to the non-availability of adequate number of wagons, reluctance of steel plants for using the coal washed in certain washeries, power interruption, lack of firm linkage for sinks etc.

Reply of Government

The raw coal input to the washeries during the years 1973-74 and 1974-75 was 12.06 and 14.32 million tonnes respectively excluding Gidi washery, which was not in operation in 1973-74 and was put on trial runs to assess the suitability of Coal brought from Kedla/ Jharkhand area for benefication. Excluding Gidi washery, the capacity utilisation works out to 56 per cent and 61 per cent respectively. The production of washeries suffered due to inadequate availability of wagons and power interruptions and shortage as well as breakdown at the washeries. However, the performance of Dugda, Kathara and Sawang washeries were lower than other washeries. The Chasnalla washery was operated as a Central Washery and part of raw coal requirement was supplied by BCCL. The output of clean coal from the washeries excluding Gidi during 1974-75 was 9.95 million tonnes. It is therefore seem that there has been some improvement in the capacity utilisation as well as production of washed coal during 1974-75.

The recommendations of the Technical Committee for improving the operation of the washeries are under implementation. With the installation of balancing facilities, the capacity utilisation if the washeries is expected to improve by '77-78 considerably.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 72.2, Para 6.20)

The Committee note that the Technical Committee on Coal Washeries had analysed the performance results of coal washeries in 1969-70 and had observed in their Report (1972) that excluding Kathara and Sawang washeries, the actual raw coal feed had been 11.05 million tonnes per annum which constituted about 59 per cent of their potential capacity. The Technical Committee also pointed out that the public sector washeries excluding D.P.L. washery at Durgapur, could utilise on the average about 3 per cent of their available capacity.

Reply of Government

This item has been covered along with item. No. 6.19.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 72.3, Para 6.21)

The Technical Committee also felt that the factor which was mainly responsible for low utilisation of capacity of central washeries in particular and pit-head washeries in general were transport bottlenecks in the movement of raw and washed coal, non-availability of essential spares and irregular off-take of washed products specially middlings. The Technical Committee also emphasised the need for improvement in the designing of baths and circuits of a number of washeries.

Reply of Government

This item has been covered along with item No. 6.19.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 72.4, Para 6.22)

From the latest figures of utilisation of capacity of the coal washeries both individually and collectively the Committee feel that during the years after 1969-70 the performance of coal washeries has not shown any positive improvement and was less than 50 per cent of the rated capacity.

Reply of Government

This item has been covered along with item No. 6.19.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)|75-CDT dated 24-6-1975]

Recommendation (Serial No. 72.5, Para 6.23)

The Committee view with great concern the poor performance of the washeries on which a capital investment of about Rs. 56 crores has been made.

Reply of Government

This item has been covered along with item No. 6.19.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 73, Para 6.24)

The Committee note that steps have been taken for improving the performance of the washeries and that it would take about 2 years' time to bring about the necessary improvements so that the washeries could work up to 75 per cent of the rated capacity. The Committee regret the delay in implementing the recommendations of the Technical Committee. The Committee would like Government to ensure that all the major constraints like transport bottlenecks in the movement of raw and washed coal; non-availability of essential spares for the efficient working of coal washeries and removal of inherent defects in designing of baths and circuits and lack of planning in supplying coal of requisite quality from the coal mines to the coal washeries are removed expeditiously. The Committee also urge that in the light of experience gained concrete measures should be taken to maximise the utilisation of the capacity of the existing washeries.

Reply of Government

This item has been covered along with item No. 6.19.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Comments of the Committee

Recommendation Serial No. 72.1 to 72.5 and 73)

The Committee would like that the decisions on the recommendations of the Technical Committee on Coal washeries should be implemented speedily.

Recommendation (Serial No. 74.1, Para 6.25)

The Committee note that the washing capacity is sought to be increased by 10 million tonnes, during the Fifth Plan period at an estimated cost of Rs. 55 crores. The Bharat Coking Coal Ltd., and Coal Mines Authority Ltd. are having schemes for setting up 4 new washeries during the Fifth Plan period. Two washeries with a capacity of 2 million tonnes each, are proposed to be set up at Monidih and Sudamdih for washing prime coking coal. For washing medium coking coal, 2 washeries with a capacity of 3 million tonnes each, are proposed to be set up at Ramgarh and Kedla Pundi. According to the estimate of the Task Force on Coal and Lignite, the existing washeries are estimated to produce 13.35 million tonnes of clean coal against the estimated requirement of 16.03 million tonnes during 1978-79 and that the proposed new washeries are necessary not only for meeting the deficit but also to cater to the increased requirements that will be thrown up during the Sixth Plan.

Reply of Government

Schemes for setting up 4 new washeries to beneficiate prime and medium coking coal during the 5th Five Year Plan period have been prepared by BCC and CMA. Two washeries with a capacity of 2 million tonnes each, at Monidih and Sudamdih are proposed for the washing of prime coal. For washing of medium coking coal, washeries are proposed to be set up at Ramgarh and Kedla Pundi each with a capacity of about 3 million tonnes per annum with the setting up of these washeries additional washing capacity to the extent of 10 million tonnes will be available in time with the growing demand of the Steel Plants for clean coal.

Whilst deciding the construction of new washeries the necessity to optimise the functioning of the existing washeries has also been kept in mind. The construction of new washeries would be planned in such a manner that there is maximum possible utilisation of

the available washing capacity for the coals prepared in their respective command areas.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 74.2, Para 6.26)

The Committee are unhappy to note that the existing washeries which have a throughout capacity of 26.02 million tonnes for raw coal are expected to achieve only 13.35 million tonnes of clean coal even after carrying out the improvements recommended by the Technical Committee. Considering the heavy investments made in the existing washeries, the Committee recommend that all out efforts should be made to optimise the functioning of these washeries before setting up new units. The Committee would like this matter to be examined in depth. If it is considered to be an inescapable necessity to set up the proposed new washeries, the Committee would like to sound a note of caution that the difficulties and bottlenecks encountered in the working of the existing washeries to their full capacity should be fully taken into account and provided for while planning the new washeries so as to ensure their efficient functioning.

Reply of Government

This item has been covered along with item No. 6.25.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 77.1, Para 6.56)

The Committee note that middlings and sinks, the by-products of washeries, have been used as fuel by Thermal Power Stations and that recently certain power plants have been rejecting sinks because of the adverse effects of the excessive shale and stone contained therein on the boiler. The Committee note that a Technical Committee had gone into the question of the use of middlings in 1972 and had recommended conversion of 2 stage washeries into 3 stage so that the middlings may be acceptable to the power plants. It is unfortunate that the problem was not given due attention till the middle of 1973 when the matters came to a head with the D.V.C. generation going down suddenly. A decision has now been taken to convert two stage washeries into three-stage and also to construct only three-stage washeries in future.

Reply of Government

Action has been initiated to covert the existing two product washeries into 3 product washeries. This will render the middlings suitable for power station operation, wherever the abrasive characteristics of the sinks were inhibiting their utilisation in the boilers.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 77.2, Para 6.57)

The Committee consider that if the recommendation of the Technical Committee had been implemented expeditiously, the situation leading to the damage of boilers in power houses and consequential reduction in power generation which adversely affected both industrial and agricultural production, could have been largely avoided.

Reply of Government (6.57 and 6.58)

The Energy survey Committee consisted of senior officers of the Government of India and top technical experts in coal and power generation from the Ministry of Mines and Fuel; Member, Planning Commission, Chief Engineer, DVC and foreign experts from USA, UK, Belgium and France. The Committee observed—

"224. The washery can be operated either on a two product or on a three-product basis. On a two-product basis, the bye-products have about 40 per cent ash content. On this basis, our Working Group has estimated that the washery yield will be about 55 per cent of washed coal for metallurgical use and about 45 per cent of bye-products by 1970-71. On a three product basis, there will be again about 55 per cent of washed coal, about 25 per cent middlings with about 30 per cent ash content and about 20 per cent rejects. We have investigated the economic advantages of the two alternative methods and are convinced that the balance of advantages lies with two-product system, so long as markets are available for the use of the by-products for electricity generation and other uses.".

"227. Although we believe the 2-product washed to be more economic than the 3-product washed, 3-product washeries already built or under construction will not, of course, be abandoned. If it is economic to convert a 3-product washery over to 2 prduct method, we assume this will be done."

It can be seen that the Committee was fully convinced about the justification of having 2-product washery. Since all top technical officers involved in coal supply and power generation made a unanimous recommendation in this regard there would be no use by fixing any responsibility for the decision to set up a 2-stage washery. This was a genuine recommendation which was made perhaps with the knowledge of the characteristics and behaviour of foreign coals. In fact, there was no serious objection from the power plants even in India in regard to the use of sinks from two product washeries till recently when the working of power plants was under strain. It was only then that the sinks from two product washeries was asked to be discontinued to improve the performance of the power plants. It is only therefore the subsequent experience in the use of sinks at the power houses that proved that sinks from 2-products washery were harmful to boilers. All 2-product washeries are now being gradually converted into 3-product washeries.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 77.3, Para 6.58)

The Committee note that the original decision to have 2 stage washery was based on the recommendation of the Energy Survey Committee (1965). They are concerned to note that the recommendations of an expert Committee about the suitability of the 2 stage washeries, have been proved wrong by subsequent events. The Committee urge that an enquiry be made into the whole matter with a view to fixing responsibility and assessing the extent of losses suffering by the washeries as a result of under-utilisation of capacity, by the Power Stations in the shape of damage to equipment and cuts in Power supply so as to obviate such lapses in future.

Reply of Government

This item has been covered along with item No. 6.57.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 78.1, Para 6.59)

The Committee note that according to the Technical Committee on Coal Washeries, the estimated production of middlings/sinks which are by-products of the coal washeries, was about 3 million

tonnes during 1969-70. The same Committee had estimated that the total production of middlings/sinks by the end of the Fourth Plan (1973-74) would be around five million tonnes which was expected to increase further to about 9 million tonnes by the end of the Fifth Plan (1978-79).

Reply of Government

The observation of the Committee has been noted.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 78.2, Para 6.60).

The Committee would like Government to take effective steps to ensure that the middlings and sinks produced by the washeries in large quantities, are fully utilised.

Reply of Government

The recommendation of the Committee has been noted for implementation.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 79, Para 6.61)

The Committee have earlier referred to the scheme for manufacture of soft coke from middlings. The Committee consider that intensive research should be carried out with a view to improve the quality of the middlings and also to find out scope for diversified uses of middlings and sinks produced by the washeries in case the Power Plants are not in a position to use them.

Reply of Government

As a result of the investigation carried out by C.F.R.I. the feasibility of manufacture of soft coke from middlings has been established. A pilot plant for making domestic soft coke from low grade IIIA and IIIB coals is being installed at one of the collieries of the BCCL. Based on the experience gained in this pilot plant, conversion of middlings into soft coke could be taken up in a larger way.

[Ministry of Energy (Department of Coal) O.M. No. 54012 (1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 80, Para 7.18)

The Committee note that out of the production of 135 million tonnes of coal targetted for the Fifth Five Year, Plan, 115 M.T. is likely to be produced from expansion, reconstruction and restructuring of the existing mines and the palance 20 m.t. would come

from new mines, a substantial number of which could be put into operation in a relatively short time. They further note that the cost of equipment, needed for achieving the aforementioned target is estimated at Rs. 400 crores. Out of this, machinery and equipment of about 1/3 in value would have to be imported. In this connection the Committee would like to draw attention to the reports of the Committee on Public Undertakings (Sixty-Fifth Report, Fourth Lok Sabha and Twenty-Fourth Report, Fifth Lok Sabha) on Mining and Allied Machinery Corporation Ltd., wherein they have pointed out that the existing capacity of 45,000 tonnes, developed in Mining and Allied Machinery Corporation for Manufacture of machinery and equipment for coal mining, has been put to little use. The Committee consider that now that coal mining has been nationalised, it should be possible to have an integrated programme for manufacture of machinery and equipment for the coal mining industry. The machinery and equipment to be manufactured by Mining and Allied Machinery Corporation, Ltd. should be such as is required by the industry and would make for the most efficient and economical working of the coal mines. The Committee consider that this challenge should be taken as an opportunity by Government and the Undertaking to see that 100 per cent production and even more is achieved from the existing capacity of MAMC so as to meet fully the requirements of equipment and machinery for the coal mining industry and obviate the need for imports. The Committee would like that there should be close coordination and collaboration between the two sectors *viz.* Coal Mining Organisations and the MAMC so as to have a long-term perspective plant for the manufacture of coal mining machinery and equipment, best suited to the needs of this industry.

Reply of Government

The coal mining companies have given the list of requirement of plant and equipment during the Fifth Five Year Plan to MAMC and they are gearing up their organisation to meet the demand.

The companies have first booked the production capacity of H.E.C, BEML and MAMC before placing orders on non-Government parties. The value of the order placed on MAMC by the end of 1974-75 for delivery during first two years exceed Rs. 52 crores.

The entire production capacity of MAMC is still not available for production of mining plant and equipment; a part of the capacity is locked up with the plant and equipment under manufacture for various port authorities. It would be some time before these

orders are completed and MAMC are free to take up wholly mining plant and equipment. There is now effective coordination at the field and Ministry level to ensure optimum utilisation of manufacturing capacity of MAMC for the mining industry.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1976)

Recommendation (Serial No. 81, para 7.19)

As regards equipment and machinery required for open-cast mining, the Committee understand that some capacity in this behalf has already been developed in Bharat Earth Movers and Heavy Engineering Corporation. The Committee need hardly point out that Heavy Engineering Corporation is another public sector Undertaking where capacity has not been fully put to use, as pointed out in the Fourteenth Report (Fourth Lok Sabha) of the Committee on Public Undertakings. The Committee see no reason why the Heavy Engineering Corporation should not make use of this opportunity to gear fully its manufacturing programme so as to meet in full the requirements of draglines, shovels etc., required for coal mining. Similarly Bharat Earth Movers should make every effort to see that motor graders and other equipments required for coal mining for open castcoal mining, are supplied to the maximum extent possible.

Reply of Government

The recommendation of the Committee has been brought to the notice of the concerned Department for necessary action. It may, however, be mentioned that the requirements of machinery have been indicated in advance to all indigenous manufacturers both in the public and private sector. Frequent review meetings are held at the field level and at level of the Ministry.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 82, Para 7.20)

The Committee would also like examination in depth regarding the need for promotion of standardisation and variety reduction in Mining machinery equipment to bring about efficiency and economy in coal mining operations. It is imperative to standardise certain popular sizes and types, which would give the benefits of quicker delivery and easier availability of spares. Once standardisation is

decided, all the Undertakings which are at present engaged in the production of mining equipment should also be entrusted with the manufacture of spares, which should be regularly made available to the coal producing organisations, so that at no time the machinery is put out of commission for want of spare parts. It is also important that norms should be laid down for machine utilisation and adhered to strictly.

Reply of Government

Coal producers have standardised the equipment on indigenous availability to avoid import as far as possible.

Norms have also been laid down for machine utilisation and will be observed.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 85.1, Para 7.37)

The Committee note that industrial explosives, which are one of the important inputs for coal production are produced presently by three factories in the private sector namely, the Indian Explosives Ltd., the Indian Detonators Ltd., and the Indian Oxygen Ltd. The present combined production of the three factories is 41,500 tonnes per annum out of which 15,000 tonnes are consumed by the coal mining industry.

Reply of Government (Paras 7.37, 7.38 and 7.39)

The Government have already made an exercise for the assessment of requirements of explosives for each year in the Fifth Five Year Plan and these estimates are being reviewed. Besides the two explosive plants being set up in the public sector, another new plant for production of explosives is being considered, along with expansion of the existing production capacity, with a view to meeting the requirements of explosives in the 5th Five Year Plan period and subsequent years.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 85.2, Para 7.38)

The Committee further note that the demand for explosives is expected to go up to 77,000 tonnes by the end of the Fifth Plan out of which the estimated share of the coal mining industry would be 35,000 tonnes. In order to meet the country's increased, demand of explosives, the Central Government is considering proposals to set up an explosives factory in the Public Sector, with an annual capacity of 15,000 tonnes. It is also proposed to set up a nitro glycerine explosives plant with an annual capacity of 5,000 tonnes in the Defence Sector. The Department has stated that both the projects will take about 4 years to reach the stage of production.

Reply of Government

This item has been covered along item No. 7.37.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 85.3, Para 7.39)

The Committee are concerned to note that even after taking into account the production amounting to about 20,000 tonnes in the two new factories proposed to be set up, there would still be a gap of about 15,500 tonnes of explosives between the demand and supply thereof by the end of Fifth Plan period. It is also disturbing to note that the production of two new factories would be available after 4 years *i.e.* towards the end of the Fifth Plan period. The Committee are unable to comprehend why no provision had been made so far for meeting the gap of about 16,000 tonnes of explosives, required in the country and why the two new factories which are started to take 4 years to reach the stage of production, were not planned earlier so as to meet the growing needs of the coal mining and other industries to enable them to increase their production. The Committee would like the Government to examine this matter in depth and take suitable measures to expedite the setting up of the two new factories for explosives in the public sector as also to make provision for meeting the deficit of 15,500 tonnes in production by either expansion of the existing factories or by setting up new ones. The Committee recommend that the requirements of explosives for each year of the Fifth Plan period should be worked out by Government in detail and effective measures should be taken to ensure that the requisite quantity of explosives is available in time so as not to result in any interruption in production of coal etc., during the Fifth Plan period.

Reply of Government

This item has been covered along with item No. 7.37.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75 CDT dated 24-6-1975].

Recommendation (Serial No. 86.2, Para 7.57)

The Committee further note that the National Coal Development Corporation (now Central Division) has a technical cell attached to its Sales Marketing Department which investigates the complaints regarding inferior quality of coal from the consumers and takes remedial action. Arrangements are also made at N.C.D.C. collieries for regular sampling and analysis of coal supplied to the major consumers with a view to keep a watch on quality. The Coal Mines Authority is now proposing to have quality control departments in other Divisions on more or less similar lines as in the case of the Central Division. The Committee also note that the Bharat Coking Ltd., has a full-fledged quality control Department to ensure that coal of right quality is supplied to th consumers. B.C.C.L. proposes to expand this Department to further improve the quality control measures.

Reply of Government

These are observations of the Committee and no specific action is called for.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75 CDT dated 24-6-1975].

Recommendation (Serial No. 86.3, Para 7.58)

The Committee would like the Coal Mines Authority to set up the quality control organisation in their various Divisions expeditiously so that coal of right quality is supplied to various consumers and there are no complaints on that account.

Reply of Government (7.58 and 7.59)

Quality Control Departments have been set up in all the coal producing organisations, and are being expanded to meet the requirements of the consumers.

Besides, this the State Electricity Boards have been requested to post their officials at the loading points and CMA have agreed to

post their officials at unloading points in order to check that proper type of coal is supplied to the power stations. It is also proposed to introduce appropriate penalty/bonus clause in the contracts for supply of coal.

Complaints received regarding quality are attended to immediately and remedial action is taken. To assist the consumers, branch offices of the coal producing organisations have been set up at several places, where complaints are attended to and immediate action is taken.

The Fuel Efficiency Unit of the Coal Board has been transferred to the CMA and this unit has started rendering advisory service to consumers in regard to coal utilisation.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975.]

Recommendation (Serial No. 86.4 Para 7.59)

In this connection the Committee would also like to draw specific attention to the following recommendations of the Committee on Public Undertakings in their Sixty-Seventh Report (Fourth Lok Sabha) for early implementation by the Coal Producing Organisations:—

"The Committee are of the view that top managements of public sector enterprises must regard quality control as an overall management function. They feel that the success of quality control depends to a large extent on the direct interest taken by the managements.

The Committee regret to note that some of the public enterprises *e.g.*, Heavy Engineering Corporation Ltd., and National Coal Development Corporation Ltd., do not organise in plant training in quality control for their staff. They are of the opinion that training in the field of quality control will give the staff in the quality control organisation an understanding of the theory and practice of the quality control techniques and procedures. They recommend that all undertakings should evolve in plant training in quality control. The Committee are surprised to note that some of the public sector enterprises *e.g.*, heavy Engineering Corporation Ltd., had not prepared any Manual on Quality Control for the guidance of their

staff. They are not so sure whether they have any written instructions even. The Committee recommend that even undertakings which have issued detailed instructions on the subject of quality control from time to time should codify the same in the form of a Manual so that such instructions are available for study and reference at one place. Arrangements should also be made for inbuilt mechanism for periodical revision and review of the Quality Control Manuals.

The Committee recommend that every public undertaking should introduce a systematic procedure for registration of consumers complaints and recording of the action taken on each complaint. Such a system would not only enable the undertakings to know the exact number of complaints received in a year but also serve as an index of the success of the quality control measures adopted by an undertaking and show the trend of consumers reaction to various products. The Committee recommend that all manufacturing units in the public sector should establish an adequate organisation and facilities for feed back on consumers reaction to their products by conducting field survey through independent and experienced organisations like the Management Institutes in order to find out reaction of consumers regarding their products and to take necessary corrective steps promptly and adequately for rectifying defects etc., not only of the products sold but also of future productions."

Reply of Government

This item has been covered along with item No. 7.58.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-75.]

Recommendation (Serial No. 87, Para 7.60

The Committee regret to note that there have been complaints by the power stations regarding the quality of coal supplied to them, particularly the existence of extraneous matter like shale and stone in coal which damaged the grinding mills in the power stations and resulted in disrupting power supply to the consumers and higher maintenance costs to the power stations. The Committee would like to emphasise that very large quantities of coal would be consumed by power stations in the coming years and it is therefore

imperative that they are supplied coal of the requisite quality by removing shales and stone therefrom. The Committee would like Government to evolve the best method for removal of shales and stones from the coal, whether by washing or by hand removal. In this connection the Committee would also refer to recommendations made by the Fuel Policy Committee regarding the washing of non-coking coal and would urge Government to take necessary action to adopt the most economic method, after a full consideration of the techno-economic feasibility, so that coal of the requisite quality and quantity is supplied to the power stations and other consumers.

Reply of Government

The following efforts are being made for supply of adequate quality and proper quality of coal to the various thermal power stations:

(i) A Standing Linkage Committee has been set up to review linkages and monthly allocation of correct specifications of coal to power stations.

(ii) A Control Room has been set up in the Ministry of Railways to review the daily supply and stocks of coal at the power stations.

(iii) A Joint Cell has been created at Calcutta to review the loading and allotment of wagons for movement of coal at the power stations.

(iv) The State Electricity Board have been instructed to post their officials at the loading points and CMA have agreed to post their officials at unloading points in order to check that proper type of coal is supplied to the power stations.

(v) It has been decided that middlings from 3 stage washeries only should be used for power generation. Action is also being taken to convert 2 stage washeries into 3 stage washeries.

(vi) The Council for Scientific and Industrial Research and the CFRI have been requested to help in devising a scheme for the control of the quality of coal supplied to the power stations. It is also proposed to introduce appropriate penalty/bonus clause in the contracts for supply of coal.

Besides the measures mentioned above, the techno-economic feasibility of washing non-coking coal is also being looked into.

[Ministry of Energy (Department of Coal) O. M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 88.1 Para 7.68)

The Committee note that control on coal prices which was first introduced in 1944 was withdrawn by Government *w.e.f.* 24th July, 1967. Since then, the prices of coal have been revised from time to time based on the prices agreed to by the Railways who are the biggest consumers of coal. These prices set the pattern of prices to be charged from various other consumers.

Reply of Government (7.68 and 7.69)

It is not correct that power stations have to pay more or less the same price for coal with 40 per cent ash, as the steel plants and Railways pay for good quality coal. Till April, 1974, the coal price was related to the ash/ash moisture content. There was a differential of Rs. 21.45 per tonne between the price of Sel A Grade non-coking coal and Gr. III B coal. For ungraded coal with ash content of 40 per cent, the price was negotiated with the consumers and it was lower than that of Gr. III B coal. From 1-4-74, the prices have been related to the useful heat value. This structure has been accepted as scientific and reasonable by all the major consumers including power houses and Railways and is in fact in accordance with the recommendation of the Central Fuel Research Institute.

[Ministry of Energy (Department of Coal) O. M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 88.2, Para 7.69)

The Committee consider that this system of pricing of coal is unscientific as the power stations are stated to have to pay more or less the same prices for coal, with 40 per cent ash content, as the steel plants and the Railways pay for good quality coal. The Committee regret to say that although in para 39 of their 33rd Report (Third Lok Sabha) on the then Ministry of Mines and Fuel, the Estimates Committee had recommended the grading of coal on its calorific value and fixing the prices accordingly, this was not implemented till April, 1974. It is only from April, 1974 that the prices of coal have been fixed after taking into account the useful heat value

of each grade of coal. The Committee would like the Government to review the position in the light of experience gained of the working of the new prices and arrive at a scientific system of fixing of coal prices according to its calorific value, in consultation with the major consumers.

Reply of Government

This item has been covered along with item No. 7.68.

[Ministry of Energy (Department of Coal) O. M. No. 54012(1)/75-CDT dated 24-6-1975]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation (Serial No. 7.3, Para 3.33)

The Committee have already commented on the plea of shortfall in demand from important consumers during the Fourth Plan period in Chapter II of their Report (Paras 2.19 to 2.25) wherein they have drawn attention to the paradox of shortfall in consumption of coal by certain sectors of industries and lack of availability of coal to the tune of about 4½ million tonnes in some other sectors. In particular, the Committee have referred to large unsatisfied demands, in the cement industry, domestic sector and brick kiln industry etc. The Committee regret that during the Fourth Plan, the production of coal lagged behind the demand of the various consumers, by about 5 million tonnes resulting in widespread hardship to these sectors. The Committee urge that a study in depth should be made to analyse the reasons for shortfall in production so as to take effective remedial measures to prevent a recurrence of scarcity conditions in future.

Reply of Government

While the Committee's observations have been noted, it is submitted that as the reasons for shortfall in production in the Fourth Plan, apart from the lack of demand in certain sectors like steel, are known and these have been rectified leading to a large increase of 10 m. tonnes in the production in the first year of Fifth Plan, a detailed and time consuming study in depth may not be fruitful at this stage. Constant monitoring of the projects by the CMA/SCC/BCC and by Government is being introduced and it is hoped that with improvement in power and transport availability and timely supply of machinery, explosives and other inputs, it will be possible to attain the Fifth Plan target. The present trend in production has given the necessary confidence in this regard.

[Ministry of Energy (Department of Coal) O. M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 7.6, Para 3.36)

The Committee consider that the magnitude of increase in production of coal envisaged during the Fifth Plan is stupendous and unprecedented and would call for a well-conceived strategy of short-term and long-term planning, coordinated efforts and mobilisation of all resources. The Committee are conscious that this enormous increase in coal production would put severe strains on the managerial and technological capability of the coal organisations engaged in coal raising. The Committee find that there are many constraints on coal production *viz.* power shortage, lack of modern machinery, unsatisfactory industrial relations and endemic law and order problems in the Bengal-Bihar coalbelt. The difficulties in the availability of mechanical equipment for coal mines, power shortage and rail transport have acted as a drag on increasing coal production. The Committee would like to emphasise that unless effective action is taken urgently to remedy these short-comings, it would not be possible to achieve the targetted production. Modern mining methods, faster lifts and other mechanical devices would have to be employed more widely in the existing mines to increase their output.

Reply of Government

Kindly see reply under para 3.33.

[Ministry of Energy (Department of Coal) O. M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 10, Para 3.42)

The Committee note that the production target for 1974-75 was fixed at 92 million tonnes in the Draft Fifth Five Year Plan which was increased to 95 million tonnes in the context of energy crisis. Against this target the production during 1974-75 is expected to reach only 88 million tonnes *i.e.* a shortfall of about 7 million tonnes. The Committee are concerned to note that in the very first year of the Fifth Plan, there has been shortfall in achieving the production target fixed for the year. This, in itself, indicates that greater efforts and effective measures are required to fulfil the targets laid down for the Fifth Plan period.

Reply of Government

The original target of 1974-75 was 90 m.t. against which the actual achievement as per provisional figures has been well over 88 million

tonnes, compared to a production of 77.87 million tonnes in the earlier year 1973-74.*

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

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*At the time of factual verification the Ministry of Energy have stated as follows :

"Both the production and supply of coal have improved considerably in the last one year and today the demand for coal is being met in full and adequate stocks have been built up with major consumers. During the calender year 1975, production of coal was 96.27 million tonnes as against 84.76 million tonnes in 1974. The monthly coal production exceeded 9 million tonnes in December 1975 and January, 1976 and we anticipate that the target of 98 million tonnes fixed for the plan year 1975-76 will be exceeded by about one million tonnes. During the last two years the level of annual coal production has gone up by 20 million tonnes i.e. from 78 million tonnes in 1973-74 to a likely 99 million tonnes in 1975-76.

The remarkable performance has been possible due to the cooperation and dedicated work done by coalmine workers, trade unions and officers particularly after the declaration of Emergency. It is the cumulative result of a number of steps taken by the Government after nationalisation of the coal mines to re-organise the industry and provide the much needed expertise and equipment etc. with a capital investment of over Rs. 370 crores during these two years, as also the implementation of 12-point Action Programme to increase production and improve productivity and efficiency which was introduced in August, 1975.

The despatches of coal have also been correspondingly high because of the consistently satisfactory availability of railway wagons. All major consumers have built up very comfortable stocks. The following table will give an idea of the improvement over the last year.

Table showing coal stocks with major consumers in terms of number day's requirement:

Consumer	Stock as on 31.1.75	29.2.76
1. Power Houses	12.5	38.7
2. Steel Plants	4.0	17.0
3. Cement Plants	19.3	22.6
4. Railways	2.7	7.0

Several power houses have more than 100 days' stock of coal and have now started reducing their off-take. Similar is the case with many cement plants. We have now a problem in persuading the consumers to lift the linked quantities."

Recommendation (Serial No. 25.1, Para 3.110)

The Committee note that during 1970, the out-put per manshift in the coal mines in India was 0.67 tonnes as against 17.27 tonnes in U.S.A., 9.03 in Canada, 4.74 in Czechoslovakia, 2.14 in U.K. and 1.54 in Poland. During 1973, the output per manshift in the coal mines in India came down to 0.60 tonne against the earlier figure of 0.67 tonne achieved in 1970. The Committee are greatly concerned to note that O.M.S. in India is very low compared to other countries and that it has further gone down in 1973 to 0.60 tonne instead of increasing upward as compared to the year 1970.

Reply of Government

The output per manshift depends on a number of factors the chief among them being the degree of mechanisation. In a developing country with abundance of unemployed manpower and limitation of capital the degree of mechanisation in general is naturally very much less than in the advanced countries. The OMS is also high in open cast mines employing heavy earthmoving equipment. But the major part of coal production in India is obtained from underground, semi-mechanised and non-mechanised mines. A straight comparison of OMS with European countries and USA is therefore prone to be grossly misleading.

Regarding the fall in OMS in 1973 as compared to 1970, it may be pointed out that before nationalisation the private colliery owners used to keep a large number of workmen as casual labour and also employed contract labour for many jobs. The number of regular employees based on which the OMS is calculated was therefore much less in 1970 than in 1973 when the BCC and CMA had regularised most of the casual and contract labour. With the increase in overall production in 1974-75, the OMS has already shown an improvement. Further improvement is planned to be achieved in 1975-76.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 25.2, Para 3.111)

The Committee would like Government to investigate fully the reasons for the fall in O.M.S. in 1973 as compared to 1970 and take necessary remedial measures for augmenting productivity.

Reply of Government

This item has been covered along with item No. 3.110.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 31.2, Para 4.31)

The Committee further note that the dislocation of railway movement had also resulted in the building up of large stocks of finished steel at all the steel plants. On 1-2-1974 there was an accumulation of 3,61,000 tonnes of finished steel at all the steel plants as against the normal stock of about 1,50,000 tonnes.

Reply of Government

During 1973-74 the working of the railways was seriously affected by a series of agitations by various categories of railway employees. The loco running staff agitations during May, June and later in August, 1973 dislocated rail movements and resulted in an increase in the ground stocks in steel plants. This accumulation, however, was cleared by November, 1973. Since December, 1973 there were further staff agitations which took a variety of forms like go-slow, work-to-rule, work-to-designation and wild cat strikes as a result of which movement through all the outlets of the South Eastern Railway was affected, again resulting in the accumulation of finished products in steel plants. At the end of March, 1974, 4,08,000 tonnes of finished steel had piled up in the steel plants. A special drive was launched after May 1974 strike and the ground stocks of finished steel was progressively brought down and by December, 1974 the stocks fell to 2,76,000 tonnes thus clearing the accumulated backlog in addition to the current production.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 35.1, Para 4.50)

The Committee note that since November, 1973 the Railways have been experiencing shortfall in coal supplies. Steam coal which was consumed by the Railways and several other industries, had not been

available in sufficient quantity to meet the demand of all the consumers. Consequently the Railways reduced their own consumption of coal by curtailing some departmental and shunting services and also by suspending some short distance passenger trains. It has not been possible to build up coal stocks because from November, 1973 onwards, there had been a spate of staff agitations on the Railways, followed by the Locomen strike in December, 1973 which severely affected the loading of coal in the Bengal-Bihar coalfields.

Reply of Government (4.50 and 4.51)

The Railways have felt shortage of loco coal even from the beginning of 1973. There has, however, been considerable improvement in the performance of the Railways after the Railway strike. Loco coal leading exceeded 1900 wagons in December, 1974 against a target of 1800 wagons. Their revised demand of 14.4 million tonnes of loco coal for each year of the Fifth Five Year Plan would be met, if the present trend of wagon availability continues.

[Ministry of Energy (Department of Coal)
O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Recommendation (Serial No. 35.2, Para 4.51)

The Committee also note that 284 pairs of passenger trains have remained cancelled due to shortage of coal even during November, 1974.

Reply of Government

This item has been covered along with item No. 4.50.

[Ministry of Energy (Department of Coal)
O.M. No. 54012(1)/75-CDT dated 24-6-1975]

Comments of the Committee (Sl. No. 35.1 & 35.2)

The Committee would like to know the present position regarding cancellation of passenger trains the country due to shortage of coal.

Recommendation (Serial No. 35.3, Para 4.52)

The Committee are surprised to note that the figures of demand and supply of coal to Railways furnished to them, do not indicate any shortfall in overall supplies of coal to the Railways. It is therefore paradoxical that while on the one hand the demand of coal for

the Railways appears to have been met fully, there have been persistent shortfall in availability of coal to the Railways resulting in cancellation of train services causing inconvenience to travelling public. It appears to the Committee that shortfall in coal supplies to the Railways may be partly due to the Railway's demand for coal as originally projected, being on the low side. The Committee would urge that a thorough probe into the circumstances in which the Railways experience shortfall in supplies of coal should be made by Government to find out whether it was due to inadequacy in forecasting of demand by Railways, production deficiences or transport bottlenecks etc., and should devise effective remedial measures to ensure against recurrence of such situations.

Reply of Government

There have been some deflections from the original estimated demands for loco coal (as assessed by the Committee on Assessment of Demand for coal—1971). This has been mainly due to the international energy crisis which came only after 1972 leading to the slowing down of the pace of condemnation of steam locomotives on the Railways. The Railways had no difficulty about their coal supplies till 1972 for running their normal services. However, due to the aforementioned reasons in 1973-74, while the demand for loco coal went up on the one hand, the supplies did not match due to factors like the cumulative effect of deterioration of law and order in the Eastern Sector, occasional disturbed industrial relations on the Railways, shortage of power and the teething troubles of the newly nationalised non-coking coal mines. With the combined efforts made by the Railways and the coal producing agencies, these problems were overcome and the situation started improving from the end of 1974. The supply of loco coal has been maintained at a satisfactory level since then and complete plan for coordination in this matter has been drawn out to take care of such problems and it is planned to meet the full requirements of loco coal in the coming years. In view of the above it is considered that there is no need for any further detailed probe in this matter. Most of the trains cancelled by Railways have since been restored as a result of improvement in coal supplies and movement and whatever trains are still not in operation, are not due to non-availability of coal but due to their uneconomic operation.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 38, Para 4.66)

The Committee regret to note that supply of coal to the Thermal Power stations during 1970-71, 1971-72, 1972-73 and 1973-74 had been very erratic. The shortfalls in supplies are of the order of 1.91, 1.18, 1.89 and 5.88 million tonnes respectively during the period 1970-71 to 1973-74. Very few power stations had enough stocks of coal which would last even for 10 or 15 days. The power stations had to face great anxiety in the absence of sufficient quantities of coal which had to be rushed to the needy Power stations to meet their day to day requirements. According to the representative of the Ministry of Irrigation and Power, the Power stations have been operating on hand to mouth basis. From the data furnished by the Ministry of Irrigation and Power, the Committee note that as many as 20 Power Stations in the country were affected due to shortage of coal during 1972 and 1973 in various States and had reduced generation of electricity. The data indicates that for want of adequate supplies of coal in time, these Power station had occasionally either to close down or to work far below their maximum capacity. The Committee also note that the unsatisfactory quality of middlings supplied to the Power stations has also contributed to additional demands from power stations for raw coal which has produced a strain in coal supplies to other consumers. The Committee are greatly concerned at the loss in power generation due to non-availability of coal as it has adversely affected not only industrial production but also production of foodgrains in the country which is very vital for the economy.

Reply of Government

There were occasional instances when the poor quality of coal and inadequate quantities of coal had reduced the power generation in the thermal stations. However, the following efforts are being made to provide supply of adequate quantity and power quality of coal to the various thermal power stations.

(i) A Standing Linkage Committee has been set up in the Department of Coal to review Linkages and monthly allocation of correct specification of coal to power stations.

(ii) A Control Room has been set up in the Ministry of Railways to review the daily supply and stocks of coal at the power stations.

(iii) A Joint Cell has been created at Calcutta to review the loading and allotment of wagons for movement of coal to the thermal power stations.

(iv) The State Electricity Boards have been instructed to post their officials at the loading points and CMA have posted their officials at unloading points of major power stations in order to check that proper type of coal is supplied to the power stations.

(v) Since it has been decided by the Deptt. of Power that middling from 3 stage washeries only should be used for power generation action, action is being taken to convert 2 stage washeries into 3 stage washeries wherever possible and no middlings from two stages washeries are now being supplied to the power stations.

(vi) The Council for Scientific and Industrial Research and the Central Fuel Research Institute have been requested to help in devising a scheme for the control of the quality of coal supplied to the power stations. It is also proposed to introduce appropriate penalty bonus clauses in the contracts for supply of coal.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 48.2, Para 4.93)

The Committee are concerned to note that there is an enormous gap between demand and supply of Soft Coke in most of the States as evidenced by the shortfall to the extent of 1.63, 2.32, 3.31 and 3.43 million tonnes during 1970-71, 1971-72, 1972-73 and 1973-74 respectively. The Committee note that this gap is mainly attributable to difficulty in movement as production of Soft Coke is stated to present no difficulties since Grade III B coal can be converted into Soft Coke within 4 days.

Reply of Government

The Railways have stated that the gap seems to be unrealistic as even with the present level of loading, no demand is coming up from major States like West Bengal, U.P., Maharashtra, Punjab, etc.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 52, Para 4.97)

The Committee would like that the possibilities of manufacturing Soft Coke from the coal obtained at the outlying coalfields should also be explored in the interest of avoiding transport congestion and long haulage.

Reply of Government

Since the coal available in the outlying coalfields is mostly non-coking, it is not suitable for manufacturing soft coke. Experiments are being made to produce soft coke from coals of Pathakhera and Kanhan fields, which have moderate coking properties. In addition, it is proposed to produce domestic fuel from non-coking coal by LTC process. One LTC plant is under construction in the Singareni coalfield. The possibility of having more LTC plants based on suitable coals of the outlying coalfields is under examination.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 53, Para 4.98)

The Committee note that no progress has been made by the State Governments to popularise the use of Soft Coke so as to conserve cow dung which is a valuable organic manure for the crops. They realise that the rural population are used to burning cow dung as a fuel which is available to them free of cost but they have no doubt that with proper guidance and easy and assured availability of alternative domestic fuel, like Soft Coke at reasonable prices, the rural population could be induced to utilise cow dung for a better purpose. The main thrust should, therefore, be to ensure availability of Soft Coke in adequate measure and at a reasonable price and then to undertake vigorous steps for popularisation of its use as domestic fuel so as to avoid scarcity conditions regarding supplies of fuel to the rural population.

Reply of Government

The level of use of soft coke is limited, on the one hand by the emphasis on convenience laid by the affluent consumers who prefer kerosene and LPG even at a higher cost. On the other hand the poorer sections of the rural community are deterred by the cost involved in the purchase of soft coke (however reasonable the price of it might be) as against vegetable waste or cowdung, which is obtained practically free of cost. The attempts at popularising soft

coke and increasing its supply have to keep these limitations in view. In States like West Bengal, Bihar and U.P. which are not very far from the area of production of soft coke, it might be possible to induce more people to use soft coke provided adequate and regular supply is assured. The Ministry of Railways have been requested to increase the availability of wagons for the movement of coal in general and soft coke in particular. Both CMA and BCCL are planning to increase the production of soft coke commensurate with the availability of transport.

2. As a long term policy, in the context of the recommendations of the Fuel Policy Committee Report it has been decided that the various options like the construction of more L.T.C., plants, the manufacture of soft coke through Bhattas, the supply of kerosene and the development of social forests should be carefully examined in depth, considering—

(i) the scarce resources of coal with coking characteristics;

(ii) the high cost of L.T.C. coke;

(iii) the effort and cost involved in transporting coke to distant rural areas; and

(iv) the coal replacement ratio of 8 : 1 for kerosene

It is also being examined if it would not be advantageous to export some quantities of coal from coalfields situated near the ports and provide foreign exchange for the purchase of kerosene, which is efficient as a domestic fuel.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 56.1, Para 4.111)

The Committee note that there have been shortfalls in the supply of Hard coke to the extent of .70 million tonnes, .61 million tonnes, .36 million tonnes, .27 million tonnes and .23 million tonnes during 1969-70 to 1973-74 respectively. The Committee further note that the demand for Hard Coke during the period August, 1973 to March, 1974 varied from 15,244 to 17,184 wagons per month whereas the output of Hard Coke available from coke ovens other than those in the steel plants, was about 8,625 wagons. Moreover, the rail transport capacity earmarked for movement of this commodity, is 306 wagons per day.

Reply of Government

The requirement of Hard Coke by engineering units and other consumers is assessed and sponsored by the respective State Governments to the Coal Controller. Hard Coke is under distribution control under the Colliery Control Order, 1945. Allocation of Hard Coke to various consumers is made by a Joint Coke Allocation Committee presided over by the Coal Controller and consisting of the representatives of coal producers, steel plants, other consumers and Railways. While making allocations, recommendations received from the State Governments are taken into account and the State sponsored indents are given priority next to the needs of the steel plants, ordnance factories etc. It would thus be seen that the assessment of demand for Hard Coke and distribution is being done in close coordination with the State Governments. When the coal dump scheme is implemented, it would be possible to make the State Governments responsible for the distribution of hard coke to industries falling in their sectors. It may be noted that there is no shortage of Hard Coke at present. The demand of all industries is being met adequately. The stocks at the ovens are considerable at present.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 56.2, Para 4.112)

The Committee have referred earlier to the present unrealistic system of assessment of demands for Hard Code and underlined the importance of precise assessment of demands and planning of production accordingly with a view to fulfilling the needs of the small scale industries using Hard Coke. The Committee have also referred to the assessment made by the Committee on Assessment of requirements of Hard Coke and desired that a rational and scientific assessment be made based on the yard stick evolved by that Committee. The Committee have also emphasised the need for making the State governments responsible for assessment of demands and distribution of this commodity to the industries falling in their sector.

Reply of Government

This item has been covered along with item No. 4.111.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Recommendation (Serial No. 56.3, Para 4.113)

The Committee urge that early action be taken on these recommendations and suitable steps taken to see that production of Hard Coke is suitably increased and adequate transport is provided by Railways to meet the increased requirements for the movement of this coal.

Reply of Government

This item has been covered along with item No. 4.111.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-75].

Comments of the Committee

Recommendation (Serial No. 56.1 to 56.3)

The Committee would urge Government to ensure continuous supply of hard coke in future to all the industries in each sector.

Recommendation (Serial No. 57.1, Para 5.46)

The Committee note that over 90 per cent of the coal produced in the country, is carried by Railways. The Committee have indicated in the Chapter on "Supplies" that inadequacy of transport is one of the major bottlenecks in the availability of coal to the consumers. The Committee regret to note that the despatches by rail in 1969-70 which reached a peak at 71 million tonnes have come down to 64,65,67 and 60.6 million tonnes during 1970-71, 1971-72, 1972-73 and 1973-74 respectively. The daily average loading of coal which was 8191, wagons in 1969-70, has dropped to 7.474 in 1970-71. 7,738 in 1971-72, 7,983 in 1972-73 and 7,228 in 1973-74. This decline in despatches has been attributed to a slide back in transport in the Bengal-Bihar coalfields which originate more than 70 per cent of the coal traffic. The daily average loading from those fields dropped from 6,242 wagons in 1969-70 to 5,612; 5,733; 5.805; and 5,299 wagons during 1970-71; 1971-72; 1972-73 and 1973-74 respectively. This decline has been ascribed to anti-social activities, Indo-Pak conflict, refugee problem, withdrawal of troops, staff agitations, extensive power cuts etc.

Reply of Government

The reasons for the low level of loading of coal wagons in 1973-74 have been explained to the Committee. After the strike in the Rail-

way system was called off, loading picked up considerably as move be seen from the average loading figures given below:—

May '74	7566	Sept '74	8480	Jan '75	8912
June '74	8061	Oct '74	8293	Feb '75	9287
July'74	8102	Nov '74	8516	Mar '75	9135
Aug '74	8224	Dec '74	8654		

It is hoped that this improving trend would be kept up and the difficulties of the consumers would be reduced, if not completely eliminated during 1975-76.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 57.2, Para 5.47)

The Committee are greatly concerned that the performance of the Railways has been consistently poor after the peak in 1969-70 and that it touched the lowest level in 1973-74. They are distressed at the decline in loading of wagons which has adversely affected the supply of coal to the consumers and consequential decline in production in many industrial sectors.

Reply of Government

This item has been covered along with item No. 5.46.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 66, Para 5.78)

The Committee note that in order to have fast loading, some collieries have bunkering facilities with mechanical loading arrangements to load rake within the prescribed time. They further note that such facilities would be created in more collieries to improve turn round of wagons and that sidings are being reorganised in close consultation with the Railways. The Committee trust that with improved facilities at the collieries, the delay in loading of coal wagons would be minimised resulting in improved turnround of wagons. They would, however, like that a close and continuous watch should be kept to eliminate detention of wagons in coal fields.

Reply of Government

Bunkering facilities with mechanical loading arrangements are either totally absent or extremely inadequate in Raniganj and Jharia spheres. However, efforts are being made both by CMA and BCC to eliminate detention of wagons in coalfields as far as possible. It may be mentioned that reduction in loading time can result in only marginal improvement in wagon turnround, which from the national view point may not justify such large investment on mechanising loading facilities everywhere. However, the coal companies are undertaking measures to set coal handling plant both for improvement of quality and restrict loading time.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 68.1, Para 5.91)

The Committee note that in May, 1961, it was decided by Government that coastal shipping should be utilised to a greater extent for moving coal from Calcutta to ports in Southern and Western India. A target of 2 million tonnes per annum was fixed for the movement of coal by the rail-*cum*-sea route. As the transport of coal by the rail-*cum*-sea route was found to be more expensive on account of higher freight, a subsidy scheme was also introduced for payment of subsidy on coal moved by ships.

Reply of Government

For coastal shipping, coal, cement and salt are the main commodities moving on the coast. Coal moves from Calcutta to Southern and Saurashara ports and salt and cement are the return commodities from these ports.

Over the years, coastal shipping operations have become uneconomic and unprofitable. The freight rates have been kept low over a number of years, notwithstanding steep increase in various elements of operational costs like wages, bunker prices and cost of ships themselves. The coastal shipping had therefore little inducement to operate. Coupled with this, there was lack of assurance regarding quantities of cargo to be moved around the coast. All these factors in concert brought about a situation whereby the coastal shipping tonnage steadily divided.

Several corrective measures have since been taken or are being taken. A proposal to revise the freight rates is separately under study. The ports at the loading and discharging points are being mechanised. The Haldia Port when commissioned, will have mechanised facilities for handling cargo. Separately, tonnage has also been ordered for appropriate specifications for operation on the coast. It has also been indicated that by 1978-79, the coastal shipping may have to move about 3 to 3.5 million tonnes of coal for industries, thermal plants as well as on account of railways.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 68.2, Para 5.92)

The Committee regret to note that except one year *viz.* 1962-63, when about 2 million tonnes of coal was moved by coastal ships, the despatches of coal by ships have been very low. In 1970-71 only 0.17 million tonnes were despatched by rail-*cum*-sea route. In 1971-72, 1972-73 and 1973-74, the movement of coal by rail-*cum*-sea route showed slight improvement but it was only 0.59, 0.63 and 0.59 million tonnes respectively.

Reply of Government

This item has been covered along with item No. 5.91.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 69, Para 5.98)

The Committee note that despatches of coal by road have increased from 10.7 million tonnes in 1970-71 to 16 million tonnes in 1973-74. Thus a large quantity of coal is moved by road even though road freight is higher than the rail freight. It has been stated that movement of coal by road is not essentially for want of wagons but due to other reasons also, like absence of railway siding at certain coal producing units, as also preference of some consumers, particularly those located near the mines, to move their coal by road. The Committee consider that with the enormous increase in the production of coal envisaged during the Fifth Plan, the movement of coal by road, would increase substantially. They, therefore, recommend that the Department of Coal and the Ministry of Shipping and Transport should examine the potential and economic viability of road transport for the movement of coal and the extent to which this mode of transport can supplement the rail transport during the Fifth Plan period.

Reply of Government

Railways constitute the major means of transport of coal in India. In 1973-74, 60.54 million tonnes were transported by rail and 23.66 million tonnes by road and other means. This pattern is not likely to change in the near future.

The transportation of coal by road involves high cost in comparision to rail transport. It would not, therefore, be advisable to encourage movement of coal by road during the Fifth Five Year Plan. Since the wagon supply position has shown improvement in recent months, it would be our endeavour in consultation with the Ministry of Railways, to move coal by rail as far as possible.

Besides this, efforts are also being made in consultation with the Ministry of Transport and Shipping to move coal by riverine transport.

In view of the position explained above and the economic viability of road transport for the movement of coal being already known, this Department is of the view that there is no need to further examine this matter with the Ministry of Transport and Shipping.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 76.1, Para 6.42)

The Committee regret to note that the capacity utilisation of Kathara Washery in terms of clean coal production was only 12.3 and 13.7 per cent during 1970-71 and 1971-72 respectively. Even after some improvement during 1972-73 and 1973-74 it was only 38.5 and 43.4 per cent respectively. The Committee are concerned to note that the washery has suffered a loss of Rs. 136.51 lakhs during the period 1st April, 1971 to 31st March 1973 on account of low utilisation of capacity.

Reply of Government

After the commissioning of the Bokaro Steel Plant the clean coal produced from Kathara Washery is being received by the steel plants. In fact, the demand is more than the current level of production. During the financial year 1974-75, the plant produced 8 lakh tonnes of clean coal against an operate capacity of 15 lakh tonnes.

Some technological improvements are being carried out which will improve the operative factors further by the end of the current year.

Construction of washeries is taken up based on the demand forecasts of the steel plants. The low utilisation during the earlier years was due to some temporary set back in production of steel and reluctance to accept higher proportion of Kathara coal in its peculiar characteristics. The position has improved now.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 76.2, Para 6.43)

The low utilisation in the earlier years has been attributed to the reluctance of steel plants to use the coal produced by this washery. This is yet another example of defective planning of the washery capacity.

Reply of Government

This item has been covered along with item No. 6.42.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 76.3, Para 6.44)

The Committee would like Government to take necessary remedial measures to improve the capacity utilisation of this washery to the maximum and to ensure that the washed coal, produced by the washery, is fully utilised. The Committee feel that firm agreements should be concluded with the consumers before establishing a washery on which heavy investments are made so as to avoid the problems of pricing and off-take of the finished products, which arise later on.

Reply of Government

This item has been covered along with item No. 6.42.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Comments of the Committee

Recommendations (Serial Nos. 76.1 to 76.3)

While the Committee note the improvement in capacity utilisation of Kathara Washery, they need hardly emphasise the importance of

expeditiously carrying out technological improvements in the plant in view of the rising demands from Steel plants.

Recommendation (Serial No. 83.1, Para 7.21)

The Committee note that the percentage of breakdown time of equipment both in opencast and underground mines was quite heavy during 1971, 1972 and 1973. The percentage ranged from 20 to 27 per cent, in opencast mines and 8 to 29 per cent in underground mines. The Committee further note that the break-down in the machinery was on account of the fact that the equipment was mostly imported and there was a problem of the availability of spares.

Reply of Government

A certain quantity of spares as per standard requirements is obtained along with the equipment. While drawing up the list of spares, those which are frequently required are ordered in larger quantity. Efforts to interest indigenous parties to manufacture spares for mining machinery have met with limited success only due to lack of adequate design and workshop facilities and mainly shortage of proper quality of alloy steel. However, wherever possible, foreign machine supplies are being asked to furnish drawings of spare parts to facilitate their manufacture in the country.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 83.2, Para 7.22)

The Committee are concerned to note that in some cases, the machinery could not be put to use for want of spare parts. This indicates lack of advance planning for spare parts which are required frequently. The Committee urge that advance action should be taken to manufacture indigenously the requisite spare parts to the maximum extent possible so that the costly machinery does not remain out of commission for lack of spare parts.

Reply of Government

The recommendations of the Committee have been noted. The coal companies have been asked to take necessary action to gear up the system of preventive and other maintenance.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 84, Para 7.23)

The Committee would further emphasise that in order to obviate loss in production due to breakdown of machinery, planned preventive maintenance should be organised on a scientific footing in the light of experience gained. The system of maintenance in force in the plants should be examined and the weaknesses should be identified so that corrective steps are taken to remedy the state of affairs without any loss of time.

Reply of Government

This item has been covered along item No. 7.22.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 86.1, Para 7.56)

The Committee note that the quality of coal is determined by grading of the coking and non-coking coals into various grades. The coking and blendable Grade A, Grade B to H, and Grade HH. Similarly the non-coking coals in different regions have been classified into various grades, depending upon their ash content and the moisture content. The Committee regret to note that the coals of the Singareni and Assam coalfields have not been graded so far. They see no reason why the grading of coal in Singareni and Assam Coal-fields should not have been done so long. The Committee recommend that the matter may be examined immediately and necessary action taken for grading of the coal from these fields.

Reply of Government

The reasons for not adopting the system of grading in Assam and Singareni have been explained in the Report of the Tariff Commission on the prices of coal and Soft Coke. Relevant extract is reproduced below:-

"18.1.1: Assam and Singareni coals are not graded. In the case of Assam this is because large quantities are produced on a cottage basis and consumed within the State. Most Assam coal goes to the Railways and to the tea gardens who evidently do not require it to be graded. The collieries also get no advantage through grading since the price for their coal is based on an average

of the total costs of all the production. In the case of Singareni coals barring the mines newly opened in 1966-67 in the Ramakrishnapur Area, the coal is either Grade II or Grade III. The Singareni Collieries at present are equipped with central screening plants which screen the raisings of a number of mines by size only, and would need major changes in their conveyor systems at high capital costs, if the grades are to be separated by keeping the output of the seams of each mine separate. Since the price of Singareni coal is fixed on the basis of average costs of the entire production, any arrangements for grading and separate pricing of grades II and III will only mean that some of the coal placed in grade II will be priced a little higher and the rest in Grade III a little lower than the average, with a small addition to the prices representing the extra cost of grading for qualities. Consumers of Singareni coal do not appear to be particular about the separation of these two grades. Therefore, no purpose would be served by forcing the collieries to instal separate screening systems in place of the present central ones until there is such a demand. This, however, would not apply to the coal that has just been exposed in the Ramakrishnapur area, which is said to be Grade I, and would be of value to the cement industry which requires coal of this grade with a low wash content. The full exploitation of this coal is of some importance since it would reduce the fuel costs of the cement factories of South India which now get their supplies from Bengal|Bihar.

2. However, the Government is proposing to review the entire system of grading of coal and to provide for pricing based on useful heat value.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 89.1 Para 7.74)

The Committee note that the Central Government had approved a scheme to set up coal dumps at suitable locations all over the country to ensure rational and equitable distribution of coal and to achieve better turn round of wagons. The scheme envisages that distribution of coal and coke to small industries, brick kilns and domestic consumers would be effected by moving coal in rakes from

a single organisations point to a single destination where coal would be received by an agency nominated by the State Government. The actual supplies of coal to the consumers will be made by road transport from the nearest coal dumps.

Reply of Government

The question of opening of coal dumps all over the country to cater to the requirements of low priority consumers viz. brick-kilns, small scale industries and households, has been under consideration for some time in consultation with the State Governments, Ministry of Railways and coal producing agencies. It was not possible to implement the scheme for the opening of dumps even in a few selected States, as additional railway transport for the movement of coal to the dumps could not be made available. However, it was decided in consultation with the CMA and Railways that the coal dumps scheme might be implemented soon after the wagon supply position improves. A significant improvement in wagon supply position was not perceptible in the first few months of the last year, it was felt that CMA should make a beginning and open coal dumps at a few selected destinations with high concentration of consumers, where coal could be supplied at least to start with by road and later by rail. In pursuance of this, the Coal Mines Authority have set up six coal lumps at Lucknow, Varanasi, Gorakhpur, Agra, Meerut and Kanpur. The main draw back of these dumps as they are operated today is, that the price of coal sold from these dumps, is rather high, involving as it does transport of coal by road.

It is considered that while road movement of coal may be resorted to for short distance, it is highly uneconomical both from the consumers' as well as national point of view to depend upon road transport in a large way. It has been reported that whereas the railway freight on coal is about 4.19 per tonne|KM, the cost of transport by road is 25 per tonne/KM. In view of the foregoing it is essential that all the coal produced in the country is despatched by rail, road transport being adopted only for very short distances where the advantages over rail transport is significant.

In view of the above consideration, it has been decided that coal supplies to the dumps to be set up and to the present dumps should only be by rail.

The Government of U.P. have now agreed to sponsor the rakes for the supply of coal to the dumps already set up in that State. It

is expected that coal will now be moved to these dumps by rail and the prices are expected to be brought down.

The question of setting up coal dumps in other States will be examined in the light of the experience gained in the working of dumps already set up in Uttar Pradesh.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 89.2, Para 7.75)

The Committee understand that so far coal dumps have been set up at a few centres in Uttar Pradesh, namely Lucknow, Varanasi and Gorakhpur and suitable sites are being selected for opening dumps at Kanpur, Meerut and Agra. It has been stated that the coal dump scheme has not been implemented in other States as enough rail transport for the purpose has not become available.

Reply of Government

This item has been covered along with item No. 7.74.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 89.3, Para 7.76)

The Committee regret to note that the scheme of setting up coal dumps has not been implemented in many States and Union Territories for want of sufficient rail transport excepting for a few dumps set up in Uttar Pradesh. The Committee consider that this scheme would be useful for easing the transport problem inasmuch as coal can be moved to the dumps in block rakes during the slack season of rail transport. Further under this scheme, there is immense scope for advance planning and coordination between the coal producers, the transport agencies and the State Governments to ensure availability of coal in sufficient quantity and its rational and suitable distribution to the consumers. It need hardly be emphasised that for successful implementation of this scheme, the recommendations made by this Committee in the earlier portions of this Report regarding precise assessment of demands and evolving a suitable distribution system, should be implemented effectively. It is also of utmost importance that concerted measures are taken to provide rail transport for moving coal to the dumps expeditiously. Moreover the feasibility of

using coastal shipping and inland waterways to the extent possible, should also be actively explored for implementation of this scheme.

Reply of Government

The reply given under para Nos. 7.74 and 7.75 may please be seen.

During 1974-75 almost all the demand for coal from the important consuming sectors was fully met. The areas of shortfall were confined to sectors like brick burning, households, and small industries which enjoy low priority in rail movement. It is expected that with the additional production of 10|12 million tonnes envisaged in 1975-76 all the demands can be fuly met and a small surplus made available for export.

Movement of coal through rail-cum-sea route via Calcutta is already in vogue. Recently small quantity of coal have started moving to South and Western coastal areas via Paradip Port. Feasibility of moving coal through inland transport is also being made in consultation with the Ministry of Transport and Shipping.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 90, Para 7.77)

The Committee would like particular care to be taken to ensure that coal of different grades and quality is properly segregated and that the consumers actually get the type of coal required by them. A careful assessment should be made of the working of dumps to see whether the creation of dumps has resulted in easy availability of coal to the consumers, avoidance of waste and pilferage, and economy in the cost involved. It is of the utmost importance that dumps are operated efficiently and economically, so that equitable distribution to the consumers is achieved and unduly high storage costs do not add to the burden of the consumer. The Committee would like to emphasise that sufficient stocks should be kept in difficult and inaccessible areas to meet the demands.

Reply of Government

Please see reply to para Nos. 7.74 and 7.75.

The coal dumps scheme will be reviewed in the light of actual experience and transport availability. Sufficient stocks can be kept

in difficult and inaccessible areas after more dumps are opened by the State Governments.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Comments of the Committee

Recommendation (Sl. Nos. 89.1, 89.2 and 90)

The result of review of the coal dumps Scheme may please be intimated to the Committee. It may, however, be ensured that sufficient stocks are kept in difficult and inaccessible areas to meet the demands for coal.

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT'S REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Serial No. 13 Para 3.45)

The Committee regret to note that annual targets of production of coal have not been indicated in the Draft Fifth Plan. They recommend that these targets should be laid down and published in the Plan documents to enable Parliament to keep a watch over their fulfilment. The Committee further recommend that apart from the annual targets of production from the various coalfields, the Coal Mining Organisations should also fix target of production colliery-wise and month-wise and that a continuous watch should be kept on the attainment of these targets. The Committee would like that the targets of production and the actual achievement should be analysed periodically to locate bottlenecks and take effective remedial steps to arrest the declining trend. The annual targets fixed colliery-wise and the actual achievements should also be suitably published in the Annual Report of the Ministry.

Reply of Government

The Committee's observations that annual targets of production of coal should be laid down and published in the Plan documents have been brought to the notice of the Planning Commission.

The Coal mining organisations have already fixed the programme of production colliery-wise. Daily and Monthly production targets are set for the collieries and these are monitored at the Area level. It is submitted that the publication of targets and production of about 450 collieries in the Annual Report would make it cumbersome. Data relating to each undertaking will however be given for the information of Parliament.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Comments of the Committee

Please see comments in Paras 4, 5 and 6 of Chapter I of the Report.

Recommendation (Serial No. 45, Para 4.73)

It must also be ensured that the boilers of new Thermal Power Stations are so designed that they can use coal of different grades available from neighbouring coolfields. For the existing power stations efforts should be made to introduce such modifications in the boilers as would enable them to utilise coal of a quality/grade which is available from the coalfield to which they have been linked.

Reply of Government

The Estimates Committee have recommended that the boiler of new thermal power stations should be so designed that they can use coal available from the nearly coalfields and for the existing power stations efforts should be made to introduce such modifications in the boilers as would enable them to use coal of the quality/grade which is available from the coalfields to which they have been linked.

It may be mentioned that this has generally been the practice followed in the design of boilers. But difficulties have been experienced in the past when the development of certain coalfields and the power stations did not synchronise which led to such power stations being supplied with coal from other sources.

The matter regarding the modifications in the existing boilers where necessary would have to be examined by the Department of Power in greater details depending on the techno-economic feasibility and the merits of each case.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Comments of the Committee

Please see comments in Para 9 of Chapter I of the Report.

Recommendation (Serial No. 58.1, Para 5.48)

The Committee are unable to comprehend why the Railways which were to be geared to move the targetted traffic of 84.4 million tonnes of coal traffic during the Fourth Five Year Plan (later revised to 77.5 million tonnes at the time of Mid-term Plan Appraisal) could move only about 60 million tonnes of coal during the last year of the Plan; which is 17 million tonnes less than the

revised target and 11 million tonnes less than what was actually carried in the first year of the Fourth Plan. In this context it is pertinent to recall that the Railways have made a capital investment of over Rs. 1,400 crores during the Fourth Plan and there is no reason why they should not have developed the capacity for carrying at least 77.5 million tonnes of coal traffic (if not 84.4 million tonnes as originally envisaged in the Fourth Plan) when the money made available for the Plan was fully expended. The Committee are not impressed with the general reasons which have been advanced by the Railways for this unsatisfactory performance in the matter of transport of coal. The Committee feel compelled to draw pointed attention to this shortfall in the movement of coal by Railways which has had such wide repercussions on economy and stress that detailed and thorough planning (direction-wise, route-wise etc.) should now be done at least for each year of the Fifth Five Year Plan to ensure that Railways move in full the coal required by various industries and consumers all over the country.

Reply of Government

The Fourth Five Year Plan of the Railways envisaged an outlay of Rs. 1400 crores corresponding to a freight traffic target of 240.5 million tonnes, with an average lead of 630 kms. This in terms of work load for the Railways measured by the index of net tonne kilometers was equivalent to 152 million NTKMs. Planning of resources was, however, made only for 235 million tonnes, with a lead of 630 kms. equivalent to 148 billion NTKMs. As against the above targets, in the first year of the Fourth Plan itself the materialisation of traffic was 207.9 million tonnes, with a lead of 643 kms. In subsequent years while the originating traffic did not increase, the lead of the traffic continuously kept on increasing with the result that the work load with the Railways also increased in terms of NTKMs, as will be seen from the table given below:—

Year	Tonnes Loaded (mt)	Average lead (Kms)	NTKMs (billion)
1968-69	204·0	613	125·1
1969-70	207·9	643	128·2
1970-71	196·5	648	127·4
1971-72	197·3	674	133·3
1972-73	201·3	675	136·3
1973-74	184·9	662	122·3

As the figures given above indicate, traffic materialisation in terms of NTKMs continued increasing every year and was anticipated to be very near the target but for the fact that in the last year of the Plan, the Railway operations were seriously affected due to disturbed industrial relations as also power cuts.

India's Fourth Five Year Plan had projected an overall rate of growth of 5.7 per cent per annum. However, the actual rate of growth during this period has been much lower. Several factors had affected the growth of economy in the country during the years of the Fourth Plan. Failure of monsoon in consecutive years, acute shortage of power in various parts of the country, influx of a large number of refugees from the former East Pakistan and the Indo-Pakistan hostilities in 1971-72 etc. were some of the important causes for stagnation in the growth of economy of the country. Growth of traffic on the Railways is vitally linked with the growth in various sectors of the economy of the country. Failure on the part of the letter is, therefore, bound to affect the prospect of traffic to be moved by the Railway system and this is reflected in the quantum of traffic in different commodities moved by the Railways during different years of the Fourth Plan.

Another factor which has seriously affected Railway operations during the Fourth Plan is the spate of strikes, bandhs and agitations both by the Railway staff as well as by the outsiders, culminating in the strike by the Railway staff in May, 1974. All these factors led to serious immobilisation of rolling stock on the Railways and thus reduced Railway capacity to handle traffic.

While the factors listed above explain in general terms the reasons for lack of growth of freight traffic on the Indian Railways during the Fourth Five Year Plan, failure in achieving original targets in different sectors of the economy of the country explain the shortfall in lifting the traffic originally anticipated in different commodities. For example, production of the coking coal in the country during the Fourth Five Year Plan was 33 per cent less than the target whereas the production of non-coking coal was 9 per cent less than the target.

The above factors go to show that any shortfall in the movement of coal by the Railways during the Fourth Plan period can largely be attributed to the factors which were beyond the Railways' control. It may further be added that the entire plan outlay is not related to the development of the capacity for handling freight traffic only. Investments on replacement of assets financed from DRF and expenditure on items like 'Users amenities', 'staff quarters', 'Staff welfare' schemes etc. financed from DR and OLWR

do not contribute to any addition to the transport capacity. Even out of the capital investments, investment on new lines, cost saving schemes like electrification and investment in Road services and inventories do not contribute to the increase in the transport capacity of the Railways. Even out of the balance capital investments a substantial portion is also on development of passenger transport capacity and only the residual amount contributes towards development of frieght transport capacity. Thus out of a total investment of Rs. 1419 crores during the Fourth Plan only Rs. 565 crores constituting only 40 per cent of the total outlay was utilised on development of transport capacity of the Railways. Here again a substantial portion has been spent on development of passenger transport capacity.

As regards the Fifth Five Year Plan, the Ministry of Railways had on their own appointed two coal Transport Study Teams one for Bengal and Bihar and the other for outlying coalfields for examining the transport requirements for the anticipated production of coal during the Fifth Five Year Plan and recommend measures for creating necessary facilities to meet the anticipated increase in production and movement. These Study Teams have made their recommendations under two categories: one of immediate nature which are based on the traffic targets already in sight and are required to be implemented immediately. The other set of recommendations pertain to the long term requirements which have to be developed as and when the coal traffic anticipated comes up. The works recommended under the immediate category are being processed, whether necessary. However, despite higher traffic target and provision of inputs fixed by the Planning Commission for the Fifth Plan, on account of financial stringency, Railways have expressed the view that the actual allocation during the first two years (1974-75 and 1975-76) is grossly inadequate to ensure procurement of the required rolling stock and progress line capacity works having long gestation period. This in their opinion is bound to affect Railways ability to build required transport capacity which in turn would affect the movement of coal.

[Ministry of Energy (Department of Coal O.M. No. 54012(1)/ 75-CDT Dated 24-6-1975].

Recommendation (Serial No. 59.1 Para 5.50)

The Committee note that the production of coal which was tentatively fixed at 135 million tonnes in the Draft Fifth Five Year Plan, may go up to 145 million tonnes if the revised programme, proposed by the Department, is accepted. The Task Force on Coal and Lignite has estimated the rail transport requirements of coal at about 125 million tonnes by the end of the Plan. The Com-

mittee were informed during evidence that for moving one million tonnes of coal in a year, the daily requirement of wagons will be about 125. On that basis, the transport 125 million tonnes of coal by rail would require daily average loading of 15,625 wagons.

Reply of Government

The Draft Fifth Five Year Plan document envisages a freight traffic target of 300 million tonnes within which the share of coal has been indicated as 108.5 million tonnes. Provision of Rolling Stock has, however, been made on the basis of a traffic target of 280 million tonnes only due to which the target of coal movement is likely to be still less.

As has been explained in reply to Paras 5.48 and 5.51, Railways feel that the allocation of resources during the first two years of the Plan (1974-75 and 1975-76) has been much below the requirement with the result that procurement of Rolling Stock and progressing of line capacity works has been adversely affected. Consequently, it might not be possible to attain the original target of freight movement which will necessarily have to be scaled down. The component of coal transport will also have to be suitably reduced below even the earlier level of 108.5 million tonnes.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)|75-CDT dated 24-6-1975]

Recommendation (Serial No. 59.2, Para 5.51)

The Committee have earlier pointed out that the annual estimated percentage increase in production of coal during each of the Fifth Five Year Plan over the previous year, is of the order of 16 per cent, 9.7 per cent, 12.6 per cent, 13.5 per cent and 10.4 per cent respectively. Viewed against the daily average loading of 7,228 wagons during 1973-74 and 8,493 wagons in September, 1974, the provision of matching rail transport for the increased coal production during each year of the Fifth Plan, rising to a daily average of 15,625 wagons in 1978-79, poses a challenging task for the Railways. This task calls for concerted efforts in streamlining the transport system and infusing it with a purpose and dynamism for optimum utilisation of existing resources. It is also of the utmost importance that adequate attention is paid to rail transport planning in regard to the development of additional capacity, provision of modern signalling

and telecommunication facilities etc. The problems of coal movement in the Bengal-Bihar areas need serious attention and removal of all constraints which come in the way of movement (direction-wise, route-wise etc.) of coal.

Reply of Government

The Ministry of Railways had on their own appointed two Coal Transport Study Teams, one for Bengal & Bihar and the other for outlying coalfields for examining the transport requirements for the anticipated production of coal during the Fifth Five Year Plan and recommend measures for creating necessary facilities to meet the anticipated increase in production and movement. These study teams after detailed consultations with the collieries and consumers to the extent possible have recommended certain pattern of movement. These study teams have made recommendations under two categories one of immediate nature, which are based on the traffic targets already in sight and are required to be implemented immediately. The other set of recommendations pertain to the long term requirements, which have to be developed as and when the coal traffic anticipated comes up. The works recommended under the immediate category are being processed wherever necessary. As explained earlier, the actual allocation of resources during the first two years (1974-75 and 1975-76) is much below the requirement, affecting procurement of Rolling stock and progressing line capacity works. This in turn would affect coal transport also.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Recommendation (Serial No. 60.1, Para 5.52)

The Committee in Chapter III have referred to the provision of transport for coal movement during the Fifth Plan from Bengal-Bihar and Outlying Coalfields where the projected increase in production as compared to 1973-74, is estimated to be of the order of 36.80 million tonnes and 30.44 million tonnes respectively. The Committee have recommended a study in depth regarding the feasibility of maximising production in outlying coalfields where the daily average loading of wagons has shown more improvement from time to time than that obtaining in the Bengal-Bihar coalfields. The Committee would like Railways to develop sufficient transport capacity in the outlying coal-

fields in coordination with Coal Mining Authorities so as to be able to move any additional quantity of coal which may be required from there by consuming sectors, particularly the Thermal Power Stations, on account of switch over to coal consumption in the light of the oil crisis.

Reply of Government

The Committee's observations are noted. Necessary action is being taken in consultation with the user Ministries and other concerned organisations to create necessary railway capacity to match the additional traffic. Railways fear that the creation of adequate capacity has been seriously affected due to inadequate funds being made available to them. As the allocation for the Railways during 1974-75 and 1975-76 has been below the requirement, the Ministry of Railways are pursuing with the Planning Commission for allocation of additional funds to them during the current year. However, with the slippage that has already taken place, it is unlikely that adequate capacity to meet the original targets can be created.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT dated 24-6-1975].

Comments of the Committee

(Sl. Nos. 58.1, 59-1, 59.2 and 60)

Please see Comments in Paras 22 and 26 of Chapter I of the Report.

Recommendation (Serial No. 75.1, Para 6.36)

The Committee note that Gidi Washery with a capacity of 2.84 million tonnes of coal per annum and a capital investment of Rs. 9.5 crores was commissioned in November, 1970. The washery was originally conceived for washing some specific coal seams in Karanpura with a view to supply washed steam coal to Railways and washed slack coal to the steel plants for use as blendable coal. The Committee further note that both the Railways and the steel plants were reluctant to use the coal produced by this washery. The Railways find that the cost of washed coal is too high, compared to the cost of raw coal and consequently the Railways took a decision to use more of

Grade I Coal, instead of selected grade coal. As regards steel plants, there is at present sufficient raw blendable coal available to meet their current requirement which has not risen as expected, due to slow progress of steel production.

Reply of Government

It may be stated that Gidi Washery has started regular production during the year 1974-75. The production from this washery was 1,16,000 tonnes, during the year. The production from this washery would have been higher, if adequate transport had been available for the clean coal and middlings.*

Gidi washery is situated in an area which is producing mainly non-coking coal; and some blendable coal. A small quantity of medium coking coal is produced in Kedla-Jharkhand area at the distance of

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*At the time of factual verification the Department of Coal have stated as follows :—

"In order to enable the Gidi Washery to despatch more washed coal by rail, a scheme for modification of the railway yard at Gidi involving shifting of one weigh-bridge, installation of an allitional weigh-bridge and lining up arrangements for loading of washed and raw coal simultaneously from two loading points was prepared by the Railways. This scheme was accepted by the Central Coal fields Ltd. in the letter of their Managing Director dated 29th July, 1975 to the Chief Operating Superintendent, Eastern Railway.

The first phase of the scheme involved the installation of a new weigh-bridge, shifting of the existing weigh-bridge by CCL and relaying of the yard. The installation of the new weigh-bridge is expected to be completed in May '76. The shifting of the second weigh-bridge is expected to be completed by September, 1976. The earthwork in connection with track realignment for the first phase has been completed. The track re-alignment work has been taken up by the Railways.

In the meantime, due to active coordination between the Central Coalfields Limited and Eastern Railways the level of loading from Gidi complex has been improved from 65 rakes per month in the last quarter of 1975 to 81 rakes in January '76 and 75 rakes in February '76 (due to less number of days). The offtake from Gidi Complex is expected to be about 80 rakes per month for the next few months.

The second phase of the remodelling scheme involving finding modifications will be taken after completion of the first phase."

30/40 Kms. At present the medium coking coal is being transported to this washery by road. But the quantity of suitable medium coking coal is not sufficient to keep the washery operating at economic level. The demand of blendable coal on the steel plants is also not sufficient to justify operating this washery for this purpose. The Government are exploring the possibility of export of washed non-coking coal/ blendable coal from this washery to parties in Europe and Japan. If the negotiations succeed, the washery would be run to the desired capacity to meet the export demand.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/ 75-CDT dated 24-6-1975].

Recommendation (Serial No. 75.2 Para 6.37)

The Committee are deeply concerned to note that Gidi Washery which was set up in November, 1970 at a capital cost of Rs. 9.5 crores, had remained idle for want of market and this has resulted in a total loss of Rs. 162.31 lakhs upto 31st March, 1973. The Committee are not sure whether the economics of the whole project had been worked out in sufficient detail before it was decided to set up this washery. Normally the cost of washed coal to be produced by this washery, should have been worked out and the concurrence of the Railway Administration should have been obtained therefor. Similarly, the extent of utilisation of the slack coal to be produced in this washery, for the steel plants, should have been fully considered. The Committee regret to observe that the GGidi Washery in a case of frittering away of public unds, without any consideration about the viability and remunerativeness of the Project and the marketability of the product. The Committee recommend that the whole matter should be thoroughly investigated with a view to fix responsibility on the persons concerned.

Reply of Government

This item has been covered along with item No. 6.36.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975]

Recommendation (Serial No. 75.3, Para 6.38)

The Committee note that trials were made to process the washing of medium coking coal in this washery from some of the newly taken over collieries and the results have been found satisfactory. The Committee hope that earnest steps will now be taken to utilise the coal washed by the Gidi washery. If any modifications are necessary to improve the quality of the washed coal, the same should be introduced immediately so that this washery does not remain inoperative any longer. The Committee would like an integrated plan to be formulated to make this washery run on economic lines, by ensuring a steady demand for its product.

Reply of Government

This item has been covered along with item No. 6.36.

[Ministry of Energy (Department of Coal) O.M. No. 54012(1)/75-CDT Dated 24-6-1975].

Comments of the Committee

Please see comments in (S. Nos. 75.1, 75.2 and 75.3) paras 32 & 33 of Chapter I of the Report.

NEW DELHI;
April 21, 1976.
Vaisakha 1, 1898 (*Saka*).

R. K. SINHA.
Chairman,
Estimates Committee.

APPENDIX I

(*Vide* Para 1, Chapter I)

NOTE ON THE AVAILABILITY AND DISTRIBUTION OF COAL RECEIVED FROM THE MINISTRY OF ENERGY (DEPARTMENT OF COAL) *VIDE* THEIR O.M. No. 54012 (1) 175—CDT DATED 20-4-1976

The subject of "Availability and Distribution of Coal" was examined first by the Estimates Committee (1973-74) and subsequently by the Estimates Committee (1974-75). Evidence of the representatives of the Deptt. of Mines was taken in January, 1974 and most of the recommendations of the Committee as contained in the 68th Report to the Fifth Lok Sabha were made in terms of the situation in regard to the availability and distribution of coal as was prevailing at that time.

2. It may be recalled that the later part of the year 1973-74 and even the early part of 1974-75 formed perhaps the most critical period in recent times in the economic situation of our country. Shortage of essential commodities and industrial raw material, power famine, failure in the transport sector and host of other difficulties created serious problems to the country's economy. It was precisely during this period that the nationalised coal industry which was hardly a few months old was trying to organise itself for the tasks ahead. Nationalisation in itself was a revolutionary step in as much as it involved the taking over of the ownership and management of 1,000 coal mines widely scattered all over the country with over 5,00,000 workmen. Providing solution to immediate problems in an industry which was tarved of essential inputs in the days prior to nationalisation, organising the managerial set up and responding to the large number of issues raised by workmen who for years felt neglected and denied their dues under private ownership proved a formidable task. Even though it was evident that the gap between availability and demand of coal was only marginal, it was enough to create an atmosphere of scarcity.

3. Since the beginning of 1975 and particularly during the later part of the year the situation underwent a tremendous change. Firstly, the settlement of the outstanding issues on wages leading

to the signing of the wage agreement in December, 1974 led to better industrial relations. The Government's 20 point economic programme and the Coal Deptt. s 12 point programme gave the coal industry a new sense of direction and imparted to it dynamism. The industry was brought under one umbrella with a holding company and four subsidiary companies to manage the nationalised coal mines. Steps were taken to provide the industry with essential inputs so as to help in rapid increase in coal production. Bulk orders were placed for machinery in advance of sanctioning projects. A scientific plan for rationalising and reorganising the debilitated mines was put in action.

4. The country's coal production which was at a level of 78.17 million tonnes in 1973-74 rose to 88.41 m.t. in 1974-75 and to 99.89 m.t. in 1975-76. Such an increase of about 22 million tonnes in 2 years is unprecedented and India has today emerged as the sixth largest coal producing nation of the world.

5. In the Estimates Committee recommendations the following were specially emphasised:

(i) Urgent need for rapid step up in the production of coal and suitable advance action (Paras 1.27 & 3.40).

(ii) Sound system for collection and evaluation of data relating to coal demand (Paras 2.5, 2.24 and 2.25).

(iii) Planning for coal should be for sufficiency and not for scarcity (Para 2.46).

(iv) Provision of necessary inputs for achieving the Fifth Plan target of coal production including adequate power, rail transport, and machinery as well as built up of organsational arrangements (Paras 3.33 & 3.41).

(v) Vigorous efforts for increasing production of soft coke. (Para 3.88).

(vi) Augmenting productivity (Para 3.111).

(vii) Assuming increased and equitable supply of coal to all classes of consumers (Paras 4.13 to 4.19—4.81).

(viii) Maintaining uninterrupted supply of coal to the steel plants (Para 4.32).

(ix) Ensuring adequate and timely supply of coal to power stations and cement factories (Paras 4.42 to 4.71).

(x) Maximising the utilisation of washeries (Para 6.24).

(xi) Setting up of quality control organisation (Para 7.58 to 7.60).

6. All recommendations of the Committee have been given careful consideration. Action has been taken on all the important matters listed above. The production of coal has been stepped up as described earlier by about 22m.t. in the last two years giving a compound rate of increase of 13 per cent per annum. Advance action has been taken for achieving the Fifth Plan target by preparation of project reports, land acquisition, bulk purchase af machinery, planning for man power etc. The system of assessment of demand is being put on more scientific lines. The standing Linkage Committee has again reviewed the demand for coal of the power stations which is now estimated at a somewhat lower level than earlier in the light of the latest commissioning schedule of power stations. The requirements of steel plants was examined in great detail by a Committee under the Chairmanship of Secretary Deptt. of coal in Sept. 1975 but a recent review for 1976-77 shows that the demand will be lower than indicated earlier. The production programme is being adjusted as far as possible to the changing pattern of demand by pre-scheduling the commissioning of new coal mining projects and by redeploying men and machinery in existing projects. It has always been the objective to plan for coal production a little in excess of the demand as it takes time to build up bustantial production in coal. However till about a year ago coal production did lag behind the demand but only marginally as would be evident from the fact that when the production of coal increased in 1975-76 by 10 million tonnes over the previous years level to the level forecast by the demand estimates of the Fifth Plan for that year, there has been an addition to stocks with the Colleries and the consumers to the extent of about 6.5 million tonnes. This has proved that the earlier estimates were on the high side and the conclusion drawn with reference to these figures that there was a srious shortage of coal was not correct. At least, the shortage was marginal about 2 to 3 million tonnes in a total of about 80 million tonnes as is established by the actual performance in 1975-76. To take specific instances the requirement of coal by power stations for the year 1975-76 had been estimated at 31.5 m.t. in February, 1974. The actual off-take has been about 26 million tonnes and consumption 24.5 m.t.—shortfalls of about 18 per cent in off-take and 24 per cent in consumption. The coal requirements of steel plants was estimated as 39,200 tonnes per day for the second half of the year, 1975-76. The actual consumption has been about 35.000 tonnes, the balance of about 4,000 to 5,000 tonnes per day supplied going into stock until the steel plants imposed

restrictions on further supply. This represents a shortfall of nearly 0.8 million tonnes per year. During March, 1976 when the tempo of production and transport had been built up to the maximum the consumers started restricting the off-take. The following extract from monthly report of the Director (Rail Movement) for March, 1976 is relevent.

> The chief constraint was the refusal of loaded coking coal wagons by the Steel Plants and heavy hold up of loaded raw coal wagons by the washeries. Most of the steel plants failed to clear the loaded coal wagons from the Exchange Yard as a result of which the spill-overs has to be stabled all over the Railway system. This involved stabling of over 20/25 trains daily involving immobilisation of thousands of wagons. Loading from Gidi Washery had virtually to be suspended as washed coal from the same was not being accepted by any steel plants. Loading from Kathara and Swang Washeries had also to be regulated for the same reason. Loading from Damua/Kalichaper collieries had to be suspended due to heavy hold-up of loaded coal wagons for Bhilai. Loading for Durgapur Steel Plant had to be regulated due to their inability to accept freely raw coal loads for breakdown of Room-stacker. Bokharo Steel Plant continued to throttle coal traffic for them due to limited Silo capacity. Rourkela Steel Plant. TISCO and IISCO suspended loading of boiler coal also on their account.
>
> Loading of brick burning coal dropped due to less demand of even high grade coal and practically no demand for lowgrade coal from Mugma/Salanpur/Jharia spheres and Middling. 87 programmed rakes for brick burning coal were cancelled by the consumers.
>
> Demand for Beehive hard coke continued to be low.
>
> Some of the States like Punjab, Haryana, Uttar Pradesh and Rajasthan cancelled their programmed rakes for soft coke. 25 rakes were cancelled during the month.
>
> Many power Houses like Santaldih, Bareilly, Calcuta Electric Supply, Faridabad, Rajghat, Lucknow, Benaras, Allahabad, Chandausi, Mukherian, Mau etc. regulated in take.
>
> A large number of coal trains for each steel plant were stabled on the Railway system for refusal of acceptance.

Demand for Steam Coal for the public has slumped very badly in April.

Loading of blendable and Direct Feed Coal fell short of the programme by 50 wagons a day due to the failure of steel plants/DCOP to accept them."

7. As a result of the slackness in the growth of off-take of coal, the programme for 1976-77 which was earlier envisaged at 111 m.t. had been reduced to 108 m.t. in the Annual Plan. With the latst trends, it is being examined if it should be reduced still further. Productivity has increased significantly in recent months from 0.66 in February, 1975 to 0.84 in February, 1976 in Coal India Limited.

8. Vigorous efforts have been made to increase the production of soft coke. It is proposed to pay special attention to this and it is confidently hoped that further increase to the required level is possible provided there is sustained demand and transport availability.

9. Action has been taken to streamline the procedure for distribution of coal. The country has been divided into marketing zones for the development of each of which a particular subsidiary company of coal India Liimted will be responsible. Each subsidiary company has opened regional and branch sales offices in a number of places for assessing the detailed demand, keeping in touch with the actual consumers, attending to their complaints, promoting sales etc. The objective of the new system is to ensure that even the smallest consumer is not neglected and that the responsibility for reaching coal to all consumers should be shared also by the coal industry which had all along concentrated only on production.

10. With the steps now taken and proposed the Government is confident that availability of coal will always be ahead of the demand. However, the necessary inputs should continue to be available as they were in 1975-76 viz. industrial peace, uninterrupted power supply funds for machinery purchase and adequate rail transport.

Statement showing supply of Coal to important consumers during the last three years

Consuming sector	Supply of coal in million tonnes in 1973—74	1974—75	1975—76
1. Steel Plants (Coking and blendable coal)	13·7	15·4	19·0
2. Power stations	17·0	19·6	24·0
3. Railways	13·9	14·4	14·4
4. Cement Plants	3·6	4·4	4·5
5. Brick Kilns	2·3	2·5	3·0
6. Soft Coke	3·9	3·7	3·7
7. Others	23·4	27·5	26·8
Total coal supplies	77·8	87·5	95·4

Statement showing stocks of coal with important consumers.

	In March, 75		In March, 76	
	In tonnes	Days requirement represented	In tonnes	Days requirement represented
	(a)		(b)	
1. Steel Plants .	2,12,000	8	6,91,000	20
2. Power Stations . . .	1,320,000	18·4	2,845,000	38
3. Cement . . .	2,60,000	20	3,61,500	23

(a) As on 17-4-1975
(b) As on 23-3-1976

APPENDIX II

(*Vide* Serial No. 2.7, Para No. 2.22 of Chapter II)

GOVRENMENT OF INDIA

MINISTRY OF RAILWAYS

(RAILWAY BOARD)

K. S. Banerjee,
Director, Rail Movement,

Eastern Railway House,
Calcutta.

D.O. No. 2A/21 *Dated, 3rd March,* 1975.

SUB: *Coal supply to Cement Factories.*

REF: *My D. O. of even number dated* 28-1-75.

My Dear Saxena,

Though the despatch of coal to the different Cement plants is much less than 5.1 lakh tonnes per month indicated in your D.O. No. CC/CO/3(1)/75-Vol. IV Pt-II.448 dated 24th January. 1975, the number of cement plants throwing up their hands and asking for reduction in supply of coal are coming up daily. The present position is as under:—

(i) M/s. Chettinad Cement Corporation, Virarakkiyam, have suspended their programme up to the middle of March, 1975.

(ii) M/s. India Cement Ltd., Talaiyuthu have regretted their inability to take even the rakes of coal in transit.

(iii) M/s. Bhupendra Cement Works, Surajpur have reduced their programme by 50 per cent and intimated their inability to accept any more coal till the second fortnight of March 1975.

(iv) M/s. Associated Cement Co. Lakheri have reduced their programme by 50 per cent.

(v) M/s. Orissa Cement, Rajgangpur have reduced their programme for March 1975 from 6 rakes to 5 rakes.

(vi) M/s. Madras Cement, Tulukapatti suspended their programme since February 1975 and have not still intimated their willingness to accept their programmed coal traffic.

(vii) M/s. Dalmia Dadri have refused to take their rake in transit and suspended all movements in March 1975.

In view of the above, even the present target for coal for the above Cement Plants (and possible others also) needs a review for reduction instead of any upward revision of the coal target for the Cement Plants as a whole. If, however, it be intended that the present targets are realistic, the different Cement Plants may be advised to take their programmed quantities per month regularly so that the rail capacity in different directions may be properly utilised. Would you kindly do the needful.

Yours sincerely,

Sd/- K. S. BANERJEE,

Shri D. K. Saxena,

Cement Controller & Jt. Secretary,

Deptt. of Industrial Development,

Government of India, New Delhi.

APPENDIX III

Analysis of action taken by Government on the recommendations contained in the 68th Report of Estimates Committee (Fifth Lok Sabha)

1.	Total No. of recommendations	170
2.	Recommendations which have been accepted by Government (*vide* recommendations Nos. 1·1, 1·2, 1·3, 1·4, 2·1, 2, 2·2, 2·3, 2·4, 2·5, 2·6, 2·7, 2·8, 2·9, 2·10, 3·1, 3·2, 3·3, 4, 5, 6·1, 6·2, 6·3, 7·1, 7·2, 7·4, 7·5, 7·7, 8, 9·1, 9·2, 9·3, 11, 12, 14, 15, 16, 17, 18, 19·1, 19·2, 20, 21·1, 21·2, 22·1, 22·2, 22·3, 23·1, 23·2, 23·3, 23.4, 24.1, 24.2, 26, 27·1, 27·2, 27·3, 28·1, 28·2, 28·3, 28·4, 28·5, 28·6, 28·7, 29, 30·1, 30·2, 31·1, 31·3, 32, 33·1, 33·2, 34, 36, 37, 39, 40, 41, 42, 43, 44, 46, 47·1, 47·2, 48·1, 49, 50, 51, 54, 55·1, 55·2, 58·2, 61, 62, 63, 64, 65·1, 65·2, 65·3, 67, 68·3, 70, 71, 72·1 to 72·5, 73, 74·1, 74·2, 77·1, 77.2, 77·3, 78·1, 78·2, 79, 80, 81, 82, 85·1, 85·2, 85.3, 86·2, 86·3, 86·4, 87, 88·1, 88·2) included in Chapter II.	
	Number	128
	Percentage to Total	75·3%
3.	Recommendations which the Committee do not desire to pursue in view of the Government's replies (*vide* recommendations Nos. 7·3, 7·6, 10, 25·1, 25·2, 31·2, 35·1, 35·2, 35·3, 38, 48·2, 52, 53, 56·1, 56·2, 56·3, 57·1, 57·2, 66, 68·1, 68·2, 69, 76·1, 76·2, 76.3, 83·1, 83·2, 84, 86·1, 89·1, 89·2, 89·3, 90) included in Chapter III.	
	Number	33
	Percentage to total	19·4%
4.	Recommendations in respect of which reply of Government has not been accepted by the Committee (*vide* recommendations Nos. 13, 45, 58·1, 59·1, 59·2, 60, 75·1, 75·2, 75·3) included in Chapter IV	9
	Number	9
	Percentage to total	5·3%