

12.08 hrs.

**CALLING ATTENTION TO MATTER
OF URGENT PUBLIC IMPORTANCE.**

**REPORTED SHORTAGE OF COAL IN MANY
PARTS OF THE COUNTRY**

SHRI HARIKESH BAHADUR
(Gorakhpur): Sir, I call the attention of the Minister of Energy to the following matter of urgent public importance and I request that he may make a statement thereon:—

"The reported shortage of coal in many parts of the country resulting in hardship to the people."

SHRI JYOTIRMOY BOSU: (Diamond Harbour): On a point of order, Sir. The Calling Attention notices were given by others also. You do not even fulfil the number of five names on the list. It is on such an important and vital matter. How is it that you have put only four names instead of five names on the Calling Attention?

MR SPEAKER: Within the time fixed, only four had come.

SHRI JYOTIRMOY BOSU: You are the lord of the House....

MR. SPEAKER: I am only the servant of the House.

THE MINISTER OF ENERGY:
(**SHRI P. RAMACHANDRAN**): I appreciate the anxiety of the Hon'ble Members over the question of supply of coal to consumers in the country. I have no intention of trying to explain away the shortages that are being felt amongst certain sections of the consumers. We are very much alive to the problem and are taking all possible steps to deal with it.

We have received reports of shortages from certain parts of the country, particularly from industrial consumers.

However, as I shall explain, these shortages have arisen almost entirely due to a drop in production in Eastern Coalfields and Bharat Coking Coal,

both of which companies were severely affected by floods in September and October this year.

As Members are aware, there are four producing companies in Coal India. In addition, coal is produced by Singareni Collieries, a company in which the State Government of Andhra Pradesh has a majority share-holding and in the captive coalmines owned by TISCO and IISCO. Of the four producing companies in Coal India, two were severely affected by floods. As a result in ECL production from April to October this year has been 12.0 million tonnes against 13.3 million tonnes during the same period last year. In BCCL production has been 10.6 million tonnes this year as compared to 11 million tonnes last year. In WCL which was not affected by floods and where the power supply situation has been good, production has increased from 12 million tonnes during the period April-October last year to 13.1 million tonnes this year. In CCL also production increased from 10.7 million tonnes last year to 11.6 million tonnes this year. In Singareni Collieries, despite the lengthy strike in April and May this year, production increased from 4.96 million tonnes to 5.04 million tonnes this year. There has been some drop in the production of the captive mines this year.

I expect that WCL, CCL and Singareni Collieries will be able to meet their production targets for the year. In ECL and BCCL a shortfall from the target is likely. As Members may be aware, the rate of coal production in the country which is generally low in the first half of the year increases rapidly from the month of October onwards. The floods in ECL and BCCL therefore came at a time when these companies had planned a sizeable increase in the rate of production. The daily rate of production which was about 70,000 tonnes in ECL and 65,000 tonnes in BCCL just before the floods, fell to between 25,000 and 30,000 tonnes per day immediately after the

(Shri P. Ramachandran)

floods. This rate has now increased to about 68,000 tonnes in ECL and 64,000 tonnes in BCCL. This however is lower than the level normally expected in order to reach the production targets. I am however hopeful that production levels in these two companies will return to normal by the end of December. We are also endeavouring to make up in part the shortfall in production in these two companies by stepping up further the production in WCL, CCL and Singareni collieries.

Because of the factors I have mentioned, shortages are being experienced by certain categories of consumers. The shortfalls in ECL have affected supplies to a number of industrial consumers and to the railways. ECL is the largest source of high grade steam coal in the country which is used by industries, and production drop has led to a reduction in supplies to them. Similarly, the production drop in BCCL has also led to a reduction in supplies to the steel plants. We have tried to mitigate the effect of these shortages as far as possible by drawing on stocks. Today the pithead stock of coal in the country is approximately 10 million tonnes. Although all grades of coal are not available in stock, it will be possible to meet the bulk of the country's requirements from current production and stocks. The Central Coalfields have a stock of 3 million tonnes, of which over 2 million tonnes are available in the Karanpura area. This area supplies coal to the power sector, cement plants, industries and railways. In Jharia which is the main source of supply of slack coal to power houses and brick-burners we have 1.6 million tonnes of stock. In Singareni which meets the bulk of the requirements of the southern region we have a pithead stock of 1.2 million tonnes. It is because of these stocks that shortages in the country have been confined to a limited number of units. These shortages have mostly taken place in the case of units which are dependent

upon Eastern Coalfields. Some of the shortages at the consumer end are due to the drop in production in ECL and BCCL and some are due to operational factors connected with the movement of coal from the coalfields to the consuming centres. We are keeping a close watch over the situation to ensure that the pithead stocks are moved to the consumers as quickly as possible.

Some difficulty is being felt in the availability of soft coke. 80 per cent of the soft coke in the country is produced in BCCL and ECL and the drop in production in these two companies has directly affected the production of soft coke. With the progress of dewatering of the mines and the recovery of coal production, the rate of production of soft coke is also increasing and should reach normal levels by the end of December. As regards hard coke, coal India is only one of the sources of supply. Production of hard coke this year upto October has increased from 3.78 lakh tonnes last year to 4.75 lakh tonnes this year.

In conclusion, I would like to emphasise that we are fully aware of the problems caused by the drop of production in ECL and BCCL and we are taking all possible steps to ensure that the hardship of the consumers is reduced to the minimum. We are endeavouring to supply requirement normally met by ECL from areas where stocks of the required grade are available, such as Central Coalfields and Singareni. Although the estimated shortfall in coal production in the country against the target is likely to be about 6 to 7 million tonnes, we expect that the bulk of the demand within the country will be met.

SHRI HARIKESH BAHADUR: I certainly appreciate the problems before the Minister and I can say that he is sincerely working hard to remove the crisis.

But, Sir, there is a great crisis of coal in this country and coal is neither available adequately for the domestic

purposes nor for industrial purposes. Several foundries have been closed and even some big industries like cement industry etc. are also going to be closed. The hon. Member, Shri Vinod Bhai Sheth was telling that there is one very big cement factory in Gujarat which is going to be closed because of shortage of coal. Ultimately it may hamper industrial production and that will create a big problem for the country.

Officers are telling that because of floods, etc. there is scarcity of coal and they are unable to produce coal according to targets fixed by the government, but it is not a fact. Even the officers of the Coal India Ltd. and BCCL are not functioning well. They have actually if I may say so, become careless and irresponsible. That will be more correct. Only in the name of devastation caused by floods they are just telling that coal production has been hampered and that is why there is shortage of coal. It will not be true because there had been some instances on the basis of which one can say that if they had looked into the whole matter properly, this crisis would have been solved to a greater extent.

Another problem is the distribution system. Distribution of coal should be taken over by the government as many members of the House feel and I also feel because, if the distribution system of coal and coke is taken over, certainly hoarders and black-marketeers will not get the opportunity to exploit the people. Today they are getting this opportunity and they are exploiting.

I would like to ask one specific question from the hon. Minister: whether the government has any proposal to take over the distribution system of coal and coke in the near future.

SHRI P. RAMACHANDRAN: About the problems raised by the hon. Member, I can only say that coal production is picking up of late. In the month of November, production has

gone up as I mentioned in my statement. But the only problem that we face today is the problem of shortage and the shortage is mainly in the industrial coal sector. Even then we will see....

SHRI DINEN BHATTACHARYA (Serampore): Soft coke is also not available.

SHRI P. RAMACHANDRAN: I have mentioned in my statement about the shortages. I have not hidden the fact. The problem is that we have got even today in soft coke a stock of about 80,000 tonnes at the pit-heads and in hard-coke, about 1.21 lakh tonnes....

SHRI DINEN BHATTACHARYA: But consumers are not getting.

SHRI P. RAMACHANDRAN: May be.

SHRI DINEN BHATTACHARYA: What may be? The hon. Member also raised this matter.

MR. SPEAKER: Mr. Harikesh Bahadur is a very active Member.

SHRI P. RAMACHANDRAN: Mentioning about the failure of the company officials to reach the target may not be true but with regard to the distribution of coal, government has no proposal before them to take over the distribution of coal. Now what we do is that the soft coke and hard coke are distributed through the sponsorship recommendations of the State governments. That is how this is being done and with regard to other sectors like slack coal it is free. For instance the brick-kiln owners can buy coal as they please. It is only the slack coal that can be sold freely. As far as soft and hard coke are concerned, the State Governments always sponsor some distributing agencies for distribution of coal and the Central Government has no proposal to take over the distribution of coal.

MR. SPEAKER: Shri Vasant Sathe—he is not here.

Shri Chitta Basu.

SHRI CHITTA BASU (Barasat) : Sir, the long statement made by the hon. Minister, let me say that, is disappointing. It covers the truth most. The crisis of the coal industry is not the crisis of shortage of supply. I can contest on that point also. This is more or less a crisis which is reflected in the system of distribution alone. There is widespread corruption. Also there are malpractices, mismanagement and operation of rackets which are responsible for the present muddle, if I am allowed to say that. This is completely a muddle in the coal. It is not a production crisis at all because there is no gap between the demand and supply. The *Statesman* writes editorially on November 20, 1978, only a few days ago, and I quote:

"The production has been estimated a 112 million tonnes and there are about ten million tonnes of pit-head stocks. The coal muddle however, continues despite this safe position."

The *Statesman* calls it a safe position because the estimated demand to-day is in the region between 112 to 115 million tonnes. Therefore, the position is safe, so far as production is concerned and yet the supply gap remains. I only quote one or two instances to show how the steel industry of our country is being badly affected due to mismanagement of the supply of coal. In October this year, the units under the Steel Authority of India had to curtail their production by about 25 per cent because the supply of coking coal was reportedly not more than 36,000 tonnes a day against commitment of 42,000 tonnes.

Again, the situation at Bhilai, TISCO and IISCO has sometime become precarious because of non-supply of the committed coal. Thus, the steel industry has suffered and the Government have decided to import about one million tonnes of soft-coke, that is, coking coal, for the operation of the steel industry at a very high

price, at a price, higher than the prevailing one in the country thereby causing losses to our foreign exchange reserves.

The coal industry of the country to-day consumes about seventeen million tonnes which our industry cannot produce. Apart from the steel industry, other priority sectors of the industry are also suffering, although 85 per cent of the total coal output is allotted to these priority sectors, because of the mismanagement, they are suffering and there has been a loss of production in almost all the priority sectors of Industries. Really, if you will allow me to say so, six million domestic consumers....

MR. SPEAKER : Your statement should be shorter.

SHRI CHITTA BASU : His statement is longer.

MR. SPEAKER : That does not mean that your statement should be longer. You should make a short statement.

SHRI CHITTA BASU : If he has made a short statement, I would have also made a short statement. You know that there are six million domestic consumers and about 20,000 small industrial units who have become the worst victims of this coal muddle created by him. What is the distribution system prevalent today? The sale and distribution is organised through the middlemen. Coal industry is responsible to produce and allot quotas to various industries. (*Interruptions*).

MR. SPEAKER : Mr. Chitta Basu, in Calling Attention you should not read out.

SHRI CHITTA BASU : Here lies the problem.

MR. SPEAKER : You come to the question.

SHRI CHITTA BASU : Here lies the problem of a highly organised racketeering operations in the whole

distribution which involves the persons in high authority, the State Ministers, railway officials and local politicians—I won't spare anybody—and senior staff members of the B.C.C.L. and C.I.L. and, of course, the financiers who are able to grease the palm of others.

MR. SPEAKER: Please come to your question.

SHRI CHITTA BASU: I am coming to my question.

MR. SPEAKER: You are still not coming to your question. You must come to the question.

SHRI CHITTA BASU: I want to know whether it is a fact that because of the operations of the rackets, a huge quantity of the B.C.C.L. and C.I.L. produced coal are being blackmarketed at Rs. 300 per ton as against the official price of only Rs. 70 per ton. Because of this racket CIL has incurred a loss of Rs. 370 crores over these years including the last year. Whether is it also not a fact that industry as a whole is likely to incur a loss of Rs. 145 crores. (Interruptions)

Whether production target will be raised. Whether distribution system will be rationalised to plug the loopholes. Whether buffer stock will be created. Whether a probe will be ordered to go into the depth of this big racketeering.

SHRI P. RAMACHANDRAN: Sir, the hon'ble Member has made a very long speech and is also agitated over the reported shortage of coal. Most of his criticism refers to the distribution system. As regards distribution system the Central Government or CIL do not come in the picture. It is done by the State Governments or the individual consumers. So, we do not appoint any agents to sell coal anywhere in the country. The only responsibility of the Coal Department is to fix a statutory price for the coal sold at the pit-head and there is no control by us over the coal

price in the States. It is for the State Governments to come forward and fix the price for retail outlets in their area. It is not for the Central Government to step into this area where State Governments are competent to do this. (Interruptions). There is no racket. (Interruptions).

The hon'ble Member has made charges about the State Government ministers. I do not think I am in a position to answer those because neither the ministers nor the officials are present here. We will definitely take action if any specific case is brought to our notice.

Sir, as regards the demand also, the revised demand in the country will be only 109 million tonnes in the country for which enough production is going on. So, the demand will be met. But if there are any problems of distribution that you will have to find from the State Governments. Apart from that the coal position is not as bad as it is envisaged by the hon'ble member.

श्री बिजय कुमार महोत्रा (दक्षिण दिल्ली) : अध्यक्ष महोदय, मंत्री महोदय ने अपने उत्तर में कहा है कि कोल की प्रोडक्शन ठीक हो रही है, लेकिन स्टेट गवर्नमेंट्स के हाथ में जो डिस्ट्रीब्यूशन का सिस्टम है—वह ठीक नहीं है।

अध्यक्ष महोदय, दिल्ली के अन्दर गवर्नमेंट आफ इण्डिया की अण्डरटेकिंग सारे डिस्ट्रीब्यूशन का काम कर रही है और इस वक्त यहाँ पर जो कोल-शॉर्टेज है—शायद दिल्ली के इतिहास में इतना वस्ट-फाइसिज कभी नहीं हुआ। दिल्ली के अन्दर 1500 बैगन्ज सॉफ्ट-कोक हर महीने चाहिये, नवम्बर के महीने में अब तक सिर्फ 390 बैगन्ज आई हैं, इस का मतलब है कि 1500 बैगन्ज की जरूरत है, लेकिन सिर्फ 25 परसेन्ट सॉफ्ट-कोक दिल्ली में आ रहा है। दिल्ली में जितना गरीब आदमी है, मिडिल क्लास का आदमी है, तकरीबन सॉफ्ट-कोक पर गुजारा करता है। दिल्ली की लगभग 40 लाख की आबादी इस सॉफ्ट कोयले का इस्तेमाल करती है। आजकल न उनको गैस मिल रही है और न उनको जलाने के लिए कोई और चीज मिल रही है। दिल्ली में चार गुना से ज्यादा कोयले में ब्लैक मार्किटिंग हो रही है। जब डिस्ट्रीब्यूशन करने वाली और कोयला लाने वाली गवर्नमेंट की अपनी एजेंसी है तो फिर दिल्ली में कोयले की शॉर्टेज क्यों है?

अध्यक्ष महोदय, हार्ड-कोक के 525 बैगन यहाँ हर महीने आने चाहिए। उस की जगह अक्टूबर

[श्री विजय कुमार मल्होत्रा]

मैं यहां 70 बैगन धाये और नवम्बर के महीने में एक भी बैगन नहीं धाया—नाट ए सिंगल बैगन। इस की वजह से दिल्ली की सारी फाऊण्डरीज बन्द हो गयी हैं, एक भी काम नहीं कर रही हैं। जहां तक स्टीम कोल का सल्लुक है, उस के 640 बैगस धाने चाहिए थे, लेकिन धा रहे हैं 200 बैगन। स्लेक कोल के हर महीने यहां पर 45 रैक्स धाने चाहिए थे लेकिन जनवरी से अक्टूबर तक के महीनों में केवल 4.5 रैक्स धाये। इस तरह से दिल्ली के अन्दर उसकी खपत का 25 परसेंट कोयला नहीं पहुंच रहा है।

दिल्ली में कोयला लाने वाली भारत कोकिंग कोल लिमिटेड भारत की अपनी एजेंसी है, फिर यह हानत है। जब प्रोडक्शन ठीक है तो फिर क्या वजह है कि दिल्ली में कोयले का इतना भयंकर अकाल है? लोगों को कोयला नहीं मिल रहा है और उसमें यहां ब्लैक मार्किटिंग हो रही है।

अध्यक्ष महोदय, यह कहते हैं कि कोई रेकिटियरिंग नहीं है, मैं कहना चाहता हूं कि इसमें जरूर रेकिटियरिंग है। स्टेट गवर्नमेंट जिन प्राइवेट लोगों को कोयला लाने के लिए स्पॉन्सर करती है, वे लोग वहां से कोयला ला रहे हैं लेकिन गवर्नमेंट एजेंसी को इस के लिए कोई प्रायोरिटी नहीं दी जा रही है। प्राइवेट लोग पैसा दे कर के, रिश्वत दे कर के कोयला ले जाते हैं और गवर्नमेंट एजेंसी नहीं ला पाती है। मैं पूछना चाहता हूं कि इस के लिए आप क्या कदम उठा रहे हैं?

जब आपको मालूम है कि हर साल यहां बाढ़ आती है, हर साल सदियों के महीनों में यहां इतनी भारी ब्लैक मार्किटिंग होती है तो मिनिस्टर साहब क्यों नहीं इस बारे में पहले से कदम उठाते जिससे कि इस शार्टेज की रोका जा सके, इस सिबुएशन से दिल्ली को बचाया जा सके? आप कहते हैं कि आपके पास स्टाक की कमी नहीं है और न बैगस की कमी है।

SHRI P. RAMACHANDRAN: I agree that Delhi's demands have not been met fully. I concede that. And I also mentioned in my statement that there is a shortfall in the production of both hard coke and soft coke.

SHRI VIJAY KUMAR MALHOTRA: It is not 25 per cent.

SHRI P. RAMACHANDRAN: May be. When the Executive Councillor of the Metropolitan Council met me recently, I assured him that immediately some rakes were being loaded and sent to Delhi and we are in constant touch with railways. In regard to soft coke and hard coke, all these problems will be sorted out. And about slack coal, there is no scarcity. The difficulty may be because of movement and haulage problems at some places. Otherwise about slack coal there is no problem at all in the country. Everywhere slack coal is available in plenty. We hope that all these things will be sorted out with the help of the Railways in the course of the next 3 or 4 weeks. That I can assure him.

SHRI VIJAY KUMAR MALHOTRA: Preference should be given to Government agencies.

12.33 hrs.

STATEMENT RE: ESTABLISHMENT OF A RATE OF EXCHANGE BETWEEN THE INDIAN RUPEE AND THE ROUBLE

THE MINISTER OF FINANCE (SHRI H. M. PATEL): Since 1966, the exchange rate between the Rupee and the Rouble has been Rs. 8.333=1 Rouble in accordance with the gold contents of the two currencies as then determined. Due to instability of exchange rates which have characterised the international monetary scene for the last few years and the subsequent demonetisation of gold, gold contents of various currencies have become increasingly irrelevant. Soon after December 20, 1971 when, following the Smithsonian Agreement, a rate of Rs. 18.9677 to 1 Pound Sterling was announced by the Reserve Bank of India, the State Bank of the Union of Soviet Socialist Republics (GOSBANK) announced what it termed an "official exchange rate" of 1 Rouble=Rs. 8.78. Since then, the GOSBANK has been announcing changes in this