

LOK SABHA DEBATES

LOK SABHA

Friday, March 12, 1999/Phalgun 21, 1920 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

[Translation]

DR. SHAFIUR RAHMAN BARQ (Moradabad) : Hon'ble Speaker Sir, 34 thousand Haz Pilgrimmas are not able to undertake Haj Pilgrimage. . . . (Interruptions)

SHRI SHAILENDRA KUMAR (Chail) : Mr. Speaker, Sir, this is a very serious issue. I have given a notice.

[English]

MR. SPEAKER : Shri Shailendra Kumar, you had given notice and I disallowed it. You can raise it in Zero Hour or at any other time.

[Translation]

11.02 hrs.

At this stage Shri Shailendra Kumar and so all other Hon'ble Members came and stood near the Table

[English]

MR. SPEAKER : Please go to your seat. What is this? Every time, you are doing like this. This is not good. Please go to your seat. You are disturbing the House everyday.

11.02½ hrs.

At this stage Shri Shailendra Kumar and some other hon. Members went back to their seats

[Translation]

SHRI SHAILENDRA KUMAR : Mr. Speaker Sir, we have given the notice. 34 thousand Haz Pilgrimmes are roaming on the roads of Delhi.

[English]

MR. SPEAKER : Shri Shailendra Kumar, I have told you that you had given notice and I have disallowed it. You can raise it in Zero Hour or at the time of discussion.

11.03 hrs.

ORAL ANSWERS TO QUESTIONS

[English]

Loss due to fire in Coal Washeries of BCCL

*242. PROF. RITA VERMA : Will the Minister of COAL be pleased to state :

(a) whether there have been cases of fire in the coal washeries of BCCL during the last three years;

(b) if so, the details and the causes thereof;

(c) the loss caused due to fire in the Madhuban Coal Washery of BCCL;

(d) whether the Government have conducted any inquiry into the incident;

(e) if so, the level at which the enquiry is being conducted;

(f) whether the Madhuban Coal Washery was to be started in March 1995 on the basis of initial assessment but the construction of Washery could not be completed within the scheduled period;

(g) if so, the reasons therefor;

(h) whether any action has been taken against the contractor in accordance with the contract;

(i) if so, the details thereof; and

(j) the time likely to be taken to complete the said Coal Washery and the cost likely to be increased thereon?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY) : (a) to (j) A statement is laid on the table of the House.

Statement

(a) and (b) During the last 3 years there have been two instances of fire in coal washeries of BCCL. Details and causes of these fires are as under :

(i) At Bhojudih washery, on 6-5-98 there was fire in starter board in electrical control room. The cause of fire was short circuit in the control panel of the starter board.

(ii) At Madhuban washery, fire broke out after 10.30 PM on 10.12.1998 in the main raw coal feed conveyors (902 A & B). As a result of this fire, the belt conveyors 902 A & B were completely burnt and major portion of the conveyor gantry

collapsed. A committee which enquired into the cases of the fire has found that the most probable reason for the fire was the heat generated due to the friction between rollers and conveyor belting on account of jamming of rollers.

(c) The estimated loss involving rebuilding the gantries including civil, structural, mechanical and electrical equipment is estimated at Rs. 166 Lakhs.

(d) and (e) Enquiry has been conducted at the company level through a high power committee comprising of the following members constituted on 11.12.1998 by the CMD, BCCL :

- | | |
|--|--------------------|
| (i) Shri S.P. Singh, Director
(Tech. P & P, BCCL) | Chairman |
| (ii) Shri R. Khanna, Chief of Washery, BCCL | Member |
| (iii) Shri S. Chattopadhyay, CGM (CP/WC/C), BCCL | Member Secy. |
| (iv) Shri S.C. Trehan, CGM (MM), BCCL | Member |
| (v) Shri B.K. Bhattacharjee, GM (Fin), BCCL | Member |
| (vi) Shri A.P. Singh, Reg. Director, R.I - II, CMPDIL | Member |
| (vii) Shri S. Ghosh, GM (Safety), BCCL
(Co-opted on 25.12.1998) | Co-opted
Member |

(f) and (g) The work for construction of Madhuban washery on turn key basis was awarded to M/s Mining & Allied Machinery Corporation Ltd., a public sector undertaking in December, 1985 and MAMC was supposed to complete the washery by Dec., 1998. As per RCE (93) this was to be completed by March'95 but the work could not be completed within the revised stipulated time due to following reasons.

- (1) Delay in placement of orders for imported and indigenous equipment by MAMC;
- (2) Delay in submission of GA drawing by MAMC
- (3) Delay in completion of construction and commissioning of plant by MAMC.
- (4) Delay in availability of forest land, which affected the works at cross country conveyors.
- (5) Inadequate resource mobilisation by M/s. MAMC and its sub-contractors.

(6) Precarious financial condition of MAMC and Non-Engagement of sufficient agencies with required manpower by MAMC.

(7) Some individuals claimed ownership of the land handed over to BCCL by Forest Department, Govt. of Bihar in Oct., 85. The matter is sub-judice in the court of law.

(h) to (j) MAMC a sick public sector undertaking and the turn-key contractor started facing financial problems quite sometimes back. Since they had done substantial work on the washery, change of contractor in the mid-stream would have involved even further delay and was persuaded time and again to complete the project and finally Madhuban washery was put on load by BCCL for processing coal from February, 1998 and processed about 1.10 lakh tonnes of raw coal till 10th December 1998. The washery will again process coal after rebuilding of the damaged conveyors. As per terms of the contract, only liquidated damage for late delivery can be recovered from the contractor and the same will be recovered from the withheld money with BCCL after acceptance of the plant as per stipulation of the contract. The project was sanctioned at a cost of Rs. 71.90 crores in February 1984. Due to the delay, cost of project was revised at Rs. 194.18 crores in Oct.'1993. The project is expected to be completed within the revised estimate.

[Translation]

PROF. RITA VERMA : Mr. Speaker Sir, the reply given by the Hon'ble Minister is sufficient enough to open everyone's eyes. Such unviable Public Sector undertakings put the existence of other Public Sector undertakings in danger due to their bungling and misdeeds. Specially our colleagues from CPM support every Public Sector undertakings, no matters it may be unviable such as MAMC. You just listen as to how much losses BCCL suffered on account of it. They got a contract in Dec. 1985, which was to be completed by Dec. 1988, but they could not complete it by that time. The time was extended till 1995, but even it could not be completed till March, 1995. The people managed to get it completed through their constant efforts and it was commissioned in Feb. 1998, after 13 years of its inception. After its commissioning the washery could not function properly for eight months as sub-standard and second hand spare parts were used in it. They somehow completed this project by using the sub-standard and second hand spare parts and sub-contracting the contract to shady contractor. The original estimated cost of BCCL was Rs. 71.90 crore, which reached to Rs. 194.18 crore by the completion. Though the washery could not function for one year. Hon'ble Minister has given a reason that rollers had got jammed therefore friction increased between the rollers conveyor belt. As a result of it, fire brake out and the work of Rupees

194.18 crore became a futile exercise. Washery is still not functioning due to the burning of the conveyer belt. I don't know how much money would be needed to get it repaired. So much men-days were losed, so much production has been lossed, and inspite of at all our CPM colleagues always support them . . . (Interruptions)

[English]

MR. SPEAKER : Madam, you can ask question to the Minister and not to the Members.

[Translation]

PROF. RITA VERMA : My question is that whether the Hon'ble Minister has made any effort to blacklist such the unviable Public Sector undertakings? If not, when he is going to blacklist it and when he is going to issue the orders in this regard so that such unviable Public Sector Undertakings may not get work in the coal companies . . . (Interruptions)

[English]

SHRI SUNIL KHAN : Who is responsible for that? The Government is not running it. You give the money to them. Why do you blame the CPI (M)? We are in favour of the public sector . . . (Interruptions)

DR. SUBRAMANIAM SWAMY : Have you understood the question?

SHRI DILIP RAY : Sir, the Mining and Allied Machinery Corporation, which is known as MAMC, is a Government of India undertaking. What the hon-Member mentioned is correct. The work was awarded to MAMC in 1985 and it took almost 13 years to complete it.

[Translation]

PROF. RITA VERMA : Even that also has not been completed.

[English]

SHRI DILIP RAY : As per the contract, we can levy a liquidated damage on the company, which we have already done. We have decided not to give them any work either in BCCL or in any of the subsidiaries of CIL.

[Translation]

PROF. RITA VERMA : Mr. Speaker Sir, besides MAMC there are also many other such Public sector and private companies, which have exploited coal companies right from the very beginning. Many such sharks were brought by the Congress during their regime in their fifty years rule and they have been safeguarding them. Now the Congress and CPM have joined their hands. Congress has brought up the Shark and they safeguarding them.

[English]

MR. SPEAKER : Madam, you have to put the question to the Minister and not to the hon. Member.

[Translation]

PROF. RITA VERMA : Mr. Speaker Sir, I am raising a question that all such contractors, be they in private or public sector, if they are doing anything wrong and they are supplying sub-standard or second hand parts or cables . . . (Interruptions)

[English]

PROF. A.K. PREMAJAM : Then why are you going in for the disinvestment?

SHRI SUNIL KHAN : It is a question of the government's policy. Your Government is a total failure in reviving the Public Sector. . . . (Interruptions)

MR. SPEAKER : Shri Sunil Khan, Please take your seat.

(Interruptions)

MR. SPEAKER : This will not go on record.

(Interruptions)*

[Translation]

PROF. RITA VERMA : Are you preparing any list of such private and public sector companies which are involved in shady deals and which have supplied sub-standard old spare parts or cable or have done the sub-standard work, and which have been debarred to undertake any work in the coal companies. Are you preparing any comprehensive list of public and private companies which are to be black-listed and debarred from under taking any work in coal companies. By when will the work of these coal washeries be completed?

[English]

SHRI DILIP RAY : Sir, we have got about two or three public sector undertakings which are working for us, that is, MAMC, HCL and HSCL. We are having slight problems with them. We are reviewing the functioning of the private contractors also who are working with us. We are taking very strict measures to see that the work is completed in time.

[Translation]

PROF. RITA VERMA : Are you black listing these companies or not?

[English]

SHRI DILIP RAY : We have not given them any work either in BCCL or any of the CIL units. There was a fire

*Not Recorded.

in this Madhuban washery. We are going to start it by September 1999.

[Translation]

SHRI RAJO SINGH : This matter relates to the Bihar State. If we ignore Bihar, how can we solve the problem?

[English]

SHRI BASU DEB ACHARIA : There has been delay in the commissioning of the Madhuban washery. For this delay, besides MAMC, which is responsible, there are a number of factors which the Minister has stated in his statement like payment of compensation and handing over the land etc. When the fire took place, I personally went to Madhuban washery unit. I do not agree with the statement that the losses were only to the extent of Rs. 1.10 lakh. It is much more than that. The losses would not be less than Rs. 20 crore if you include the loss due to non-production. The production has been stopped after this incident. Now, a committee has been constituted.

I have my doubts regarding this Committee which comprises mainly of officers from the subsidiary BCCL. This matter should be inquired into by an independent body. When the washery was not handed over by MAMC to BBCL, why was the production started? Who was responsible for that? Has the responsibility been fixed on anybody? This was a new washery in which a fire accident took place because of which there has been production loss and damage to the extent of not less than Rs. 20 crore. Who took the decision to start production without MAMC handing over the washery to the BCCL? I want to know from the Minister whether this will be inquired into by an independent body, like CBI.

SHRI DILIP RAY : Sir, first of all I must say that this was on a trial production, not on regular production. I have already mentioned that while MAMC was primarily responsible for this fire, we also had some problems.

MR. SPEAKER : The specific question of the hon. Member was whether an independent inquiry will be ordered into it.

SHRI DILIP RAY : I am coming to that, Sir. That was one part of the question.

On our part we have already suspended the officers responsible and are taking action against them. Regarding the cost, it is a fact that an amount of Rs. 1,66,00,000 is required for the repair of this unit without taking into account the man-days lost and the production loss. Regarding the suggestion for inquiry by an independent body, we will examine it.

[Translation]

SHRI RAJO SINGH : Mr. Speaker, Sir, the government have stated in their reply that the determined amount of compensation can be recovered and it would be recovered from the money deposited with BCCL after acquiring plants as per the terms of the contract and the project involving Rs. 71.90 was approved in February 1984. Through you, I would like to know from the government as to who is responsible for the escalation of the cost to the extent of Rs. 194.18 approved in 1993 compared to Rs. 71.90 approved in 1984, and the action proposed to be taken by the government against the persons responsible for this . . . (Interruptions) I want to know the time by which the said amount will be recovered and the date from which the work will be started and the action proposed to be taken by the government against the guilty persons.

[English]

SHRI DILIP RAY : Sir, when this work was awarded to MAMC in 1985, the total cost of the project was Rs. 72 crore. It was later revised to Rs. 190 crore by 1998. The Rs. 40 crore amount was only the additional load of interest on this plus there was a cost over run. I have already mentioned that we have fixed the responsibility. Officers have been suspended and MAMC has been almost blacklisted. We are going to start this unit by September, 1999.

SHRI NADENDLA BHASKARA RAO : Sir, Questions 242 and 243 are interlinked. Question 242 relates to Madhuban Coal Washery and Question 243 is regarding the establishment of coal washeries. We have Singareni Collieries in Andhra Pradesh. There are no coal washeries there. It is a very low grade quality coal that we get in some pits. Is there any proposal with the Government to establish coal washeries there? If not, why does the Government not think of establishing them now?

SHRI DILIP RAY : Sir, the Singareni coalfield is primarily being run by the State Government. The ratio of its share is 51:49 in respect of the State and the Centre. We are looking at it. If there is any proposal from that side, we will look into it.

[Translation]

Time Bound Programme for setting up of Quality Silk Centres

*245. SHRI PRABHASH CHANDRA TIWARI : Will the Minister of TEXTILES be pleased to state :

(a) whether some State Governments have been directed to launch time-bound programme for setting up of Quality Silk Centres in the areas predominant in silk products and silk weavers: