

**ESTIMATES COMMITTEE
1962-63**

THIRTY-THIRD REPORT

(THIRD LOK SABHA)

MINISTRY OF MINES AND FUEL

**Coal Controller's Organisation.
Coal Movement.
Coal Board.
Coal Washeries
Coal Council of India etc.**



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1963/Chaitra, 1885 (Saka)

Price : Rs. 1'80 nP.

LIST OF AUTHORISED AGENTS OF LOK SABHA SECRETARIAT

ANDHRA PRADESH

1. G. R. Lakshminpathy Chetty & Sons, General Merchants & News Agents, Newpet, Chandragiri, Chittoor District (Andhra Pradesh).

BIHAR

2. 'Jagriti', Bhagalpur-2.

GUJARAT

3. Lok Millap, District Court Road, Bhavnagar.
4. The New Order Book Company, Ellis Bridge, Ahmedabad-6.

MADHYA PRADESH

5. The National Law House, Near Indore Library, Opposite Old High Court Building, Indore.
6. Modern Book House, 286, Jawahar Ganj, Jabalpur-1.

MADRAS

7. The Kalpana Publishers, Booksellers, Trichinopoly-3.

MAHARASHTRA

8. The Imperial Book Depot, 266, Mahatma Gandhi Road, Poona.
9. The Popular Book Depot (Registered), Lamington Road, Bombay-7.
- 10 M/s. Sunderdas Chand 601, Girgaum Road —6 Near Princess Street, Bombay.

11. The International Book House, Private Ltd., 9, Ash Lane, Mahatma Gandhi Road, Bombay-1

12. The International Book Service, Deccan Gymkhana, Poona-4.

13. Charles Lambert & Company, 101, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.

14. The Good Companions, Raspara, Baroda.

15. The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.

16. Deccan Book Stall, Fergusson College Road, Poona-4.

17. The New Book Company (P) Limited, Kitab Mahal, 188-99, Dr. Dadabhai Naoroji Road, Bombay.

MYSORE

18. Makkalapustaka Press, Balamandira, Gandhi Nagar, Bangalore-9.

19. People's Book House, Opp. Jaganmohan Palace, Mysore-1.

20. Pervaje's Book House, Koppikar Road, Hubli.

ORISSA

21. The Cuttack Law Times Office, Cuttack-2.

22. Ekamra Vidyabhaban, Eastern Tower Room No.3, Bhuvaneshwar.

PUNJAB

23. The English Book Depot, 78, Jhoke Road, Ferozepore Cantt.

RAJASTHAN

24. Information Centre, Govt. of Rajasthan, Tripolis, Jaipur City, Rajasthan.

UTTAR PRADESH

25. Swastik Industrial Works, 59, Holi Street, Meerut City (U. P.)

26. A. H. Wheeler & Company (Private) Limited, 15, Ilgin Road, Allahabad.

27. Law Book Company, Sardar Patel Marg, Allahabad.

28. Goel Traders, 100-C, New Mandi, Muzaffarnagar.

29. B. S. Jain & Company, 71, Abupura, Muzaffarnagar.

WEST BENGAL

30. M. C. Sarkar & Sons (Private) Limited, 14, Bankim Chatterjee Street, Calcutta-12.

31. W. Newman & Company Limited, 3, Old Court House Street, Calcutta.

32. Thacker Spink & Company (1933) (Private) Ltd., 9, Esplanade East, Calcutta-7.

33. Firm K. L. Mukhopadhyay, 6/IA, Banchharam Akur Lane, Calcutta-1.

CONTENTS

PAGE

COMPOSITION OF THE COMMITTEE	(v)
INTRODUCTION	(vii)
I. COAL RESERVES	1
II. COAL PRODUCTION :	
A. Target and achievement in Second Five Year Plan	2
B. Target for the Third Five Year Plan	3
C. Need for Perspective Planning	6
D. Demand for Coking and Blendable Coals	6
E. Economy in the use of coking coal	7
F. Grant of new mining leases to Private Sector	9
G. Delays in Acquisition of Land	10
H. Output per man-shift	11
I. Amalgamation of Uneconomic Collieries	12
J. Power Requirements	14
K. Supply of Cement, Steel and Timber	15
L. Supply of Explosives	16
M. Requirements of Mining Machinery	18
N. World Bank Loan	19
O. Prices of Coal	22
III. ALLOCATION AND DISTRIBUTION OF COAL :	
A. Allocation System	25
B. Adequacy of Quotas	26
C. Supply of Coal to Railways	27
D. Supply of Coal to Steel Plants	29
E. Quality Control	30
IV. COAL MOVEMENT :	
A. Despatches since 1956	32
B. Movement of Coal by Rail	33
(a) Direction-wise Movement	33
(b) Daily Average Loading	35
(c) Measures to step up coal loading	37
(i) Performance of Moghalsarai Yard.	38
(ii) Box Wagons	38
(iii) Planned Movement Scheme for Priority Classes Z, SSI and BRK	43
(iv) Revised Pattern of Coal Distribution	46
(d) Procedure for Allotment of Wagons	47
(e) Detention to Wagons	48
(f) Siding, Pilot and Depot Capacities	49

(ii)

	PAGE
C. Movement of Coal by Rail-cum-Sea Route	50
D. Movement of Coal by Road	54
E. Movement of Coal by Road-cum-river Route	55
F. Transport of Coal by Durgapur Canal	55
G. Transport of Coal by Pipelines	56
V. COAL BOARD :	
A. Composition and functions of Coal Board	57
B. Reopening of Coal Mines and Seams	57
C. Grading of Coal Seams	58
D. Stowing	61
E. Central Ropeway Scheme	66
F. Special Assistance Scheme	67
G. Fires in Collieries	69
H. Review of Coal Mines (Conservation & Safety) Act., 1952	71
VI. MISCELLANEOUS MATTERS :	
A. Washeries	72
B. Coal Council of India	74
C. Fuel Efficiency Committee	75
D. Low Temperature Carbonisation Plants	78
E. Reports and Returns	79
F. Requirements of Technical Personnel for the Coal Mining Industry	80
G. Organisational Set up of the Office of the Coal Controller	81
APPENDICES :	
I. Statement showing the anticipated power shortage in the coal mining industry with respect to the overall shortage during the Third Five Year Plan.	84
II. Details of programme of manufacturing of coal mining machinery at Durgapur.	87
III. Statement showing the chartered tonnage of shipping utilised for the movement of coal during the year 1962.	88
IV. Statement showing the extra freight incurred due to under-utilisation of the time-chartered tonnage for the movement of coal during the year 1962.	89
V. Statement showing the extra freight on account of difference in the freight rates of chartered tonnage during the year 1962.	91
VI. Procedure for grading of coal seams as laid down by the Coal Board.	93
VII. Ceiling rates for underground cost and surface cost of stowing.	96

	PAGE
VIII. Note on Special Assistance Scheme for collieries specially handicapped by various adverse factors.	100
IX. Statements (A, B and C) showing collieries that have gone out of production due to fires.	104
X. Composition of the Coal Council of India	118
XI. Charts showing the organisational set up of the Office of the Coal Controller.	119
XII. Summary of Conclusions/Recommendations contained in the Report .	123
XIII. Analysis of recommendations contained in the Report	145

ESTIMATES COMMITTEE

1962-63

CHAIRMAN

Shri H. C. Dasappa

MEMBERS

2. Shri Joachim Alva
3. Shri D. Basumatari
4. Shri Brij Raj Singh*
5. Shri Shree Narayan Das
6. H. H. Maharaja Pratap Keshari Deo
7. Shri Govind Hari Deshpande
8. Shri Arun Chandra Guha
9. Shri S. Hansda
10. Shri Ansar Harvani
11. Shri Kanhu Charan Jena
12. Shri Anand Chandra Joshi
13. Lt. Col. H. H. Maharaja Manabendra Shah of Tehri Garhwal
14. Shri Jashvant Mehta
15. Shri N. Sreekantan Nair
16. Shri Ananda Nambiar
17. Shri A. Nesamony
18. Shri Tika Ram Paliwal**
19. Shri Panna Lal
20. Shri Naval Prabhakar
21. Shri K. Rajaram
22. Dr. K. L. Rao
23. Shri Rameshwar Sahu
24. Shrimati Jayaben Shah
25. Shri Diwan Chand Sharma
26. Shri Vidya Charan Shukla
27. Shri Tekur Subramanyam
28. Shri G. G. Swell
29. Shri K. K. Warior
30. Shri Balkrishna Wasnik

SECRETARIAT

Shri Autar Singh Rikhy—Deputy Secretary.

*Elected w.e.f. 15th November, 1962 *vice* late Shri B. J. Singh

**Elected w.e.f. 18th August, 1962 *vice* Shri Shivram Rango Rane resigned.

INTRODUCTION

1. I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Thirty-Third Report on the Ministry of Mines and Fuel—Coal Controller's Organisation, Coal Movement, Coal Board, Coal Washeries, Coal Council of India etc.

2. It would be recalled that 8 years back, the Estimates Committee (1954-55) had examined the estimates of the then Ministry of Production and presented the Fifteenth Report (June, 1955) which dealt with the Coal Commissioner's Organisation and State Collieries and the Salt Organisation. Action taken by Government on the recommendations contained in the above Report was examined by the Estimates Committee (1957-58) who presented the Third Report on the subject.

3. The Committee took evidence of the representatives of the Ministry of Mines and Fuel and Chairman, Coal Board on the 28th, 29th, 30th and 31st January, 1963 and of the representatives of the Ministry of Railways on the 1st February, 1963.

The Committee had earlier taken evidence of the Director, Central Fuel Research Institute, Jealgora on the 22nd November, 1962.

4. The Committee wish to express their thanks to the Secretary and other Officers of the Ministry of Mines and Fuel for placing before them the material and information that they wanted in connection with the examination of the estimates.

As more than 82% of coal is moved by the Railways, the Committee considered it desirable to examine the representatives of the Ministry of Railways on the subject. They are thankful to the Member (Transportation) and Additional Member (Finance), Railway Board, for appearing before the Committee and placing before them the requisite information.

They are also thankful to the Director, Central Fuel Research Institute, Jealgora, for placing before them the material and information that they desired.

5. They also wish to extend their thanks to the representatives of the Joint Working Committee of the Indian Mining Association, Indian Mining Federation, Indian Colliery Owners' Association and Madhya Pradesh and Vidarbha Mining Association, Calcutta, the Indian Coal Merchants' Association, Jharia, and the Lower Grade Coal Producers' Association, Dhanbad for giving evidence and making valuable suggestions to the Committee.

(viii)

6. The Report was considered and adopted by the Committee on the 28th March, 1963.

7. A statement showing the analysis of recommendations contained in the Report, is also appended to the Report (Appendix XIII).

H. C. DASAPPA,
Chairman,
Estimates Committee.

NEW DELHI-I,
April 3, 1963/Chaitra 13, 1885 (Saka).

COAL RESERVES

It has been stated in the Third Five Year Plan that reserves of coal for seams of thickness of 4 feet and above are estimated to be of the order of 50,000 million tons, of which coking coal constitutes 5.6 per cent or about 2800 million tons. Inferred reserves of coal are placed at 80,000 million tons.

It was stated during evidence by the representative of the Ministry of Mines and Fuel that according to the information received in September, 1961 from the Director General of the Geological Survey of India, the estimated reserves of coal calculated for coal seams of three feet thickness and above were 57,000 million tons for non-coking coal and 2800 million tons for coking coal. As against it, the Indian Bureau of Mines had actually proved reserves of only 3,447.26 million tons of coal of all grades, out of which 2755.47 million tons were non-coking coal and 691.79 million tons coking coal.

The Committee understood from a knowledgeable witness that the reserves of coal in the country were a lot more than the official estimates of the Geological Survey of India. He estimated that the reserves of coal were of the order of 200,000 million tons.

The Estimates Committee note that the Coal Council of India have set up a committee on Assessment of Resources, who have entrusted the work of quantitative assessment of coal reserves to the Geological Survey of India and the Coal Board and that of qualitative assessment to the Central Fuel Research Institute. The assessment of coal reserves in the different virgin seams of the Jharia and Raniganj coalfields has been completed. A similar assessment is to be made of virgin coal bearing areas in the Bokaro coalfield. Field work in connection with the reserves in the Korba, Talcher, Karanpura, Hutar, Daltonganj and Raigarh coalfields is in progress.

Qualitative assessment of reserves in respect of Jharia, Raniganj and Bokaro coalfields is expected to be completed early.

The Committee consider that as coal reserves are a matter of vital concern for all developmental plans, it is imperative that they are determined as accurately as possible. In particular, they would urge that the work of prospecting and proving reserves of coking coals which are required for manufacture of iron and steel and several other industrial products may be given high priority.

II

COAL PRODUCTION

A. Target and achievement in Second Five Year Plan.

**Shortfall
in public
sector.**

2. The First Five Year Plan did not contain any specific programme for coal production. For the Second Five Year Plan, a production target of 60 million tons was set for coal in 1960-61—the last year of the Plan. It was fixed having regard to the requirements of industrial and other users and the transportation capacity of the Railways for carrying coal.

The sector-wise target and the actual production achieved in 1960-61 are indicated in the table below:—

	Target ₹ (in million tons)	Actual production ₹ (in million tons)
Private Sector]	44.00	44.04
Public Sector		
(i) National Coal Development Corporation	13.00	8.05
(ii) Singareni	3.00	2.53
TOTAL	60.00	54.62

The Committee observe that while the private sector slightly exceeded its target, the shortfall in the public sector was more than 5 million tons.

**"Novel" in-
terpre-
tation of
Second
Plan
target.**

3. It has been explained by the Ministry that the target was only the rate of production to be achieved during the last quarter of the last year of the Second Plan and that was more than achieved during each of the months January-March, 1962 when the output was more than 5 million tons. This novel interpretation of plan target by the Ministry has been discussed by the Committee in detail in their Report on the National Coal Development Corporation Limited.

The Committee hope that so far as the current Plan is concerned, Government would make all efforts to see that the target of coal production laid down for the last

year of the Third Five Year Plan is achieved both by the private as well as the public sectors.

B. Target for the Third Five Year Plan.

4. The Third Five Year Plan mentions a target of coal production of 97 million tons to meet the estimated demand for coal in the last year of the Third Plan. The Committee find that since the finalisation of the Third Five Year Plan diverse estimates of demand have been made by Government from time to time.

Varying estimates of demand for Third Plan.

The Working Group on Coal Production and Transport, comprising representatives of the Ministry of Mines and Fuel, Railways and the Planning Commission, have expressed the view in their First Report (April, 1962) that the target of production of coal in the last year of the Plan would have to be revised upwards from 97 million tons to 101 million tons, while production in the last quarter of 1965-66 would have to be raised to 26 million tons, i.e. at the annual rate of 104 million tons.

The Working Group in their Second Report (August, 1962) have worked out the production pattern for the Third Five Year Plan and have suggested a revised production target of 98.3 million tons for 1965-66.

The Estimates Committee have been furnished by the Ministry a detailed statement showing the field-wise and year-wise programme of coal production as in July, 1962. According to this statement, while "the target of coal production for the Third Plan is 97 million tons, the Ministry of Mines and Fuel are working for a schedule of 99.98 million tons in order to take care of possible shortfalls in production against individual targets."

It would thus appear that during the first two years of the Plan, there has been a certain amount of uncertainty both in respect of the likely demand for coal as well as in the rate of production to be achieved in the last year of the Third Plan.

•The Committee trust that the production pattern for the Third Five Year Plan as laid down by the Working Group in its Second Report, indicating a target of 98.3 million tons, would be adhered to and that necessary action would be taken to see that it is achieved.

5. The year-wise and field-wise targets of coal production during the Third Five Year Plan as originally worked out by the Ministry in July, 1962 and as later revised and incorporated in the Second Report of the Working Group

Year-wise and field-wise targets of production.

on Coal Production and Transport are indicated below:—

Year	(in million tons)					
	Bengal and Bihar Coalfields		Outlying Coal-fields		Total	
	Original phasing	Revised phasing	Original phasing	Revised phasing	Original phasing	Revised phasing
1961-62 .	43.80	43.2	13.38	11.2	57.18	54.4
1962-63 .	50.61	47.3	13.85	13.8	64.46	61.1
1963-64 .	55.00	51.7	16.25	16.2	71.25	67.9
1964-65 .	60.56	56.3	20.23	20.2	80.79	76.5
1965-66 .	66.74	65.1	33.24	33.2	99.98	98.3

**Shortfall
in 1961-62.**

6. Coal production during 1961-62 i.e. in the first year of the Third Plan was 54.4 million tons as against a target of 57.18 million tons and was even less than the rate of production (54.62 million tons) attained during the previous year. While the private sector achieved its target (46.65 million tons) the shortfall was again in the public sector. This was stated to be due to heavy restrictions imposed by the National Coal Development Corporation on their production (in turn necessitated by accumulation of large pithead stocks on account of transport difficulties) and fire in Kurasia mines.

**Target for
1962-63.**

7. It was stated by the representative of the Ministry that the revised target for 1962-63 (i.e. 61.1 million tons) would be achieved and perhaps slightly exceeded. The Committee were informed that in order to step up coal production after the declaration of emergency, Government exhorted the industry to work round the clock for all the seven days in the week. A general relaxation in that regard was obtained from the Ministry of Labour. As a result, it had been possible to attain an additional production of 2.84 million tons in a period of three months from November, 1962 to January, 1963. It was added that the situation in regard to transport, power and explosives had eased considerably just before the declaration of emergency and with the cooperation of the coal mining industry, it had therefore, been possible to step up production quickly. All the major consumers were kept well stocked with coal and there was no complaint of shortage from them.

The Committee are glad to record their appreciation of the manner in which the Government, industry and

colliery labour have worked hand in hand, since the declaration of emergency, to step up coal production. They hope that every endeavour would be made to sustain this tempo.

8. The Committee also observe from the table given in para 5 above that the revised target of production for 1962-63 is only 1.1 million tons more than the target fixed for the last year (1960-61) of the Second Five Year Plan. They Cannot, therefore, resist the conclusion that the revised phasing in fact has been necessitated by the realisation that the original targets which had been set by the Ministry could not be reached.

9. Another equally significant feature of the revised phasing of coal production is the steep increase in production targets in the latter half of the Third Five Year Plan. **Steep increase in production in latter half of the Third Plan.**

It would be seen from the table in para 5 above that the increase for Bengal-Bihar coalfields is expected to be of the order of—

4.1 million tons in 1962-63	Over the preceding year
4.4 million tons in 1963-64	Do.
4.6 million tons in 1964-65	Do.
8.8 million tons in 1965-66	Do.

In the case of the outlying coalfields the increase in production from year to year is even more disproportionate as would be seen from the following figures.—

2.6 million tons in 1962-63	Over the preceding year
2.4 million tons in 1963-64	Do.
4.0 million tons in 1964-65	Do.
13.0 million tons in 1965-66	Do.

The Committee note that the Working Group have discussed this steep increase in production in the outlying coalfields in the last year of the Plan and have stated that "though the increase from 20.2 million tons in 1964-65 to 33.2 million tons in the next year is very substantial, the Ministry of Mines and Feul are hopeful of achieving it as most of the projects now being developed will begin to produce coal in the last year of the Third Plan...it is hoped that the expectations in regard to production from the outlying coalfields will materialise, if not fully in the year 1965-66, at least in the following year."

The Committee would like to sound a note of caution about the arduous nature of the task involved in stepping up production by 21·8 million tons* during the last year of the Plan. Whether there will be a proportionate rise in demand during the year to absorb the increased production of coal in case the target is reached, is another problem. Not less will probably be the problem of gearing up transport to move the coal. The Committee are not sure if the Working Group have fully satisfied themselves as to the rationale of the present phasing. They would suggest that Government may closely review the phasing of production with a view to correlate it to demand and transport capacity.@

C. Need for Perspective Planning

Assessment of Requirements.

10. The Committee were informed by the representative of the Ministry that the Production and Preparation Committee of the Coal Council had roughly assessed the coal requirements of the country to be of the order of 175 million tons to 180 million tons at the end of the Fourth Five Year Plan and about 250 million tons at the end of the Fifth Five Year Plan.

The Committee are glad to note that the Coal Council have taken initiative in assessing the estimated requirements of coal for the Fourth and Fifth Plans.

As planning and development of new mines take anything upto 8 years, the Committee cannot too strongly emphasise the need for drawing up perspective plans for coal. They agree with the Working Group that it is necessary that a long term programme is drawn up, at least in broad terms, of the future requirements of coal in various regions of the country and an assessment is made of transport requirements therefor.

D. Demand for Coking and Blendable Coals

Assessment of demand as made in the Plan.

11. It is stated in the Third Five Year Plan that the steel plants and merchant cokeries are estimated to require 25 million tons and 2 million tons respectively of metallurgical coal. On the basis that a part of the requirements of metallurgical coal industries would be met by blendable coal, the net requirements for steel plants, at the time the Plan was finalised, were estimated at 23 million tons.

Working Group's assessment.

12. According to the First Report of the Working Group, however, the demand of coking coal and blendable coal for steel plants and merchant cokeries is placed at 2 million tons more than what was assumed at the time the Third Plan was drawn up, that is at 29 million tons.**

*8·8 million tons from Bengal-Bihar coalfields and 13 million tons from outlying coalfields.

@See also para 28 of the 32nd Report of the Estimates Committee on N.C.D.C.

**At the stage of factual verification the Ministry have stated that the figure of 2 million tons is being treated as a cushion. Latest assessments reveal that the demand for metallurgical industries will not be more than 27 millions.

13. It was stated in evidence that due to extensive re-grading done by the Coal Board during the last few years, exhaustion of seams under exploitation containing superior grades of coal and mechanisation,* the targets of grade wise production of coking coal, originally envisaged in the Third Five Year Plan, would have to be affected.

Target for Coking and blendable coals.

It would thus be observed that while the actual requirements of coking and blendable coals would be more than what was envisaged in the Third Plan, the availability of selected coal grades A and B would be less than anticipated.

14. It has been stated in the Plan that "the most important objective of the coal programme during the Third Plan is to ensure that the necessary quantities of coking and blendable coals are made available to the steel plants and merchant cokeries and of superior grades of non-coking coal to the railways and other industries which necessarily require them." Since the present production of coking and blendable coals is only about 17 million tons,** intensified efforts will have to be made to step up their production to 29 million tons by 1965-66.

Need for intensified efforts to raise production.

The Committee would suggest that colliery-wise targets of production of coking and blendable coals may be fixed. They in fact feel that Government should draw up without further delay a grade-wise phased programme of production for each of the remaining years of the Third Five Year Plan. Government should keep a constant watch on the grade-wise production of coal so that there is no shortfall in meeting the requirements of consumers.

E. Economy in the use of Coking Coal

15. The Committee understand that the Director, Central Fuel Research Institute, Dhanbad (Dr. A. Lahiri) had suggested the following measures in 1960-61 to the Coal Board for effecting economy in the consumption of coking coal:—

Suggestions of the Director, Central Fuel Research Institute.

- (i) maximum use of non-coking, weakly coking and semi-coking coals in blends for production of metallurgical coke;
- (ii) maximum utilisation of coke in the metallurgical industry by widening the size range used;
- (iii) use of higher ash in coke in blast furnace by resorting to sintering of iron-ore or, alternatively using coke of the stipulated ash content to lower the consumption of coke by sintering of ore.

*It was explained in evidence that the coal cutter could not distinguish between coal and stone, Mechanisation, therefore, resulted in increasing the inert matter thereby affecting the grade of coal.

**At the stage of factual verification, the Ministry have stated that the production of coking and blendable Coals is 19 million tons.

The Coal Board forwarded the above suggestions of the Director, Central Fuel Research Institute to the Steel Plants for consideration. On receipt of the replies, the Coal Board considered the matter and decided that greater use should be made of non-coking and weakly coking coals in blends. A suggestion was also made that the Steel Plants should instal blending plants for utilisation of non-coking, semi-coking and weakly coking coals in blends.

The Director, Central Fuel Research Institute has stated in a memorandum to the Committee that—

“There is need for conservation in utilisation by limiting the requirement of coke both in relation to ash content, size and strength. It has been possible in many countries to reduce the consumption of coke (by technical measures adopted in operation of blast furnace) by as much as 40 per cent and it will pay us handsomely, if we also make a conscious and deliberate attempt towards this end.”

He has added—

“Unfortunately, the steel plants have so far been refractory to any suggestion for adoption of techniques necessary for maximising blending of non-coking coal or weakly coking coals, though lip service to the principle is often paid. . . . It has been proved that these measures are technically and economically feasible. What stands in the way are the ignorance and the unaccountable aversion to any change from the conventional techniques.”

Ratio between Coking Coal consumption and output of Pig Iron and Steel.

16. The Committee desired the Ministry to furnish information about the ratio between coking coal consumption and the output of pig iron and steel in each of the Steel Plants. The information furnished by the Ministry is tabulated below:—

	Bhilai	Rourkela	TISCO ¹	IISCO ²
Coking coal consumption per tonne of—				
(i) Pig iron	1.353	1.489	1.54	1.60
(ii) Steel	1.042	1.543	1.523	1.40

(By L. D.
Converters)

(Information in respect of Durgapur Steel Plant has not been furnished by the Ministry.)

¹ TISCO—Tata Iron and Steel Company.

² IISCO—Indian Iron and Steel Company.

The Committee observe that for production of 1 tonne of pig iron consumption of coking coal varies from 1.35 tonnes in Bhilai to 1.60 tonnes in IISCO and for 1 tonne of steel, from 1.042 tonnes in Bhilai to 1.54 in Rourkela. Even making allowance for different processes used by the Steel Plants and their age, the Committee feel that the rate of consumption of coking coal is markedly varied. They suggest that Government may constitute an expert committee to go thoroughly into the matter so that practical measures may be taken early to effect economy in the consumption of coking coals by Steel Plants, as India has none too abundant a reserve of coking coals.

F. Grant of New Mining Leases to Private Sector

17. Coal is included in Schedule 'A' of the Industrial Policy Resolution, 1956 according to which all new units in the industry, save where their establishment in the private sector had already been approved, are to be set up only by the State. It does not, however, preclude the expansion of the existing privately owned units. Industrial Policy Resolution 1956.

The Committee were informed during evidence that the Ministry have taken a pragmatic view of the Industrial Policy Resolution and 49 mining leases for development of new areas have been sanctioned to the private sector since 1956. Out of these, as many as 25 are in non-contiguous areas.

The Joint Working Committee of the Indian Colliery Owners' Association, Indian Mining Association, and Indian Mining Federation and the Madhya Pradesh and Vidarabha Mining Association, Calcutta (hereinafter called the Joint Working Committee) have represented to the Committee in their memorandum that—

"When the Third Plan production targets were being drawn up, Government constituted a Working Group to draw up a detailed production programme for private sector collieries. The circular issued by the Joint Working Committee to producers at the instance of the Working Group indicated that the Working Group would consider proposals from private sector mines for stepping up production from existing pits and immediately contiguous areas. Government did not then indicate that production from new areas would be permitted to the private sector. Consequently, when the Third Plan targets were drawn up, very few private sector producers included new areas in their projects."

The Committee were informed by the representative of the Ministry that there was a meeting in Delhi where the Joint Working Committee and the various Mining

Associations were informed in response to their request that their applications for lease of contiguous areas would be granted if these were considered necessary for Plan production and were in keeping with the policy. As for non-contiguous areas, each individual case would be considered on merits.

*The very fact that such a representative body of the industry as the Joint Working Committee even were not very clear about the policy for grant of new coal mining leases, indicates that there has been a certain amount of vagueness and ambiguity about it. The Committee suggest that Government may make their policy clear to all concerned.**

**Cumber-
some pro-
cedure for
grant of
mining
leases.**

18. It has been represented to the Committee by the Madhya Pradesh and Vidarbha Mining Association that the procedure for granting mining leases is very cumbersome and time-consuming. An application has to pass through the following authorities before the lease becomes effective:

Collector-Commissioner-State Government-Department of Mining and Geology-State Government-Union Government-Coal Board-National Coal Development Corporation-Coal Board-Union Government-State Government-Collector.

It was acknowledged by the representative of the Ministry that the procedure admitted of simplification. The Committee would suggest that Government may examine the matter in detail so as to eliminate unnecessary steps and reduce to the minimum the time lag between the submission of application and grant of mining lease.

G. Delays in Acquisition of Land

19. It has been represented by the Joint Working Committee that compliance with numerous formalities prescribed under the Land Acquisition Act takes anything between 5 to 6 years. In this connection, the Joint Working Committee have cited a case where, though the application for acquisition of surface rights was made to the State Government as far back as 1949, the colliery had not yet been put in physical possession of the land it required for mining purposes.

The representative of the Ministry stated that they had asked the Joint Working Committee to let them have a comprehensive list of cases pending with the State Governments so that they might use their good offices to expedite the matter. It was added that the list had not yet

*This matter has been discussed by the Committee at greater length in their Thirty-Second Report on the National Coal Development Corporation Ltd.

been furnished by the Joint Working Committee. The Committee are glad to note that the Central Government are taking interest in the matter.

H. Output per Man-shift

20. Output Per Man-Shift (hereinafter called O.M.S.) in the coal mining industry in India as compared to some of the advanced countries is understood to be as under: **Comparison with other countries.**

United Kingdom	1.47
France	1.26
West Germany	1.73
Belgium	1.09
Netherlands	1.31
India	0.48

According to the Report of the Productivity Team on Bituminous Coal Mining Industries which visited United States, United Kingdom, France and West Germany (1959), the O.M.S. in the United States had gone up from 6.42 tons in 1947 to 11.32 tons in 1958. Many mines are stated to have achieved 50 tons and are aiming at 100 tons.

The O.M.S. in India appears to be very low as compared to other advanced countries.

The Committee were glad to learn from the representative of the Ministry that in some of the new mines, the O.M.S. achieved was as much as 1.2 to 1.3 tons. They consider that there is scope for further improvement in the overall O.M.S. They see no reason why with progressive mechanisation, the coal mining industry should not be able to attain O.M.S. comparable to that achieved by other countries.

21. The Committee were informed by the Director, Central Fuel Research Institute that in the U. S. S. R. significant results in increasing output had been achieved by the adoption of hydraulic mining. Production of coal by hydraulic mining could be stepped up to as much as 15 tons per man-shift. **Hydraulic Mining.**

The representative of the Ministry stated in response to a question that hydraulic mining had been taken up recently on experimental basis in the U.S.S.R. and had yet to be tried on commercial scale. In the United Kingdom also similar experiments were being made.

The Committee recommend that constant studies should be made of new techniques of mining so that those which promise results can be profitably adopted in this country to increase the O.M.S.

**Other steps
to improve
O.M.S.
reduce
Drinking
and Indebtedness.**

22. The Study Group of the Estimates Committee which toured Dhanbad in July, 1962 understood that drinking and indebtedness were two other factors which militated against O.M.S. The Study Group understood that a suggestion had been made to the State Governments as far back as 1958 that pay day might be declared as "dry day", but it had not been agreed to because of revenue considerations. It was also understood that wine shops were located close to the mines and living quarters of labour with the result that the temptation of drinking was placed within easy reach.

The representative of the Ministry stated during evidence that they had tried to take up the matter of declaring pay day as a "dry day" with the State Governments concerned, but had not succeeded.

The Committee are of the view that vigorous steps are necessary to tackle the evils of drinking and indebtedness which have an adverse effect on O.M.S. They suggest that the Central Government may use their good offices with the State Governments to see that the liquor shops are located away from the collieries and miners' colonies and that the pay day is observed as a "dry day". As regards indebtedness, they feel that it should be possible to reduce substantially its incidence by such positive measures as setting up of co-operative credit societies, co-operative consumers' societies etc. A duty is also cast upon the employers to take positive action to curb the prevalence of these evils and promote actively the establishment of co-operative societies in the coalfields.

I. Amalgamation of Uneconomic Collieries

**Number of
uneconomic
collieries.**

23. The number of collieries producing less than 6,000 tons a month (which is the accepted criterion for the economic functioning of a colliery) was 569 in 1961 and their output was 11.37 million tons i.e. about 21% of the total production. The number of uneconomic collieries in West Bengal and Bihar coalfields alone is stated to be 533.

The Report of the Committee on Amalgamation of Collieries, 1956 sums up the working of these collieries in the following words:

"The small collieries are large in number, but their overall output is small. They are small ventures with no equipment. They have no technical staff. They have limited, if any, possibility of expansion. They cannot follow scientific and planned methods of exploitation of coal. They cannot tackle fires. They do not provide housing and other amenities to labour; and as labour in these mines is not organised, collective bargaining is not generally possible. Labour is

not paid wages according to the standards laid down and Provident Fund and other facilities are denied. There is wastage in production. The country is going to need more coal and in the next decade or so, the requirement of coal for industrial purposes may increase to more than 200 million tons. New standards are being laid down. If the industry is to play its part in the immediate future, if labour is to get its due place it should be reorganised. Such reorganisation is hardly possible if so many small units of production, with all the disadvantages mentioned, are to be allowed to continue. They should, therefore, be amalgamated, brought under unified control, reorganised and modernised so that the existing resources will be exploited in the best possible manner and in the best interest of the Nation."

In pursuance of the recommendations of the above Committee, Government appointed in August, 1958 a Collieries Voluntary Amalgamation Committee, to promote voluntary amalgamation of collieries. The Committee has so far approved 43 schemes for amalgamation and rejected 100 schemes because they were not found feasible either economically or technically. It was also understood that certain applications for amalgamation had been rejected because these were not really amalgamation proposals but in fact envisaged opening of new areas. Actual amalgamation has taken place only in 25 cases.

**Collieries
voluntary
Amalgamation
Committee.**

24. Due to inadequate response from collieries, the Voluntary Amalgamation Committee has initiated proposals on an area-wise basis. These too have not made much headway.

**Inadequate
response
from
collieries.**

It was stated by the representative of the Ministry that the smaller collieries would not be able to go beyond a depth of 200 to 300 feet for coal mining as it would require substantial capital investment to sink a shaft to win coal from deeper seams. Many of the small collieries might thus cease to produce coal on reaching a depth of 200-300 feet.

The Committee find that Government have on more than one occasion expressed its acceptance of the principle of amalgamation of small and uneconomic collieries. The Committee would like the area-wise survey to be completed expeditiously and positive action initiated for amalgamation of small and uneconomic collieries particularly those producing coking coal. The good offices of the Joint Working Committee may also be made use of or facilitating the work of amalgamation.*

*See Third Five Year Plan, Page 513.

J. Power Requirements

**Study
Team's
Asses-
ment.**

25. The Committee are informed that the power requirements of the coal mining industry (including coal washeries and ropeways) for each year of the Third Five Year Plan were gone into in detail by a Study Team set up by the Ministry of Irrigation and Power in January, 1962. The Study Team assessed the field-wise demands of power and the overall shortages that might occur in various areas during the Plan. A statement showing the extent of the anticipated power shortage (coalfield-wise) in the coal mining industry together with the recommendations of the Study Team to meet them, is given as Appendix I. In brief, the requirements are estimated to be of the order of 228·27 MW in 1965-66 as compared to 85·71 MW in 1960-61.

Amongst the coalfields the highest additional cumulative requirements would be of Bengal-Bihar coalfields which are expected to be 89·83 MW in 1965-66. The Committee understand that while the power requirements in these coalfields were by and large met satisfactorily till 1960-61, difficulties started arising early in 1961-62 due to simultaneous breakdown of three 75 MW units of the Damodar Valley Corporation.

The Committee were informed during evidence that arrangements had been made for supply of power from Rihand as well as Hirakud grid to Damodar Valley Corporation system. It was expected that the power requirements of collieries would be met at least for the time being.

The Committee would like Government to ensure that the power requirements of collieries, particularly in West Bengal and Bihar coalfields are properly estimated and fully met from year to year. It would be helpful if their power requirements based on Plan production programme are tied up in advance with electric supply agencies.

As suggested by the Study Team, a certain amount of cushion in the availability of power to the collieries may be desirable to meet unforeseen difficulties so that production does not suffer at any stage.

**Power Re-
quire-
ments of
Fourth
Plan.**

26. The Committee would further like to draw attention of Government to the following recommendation of the Study Team:—

“The target of coal raising in the Fourth Plan is likely to be double than what is set for the Third Plan, and to achieve this, the power requirements of the Coal Mining Industry would have to be adequately met right from the start of the

Fourth Plan itself. Since it would take three to four years before power facilities planned could yield benefits, the Team is of the view that every effort should be made from now to avoid any possible power shortage in the first half of the Fourth Plan."

The Committee suggest that the Ministries of Mines and Fuel and Irrigation and Power should initiate early action to assess the power requirements of collieries during the Fourth Five Year Plan and draw up suitable power expansion schemes so that the coal production programme is in no way hampered for want of power.

K. Supply of Cement, Steel and Timber

27. According to the Ministry, the annual requirements of cement for collieries in the private sector are as follows: **Supply of Cement.**

1962-63	108,000 tonnes
1963-64	130,000 tonnes
1964-65	156,000 tonnes.

It has been represented by the Joint Working Committee that in the past collieries have been experiencing shortage of cement required for construction of stoppings and very often a colliery is unable to implement its development or depillaring plans until isolation and explosion proof stoppings are constructed.

The representative of the Ministry stated that whenever collieries had reported about short or delayed supplies of cement, the matter had been taken up immediately with the Regional Cement Officers of the State Trading Corporation.

The Committee would like Government to make advance arrangements for ensuring supply of cement to meet the estimated requirements of collieries and keep a careful watch to see that production programme of no colliery suffers for want of supply of cement in time.

28. The Joint Working Committee have represented that on several occasions in the past complaints have been made by the industry to Government that they are unable to obtain physical delivery of steel even after allotment by the Iron and Steel Controller. It has been suggested that planning for production of steel required for coal industry should be placed on priority basis so that it is made available against the quarterly quotas. **Supply of Steel.**

It has also been suggested that the quantity of steel required by coal mining industry might be made available in bulk to the Coal Controller for distribution to the collieries so that the existing difficulties being faced by collieries in obtaining prompt deliveries of steel might be obviated.

The Committee were informed by the representative of the Ministry that in May, 1962 it was decided by the Iron and Steel Controller that 25% of the steel requirements of a colliery would be met on a priority basis, the balance being supplied in due course.

The Committee feel that now that the position of manufacture of steel has considerably improved, it should be possible to give priority for its manufacture for collieries. They suggest that the Coal Controller may furnish the requisite information about the items of steel required for collieries such as rails, materials for tub-manufacture etc. from past records and the Iron and Steel Controller may place bulk quota of steel at the disposal of the Coal Controller for distribution to collieries. The Coal Controller may keep the Iron and Steel Controller informed about the distribution of the quota through monthly or quarterly returns.

**Supply of
Timber.**

29. The Joint Working Committee have also represented that production to some extent is being hampered for want of timber. The Committee understand that the Coal Council at its meeting held on the 21st September, 1962 had recommended that an Expert Committee should be set up to go into the question of shortage of supply of timber to coal mines. This recommendation of the Coal Council is still under consideration of Government. Meanwhile the Ministry took up the question of expeditious movement of timber with the Ministry of Railways and the latter have agreed to give high priority to the demand of wagons for the movement of colliery stores provided the same was recommended by the Coal Controller. The collieries have been advised to have their demands for movement of timber processed through the office of the Coal Controller.

The representative of the Ministry of Railways, who appeared before the Committee in February, 1963 stated that priority for timber had been raised from Class 'E' to 'D'.

The Committee would like Government to go into the question of shortage of timber experienced by collieries and in the meanwhile maintain a close liaison with the Railways so that their requirements for movement of timber are expeditiously met.

L. Supply of Explosives

**Types of
explosives
needed.**

30. The coal mining industry consumes the following types of explosives:—

- (a) permitted high explosives;
- (b) non-permitted high explosives;
- (c) gun powder;
- (d) liquid oxygen explosives;

- (e) electric and ordinary detonators;
- (f) cordtex—'A' type of fuses; and
- (g) ordinary fuses.

Permitted high explosives and detonators have to be mainly imported. The quantity and value of imports of high explosives and detonators are indicated in the table below:—

Type of Explosive	1959		1960		1961	
	Quantity	Value (Rs. in lakhs)	Quantity	Value (Rs. in lakhs)	Quantity	Value (Rs. in lakhs)
<i>Permitted High Explosives</i> (1000 Unit)	4900 lbs.	64.00	4340 lbs.	56.28	6400 lbs.	85.00
<i>Detonators</i>						
<i>Electric</i>	16.8 million	7.26	16.8 million	7.26	16.8 million	7.26
<i>Plain</i>	Do.	45.05	Do.	45.05	Do.	45.05

31. The Study Group of the Estimates Committee which toured the Eastern Zone in 1962, understood that shortage of explosives had been experienced for about three weeks in June-July, 1962 as a result of which production had suffered in several collieries. The representative of the Ministry stated that only electric detonators of the approved variety, fit for use in gassy mines were in short supply towards the end of June and beginning of July, 1962. There was no shortage of other explosives. It was also stated that there was no shortfall in production due to lack of detonators. It was, however, admitted that there was some delay in the distribution of electric detonators in Bengal-Bihar coalfields as Indian Detonators Limited who were given licence to import electric detonators from East European countries against rupee payment did not have adequate storage and distribution facilities of their own in the coalfields. M/s. Imperial Chemical Industries Ltd. who were established distributors in the coalfields, at first refused to undertake the distribution of electric detonators on behalf of the Indian Detonators Ltd., but later on were persuaded by Government to undertake the work. This arrangement is to continue till March, 1963 by which time it was expected that the Indian Detonators Ltd. would be able to make their own arrangements for distribution of detonators in the coalfields.

Shortage of explosives in June-July 1962.

As detonators are essential for coal mining operations, the Committee consider that Government should have ensured that Indian Detonators Ltd. had proper arrangements for undertaking the distribution of electric detonators in the coalfields. They hope that the necessary arrangements for distribution in the coalfields would now be completed by Indian Detonators Ltd. without delay and that meanwhile suitable action would be taken by Government to ensure uninterrupted supply of detonators to collieries.

M. Requirements of Mining Machinery

**Items
manufactured
indigenously.**

32. The Committee were informed that the following items of machinery suitable for use in the coal mining industry were being manufactured indigenously:

- (i) mechanical portion of pumps;
- (ii) non-flame proof electric motors of about 100 H.P. capacity;
- (iii) mechanical portion of small direct haulages of about 100 H.P. capacity;
- (iv) under carriage for conveyors;
- (v) electric safety lamps and safety helmets;
- (vi) switch gears and starters up to 50 KVA;
- (vii) electric cables;
- (viii) haulage wire ropes;
- (ix) coal cutter machine picks; and
- (x) small auxiliary ventilating fan of about 500 cubic feet capacity.

It is estimated that about 10% of the mining machinery required is at present manufactured indigenously.

Government have taken steps to set up a coal mining machinery plant under the Heavy Engineering Corporation, Durgapur with Russian collaboration for an ultimate capacity of 45000 tons of coal mining machinery per annum. The broad items of machinery which would be manufactured in the plant are indicated in Appendix II.

It was stated that the Heavy Engineering Corporation were at present setting up the workshop and it was expected that by the end of 1963 a certain amount of coal mining equipment, particularly, coal cutters would become available.

The Committee have also been informed that Government have decided to set up with Polish collaboration another mining machinery plant initially with a capacity of 30,000 tons per year with provision for doubling the capacity in future.

It has been stated that with the coming up of the mining machinery plant at Durgapur, at least 50% of the requirements of the coal mining industry (in terms of

monetary value) would be met from indigenous sources by the end of Third Five Year Plan. The expectation is that self-sufficiency in coal mining machinery and equipment would be reached by the end of the Fourth Five Year Plan.

The Committee recommend that redoubled efforts may be made to develop indigenous manufacture of coal mining machinery so that the growing requirements of the industry are met, as far as possible, from indigenous sources.

33. In a memorandum submitted to the Committee, the Lower Grade Coal Producers' Association, Dhanbad have stated that the stringent system of procurement of import licences is hindering lower grade coal production. They have suggested that the import of such machinery as drills, drill-bits, drill-panels, electric cables, etc., which are not manufactured indigenously, may be entrusted to the State Trading Corporation who should serve as stockist to Government. The machinery may be issued to collieries after assessing their needs in consultation with the Chief Inspector of Mines.

Import restrictions on mining machinery.

The Ministry of Mines and Fuel may examine the suggestion in consultation with the Ministry of Commerce and Industry.

N. World Bank Loan

34. An agreement was signed between the Government of India and the International Bank for Reconstruction and Development on the 9th August, 1961 providing for a loan of 35 million dollars (Rs. 16.74 crores) to the Government of India for meeting the foreign exchange requirements of the private sector of the coal mining industry for its development under the Third Five Year Plan. The interest payable is @5½% per annum and the commitment charge is @¼% per annum. The loan has to be repaid by instalments by 15th May, 1976.

Salient features of the Agreement.

Initially, the foreign exchange needed for import of coal mining machinery would be paid by the Government of India but later on the International Bank for Reconstruction and Development would reimburse foreign exchange to the Government when necessary documents showing the actual import of the machinery are furnished to the Bank. Thus, for any import that a coal mining concern may undertake, the matching rupee counter-part would have to be found by the coal mining concern and to this extent it is not really a loan to the coal mining industry but to the Government of India.

35. The agreement provides for five categories under which the loan may be utilised. Details of allocation and utilisation of the loan are indicated in the table below:—

Progress in Utilisation.

(Rupees in crores)

Category	Purpose	Date by which to be utilised	Allocation	Amount for which import licences issued	Amount for which orders placed	Amount for which reimbursement claimed	Amount for which reimbursement received	
I.	Mining Projects for opening new mines.	30-9-1965	2.40	0.41	0.29	..	..
II.	Mining Projects for expansion of existing mines.	31-7-1963	6.67	6.53	}	..	..
III.	Equipment for replacement or maintenance.	Do.	6.38	5.93		6.34	0.00330	0.00330
IV.	Boilers and Steam operated equipment for existing mines.	Do.	0.19	0.04		..	0.00003	..
V.	Spare parts for mining equipment for existing mines	Do.	1.10	1.46		..	0.00057	0.00057
TOTAL . . . . .		..	16.74	14.37		6.63	0.00390	0.00387

The Committee observe from the above table that the utilisation of loan under Category I (mining projects for opening new mines) is not satisfactory.

The representative of the Ministry stated that the entire amount of Rs. 2.40 crores originally allocated for Category I could not be utilised because sufficient number of applications for new mines could not be cleared. The shortfall in Category I was expected to be of the order of Rs. 66 lakhs. On the other hand, Government had already cleared applications for Rs. 7.75 crores for Category II (mining projects for existing mines) against the original allocation of Rs. 6.67 crores. It was stated that the question of obtaining the clearance of the World Bank for diverting the unutilised funds from Category I to Category II was under consideration. It was added that a representative of the World Bank had agreed to recommend to the Bank to extend the time limit for utilisation of the loan under Categories II to V beyond 31st July, 1963.

The Committee would like the Government to ensure that no part of the loan sanctioned by the World Bank is allowed to lapse.

36. The Committee understand that the coal industry had brought to the notice of the Government certain difficulties experienced by them in raising the matching rupee finance from their own resources in order to utilise the World Bank loan facilities. Government took the initiative and brought together the coal industry and credit institutions such as commercial banks, State Finance Corporations, the Industrial Finance Corporation and the Reserve Bank of India at a meeting in December, 1961. At the meeting, the credit institutions expressed their willingness to give all possible help to the coal mining industry in raising the matching rupee finance.

**Difficulties
in raising
the
matching
rupee
finance.**

The Committee understand that as far as the Industrial Finance Corporation is concerned, it had till July, 1962, sanctioned loans totalling Rs. 82 lakhs to three collieries.

It has been represented by the Joint Working Committee that they were experiencing difficulties in getting loans from financial institutions and banks as they could mortgage the mining leases as security for loans only with the prior approval of the Central and State Governments and it was a very slow and time-consuming process.

The representative of the Ministry stated that in order to overcome the difficulty experienced by collieries in mortgaging mining leases, Government had evolved a scheme of guarantee in conjunction with the Reserve Bank of India. The scheme had been accepted in principle by the Reserve Bank of India.

The Committee hope that the scheme of guarantee would be finalised without delay so that the collieries can raise in time the matching rupee finance for importing coal mining machinery under the World Bank loan facilities.

Procedural delays in finalising the Guarantee Bond.

37. The Committee have been informed by the Joint Working Committee that Government had held up the issue of import licences till March, 1962 because of "procedural delays in finalising the guarantee bond". The Joint Working Committee have stated that "the guarantee was originally fixed at Rs. 5,000 for every Rs. 2 lakhs of import licence but was subsequently reduced to Rs. 2,000 for every Rs. 2 lakhs on representation made by the industry. Since no individual or company is permitted to hold more than Rs. 25,000 in National Savings Certificates, a subsequent modification to the bond was made limiting its value to Rs. 25,000. These delays in drafting and finalising the guarantee bond resulted in import licences being held up for several months and prevented utilisation of the loan funds".

The representative of the Ministry stated that the guarantee form had been finalised by about the middle of October, 1961. A question was then raised as to what should be the amount for which a guarantee should be given. A meeting was held where representatives of the Joint Working Committee as well as of the Ministry of Finance were present and it was decided that it might be fixed at Rs. 5000. When for two months no guarantee bond was received by Government, enquiries were made and it was understood that the industry felt that the amount of guarantee fixed was too high. Government later decided, with the concurrence of the Ministry of Finance, that the guarantee might be reduced to Rs. 2000.

The Committee are unhappy that several months were taken in fixing the amount of guarantee with the result that the processing of applications for loan from World Bank was delayed, while in the meantime Government had to pay a committee charge at the rate of $\frac{1}{2}$ per cent. per annum. They feel that the matter have been dealt with greater expedition.

O. Prices of Coal

No relationship between the prices of coal and their heat value.

38. Control over prices of coal/coke is exercised by the Central Government under the Colliery Control Order, 1945, clause 4 of which lays down that:

"The Central Government may, by notification in the Official Gazette, fix the prices at which, or the maximum or the minimum price, or both, subject to which coal may be sold by colliery owners; and any such notification may fix different prices (i) for different classes, grades and sizes of coal; (ii) for different collieries."

The Committee understand that while coal all over the world is sold and purchased primarily on the basis of heat value, in India the prices do not have direct relationship to the heat value of coal either gross or "their useful heat value".

39. Government appointed an Expert Committee in January, 1962 to go into the question of grading and sampling of coal. The Expert Committee is understood to have favoured grading of coal on the basis of calorific value instead of the existing ash and moisture content. This recommendation is stated to be under the consideration of Government who are trying to ascertain the practical effects of implementing the suggestions made by the Expert Committee on coal production and coal prices. The Committee have dealt with this matter in greater detail in Chapter V.

**Expert
Committee
on Grading
of Coal.**

The Committee have no doubt that if Government decide to switch over to the system of calorific value for grading of coal, they would make full use of the opportunity to fix the prices of coal in such a manner that there is incentive for utilising lower grades of coal and disincentive for use of higher grades of coal for which the reserves are none too abundant in the country.

40. From the statements furnished to them, the Committee find that during the last three years i.e., 1960, 1961 and 1962, coal prices have been revised as many as 8 times, twice in each of the years 1960 and 1961 and four times in 1962. The Committee are not happy about the frequent revisions in prices particularly during 1962 when the prices were revised in such quick succession as on 5th February, 1962, 1st June, 1962, 13th June, 1962 and 20th October, 1962.

**Frequent
revision in
coal
prices.**

As coal is used by a very large number of industries, it is obvious that frequent revisions in its price are bound to have repercussions on the general price level. The Committee would, therefore, impress upon the Government the need for confining the revision of prices to the absolute minimum.

41. The Bombay Coal and Coke Merchants Association have stated in their memorandum to the Committee that—

**Sales Tax
on coal.**

"It is highly desirable that Sales Tax on coal and coke must be replaced by excise duty in order to simplify the collection and distribution thereof. At present although coal and coke are controlled commodities and about 90% of the trade is of inter-State character and dealings are made on F.O.R. colliery basis, sales tax authorities in different States interpret the provision contrary to the spirit of law and the collieries as well as

the consumers and middle-men are put to inconvenience and heavy penalties.....It is time that the sales tax on coal and coke be revoked and replaced by excise duty and the total revenues be equitably distributed among the producing State, consuming State and the Centre. This can be easily done by charging excise duty along with the R/Rs....."

From the consumer's point of view the suggestion has certain obvious advantages which merit consideration. The Committee suggest that the feasibility of replacing the sales tax on coal and coke by an excise duty to be levied by the Centre for distribution to the States may be examined in consultation with the State Governments and the Ministry of Finance.

III

ALLOCATION AND DISTRIBUTION OF COAL

A. Allocation System

42. Under the stress of conditions created by the Second World War. Government came to exercise complete control over the distribution and transport of coal. The heavy decline in output and equally large shrinkage in the transport available to move even the reduced output, necessitated certain drastic measures including fixation of prices, overriding of all private contractual arrangements and finally the issue of the Colliery Control Order, 1945. **Need for control.**

The existing control system has been evolved gradually by the method of trial and error. A vast amount of statistical and other information was gradually collected concerning the requirements of individual consumers throughout the country, the classes and quantities of coal they needed, the route by which the coal was delivered and the channels through which orders were placed.

One of the main functions of the Coal Controller's Organisation as it exists today, is to exercise overall control on distribution of coal including allotment of wagons for its movement under various priorities to different consumers throughout India.

The Deputy Coal Controller (Distribution) coordinates the work of distribution of coal having regard to production and availability of rail transport. Allocations are made to different priority classes of consumers as approved by Government.

43. While processing the issue of sanctions the following checks are exercised by the Office of the Coal Controller:— **Checks exercised by the Coal Controller.**

- (i) whether the programme submitted by the consumer is in accordance with the recommendation of the sponsoring authority;
- (ii) whether the grade and size of the coal of the supplying colliery is permissible to the consumer as per specifications laid down by the Fuel Efficiency Committee;
- (iii) whether the movement from collieries to destinations is rational from the transport point of view;
- (iv) whether production is commensurate with the orders booked by a colliery.

**Monthly
bulk allot-
ment.**

44. The supply of coal to a consumer after issue of the priority sanctions takes place under the monthly bulk allotment system which specifies the grade and quantity of coal allotted to a consumer together with the names of supplying collieries. The bulk programme is forwarded for implementation to the Railways with a copy to the collieries concerned for placing indents for wagons on the Railways. The collieries are required to place the indents 72 hours in advance on the railway allotment offices. In case of shipment and bunker coal, the allotment is made under specials, regardless of indents, from the collieries. For higher priorities like Steel Works, Electric Supply Companies, Loco requirements, Port Railways etc. there is a fixed loading programme and the movement of the bulk quota takes place regardless of indents.

B. Adequacy of Quotas

**Disparity
in alloca-
tions and
availability
of trans-
port.**

45. The Committee are informed that coal allocations to consumers prior to June, 1962 were made on the basis of demands received from the various sponsoring authorities. As it was found that there were wide disparities between the allocations made and availability of transport, Government decided to revise the allocations of coal on a realistic basis in keeping with the available transport. Allocations for Centrally controlled industries were fixed in consultation with the Planning Commission and the Ministries concerned, while for the State controlled industries, allocations were made to approximate to the level of despatches of 1961. The allocation of coal was thus made to conform to the wagon loading target fixed by the Railway Board from different coalfields in India.

Following this decision, there were a number of representations from the industry as well as other consumers about the inadequacy of quotas allocated to them. Of late, with the improvement in the supply position of wagons, the despatches are stated to have improved considerably. *The Committee are glad to learn that the important industrial consumers are now well stocked with coal. They would suggest that Government may keep a vigilant eye on the coal requirements of various States/industries so as to see that the quotas allocated by the Coal Controller are not inadequate to meet their requirements.*

**Need for
simplifying
the
procedure.**

46. The Buckingham and Carnatic Co. Ltd., Madras, in a memorandum to the Committee, have stated that—

“The system of State Coal Controllers issuing monthly permits to consumers having standing quotas is cumbersome and due to delays in issuing the permits, consumers frequently lose their quotas due to permits reaching the Coal Controller's Office too late for them to be included in the monthly bulk chart sanction.

"For those consumers having standing monthly quotas, permits should be issued at the beginning of each year to cover 12 months' supply. By this method, quotas would not lapse due to delay in the issue of monthly permits by the State Coal Controller."

As the above suggestion appears to be useful for simplifying the procedure for supply of coal to principal consumers, the Committee suggest that the Ministry may examine the question early.

47. In this connection, the Committee would also suggest that the State Coal Controllers may be asked to assess periodically the actual requirements of the principal consumers in their respective States so that the allocations are made on realistic basis. **Assessment of requirements.**

48. During their tour to Southern India, the Study Group of the Estimates Committee were informed that the Coal Controller had not visited some important industrial and commercial centres in South India for a long time. The Committee would suggest that in order to keep himself posted with the difficulties experienced by consumers, it would be advisable for the Coal Controller or the Deputy Coal Controller (D) to pay visits to various industrial centres particularly those far away from the coal areas and meet the representatives of the industry, chambers of commerce, small scale industries organisations etc. **Coal Controller to visit important industrial and commercial centres.**

C. Supply of Coal to Railways

49. Indian Railways are the biggest single consumer of coal in the country. The total quantities of coal consumed by Government Railways during each of the last six years and their percentage to total consumption in the country, are given below:— **Quantity consumed.**

Year	Quantity of coal consumed by Railways	Percentage of total consumption in India
1956-57	13.426 m. tonnes	32.7
1957-58	14.200	31.7
1958-59	14.830	31.7
1959-60	15.398	31.6
1960-61	16.090	28.9
1961-62*	16.701	30.2

(*Provisional)

The Committee are informed that in the past, the Coal Controller used to procure coal for the Railways from a very large number of collieries based on their offers. The

small Inspection Organisation functioning under the Coal Controller, was unable to cope with the work involved and adequate checks on the coal supplied from the very large number of collieries could not be exercised with the result that the quality of coal had greatly deteriorated. This started having its repercussions on the load and speed schedules of trains and it was felt that the Railways would face difficulties in catering for the ever-increasing traffic in the Five Year Plan periods, if effective measures were not adopted to ensure supply of proper quality of coal.

This problem was examined in detail by the Fuel Economy Enquiry Committees appointed by the Ministry of Railways in 1953 and 1954 and the Expert Committee on Coal Consumption on Railways (1958). As a result of the recommendations of these Committees, the Ministry of Railways and the then Ministry of Steel, Mines and Fuel decided that the Railways should select their own collieries for supply of coal under contract with the collieries. The Railways set up their own Inspection Organisation in the coalfields in August, 1960. A contract with suitable clauses for ensuring quality, was finalised with the coal industry and the supplies under contract system commenced with effect from 1st February, 1962.

Number of complaints of supply of inferior quality coal.

50. In response to a question, the Ministry of Railways have furnished the following figures about the number of complaints of supply of inferior quality of coal and engine failures during the years 1961-62 and 1962-63 (upto October, 1962):—

Year	No. of complaints of supply of inferior quality of coal		No. of engine failures	
	Total	Average per month	Total	Average per month
1961-62 . . .	27084	2257	476	39
1962-63 . . . (Upto October, . . . 1962)	19680	2811	316	45

The Committee are constrained to note that even after the setting up by Railways of their own Inspection Organisation in the coalfields in August, 1960, there has been no reduction either in the number of complaints of supply of inferior quality of coal or of engine failures. They consider

that the Railway Inspection Organisation, which has been set up at considerable expense to Government, should bring about substantial improvement.

This should not be difficult as they find that the standard agreement entered into by the Railways with the collieries provides, *inter alia*, that:

- (i) The Secretary, Railway Board, or any Officers or Inspectors nominated by him or by any other officers authorised to make such nominations in this behalf, shall have the right to inspect the coal during the hours of daylight while the same is being loaded in wagons at the Railway siding of the Supplying Producers.
- (ii) The Inspector/Officer after such inspection may direct the Supplying Producer in writing not to despatch any coal which in the opinion of such inspector or officer is not in conformity with the specifications.
- (iii) In the event of the Supplying Producer disputing the results of any analysis by the Railways, the referee portion of the sample or samples will be submitted to the Central Fuel Research Institute for test and analysis in accordance with the I. S. I. specifications and the decisions of the Central Fuel Research Institute will be final and binding on both parties.
- (iv) Where the supplies do not conform to the specifications laid down the same shall be treated as a supply against the contract and shall be paid for at the rate applicable to the grade of coal to which the sample conforms."

The Committee suggest that the result of working of the Inspection Organisation set up by the Railways should be reviewed to see whether it is commensurate with the expenditure involved.

D. Supply of Coal to Steel Plants

51. The Committee were informed by the Ministry of Mines and Fuel that while they had been able to bring together the Railways and the coal producers to reach an agreement on the form of inspection for checking quality of coal, they had not succeeded in evolving a suitable agreement between the Hindustan Steel Ltd. and the collieries. The Hindustan Steel insisted that the analysis and sampling of coal should be done at the destination, while coal producers were of the view that it should be done at the loading point.

The Committee recommend that the Coal Controller should use his good offices in bringing together the Hindustan Steel and the coal producers so as to reach a satisfactory agreement for ensuring supply of consistent grade of coal.

Need for ensuring supply of consistent quality of coal.

F. Quality Control

Deterioration in the quality of Coal.

52. From a number of memoranda received by them, the Committee learn that there has been a marked deterioration in the quality of coal supplied to consumers. The Coal Consumers' Association of India, who are a fairly representative body of consumers in the country, have stated in their Memorandum that:

"In constant quality of coal varying from 30 per cent. to 40 per cent. or more in ash and moisture affects the working of steam boilers and the practice of fuel efficiency. Because of the bad quality of coal, more coal has to be used to produce the same amount of energy. According to one estimate, the demand of coal today, because of its bad quality, is 5 to 6 million tons higher than it would have been but for the increase in ash content. According to Calcutta Electric Supply Corporation, bad quality of coal and lack of uniformity damage their boilers which result in frequent breakdowns of their thermal plant."

The Madhya Pradesh Electricity Board have also stated in their memorandum that:

"Frequent complaints are being received from the various power stations about the poor quality of coal supplied particularly when there is a crisis in coal supply and the colliery takes full advantage of it to despatch coal along with shale that might have accumulated at the colliery."

The Study Group of the Estimates Committee, which toured Dhanbad in July, 1962, gathered an impression during their visit that the inspecting staff of the Coal Controller and the Coal Board acted in watertight compartments. The Study Group also noted that the Coal Superintendent, Dhanbad who was the senior-most official representative of the Coal Controller (scale Rs. 1300—1600) in the coalfields, had been given no authority under the Colliery Control Order to penalise colliery owners who were found guilty of loading coal below the prescribed specifications.

The representative of the Ministry stated that as a result of surprise checking made in December, 1962, it was found that only 25% of the collieries had adequate number of pickers, another 25% had inadequate number of pickers while the remaining 50% employed no pickers at all. The Committee were informed that Government were taking necessary steps to remedy the situation.

The Committee were also informed that by an amendment to the Colliery Control Order issued in November, 1962, Government had taken the power to cause the

owner, agent or manager of a colliery to adjust the loading of coal according to the declared specifications and in cases of default, to order unloading of contents of wagons or trucks if the coal did not conform to the desired specifications.

The Committee consider that the measures taken by Government towards the end of 1962 should have been taken much earlier as there have been persistent complaints from consumers about marked deterioration in the quality of coal. The Committee also feel that the time has come when Government should review the inspecting machinery in the field with a view to see how it can be rationalised to discharge effectively the function of ensuring supply of consistent quality of coal to consumers.

IV

COAL MOVEMENT

A. Despatches since 1956

**Railways—
the biggest
carriers of
Coal.**

53. The Railways haul as much as 82% of total coal production. This would be clear from the table below:—

(in million tons)

Year	Despatches				Percentage of despatches by rail route to total production
	Production	All rail route	Rail-cum-sea route	By other means	
1956	39.43	34.066	1.078	1.785	86.4
1957	43.50	36.771	1.035	1.959	84.5
1958	45.34	39.401	1.061	2.274	86.8
1959	47.05	40.513	1.006	2.353	86.1
1960	51.78	43.727	1.071	2.982	84.4
1961	55.21	46.665	1.357	4.078	84.5
1962	60.53	49.770	1.880	5.350	82.2

The Estimates Committee have commented in detail in their 32nd Report on National Coal Development Corporation Ltd. on the transport bottlenecks which occurred in Bengal-Bihar coalfields in the Second Five Year Plan period, particularly in 1960-61 owing to lack of coordination between National Coal Development Corporation Ltd./ Ministry of Mines and Fuel and the Ministry of Railways. The Committee are glad to learn that the Planning Commission had decided in August, 1961 that a Working Group comprising the representatives of the Ministry of Mines and Fuel, the Coal Controller, the Railway Board and the Planning Commission (with others concerned to be invited as and when required) should draw up a fully coordinated programme for production of coal and its transport to consuming centres.

**Working
Group on
Coal pro-
duction and
Distribu-
tion.**

54. The terms of reference of the Working Group are:

- (i) to study in detail the fieldwise production programme and ascertain yearwise how much coal and in what grades would be produced from each field;
- (ii) to collect information about the destinations to which coal will be sent; and
- (iii) on the basis of the above two, to draw up a co-ordinated programme for the movement of coal.

B. Movement of Coal by Rail

55. The Working Group submitted two Reports in April and August, 1962. In the Second Report, the Working Group have stated that the Ministries of Mines and Fuel and the Railways have agreed to the production pattern shown below:—

(in million tons)

	1961-62 (actuals)	1962-63	1963-64	1964-65	1965-66
1. West Bengal and Bihar Coal-fields	43.2	47.3	51.7	56.3	65.1
2. Outlying fields	11.2	13.8	16.2	20.2	33.2
TOTAL	54.4	61.1	67.9	76.5	98.3

(a) Directionwise movement

56. After discussing the target of production and the transport requirements for each year of the Plan, the Working Group have recommended that:

“It is necessary to tie up more closely the requirements of coal movement in various directions and the wagon availability in these directions on a year to year basis depending upon the increased line capacities likely to be achieved by the railways each year. The Ministry of Mines and Fuel and the Coal Controller should try to work out the phased requirements of movements directionwise from year to year and the Ministry of Railways should estimate what increased line capacities will be available in each direction from year to year.”

Phased Requirements of Directionwise Movement.

The Committee desired to know from the Ministries of Mines and Fuel and the Railways the action taken on the above crucial recommendation of the Working Group.

The Ministry of Mines and Fuel have stated that fieldwise phasing of the production target of 97* million tons and 104** million tons, together with detailed directionwise movement from each coalfield during 1965-66 was furnished to the Ministry of Railways. In view of this, a detailed breakup of directionwise movement for the revised target of 98.3 million tons (65.1 million tons from West Bengal and Bihar coalfields and 33.2 million tons from outlying

* The target originally envisaged in the Third Five Year Plan is 97 million tons.

** The Working Group had recommended in their First Report that both production and rail capacity should be developed on the basis of the annual rate of production of 104 million tons being achieved during the quarter—January to March, 1966.

fields) was not necessary. The question was, however, under correspondence with the Railways and the Planning Commission. It has been added that "yearwise phasing of the requirements of coal transport in various directions has not been done so far. The Coal Controller has been requested to collect information on a continuing basis to enable an assessment of the directionwise movement of coal being made from year to year".

The Ministry of Railways have, on the other hand, been insisting that in view of the wide fluctuations in the estimates of fieldwise production, particularly from West Bengal and Bihar coalfields, it was necessary that they were furnished the final break-up of directionwise movement corresponding to the production target fixed by the Working Group in its Second Report. In support of their stand, the Ministry of Railways have furnished the following statement to show how the Ministry of Mines and Fuel have been varying from time to time the coal production targets and directionwise movement thereof:

Reference	Ministry of Steel, Mines & Fuel, D.O. No. CP-7 (8)/60 (8)/60 dated 8-9-60	Coal Mining Adviser's D.O. No. C(P)-7 (8)/60 Dt. 24-1-61	Ministry of Steel, & Fuel, D.O. No. CP-2 (39)/6 dated 6-10-61	Ministry of Steel, Mines & Fuel, D.O. No. C(P)-2 (39)/61 dated 12-1-62	Ministry of Steel, Mines & Fuel, D.O. No. C(P)-5 (12)/61 dated 27-2-62	Ministry of Steel, Mines & Fuel, D.O. No. C(P)-5 (12)/61 dated 23-3-62
	Wagons	Wagons	Direction-wise movements not indicated	Wagons	Wagons	Wagons
*Above-Moghalsarai	2938	2750		2651	2260	2334
*Below—Moghalsarai	400	400		345	300	315
*Down Country	1375	1375		1949	1662	1580
*Industrial Area	4086	4700		4150	4085	4078
TOTAL	8799	9225		9095	8307	8307
Production (Bengal-Bihar Coal-fields)	72.5 M. tons	71.03 M. tons	64.25 M. tons	72.45 M. tons	65.96 M. tons	65.96 M. tons
Total production	97.4 M. tons	98.16 M. tons	97.33 M. tons	104 M. tons	97.33 M. tons	97.33 M. tons

- (i) 'Above Moghalsarai' includes all directions beyond Moghalsarai ;
- (ii) 'Below Moghalsarai' is for all destinations beyond the coalfields in the UP direction upto Moghalsarai ;
- (iii) 'Industrial Area' covers all destinations in the coalfields including the Steel Plants;
- (iv) 'Down country' comprises of all destinations below the coalfields including Howrah and Calcutta area, Calcutta docks etc.

The Committee observe that although the yearwise targets of coal production as worked out by the Working Group in its Second Report have been agreed to by the Railways and they are broadly committed to move the quantity indicated therein, the fieldwise target of production and directionwise movement thereof during each of the remaining three years of the Third Five Year Plan, have still not been furnished to them by the Ministry of Mines and Fuel. It is unfortunate that the lessons of the Second Plan when production was deliberately stepped up regardless of the fact that corresponding transport facilities were not available, have yet to be learnt.

Now that a coal production target of 98.3 million tons has been agreed to by all concerned, the Committee would stress upon the Ministry of Mines and Fuel the need to work out the fieldwise targets of production and directionwise movement thereof for each of the remaining three years of the Third Five Year Plan so that the Ministry of Railways get timely notice to gear up their transport arrangements to meet in full the requirements.

(b) Daily Average Loading

57. In 1961-62, the daily average coal loading was 5,999 wagons as against 5,668 wagons in 1960-61. In 1962-63 (for the 10 month period April, 1962 to January, 1963), the daily coal loading had averaged 6,552 wagons which constitutes an increase of 9.6% over the corresponding period of 1961-62. Comparison with previous year.

58. The targets and the daily average coal loading in West Bengal and Bihar coalfields since 1961-62 are given in the table below:— Daily loading in West Bengal and Bihar Coalfields.

(In B.G. Wagons)

Year	Steel Plants		Washeries		Other consumers			
	Target	Daily Average loading	Target	Daily average loading	Target	Daily average loading	Overall daily loading	
1961-62	1434*	1111	**	116	**	3572	5246	4799
April-June, 1962	1400	1168	450	139	3646	3369	5496	4876
July-Dec. 1962	1400	1228	450	285	3766	3814	5616	5327

*Reduced to 1,400 from 1-1-62.

**On 1-4-1961 the target for 'Other consumers' (including washeries) was 3,596.

On 1-7-1961 it was raised to 3,796.

On 1-1-1962 the target for washeries was fixed at 450 wagons while the target for 'Other consumers' was fixed at 3,646 wagons.

It would be seen from the above table that there was a shortfall in the daily average loading for steel plants and washeries as compared to the target fixed. The representative of the Ministry stated during evidence that the shortfall was due to the fact that the actual requirements of the steel plants and washeries were less than provided for. He added: "We anticipate no difficulty in meeting the requirements of steel plants or washeries, provided there is no change in the pattern of movement."

The Committee find from the information furnished to them by the Ministry of Railways that "even at this late stage in the Plan, there is no clear cut understanding in regard to the linking of individual collieries with washeries and movement from washeries to steel plants etc." The Ministry of Railways have further pointed out that both in regard to short leads as well as long leads, "the movements have got to be visualised, spelled out and clearly provided for in the Plan with, of course, some margin for adjustment to meet special contingencies".

The Committee would urge the Ministry of Mines and Fuel to work out expeditiously, in conjunction with the Ministry of Steel and Heavy Industries, the wagon requirements for movement of coal from individual collieries to washeries and steel plants for the remaining years of the Third Five Year Plan.

**Loading
for other
Consumers.**

59. The Committee further observe that since July, 1962 the daily average loading for "Other consumers" has not only equalled the target but exceeded it. This is a creditable achievement and the Committee hope that the Railways would endeavour to increase the target of loading for "other consumers", for it is well recognised that the requirements of consumers are very much higher than the target fixed by the Railways. They would also suggest that the Ministry of Mines and Fuel may work out at an early date the phased requirements of "Other consumers" so that the Railways have a clear picture of the targets that they should aim to attain.

**Loading
target for
1965-66.**

60. The Committee understand that the total number of wagons required to be moved from West Bengal and Bihar coalfields in 1965-66 to match the production target of 65.1 million tons would be 8,200 per day. As against this, the Railways are moving at present only 5,327 wagons per day. This implies that the Railways would have to step up movement by 2,873 wagons per day during the remaining three years of the Third Five Year Plan. The Committee hope that the Ministry of Railways would see to it that the works programmed by them are completed according to schedule so that the loading targets are fully achieved.

61. The target and daily average coal loading in the outlying coalfields in 1961-62 and 1962-63 (upto December, 1962) are indicated in the table below:—

Daily load
ing in out-
lying
Coalfields.

(M.G. Wagons)

Year	Pench & Chanda		Korca & Rewa		Talcher		Singareni	
	Target	Daily average loading	Target	Daily average loading	Target	Daily average loading	Target	Daily average loading
1961-62	419	390	482*	383	85†	68	367**	317
April-Dec. 1962	419	410	530	471	100	72	380	337

It was stated by the representative of the Ministry of Railways in evidence that they were committed to meeting all the requirements of outlying coalfields and were abiding by it. It is understood that the shortfall in daily average loading as compared to the target is due to lack of indents for wagons from coal producers. *The Committee hope that Government would take necessary measures to step up production in the outlying coalfields so that at least the existing railway capacity for movement of coal from these outlying fields is utilised in full.*

(c) Measures to step up coal loading

62. The Ministry of Railways have informed the Committee that the following major steps are under way for improving coal loading in the Third Five Year Plan: **Steps taken.**

- (i) switching over from piecemeal coal loading in four wheeler (22 ton) wagons to bulk loading in block rakes of box wagons (55 tons) loaded in single or small groups of adjacent collieries at central depots for single destinations;
- (ii) provision of capacity works, additional facilities at terminals, doubling of lines, additional crossing stations, lengthening of loops, remodelling of yards etc.;
- (iii) dieselisation and electrification of traction;

*The target was revised from time to time as under :—

April, 1961 to June, 1961	400
July, 1961 to December, 1961	500
January, 1962 to March, 1962	530

†The target was raised from 39 to 100 in July, 1961.

**The target was raised from 363 to 380 on 1-1-1962.

(iv) improved signalling and tele-communication; and

(v) introduction of long distance marshalling orders.

(i) *Performance of Moghalsarai Yard*

Moghalsarai-Key yard for Coal Movement.

63. One of the operating problems of the Railways created by the concentration of over 80% of coal production in the Bengal and Bihar coalfields is the heavy movement of coal in what is called the 'above-Moghalsarai' direction. Moghalsarai is the focal point through which all movements from the coal and steel regions and from the Calcutta port to northern and north-western India have to pass.

Before the First Plan, the Yard used to deal with an average of 2650 wagons daily in both the directions but gradually as a result of additional facilities being provided and pre-planning of block rakes from coalfields, the daily average number of wagons has gone up to as much as 5098 wagons in August, 1962.

The Committee consider that since Moghalsarai is the key yard for movement of coal, its planning and performance should receive constant attention of the Railways.

(ii) *Box Wagons*

Advantages of Box wagons.

64. For bulk loading of coal and iron ore, bogie type box wagons are stated to be the standard in the United States, U.S.S.R. and many other countries. Coal movement programme of the Railways during the Third Plan period envisages more and more reliance on the box wagons (55 tons). These wagons have a track loading density of 1.77 tons per foot length of track and 1.22 tons of pay-load per foot length of track as compared with the equivalent figures of 1.35 and .93 respectively of 4-wheeler open broadgauge wagons.

A rake of 4-wheelers (22 tons) can at the most comprise 72 wagons and, therefore, can carry a maximum pay-load of 1584 tons. On the other hand, a rake of box wagons (55 tons) comprising a maximum of 44 wagons can carry a net pay-load of 2,420 tons. This indicates that a rake consisting entirely of box wagons can carry 53% more than a rake consisting exclusively of ordinary 4-wheeler wagons.

Other advantages accruing from the introduction of these wagons are stated to be:—

- (i) higher speed potential (provisionally fixed at 45 m.p.h.) and consequently greater throughput;
- (ii) economy in maintenance; and
- (iii) obviating the need for additional line capacity works.

65. In the Second Five Year Plan, the number of box wagons provided for and the number actually delivered was as follows:—

**Shortfall
in delivery
of Box
wagons.**

Year	Target for box wagons	Number actually delivered
1958-59	1750	..
1959-60	1720	4
1960-61	2587	1836
TOTAL	6057	1840

The Committee observe that during the Second Five Year Plan only 1840 box wagons had actually been delivered to Railways against a target of 6057.

The representative of the Ministry informed the Committee during evidence that the shortfall in production of the box wagons in the initial stages was due to delay in designing and testing of the new type of wagon, lack of equipment and trained personnel to manufacture it and paucity of steel casting capacity in the country.

66. The programme for provision of box wagons during the Third Five Year Plan is stated to be as under:

**Program-
me for
Third Plan.**

1961-62	5390
1962-63	2112
1963-64	5874
1964-65	2676
1965-66	..
TOTAL	16052

The representative of the Ministry of Railways stated during evidence that orders for the manufacture of wagons had been placed on larger number of manufacturers and they were hopeful of achieving the target.

The Committee regret that there was a heavy shortfall in the manufacturing programme of box wagons in the Second Five Year Plan. This shortfall had in no small measure contributed to the difficulties in transport of coal which were experienced in the last year of the Second Five Year Plan. Since coal movement programme of the Railways in the Third Five Year Plan hinges in a large measure on the availability of the requisite number of box wagons, the Committee would like the Ministry of Railways to ensure that the target for manufacture of these wagons is fully achieved.

**Need for
Strengthen-
ing remodelling the
Colliery
Sidings.**

67. The Committee understand that there has been some controversy between the Railway Board and the colliery owners as to who should bear the cost of strengthening/remodelling of colliery sidings to make them fit for dealing with box wagons. The Railway Board have been insisting that the colliery sidings should be strengthened/remodelled by the colliery owners under the existing siding agreements while the contention of the coal industry is that the cost involved would be heavy and should be borne by the Railways. The following arguments have been advanced by the Joint Working Committee in this regard:

- (i) The circumstances which have necessitated strengthening of sidings have been brought about by the Railways to suit their operations;
- (ii) such "produced" circumstances cannot be considered as normal and accordingly, cannot be viewed in the light of the terms and conditions of existing siding agreements and must be considered as outside the scope of such agreements;
- (iii) the considerable additional and exceptional expenditure which coal producers are being called upon to meet to render their sidings suitable for box type wagons provides no additional benefit to the siding owner, in that the entitlement to receive wagon supplies already exists and is in no way enhanced by the alteration of the siding;
- (iv) the sale prices of coal are rigidly controlled by Government and there is no provision in the current controlled selling prices to cover extraordinary expenditure of the nature arising out of the Railways' requirement that sidings be strengthened; and
- (v) siding agreements were negotiated when box wagons were not conceived.

The Committee consider it unfortunate that at a time when box wagons are to be increasingly made use of for transporting coal, there should continue to be delay in strengthening/remodelling colliery sidings because of a controversy having risen between the industry and the Railways over the question of meeting the cost involved. It is obvious that collieries would gain in no small measure from the speedier clearance of coal in box wagons. The Committee, therefore, expect that Government and the colliery owners would settle the matter without loss of time so that planned movement of coal in box wagons is in no way impeded.

Free Loading Time.

68. Another matter which has been the subject of controversy, relates to the free loading time allowed by the Railways for loading of box wagons. The free time is

reckoned from pilot to pilot subject to a minimum of 5 hours of daylight. It has been represented by the Joint Working Committee that few collieries are at present capable of loading the box wagons within the free time allowed as it is neither mechanically nor manually possible to load a rake of 14, 20 or 28 box wagons within 5 hours.

The Ministry of Railways, on the other hand, have stated that in a demonstration held in August, 1962 a colliery owner had shown that a rake consisting of 28 box wagons could be loaded within the scheduled time of 5 hours.

It is obvious that due to the progressive increase in the demand for movement of coal and other general goods traffic, it would not be in general interest to relax the limit of free loading time. The Committee feel that even if bunkers are not installed by collieries because of the substantial capital outlay involved, there should hardly be any objection to the provision of mobile loading machines or traxacavators to speed up loading. In the case of smaller collieries, the mobile loading machines and traxcavators could be provided on cooperative basis. The Committee would urge the Government to take active interest in the matter so that the collieries suitably equip themselves for speedy loading of wagons.

69. It has been stated by the Joint Working Committee that in the case of box wagons, if any one wagon in a rake is not loaded due to any reason whatsoever, demurrage becomes payable on the entire rake. It has been contended that the inability of the Railways to draw out box wagons piecemeal is essentially due to the centre buffer coupler, over which the collieries have no control and it is therefore unfair to impose demurrage on the entire rake of box wagons for failure to load a single wagon. **Demurrage.**

It was stated by the representative of the Ministry of Railways that the rules laid down that where a block rake of 20 box wagons or more was kept and if any box wagon was not loaded, demurrage charges were levied for the whole rake. It was also admitted that no such demurrage charge was levied in the case of a rake consisting of ordinary 22-ton wagons. The reason for difference in levy of demurrage was ascribed to the difficulty of pulling out piecemeal box wagons with centre buffer coupler.

The Committee consider that with the increasing use of transition device for shunting box wagons, it should be possible for Railways to examine sympathetically the request of the industry that demurrage should not be levied for the whole rake of box wagons for failure to load one wagon in time.

**Weigh-
bridges for
Box
wagons.**

70. There have been widespread complaints that in the absence of 100-ton weighbridges the collieries have not been loading the box wagons properly with the result that consumers have to bear shortages which are sometimes as much as 10 to 15 per cent. This complaint was voiced repeatedly to the Study Groups of the Committee during their tours.

The Railways have informed the Committee that separate loading lines for steam/rubble and slack/dust coal are marked in the box wagons on the basis of the average bulk density for all grades of coal. While the maximum variation between the highest and the lowest density coals might be about 8 per cent., the actual difference would be within 5 per cent if loading is evenly done as per instructions upto the loading lines marked for different sizes of coal.

The Committee were further informed by the representative of the Ministry of Railways, during evidence, that the Railways had provided four (100-ton) weighbridges for box wagons on the Eastern Railway and one on the South-Eastern Railway. It was added that there was a proposal to provide five more such weighbridges each on the Eastern and South-Eastern Railways during the remaining years of the Third Five Year Plan.

The Committee consider that as there is admittedly the possibility of 5 per cent variation in loading according to line, which by no means is negligible, early steps should be taken to provide adequate number of 100-ton weighbridges to weigh box wagons.

**Private
Weigh-
bridges.**

71. The Committee understand that a rebate of 6 naya paisa per ton is allowed by the Railways to collieries who instal their own weighbridges. It has been represented by the Joint Working Committee that in view of high capital cost involved (Rs. 1,50,000 per 100-ton weighbridge) as well as the heavy maintenance expense, the rebate is no longer adequate.

The Committee suggest that the matter may be discussed by the Ministries of Railways and Mines and Fuel with the industry so as to induce the bigger collieries at least to instal weighbridges suitable for box wagons. The Railways may also consider the question of providing more such weighbridges on their own.

Pending the installation of sufficient number of such weighbridges, the Ministry of Mines and Fuel may take suitable steps to see that the collieries load the box wagons strictly in accordance with the instructions laid down for different sizes of coal.

72. The Committee understand that in order to overcome the difficulty of linking box wagons with the conventional 4-wheelers, certain proportion of the box wagons are being provided with transition couplers. Portable transitions have also been devised for shunting movements. Certain other improvements recently effected to overcome the difficulties arising out of the design and construction of box wagons are stated to be as under:—

Difficulties arising out of the design and construction of box wagons.

- (i) top hinged doors are being modified into bottom hinged doors to facilitate loading and unloading;
- (ii) falling of coal on track at the unloading point has been overcome by the modified design of doors and by alternative improved methods such as unloading chutes and bins; and
- (iii) initial design of hand brakes operated from the ends which was found inconvenient has been changed to enable operation from the side of the wagon.

The Committee would like the Railways to continuously study the difficulties which are being experienced in the use of box wagons so that these are rectified promptly.

73. The Ministry of Railways have stated in their memorandum that:—

Economics of box wagons.

“It is true that it is difficult to backload the box wagons for want of suitable traffic offering. Nevertheless some box wagons are being given backloads also and efforts are being made to secure backloads for more of such wagons. The box wagons have, however, been introduced with a view to enable the railways to increase the loads of goods trains and thus avoid additional line capacity works such as doubling and quadrupling of lines which would be necessary if the traffic anticipated to be generated during the Third Five Year Plan has to be moved in ordinary 4-wheeler wagons.”

The Committee would like the Ministry of Railways to pay particular attention to the question of securing suitable backloads for box wagons so that they do not have to return empty over long distances.

(iii) *Planned Movement Scheme for Priority classes. Z, SSI and BRK*

74. It is stated that the planned movement scheme for priority classes *‘Z’, *‘SSI’ and *‘BRK’ was introduced with effect from September, 1961 as a large number of low

Despatches in block rakes or half rakes.

* ‘Z’ stands for soft coke for domestic consumers.

‘SSI’ stands for hard coke/steam coal for small scale industries.

‘BRK’ stands for slack coal and rubble for bricks kilns.

grade coal producers were almost on the verge of closing down due to accumulation of stock against limited facility for despatches. Prior to the introduction of the system of planned movement, the Coal Controller used to allocate quotas of 'Z', 'SSI' and 'BRK' coal for each State, against which State Coal Controllers used to issue permits to different consumers. The coal merchants, on behalf of the consumers, selected collieries and on presentation of the permit along with the consent of the supplying colliery, the necessary sanction was issued by the Coal Controller. The Railways supplied wagons on indents against such sanctions.

It was stated that the despatches of 'Z', 'SSI' and 'BRK' coal suffered partly because these classes enjoyed low priority for wagon allocation and partly because of manoeuvrings by the merchants

Under the scheme of planned movement, the Coal Controller after taking into account the requirements of different States draws up a programme for despatches by producers. The despatches are made, as far as possible, in block rakes or half rakes for different destinations on the same route.

75. The Indian Coal Merchants' Association have in a Memorandum stated that—

**Complaints
of Deterio-
ration in
quality.**

"The consumers (and their agents) have no more any freedom to choose the collieries or coal. Contiguous collieries of a given area are selected by the Coal Controller for a block rake and the consumers are to take whatever coal these collieries may load the wagons with.

As a result, the quality of the despatches has badly deteriorated since September, 1961....."

The representative of the Ministry of Mines and Fuel admitted during evidence that under the scheme, the choice of the consumers or the middlemen had necessarily to be eliminated in order to despatch coal in full and half block rakes as per planned programme.

Since the consumers no longer have a choice of collieries for obtaining their requirements under the planned movement scheme, greater responsibility rests on the Coal Controller's Organization to ensure that the despatches conform to the prescribed grades.

**Denial of
1% concess-
ion in
Sales Tax.**

76. The Committee further understand that under the planned movement scheme, the consumer is denied the relief of 1 per cent concession in sales tax since permits are issued to non-consumer consignees e.g., District Magistrates and the consignments are booked in their name.

It was stated in evidence that the matter had been referred to the Central Board of Revenue about three months earlier but no decision had yet been taken.

The Committee feel that the bulk movement scheme should not result in denial of 1 per cent concession in sales

tax to consumers merely because of technical formalities. They would like the Ministry to see that the matter is expeditiously settled.

77. The Committee received a number of memoranda from Brick-Kiln Owners' Associations in different parts of the country bringing out their difficulties in getting timely and adequate supplies of coal through Railways. The Northern India Coal Consumers' Association, in a memorandum to the Committee, have stated that:

**Position of
BRK coal
supplies.**

"Slack coal for brick burning purposes under class "BRK", prior to planned movement used to be abundantly supplied during slack season, say July to October, every year while scattered supplies were made available during the busy season....With the planned movement, a regular supply is however made but it is not sufficient or feasible for the kiln owner to run a kiln unless he accumulates at least 20 wagons. For example, Delhi has 250 brick coal wagons and the monthly quota of slack coal wagons is 4 block rakes of 80 wagons each i.e., 320 wagons a month. As such, each kiln gets 1-1/3 wagon a month while he requires six wagons a month. This planned system has disrupted the brick kiln industry and also these wagons which used to be supplied to other important industries during the busy season are made available to brick industry with no advantage to it."

The Bengal Brickfield Owners' Association have also stated in their memorandum that—

"During the slack period (July to November) every year, this Association is allotted by the Coal Controller, under spare capacity, a few hundred wagons of coal for distribution to members through middlemen on the basis of monthly programmes for several thousand wagons, which are recommended by the State Civil Supplies authority. This year this Association submitted monthly programmes under spare capacity for 9500 wagons in total against which only 310 wagons actually moved. It is evident from the aforesaid figures that the supply under this head is hardly worth mentioning."

The representative of the Ministry of Railways stated in evidence that with the increased tempo of development, slack season as such on the Railways had ceased to exist and therefore they were unable to move BRK coal in larger quantities during that period. He further stated that according to the priorities drawn up by the Ministry of Mines and Fuel for movement of various grades of coal,

BRK coal had been given the lowest priority. Therefore, whenever there was short supply of wagons, movement of BRK coal which enjoyed low priority, suffered. He suggested that the solution lay in the establishment of dumps at various places from where brick kilns could draw their supplies. The dumps could be stocked by moving coal in bulk.

From the memoranda submitted to them as well as from the impressions gathered by the Study Groups of the Committee during their tours, the Committee find that shortage of BRK coal has been felt in almost all the States with the result that prices of bricks have gone up unduly high in recent months.

The need for providing bricks at a cheap rate to the people so as to sustain the housing programme as well as other building projects envisaged by the Government, needs hardly any stress. The Committee suggest that the difficulties being experienced by brick kilns in getting adequate and regular supply of coal may be jointly investigated by the Ministries of Railways and Mines and Fuel and the Coal Controller with a view to find a satisfactory solution.

(iv) Revised pattern of coal distribution

Large Consumers to get coal in block rakes.

78. The Government have introduced with effect from 1st February, 1963, a revised pattern of distribution of coal from Bengal-Bihar coalfields. Under the scheme, consumers with an entitlement of 1500 tons or more a month and capable of dealing with block rakes at destinations are required to take their coal supplies entirely in block rakes. Steps are also to be taken to bring the residual loading of coal for all categories of consumers on the block rake pattern. In order to evolve expeditiously a suitable scheme in this regard, a small committee representing the consumers as well as the producers, has been appointed. This committee will also examine the feasibility and the time schedule for movement of coal from the outlying coalfields within the purview of block rake pattern of movement as implemented in Bengal-Bihar coalfields.

The Committee were informed that the scheme, as at present introduced, implied that about 70 per cent of the total coal traffic covering the requirements of major consumers would be moved in block rakes only.

As the scheme involves an entirely new orientation in the pattern of coal movement and distribution as hitherto existing, the Committee would suggest that a careful assessment may be made of its working after a period of three months. They hope that in extending the scheme, every care will be taken to see that there is no set-back either to production of coal or its supply to consumers.

Coal Dumps.

79. One of the essential pre-requisites of the scheme is setting up of dumps at various places and to 'enliven' those already existing. The Committee were informed that the

few dumps existing, at present were largely 'national' since no sooner wagons were unloaded, than coal was removed by consumers. With the movement of coal in block rakes supplies to the dumps would be considerably stepped up and these would therefore have to be operated in a systematic and organised manner. Particular care will have to be taken to see that coal of different grades and sizes is properly segregated and that the consumers actually get the type of coal allocated to them.

In this connection, the Committee would also like to cite the instance of Viramgam where a dump has been set up by Saurashtra Industries on a cooperative basis. The Committee feel that the industries should be encouraged to set up more coal dumps on a cooperative basis.

(d) Procedure for allotment of wagons

80. Prior to October, 1960 the allotment of wagons in the Bengal-Bihar coalfields was under the control of the Coal Controller. The Railways used to indicate the daily wagon offerings to the Coal Controller on the basis of which day-to-day allotment was done by him. The Estimates Committee had recommended in para 118 of their 17th Report (First Lok Sabha) on the Ministry of Railways that Railways should take over the day-to-day allotment for coal loading within the general allocations made by the coal Controller. The matter was examined by the Special Reorganisation Unit of the Ministry of Finance and it was decided that instead of allotting wagons from day-to-day, the Coal Controller might allot the wagons for a period of 10 days at a time. The day-to-day allotment within the bulk was to be arranged by the Railways.

**Day-to-day
allotment
by Rail-
ways.**

The system was further modified with effect from 1st June, 1961, when it was decided, at the instance of the Coal Controller, that the bulk allotment might cover a period of one month instead of 10 days.

As regards outlying coalfields, the Committee are informed that the day-to-day allotment of wagons has all along been done by the Railways.

It was stated by the representative of the Ministry of Mines and Fuel that since the day-to-day allotment of wagons was done by the Ministry of Railways, the fluctuations in production due to break-down etc. or last minute cancellation of indents by consumers were not often taken into account by the Railways and wagons were supplied to collieries even if there was no coal to be moved. Giving his views on the working of the present procedure, the Secretary of the Ministry stated—

"I cannot say that it is working smoothly. We will work it for some more time to see if further revision is needed or not. We wanted to give a further trial to the arrangement which had been

approved by the Cabinet... I would certainly take over the allotment myself because the Coal Controller has to be responsible for the control of the movement under the (Colliery Control) Order itself. It is not correct to pass a portion of his responsibility to another department."

The Committee think that the difficulties stated above arise not so much because of the fact that the day-to-day allotment of wagons rests with the Railways, but due to lack of day-to-day coordination between the Coal Controller's officers and the allotment officers of the Railways in the coalfields.

The Committee observe that while the Coal Controller has the authority to issue special allotments in favour of consumers who may be in distress and the Railways are required to meet such demands on priority basis, the present procedure at the same time enables the Railways to use their resources in the best possible manner. They would urge the two Ministries to see that their field staff work in close conjunction with one another so that the available transport capacity, is put to the best use.

(e) Detention to wagons

High Detention time in Bengal and Bihar Coalfields.

81. According to a sample survey of the turn-round of wagons at various coal loading depots, the average detention to wagons for various operations in the coalfields is as shown in the table below:—

Depot	Detention in hours		
	From arrival on pre-weighment line to despatch to marshalling-cum-departure yard	From arrival in marshalling-yard to despatch	Issue taken after arrival on pre-weighment line to actual despatch to destination (in hours)
BENGAL AND BIHAR			
1. Asansol	6.4	4.1	16.7
2. Mohua	1.7	2.2	14.0
3. Bhaga	1.0	3.0	21.1
4. Bhojudih	1.6	3.7	13.3
5. Sitarampur	5.2	2.4	15.8
KOREA AND REWA			
1. Manendragarh/Jhagrakhand	0.7	1.8	18.1
2. New Chirimiri	3.2	2.7	4.7
3. Chirimiri	3.8	3.0	7.5

The Committee observe that the total detention to wagons in West Bengal and Bihar coalfields (from the time of arrival on the pre-weighment line to actual despatch to destination) ranges between 16.2 to 24.1 hours. They consider this to be on the high side and would suggest that the Railways may explore the possibility of reducing the detention time specially in Asansol, Bhaga and Sitarampur depots where it is particularly heavy. They would also like the Railways to reduce the detention time in outlying coalfields, particularly in Manendragarh/Jhagrakhand where it is very heavy.

(f) Siding, Pilot and Depot Capacities

82. The Ministry of Mines and Fuel have informed the Committee that "siding, pilot and depot capacities are found in certain areas in the coalfields to be inadequate to the demand".

Assessment of Requirements.

It is understood that two committees, one for Central India Coalfields and the other for West Bengal and Bihar coalfields, have been appointed by the Ministry of Railways to assess the requirements. While the former has finalised its report, the work of the latter is stated to have been held up "for want of firm forecast of coal production in various collieries at the end of the Third Plan". It is understood that the requisite information has lately been supplied by the Ministry of Mines and Fuel. It is expected that the report would be ready within the next 7 or 8 months.

The Committee are constrained to note that planning in this vital matter has again lagged behind, mainly due to the non-availability of a firm production programme for each coalfield. Now that the necessary information has been furnished by the Ministry of Mines and Fuel, the Committee would suggest that the report might be expedited so that necessary works may be taken up without delay.

As the requirements of Central India Coalfields in this behalf have already been assessed by the Committee constituted by the Railways, they would urge that the necessary works may be taken up for execution without loss of time.

83. The Committee would also suggest that the assessment of siding, pilot and depot capacities for the Fourth Five Year Plan should be made as soon as the field-wise production programme is settled so that the necessary works are taken up and executed well in time.

Assessment for fourth Plan.

84. The Joint Working Committee have represented that "it is not unusual for delays of over three years to occur between approval of the plan and estimates and actual construction of the sidings. In view of the crisis the country is presently passing through, bottlenecks of this type

Delays in construction of

should be removed and unnecessary time consuming formalities dispensed with".

The Committee would like the Ministry of Railways to examine the matter and take necessary steps to speed up construction of sidings.

C. Movement of coal by rail-cum-sea route

Subsidy Scheme.

85. In view of the difficulties experienced in the movement of coal by rail, particularly for consumers served in the 'above-Moghalsarai' direction, it was decided by Government in 1961 that the movement of coal by coastal shipping to consumers in the Southern and Western parts of the country should be stepped up to about 2 million tons per annum. It was also decided that since the cost of transport of coal by the rail-cum-sea route is more than that by the all-rail route, the approximate difference between the two may be made good to the consumer by means of subsidy. Under this scheme, an amount almost equal to the difference between the actual cost of transport of coal from the colliery to the consumption centre and the calculated cost of transport by the all rail-route is paid to the consumer as subsidy. The scheme was introduced with effect from 1st May, 1961.

Target and Shipment.

86. The target set for movement of coal by rail-cum-sea route in 1961-62 and 1962-63 and the actual shipments, are as under:—

Year	Target			Shipment		
	For consumption of Railways	Industrial consumers	Total	For consumption of Railways	Industrial consumers	Total
1961-62	1,299,089	6,34,896	19,33,935	11,04,510	4,18,879	15,23,389
1962-63 (Upto Oct. 1962)	7,80,843	3,88,157	11,69,000	8,10,383	3,42,380	11,52,763

The reasons for shortfall in the target for movement of coal by rail-cum-sea route in 1961-62 have been stated to be:

- (i) shortage in the availability of colliers;
- (ii) less loads carried by colliers due to draft restrictions in the River Hooghly;
- (iii) salt boatmen's strike on two occasions affecting the presentation of colliers which carried salt to Calcutta and coal from Calcutta after unloading the salt.

It has been stated that in the current year, the availability of colliers has improved considerably by accepting some foreign ships on trip and time charter basis. The slight shortfall in the shipments for industrial consumers was stated to be due to the strike of the Hooghly pilots in June, 1962.

87. The Study Group of the Estimates Committee which visited the Kidderpore Docks, Calcutta to see the handling of coal, gathered the impression that though a number of foreign ships had been chartered for transporting coal by sea to Southern and Western India, in actual practice the capacity of these ships was not being fully utilised. The Committee, therefore, called for information from the Ministry about the tonnage of shipping chartered and utilised for movement of coal in 1962. **Full Capacity of ships not utilised.**

The statement furnished by the Ministry on the basis of information obtained from the Director General of Shipping, Bombay is reproduced in Appendix III.

In forwarding the statement, the Ministry have added that "with the exception of one chartered vessel, no chartered vessels have been employed for the carriage of coastal coal subsequent to November, 1962. The charter of the one trip chartered vessel will expire after completion of the Calcutta/Cuddalore coal voyage in February, 1963".

The Committee also desired to know the extra cost incurred in 1962 because of under-utilisation of the chartered capacity of ships as also on account of difference in rates between the chartered and unchartered ships.

The Ministry of Mines and Fuel have stated in their reply that:

"The Director General of Shipping, Bombay, has informed that the question of under-utilisation of capacity arises only in the case of time-chartered vessels in the case of which the maximum carrying capacity could not be utilised for the carriage of coal although charter hire had to be paid on the unutilised capacity also. A statement (Appendix IV) is enclosed showing the extent to which the full carrying capacity of such vessels could not be utilised and the charter hire paid on such unutilised capacity. It will be seen that the total amount paid would come to about Rs. 30.7 lakhs.

The question of extra cost resulting from the difference in rates of freight for chartered and owned vessels would arise only in the case of trip chartered vessels in respect of which the current rates of coastal freight for coal were paid although the charter hire incurred by the ship owners was actually at a much lower rate. A statement (Appendix V) showing the extra payments made to ship owners on this account is also enclosed. It will be seen that this comes to about Rs. 48.4 lakhs".

Difficult draft conditions in the Hooghly.

88. The Committee observe from the statement at Appendix IV that the net loss on account of under-utilisation of chartered tonnage for the movement of coal for time chartered vessels amounted to Rs. 30.7 lakhs. This under-utilisation is primarily due to the difficult draft conditions in Hooghly.

The Committee are informed that Government are taking several measures, both short-term and long-term, such as intensive dredging of the River Hooghly, construction of a satellite port at Haldia, construction of the Farakka Barrage Project, the Fulda Point Project, etc. for improving the draft conditions in the Hooghly.

The Committee would suggest that pending improvement in the draft conditions in Hooghly, Government may take suitable measures such as utilisation of ships with wider beams and shallow draft and topping up of coal vessels at Visakhapatnam to increase the percentage of utilisation of capacity of vessels.

Higher coastal freight rates.

89. The Committee also observe from the statement given at Appendix V that the extra freight because of the higher coastal freight rates as compared to the trip charter rates for chartered tonnage, amounted to Rs. 48.43 lakhs in 1962.

It is obvious that there is a marked difference between the coastal freight rates and the charges paid to trip chartered ships. As this difference persisted throughout 1962, it cannot be entirely due to fortuitous circumstances of temporary slump in world shipping market. As this statement was received by the Committee towards the end of February, 1963 after the evidence of the representatives of the Ministry of Mines and Fuel had concluded, the Committee could not examine the matter in detail. They would like this matter to be examined closely by Government for in the last analysis, the difference between the freight rate for carrying coal by sea to Southern and Western India as compared to the all-rail route has to be paid under the subsidy scheme.

Subsidy paid.

90. The amount of subsidy due and paid to consumers under the scheme so far is as under:—

Year	Railways		Industrial consumers		Total	
	Amount Due	Amount paid	Amount Due	Amount Paid	Amount Due	Amount Paid
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1961-62	2,23,81,203	2,13,15,659	74,80,789	Nil	2,98,61,992	2,13,15,569
1962-63 (upto Oct. 1962)	N.A.*	Nil**	N.A.*	2,17,294	N.A.*	2,17,294

*Figures not furnished by the Ministry.

**At the stages of factual verification, the Ministry have stated that till the 25th March, 1963, the following amounts had been paid as subsidy :

Railways	Industrial Consumers	Total
Rs.	Rs.	Rs.
1,55,23,916	35,35,303	1,90,59,219

The Committee observe that no subsidy was paid in 1961-62 to consumers other than the Railways even though the scheme came into effect in May, 1961. The Committee understand that out of 99 bills received till 31st October, 1962 for a total claim of Rs. 75.07 lakhs as subsidy from consumers other than Railways, actual payments had been made only in respect of 3 bills for a total amount of Rs. 2.17 lakhs.

It was stated by the representative of the Ministry that the main reason for delay in payment was that the procedure for submitting claims was very complicated. There were as many as 25 forms which had to be produced by the consumers for claiming subsidy. About the middle of 1962, the Coal Controller had tried to rationalise the procedure. He got in touch with the Deputy Director of Audit, Calcutta and was able to reduce the number of forms from 25 to 12. The Secretary of the Ministry stated that when the matter came to his notice in January, 1963, he had taken it up with the Auditor General and it had been decided that freight rates, port charges, etc. should be standardised. It was added that before the end of the financial year it was hoped to pay 90 per cent. of the claims received from consumers.

The Committee note with dismay the complicated procedure of having as many as 25 forms to be filled by consumers for claiming subsidy. The Committee also note that lately steps have been taken to simplify the procedure for submission of claims for subsidy by consumers. They cannot help feeling that the question of simplification should have been taken up at least in the beginning of 1962-63 when it was found that in the preceding year not a single payment had been made to industrial consumers against their claim of over Rs. 74.8 lakhs. They hope that Government would clear all the outstanding bills and would also see that in future payments are made expeditiously.

91. During their tour to Southern Zone, the Study Group of the Committee were informed by the representatives of the various Chambers of Commerce that the consumers were not even aware of the subsidy scheme. Government have stated that apart from a press note issued by the Press Information Bureau, certain circulars were also issued to all consumers and shippers giving details of the scheme and the formalities required to be fulfilled to avail of the subsidy. *The Committee suggest that the proposed simplified procedure for submission of claims for subsidy on coal moved by sea may be given wide publicity in Southern and Western India—the areas to which the scheme applies.*

**Publicity
for subsidy
scheme.**

Production from coal fields in Central and Southern India to be stepped up. 92. The Committee would also like to suggest in this connection that production from Singareni coalfield as well as Kamptee, Ballarpur and Sasti coalfields in Central India (which contain superior quality coal) may be stepped up with a view to meet, as far as possible, the requirements of industries in Southern and Western India, thereby obviating the need for carrying coal in such large quantities over long distances from Bengal-Bihar coalfields.

Mechanical Tippler at Kidderpore Docks. 93. The Committee understand that a tippler for unloading of open wagons at berth No. 18, Kidderpore Docks was installed in July, 1957 at a cost of Rs. 50 lakhs. The programme for rake movement of open wagons for unloading at this berth came into force from September, 1957 when the Railways agreed to move a maximum of two rakes per day to this berth.

The allotments made and the actual arrivals at this berth since 1960-61 are indicated in the table below:—

	Allotments	Arrivals
1960-61	487	113
1961-62	576	484
1962-63	239	234
(upto August 1962)		

The Ministry of Railways have stated in their memorandum that the movement was originally programmed by the Coal Controller from various pilots in Andal Depot which made the collections of rakes a difficult task. The failure of the Docks to return the empty rakes intact also affected the loading of block-rakes.

The Committee find that there has been noticeable improvement in the arrival of coal wagons in Kidderpore Docks in 1962-63. They hope that the improvement would be maintained so that the costly handling equipment in the Docks is put to full use.

D. Movement of coal by road

Amount sanctioned for improvement of roads. 94. The Committee understand that a scheme costing Rs. 17 crores has been sanctioned for the Third Plan period for improving the Grand Trunk Road (National Highway No. 2) from Calcutta to Topechanchi (191 miles), improvement of 375 miles of feeder and approach roads within and outside the Raniganj and Jharia coalfields and improvement of National Highway No. 32 from Gobindpur to Chas Road (31 miles). An amount of Rs. 3 crores has been included in the budget of the Ministry of Transport for the year 1963-64.

The movement of coal by road at the beginning of the Third Plan was about 3 million tons and with the development of the above mentioned capacity, it is expected to increase by another 2 million tons a year.

Since coal production is vitally linked with its movement, the Committee would urge the Central and State Governments concerned to execute expeditiously the road development programme.

95. It has been represented to the Committee by the Coal Consumers' Association of India, the Indian Coal Merchants' Association, the Howrah Manufacturers' Association, the Bengal National Chambers of Commerce and Industry etc., that with a view to reduce the high cost of transport of coal by road it should be subsidised in the same manner as the movement of coal by rail-cum-sea route. This suggestion has far reaching financial implications. The Committee would like the Government to examine the matter in detail.

Subsidising
coal move-
ment by
road.

E. Movement of coal by road-cum-river route

96. A short term scheme for transport of coal by road-cum-river route costing Rs. 442 lakhs was sanctioned by the Planning Commission in September, 1962. The scheme was actually launched in December, 1962 when a tug barge flotilla carrying 430 tons of coal started from Patna on 27th December, 1962 and arrived at Allahabad on the 11th January, 1963.

Short
term
scheme.

While the earlier expectation was that the flotilla would be able to do two trips in a month, transporting about 900 tons, the channel difficulties were stated to have come in the way of quick turn-round and it might not be possible to transport more than 375 tons in one trip.

The Committee were further informed that a long term scheme to transport 3 million tons of coal per annum by river route was under formulation. It was added that since the River Ganges was navigable till as recently as 1958, it would be possible with proper dredging and other conservancy measures, to operate this scheme successfully.

The Committee would like Government to make a careful assessment of the scheme undertaken on an experimental scale and assess the extra cost that the consumer might have to pay for obtaining coal supplies by road-cum-river route before launching on a more ambitious scheme.

F. Transport of coal by Durgapur Canal

97. The Working Group have stated in their First Report that:

"At one stage the D.V.C. authorities had estimated that about 2 million tons of coal per annum could be moved by the (Durgapur) canal. The arrangements for utilisation of the canal for movement of coal, however, have not so far been considered in detail."

The Committee suggest that the question may be taken up with the Government of West Bengal and the Ministry of Irrigation and Power.

G. Transport of Coal by Pipelines

Transmission of coal by pipelines to thermal stations.

98. The Committee are informed that the Indian Investment Centre was entrusted with the study of the feasibility of transportation of coal by pipelines to certain thermal power stations. Due to technological difficulties, the study had, however, been dropped for the present.

It was stated by the representative of the Ministry that there was a proposal to study the problem of transmission of coal by pipelines to a thermal power station located in the coalfields, but it was given up when it was understood that the thermal power station had already ordered mechanical equipment for handling coal. It was added that Government would consider the question of transporting coal by pipelines for future big thermal stations.

The Committee understand that the system of transmission of coal through pipelines is already in use in Britain, United States, U.S.S.R., France and Poland.

It was stated during evidence that in the United States as much as 2.5 million tons of coal were transported in that manner at nearly half the cost of railway freight.

As economies are expected to result from transport of coal through pipelines, the Committee feel that studies for adoption of this method in the country need to be pursued.

V

COAL BOARD

A. Composition and functions of Coal Board

99. The Coal Board has been constituted under the Coal Mines (Conservation and Safety) Act, 1952 and is a body corporate. It consists of a Chairman and such number of other members, not exceeding six, as appointed by the Central Government. **Responsible for Conservation of Coal and Safety in Coal mines.**

The powers and responsibilities of the Board and the procedure for its working are prescribed by the Coal Mines (Conservation and Safety) Rules, 1954. In accordance with these Rules, the Board is responsible for ensuring conservation of coal and safety in coal mines as well as for grading of coal. The Board grants permission for opening or reopening of coal mines or seams, draws samples for grading and fixes the grades of coal seams. It grants financial assistance for stowing or other protective measures undertaken voluntarily. It may order compulsory stowing or other protective measures and may grant assistance for the same. It also grants assistance to collieries specially handicapped by adverse factors. It grants loans to collieries for purchase and installation of stowing plants.

The Board's expenditure is met from the Coal Mines (Safety and Conservation) Fund for which purpose excise duty is levied on coal and hard coke. For despatches by rail, the excise duty is collected by Railways and for despatches by road, the excise duty is deposited by the colliery in the local treasury. The amounts so collected are first credited to the Central Government and the amounts due to the Board are then paid by it into the Coal Mines (Safety and Conservation) Fund.

Before the Coal Mines (Conservation and Safety) Rules, 1954 were prescribed, the opening and reopening of coal mines and seams and grading of coal seams was being dealt with by the Coal Commissioner. Grading of coal for certain purposes was also being done by the Indian Coal Grading Board. The Indian Coal Grading Board was abolished in the year 1959 and its assets and liabilities were transferred to the Coal Board.

B. Reopening of Coal Mines and Seams

100. It has been represented by the Joint Working Committee that inordinate delay takes place in the grant of permission to producers for reopening mines and coal seams. It has been suggested that the necessity of granting industrial licences in terms of the Industries (Develop- **Delays in granting permission for reopening mines and seams.**

ment and Regulation) Act, 1951 and compliance with the attendant formalities which result in avoidable delays should be obviated. It has also been suggested that the Coal Board may be authorised during the emergency to deal with all cases relating to the reopening of mines and seams on a priority basis so that producers can immediately undertake development.

The Committee would like Government to examine the question of simplifying the procedure for grant of industrial licence for reopening of coal mines and seams so that production from them is not hampered due to delay in issue of licences.

C. Grading of Coal Seams

Time taken for grading of Coal Seams.

101. The Committee note that the Coal Board had reviewed the time taken for grading and regrading of coal seams in 1960-61 and had fixed the following maximum time limits:

Subject	Maximum Time Limit	
	For Field Offices	For the Secretariat of Coal Board
Initial Grading	2 months	3 weeks
Regrading	4 months	3 weeks.

During evidence it was stated that the Coal Board took about three months for provisional and initial grading, six months for final initial grading and eight months for regrading.

It has been brought to the notice of the Committee by the Joint Working Committee that at times despatches are held up due to delay in grading of seams.

The Committee see no reason why the maximum time limits prescribed by the Coal Board itself for initial grading and regrading are not being adhered to. In fact, the Committee expect the Coal Board to improve upon "the maximum time limits" for grading and regrading which were fixed nearly three years ago.

Representation of Lower Grade Coal Producers' Association.

102. The procedure for grading of coal seams as laid down by the Coal Board is reproduced in Appendix VI. It was represented to the Committee by the Lower Grade Coal Producers' Association Dhanbad that grading of coal seams was not being done on uniform basis by the Coal Board. In this connection the Lower Grade Coal Producers' Association furnished to the Committee a copy

of their representation dated 31st July, 1962 addressed to the Minister of Mines and Fuel which contained specific instances of alleged discriminatory treatment in the grading of coal seams.

The Ministry of Mines and Fuel who were asked about the action taken on the above representation have informed the Committee in February, 1963 as follows:—

“The representation was referred to the Coal Board on 14th August 1962, and a report was called for. The comments of the Coal Board when received were to be examined. However, the points raised by the Lower Grade Collieries Owners’ Association are proposed to be considered at a meeting of the Coal Board. The reactions of the Board after consideration at this meeting are awaited.”

The Committee feel that speedier action should have been taken on this representation which contained specific instances of alleged discrimination in the matter of grading of coal seams. They hope that Government would go into the matter fully and take necessary action without further delay.

103. Coal samples for determining the grade of coal seams are at present being analysed in the coal laboratories of the Central Fuel Research Institute. The Coal Board have been thinking for the last three years of setting up a laboratory of their own for analysis of coal samples. The Coal Board had accordingly drawn up a scheme for setting up a laboratory at an estimated cost of Rs. 2.5 lakhs, of which the foreign exchange component would be Rs. 1.05 lakhs.

Laboratory for analysis of Coal Samples.

The Chairman, Coal Board, informed the Committee during evidence that the Board had decided at their meeting held on the 12th December, 1962 that in view of the need for economy in expenditure and the present emergency the scheme might be held in abeyance. The Committee are glad to learn of this decision as they consider that testing of samples should be done by a body independent of Coal Board and coal mining industry.

104. An Expert Committee was appointed by Government on the 24th January, 1962 to examine and report on the procedure for sampling and grading of coal. On the 2nd February, 1962, the terms of reference of this committee were revised and enlarged as follows:—

Expert Committee on grading and sampling of Coal.

“(i) to examine the current procedure for sampling and grading of coal, and also the draft procedure recently drawn up by the Indian Standards Institution and to suggest any changes that may

be required in the present procedure in order to bring it in conformity with modern scientific practice, consistent with administrative and practical needs:

- (ii) to examine the question whether present classification of non-coking coals on ash and moisture basis needs to be revised in order to relate such coals to their useful heat content and to make recommendations in this behalf; and
- (iii) to suggest steps necessary for the implementation of recommendations under items (i) and (ii) above and to work a time-schedule for that purpose."

The Report of the Expert Committee was finalised in July 1962. Thereafter Government asked for the views of the Joint Working Committee who submitted them in August, 1962.

Government also asked for the views of the Coal Board on the report of the Expert Committee. The Coal Board considered the Report of the Expert Committee along with comments made thereon by Joint Working Committee at their sitting held on the 24th October, 1962. The Coal Board accepted the Report subject to a few minor modifications.

The representative of the Ministry stated that as the recommendations of the Expert Committee were of far-reaching nature, Government decided to have detailed discussion with representatives of the coal industry before proceeding further in the matter. Accordingly detailed discussions were held with the coal industry in December, 1962. It was felt both by the coal industry and Government that before implementing the proposals, their practical effect should be ascertained by applying the suggested sampling procedure to a cross-section of collieries. Accordingly 30 to 40 collieries had been selected for the purpose. Samples taken from these collieries would be analysed and the results collated to find out the effect of the new procedure on the existing quality of the coal produced in the country and its integration with the coal price structure. Results from the above survey would be available, by the end of April, 1963 and thereafter it was proposed to hold a meeting with the coal industry to assess the results and determine the programme.

The representative of the Ministry added that the "whole thing has to be integrated in such a way that the cost to the consumer does not increase enormously and the procedure also does not lose, except very marginally".

The Joint Working Committee have stated that "the industry is of the view that the scheme for the grading of all coal on the basis of calorific value as recommended by the Expert Committee should be implemented immediately both in the short-term and long-term interests of the nation".

*The Committee would like the Government to fully satisfy itself about the effect of change-over from the existing basis of ash and moisture for determining grade of coal to calorific value on production and price structure of coal, before implementing the Expert Committee's recommendations. This is obviously a matter in which the Committee would expect Government to move with caution.**

D. Stowing

105. The following table indicates the quantities of sand sanctioned for conservation and safety during the last two years and the quantities actually stowed:—

Year	Quantity sanctioned for conservation	Quantity actually stowed	Shortfall	Quantity sanctioned for safety	Quantity actually stowed	Shortfall	Utilisation of sanctioned quantities of sand for stowing.
	Tons	Tons		Tons	Tons			Tons
1960-61	10,098,383	7,174,054	2,924,329	3,933,576	2,087,051	1,846,525	
1961-62	9,597,183	6,656,441	2,940,742	3,326,339	1,729,243	1,597,096	

It would be seen therefrom that the shortfall in stowing sand for conservation was 2,924,329 tons in 1960-61 and 2,940,742 tons in 1961-62. Similarly the shortfall in stowing sand for safety was 1,846,525 tons in 1960-61 and 1,597,096 tons in 1961-62.

The Chairman, Coal Board, advanced the following reasons during evidence, for the heavy shortfall in stowing:—

- (i) Change in the production programme of collieries which resulted in less quantities of coal being mined and less stowing being done than originally envisaged;
- (ii) shortage of sand;
- (iii) time taken by the collieries in making stowing arrangements.

The Coal Board considered the question of taking action against owners of collieries who failed to utilise the existing plants upto their rated capacity, at their meetings held in 1960 and 1961. The proposal was that a penalty might be levied in the shape of reduced rates of stowing assis-

*See also para 39 of Chapter II.

tance to those collieries that failed to utilise the existing stowing plants upto the rated capacity. The Coal Board, however, decided to postpone the imposition of penalty till the Central Government had taken a decision on the Board's proposal to meet the entire cost of stowing material as delivered at the pit-head.

The Committee find that the Government have already taken a decision in August, 1962 that the cost of stowing material delivered at the pit-head should be met in full subject to certain ceiling rates. *The Committee feel that in every case of shortfall in stowing the Coal Board should ask the management to explain the reasons therefor. They would like the Coal Board to expeditiously consider the question of taking some action in the nature penalty, against owners of collieries who fail to undertake stowing to the extent indicated in their applications and sanctioned by the Coal Board. They would also like the Coal Board to check up the applications for stowing closely so as to make sure that the collieries do not inflate the figures and ask for a sanction which is obviously beyond their capacity.*

Loans advanced by Coal Board for stowing plants.

106. The Coal Board grants loan to collieries for purchase and installation of stowing plants. The amount of loans sanctioned and payments made for installation of stowing plants and the amounts recovered on this account during the last three years are indicated in the following table furnished by the Ministry:

Year	Loans for stowing plants		
	Amounts sanctioned	Payments made	Amounts recovered
	Rs.	Rs.	Rs.
1959-60	2.75 lakhs	6.19 lakhs	0.91 lakh
1960-61	3.60 "	14.99 "	1.46 "
1961-62	7.77 "	10.94 "	4.43 "
TOTAL	14.12 lakhs	32.12 lakhs	6.80 lakhs

It would be seen from the above that while in three years the sanction of loans for stowing plants amounted only to Rs. 14.12 lakhs, payments made were of the order of Rs. 32.12 lakhs.

The Ministry have explained in footnote to the table that "figures of payment and recovery relate to cases sanctioned in previous years." There is thus implied admission that payments are disbursed after lapse of considerable time. The Committee feel that payments on account of loans sanctioned should be made promptly.

The Committee also note from the Annual Report of the Coal Board for 1961-62 that "the Board's experience has been that in many cases the loanees do not repay the instalments of the loan timely. The standard hire purchase agreement was, therefore, modified so that outstanding amounts of loan repayments due may be recovered also from any other payments due by the Board to the concerned company".

The Committee were informed by the Chairman, Coal Board that in almost all cases the repayment of instalments on account of loans taken, was delayed by the collieries and it was only after certain amount of persuasion that they paid it. The Coal Board were considering a proposal to levy penal interest if the instalment on account of the loan was not paid by the due date.

The Committee are not happy about the delay in the payment of instalments by collieries on account of the loan for stowing plants.

They would in this connection like to mention that the National Small Industries Corporation Ltd. charge a penal interest of 1% per month over and above normal rate from loanees who fail to pay the instalment by the due date.

They would like the Coal Board to take an early decision about the levy of some penal interest on the owner of a colliery who fails to pay back the instalment on account of the loan by the due date.

107. The Coal Board have fixed the maximum time limit of two months and one month for the processing of applications for stowing for the field offices and its secretariat. **Processing of applications for stowing.**

It was stated in evidence that the average time taken in processing such applications was five months including one and a half months taken by the Stowing Applications Committee. *The Committee note from the Annual Report of the Coal Board for 1961-62 that recommendations of the Stowing Applications Committee were awaited on 25 out of 115 cases referred to them during the year. They recommend that applications for stowing should be processed expeditiously.*

It has been represented to the Committee by a leading association of the mining industry that the grant of subsidy should be prompt. *The Committee find from the Annual Report of the Coal Board for 1961-62 that some bills relating to stowing done in previous years were paid during 1961-62. They recommend that payments for stowing should be made promptly.*

108. At a colliery where stowing is necessary but sand is not available within a reasonable distance or there is shortage of water for hydraulic sand stowing, pneumatic stowing might be the answer. **Pneumatic stowing.** Pneumatic stowing is ex-

tensively used in other countries. As this method had not been adopted in India the Coal Board decided in 1960-61 that it would subsidise the experiment in pneumatic stowing by collieries upto 85% of the cost. No private colliery came forward to undertake the experiment. National Coal Development Corporation expressed their willingness to undertake experiment in pneumatic stowing at their Bhurkunda and Sounda collieries.

The Committee were informed during evidence that the National Coal Development Corporation had asked for a subsidy for pneumatic stowing at the rate of Rs. 9 to 10 per ton. It was added that a French expert was expected to go into the question of pneumatic stowing in the mines of National Coal Development Corporation. *The Committee would like the Coal Board to carefully assess the economics of the installation and the operation—costs of pneumatic stowing and make efforts through the Central Mining Research Station etc. to bring down the cost so that it can be adopted by collieries, both in the private and public sectors, where sand is not readily available for hydraulic stowing.*

Blast furnace slag and washery rejects for stowing.

109. The Committee understand that Hindustan Steel Limited had enquired from the Coal Board in 1961-62 whether blast furnace slag, stocks of which were accumulating with them, could be utilised for stowing. Washery rejects were posing a similar problem. The Coal Board had considered the possibility of utilising blast furnace slag and washery rejects for stowing in coal mines. In both cases the economics required study. Moreover, an opinion was expressed that granulation might be necessary before blast furnace slag could be used as stowing material. As regards washery rejects it appeared necessary to determine the proportion of combustible material in order to decide whether it could safely be used as a stowing material. Both problems had, therefore been referred by the Coal Board to the Central Mining Research Station.

The representative of the Ministry stated that the experiment of using washery rejects had been started in Kargali mines of National Coal Development Corporation. The Chief Inspector of Mines had agreed that 10% of the crushed washery rejects with 90% of sand could be used for stowing. As regards the use of blast furnace slag for stowing, the problem is still under investigation of the Central Mining Research Station.

The Committee would suggest that the results of Kargali experiment should be carefully assessed and if found successful publicised widely, so that washery rejects, in as large quantities as possible, may be used for stowing. They would also suggest that the Central Mining Research Station be asked to expedite its investigations about the use of blast furnace slag and washery rejects as stowing material.

110. It would be seen from Appendix VII that Government have sanctioned ceiling rates for assistance for transport of sand by road. It has been stated in the Annual Report of the Coal Board for 1961-62 that in some of the collieries the cost of stowing would be prohibitive as the connecting roads over which the sand had to be transported were in a very bad condition. **Stoads in Colliery areas.**

The Coal Board had advised the coal mining industry to approach the State Governments about improvement of roads as the latter were collecting cess on coal for this purpose.

The Committee feel that as the State Governments are collecting cess for development and maintenance of roads in coalfields it should be possible for Central Government to persuade them to take positive steps to improve the roads.

111. It is stated in the Annual Report of the Coal Board for 1961-62 that: **Voids in stowing.**

“The possibility of having a portable instrument to detect voids in stowing was examined. The Central Mining Research Station as well as the Geological Survey of India were requested to advise whether a suitable instrument for the purpose existed or could be constructed. The Geological Survey of India stated that they had a light drill which could drill holes of 1” diameter to a distance of 50 or 60 feet in a few hours. The Central Mining Research Station had experimented on a supersonic instrument for checking of voids within a stowed area. The matter was referred for advice to the Advisory Committee on Stowing. The supersonic instrument could be used only if there was only one gap but could not in the circumstances be expected to give reliable results. The drill suggested by Geological Survey of India was not exactly portable, and therefore, could not be conveniently used. The seismic method was also not considered feasible, as voids, if any, in stowing would be of too small size. Electrical resistance and specific gravity methods could be used only if sub-surface voids were fairly large and within a depth of, say, 100 meters, from the surface. In the alternative, indirect methods have to be relied upon. These are measurement or weightment of material used for stowing and are the existing basis of check.”

The Committee feel that the Coal Board should take necessary steps to see that there are no voids in stowing and that the collieries are paid for the volume of stowing actually done by them.

**Capacity
and outlay
involved.**

E. Central Ropeway Scheme

112. The purpose of the Central Ropeway Scheme is to make sand available to collieries in the Jharia and Raniganj fields for increasing stowing in coal mines with a view to augmenting output of coal as well as to ensure conservation of high grade coking and non-coking coal. The ropeway scheme is designed to gather sand by scrappers and dredgers at 21 loading points on the Damodar and Adhjoy rivers, transport it to main bunkers by monocable ropeways (approximate length 17.75 miles) and from there carry by bi-cable ropeways (approximate length 60.8 miles) to 23 central dumps. The total capacity of ropeways proposed under the scheme would be 10.5 million tons of sand per annum. The scheme comprises installation of 3 ropeways in the Jharia coalfield and 3 ropeways in the Jambad-Kajora area of the Raniganj coalfields.

The cost of the ropeways, as envisaged in the Third Five Year Plan was estimated at Rs. 16 crores and the ropeways were programmed to be completed within the first two years of the Plan period. The estimate has since been revised to Rs. 22.7 crores. When the representative of the Ministry was asked about the increase in the estimate, he stated that the figure of Rs. 16 crores was "just a guess" as at that stage neither any design had come in nor any tender received. Subsequently when tenders were received, it was found that Rs. 22 crores would be a more realistic estimate. According to the latest estimate, the work would be completed by the middle of 1965.

**Assessment
of sand
reserves.**

113. It was added that while the position regarding sand reserves was satisfactory as far as the Raniganj coalfield was concerned, the reserves of sand in river Damodar in the Jharia field were much less and the available data were also old and inadequate. It was, therefore, considered necessary to arrange for an accurate assessment of sand reserves and annual sand replenishment in that area. While Government had made available the services of an engineer of the Central Water and Power Commission for investigating the annual sand replenishment, the Coal Board had not been able to get the services of either the Geological Survey of India or Indian Bureau of Mines to assess the sand reserves. Geological Survey of India had, however, furnished advice as to the area in Jharia to be investigated and the spacing and number of bore holes to be drilled. It was stated during evidence that bore holes had accordingly been drilled in Jharia through a contractor in the last few months.

The Committee feel that as the entire ropeway scheme in Jharia is proceeding on the assumption that enough reserves of sand are available in the Damodar River, Government should help the Coal Board to make an accurate assessment of sand reserves and annual sand replenishment at an early date.

114. The Committee also notice from the Annual Report of the Coal Board for 1961-62 that some difficulties were being experienced in the matter of acquisition of land for installation of the ropeways. Applications for grant of mining leases for sand were also pending before the Government of Bihar and West Bengal. Power supply for the ropeways had also to be tied up with the electric supply authorities.

**Mining
leases
for sand.**

The Committee hope that the Coal Board would tie up all these preliminaries so that there is no delay in the installation of ropeways according to programme.

115. As regards the financing of the ropeways it was stated that Rs. 16 crores would be advanced by the Government of India as loan to the Coal Board at 5% per annum. The Coal Board has to pay back this loan in 15 years. As soon as the ropeways have made sufficient progress, Government may revise the excise duty on coal in order to meet the cost of the scheme.

**Loans
from
Central
Government.**

116. It has been stated in the Annual Report of the Coal Board for 1961-62 that it might be necessary for collieries to instal short ropeways to carry sand from the central dumps served by the central ropeway to their pitheads. The Coal Board was even prepared to give advance loans to the collieries for installing such short ropeways.

**Short
Ropeways.**

It was stated during evidence that the collieries had not responded favourably to the idea of installing short ropeways as it would involve capital investment. The collieries were more inclined to carry the sand in trucks from the central dump.

The Committee would suggest that Coal Board may make pilot studies of the cost (recurring and non-recurring) for carrying sand from central dumps to pitheads through short ropeways, trucks, trailers etc. so that it is easy to persuade the collieries to adopt the most economical means for transporting sand.

F. Special Assistance Scheme

117. The scheme of subsidy to collieries specially handicapped by the various adverse factors, also called "the Special Assistance Scheme" was introduced with effect from 1st September, 1960 as a result of recommendation made by the Coal Price Revision Committee.

**Salient
features of
the scheme.**

The salient features of the scheme are mentioned in the note furnished by the Ministry which is reproduced in Appendix VIII.

The adverse factors which have been specified by Government for the purpose of assistance under the scheme are as under:

- (i) gassiness;

- (ii) depth of shafts;
- (iii) inclination of seams;
- (iv) high pumping cost;
- (v) thinness of seams; and
- (vi) high transportation cost from pithead to rail head.

Assistance under the scheme is restricted to collieries which produce selected grades or grade I coal except:

- (a) in the case of high transportation cost for which all grades are eligible; and
- (b) in the case of thin seams producing Grades II and III in Madhya Pradesh State.

Delay in processing of applications.

118. The Committee note from the Annual Report of the Coal Board, for 1961-62 that out of 1494 valid applications received for assistance for mining under adverse conditions, the Coal Board had sanctioned only 554 applications.

The Chairman of the Coal Board informed the Committee during evidence that the remaining 940 applications relating to 1961-62 had since been disposed of. In fact out of 1,500 applications received during the current year, 1,200 had already been disposed of.

It has been represented to the Committee by the Joint Working Committee that undue delays take place in the actual payment of assistance at the prescribed rates. It has also been represented that collieries are required to submit their applications for assistance in respect of each seam or pit separately for each adverse factor. Moreover, 9 copies of each application are required to be submitted. The procedure has been termed by the Joint Working Committee as a "cumbersome and time consuming process".

It was stated by the representative of the Ministry that some difficulties were experienced by the Coal Board in processing such applications in the beginning but the process had lately been speeded up. Government had also delegated the power of sanctioning assistance under the scheme to the Coal Board with effect from 1st April, 1962.

The time taken for disposing of applications was stated to be 3 to 4 months on an average.

The Committee would like the procedure for sanction of application for special assistance to be speeded up. The Coal Board may also lay down a time schedule for processing and sanctioning of applications so that there is no delay at any stage in their disposal.

G. Fires in Collieries

119. Fires have been raging in some collieries for a number of years. A statement furnished by the Ministry showing collieries that have gone out of production due to fire is reproduced in Appendix IX. Persistence of fires.

It has been stated in the Annual Report of Coal Board for 1960-61 that many of these fires had been caused by the robbing of pillars and the reduction of their size, or by negligent quarry working. It was stated that the Coal Board had taken active steps in controlling the spread of fires either by assisting owners of collieries or directly. Assistance was granted to owners of collieries for undertaking protective works against fire or inundation, subject to the principle that the owner of a colliery should not be allowed to take advantage of his own negligence and that a part of the expenditure should normally be borne by him.

It has been stated in the Annual Report of the Coal Board for 1961-62 that old fires in coal mines showed increased activity during the year. It is stated that the Board took the necessary emergency and long-term measures for controlling and extinguishing these fires.

The representative of the Ministry stated that fires in some collieries had been raging for the last 40 years. Asked whether there was any other country where fires in collieries had ranged for 40 years, the representative of the Ministry replied that he had no information.

He added that the fires were a legacy of the past. The ideal solution was to have the coal areas excavated and filled with sand but that was a colossal task. The Coal Board were undertaking blanketing operations on a large scale and were controlling as many fires as possible.

The Committee have been informed that the problem of checking spread of fire in coal mines has not been gone into by any expert committee. It has further been stated that no foreign experts have so far been invited by the Coal Board to advise about the checking of fires in coal areas, particularly in Jharia.

The Committee find that the Bihar Government have been expressing anxiety about the persistence and spread of fires particularly in Jharia coalfields.

Fires in collieries burn away precious reserves of coal and have persisted in some cases of several decades. The Estimates Committee recommend that Government may constitute an expert committee to go into the whole problem and draw up a comprehensive plan for combating and putting out the fires. They have no doubt that the expert committee in evolving a comprehensive plan of action would take due note of the means adopted by other advanced countries to put out fires in collieries.

Fires on surface due to negligent quarry working.

120. In the interest of both safety and conservation, it is necessary that before any coal seams are abandoned, protective works are done so that it may not become impossible to reopen the seam and it may not become a source of danger by fire and collapse. The Coal Board have stated in their Annual Report for 1960-61 that "many fires have occurred on the surface due to negligent quarry working in which debris and inferior quality of coal have been thrown together". The Ministry have furnished a few instances of such fires. The Ministry have further stated "For negligence in such case all that Board can do is to refuse or reduce assistance. Other action against owner or manager of the colliery for such negligence can properly be taken only by the Inspectorate of Mines for contravention of Mines Regulations".

The Committee feel that there should be complete co-ordination of action between the Coal Board and the Chief Inspector of Mines so that the coal owners, managers etc. are effectively discouraged from resorting to negligent quarry working.

Forecasting of outburst of gas.

121. The problem of forecasting sudden outburst of coal gas has been engaging the attention of the Coal Board. It was stated during evidence that Germany has already brought out a detector called "canary" for detecting outburst of coal gas.

As regards forecasting of fires, the Committee were informed that no country had yet been able to develop anything tangible.

The Coal Board had referred the problem of forecasting sudden outburst of coal gas to the Central Mining Research Station who were trying to develop a "canary" detector for use in India. *The Committee would urge the Central Mining Research Station to speed up its efforts so that a satisfactory detector for forecasting sudden outburst of coal gas in mines is brought into use at an early date.*

Protective works.

122. Inspecting Officers of the Coal Board are authorised under Section 13(3) of the Coal Mines (Conservation and Safety) Act, 1952 to require the owner, agent or manager of a coal mine to execute protective works to prevent spread of fire. Should he fail to execute the protective measures ordered by the Inspecting Officer or show insufficient progress, the Coal Board may undertake the work departmentally.

It is stated in the Annual Report of the Coal Board for 1961-62 that 9 departmental protective works were undertaken by the Coal Board during the year. A total sum of Rs. 6,19,655.44 was spent on these departmental works.

It is also stated that as the number of departmental protective works had been increasing in recent years on

account of the failure of colliery owners to execute the works, the Coal Board had drawn up a scheme for the purchase of necessary plant and equipment to undertake such works departmentally.

It was stated during evidence that the estimated cost of machinery (mostly earthmoving equipment) was Rs. 15 lakhs out of which the foreign exchange component would be Rs. 13 lakhs. The proposal was being examined by the Ministry of Mines and Fuel in consultation with the Ministry of Finance.

The Committee hope that in taking an early decision in the matter, Government would fully investigate the possibilities of the Coal Board borrowing earth-moving machinery etc. required for execution of protective works from National Coal Development Corporation or Damodar Valley Corporation and other project authorities.

H. Review of Coal Mines (Conservation and Safety) Act, 1952.

123. The Committee understand that the Coal Board had made a comprehensive review of the Coal Mines (Conservation and Safety) Act, 1952, at their meeting held on the 29th December, 1961 and forwarded their suggestions to the Ministry of Mines and Fuel. The Committee were informed during evidence that the proposals were still under consideration of Government. *The Committee would urge Government to finalise consideration of the Coal Board's proposals at an early date. They have no doubt that if the intention is to review the Act, as a whole, the representative associations of the industry and miners would also be consulted and given opportunity to bring to notice their suggestions for the improvement of the Act.*

VI

MISCELLANEOUS MATTERS

A. Washeries

Target and performance in second plan.

124. The steel programme included in the Second Five Year Plan required the establishment of capacity for washing 11.63 million tons of raw coking coal. The Committee find that the actual capacity established by the end of the Second Plan for washing coking coals was only 6.7 million tons as per details given below:—

Washeries existing at the commencement of the Second Plan

Name of Washery	Capacity (in million tons)	Private/ Public Sector
Jamadoba	1.4	Private
W. Bokaro	0.7	Private
Lodna	0.4	Private
TOTAL	2.5	

Washeries set up during Second Plan

Name of Washery	Capacity (in million tons)	Private/ Public Sector
Nowrozabad	0.5	Private
Kargali	2.2	Public (NCDC)
Durgapur	1.5	Public (HSL)
TOTAL	4.2	

Grand Total 2.5 + 4.2 = 6.7 million tons.

The following three washeries to be constructed by the Hindustan Steel Ltd., were also included in the Second Five Year Plan:

Name of Washery	Capacity (in million tons)	Date of operation
Dugda I	2.4	8.12.1961
Bhojudih	1.2	September 1962 (trial runs are on)
Patherdih	2.0	Will go into operation in the third quarter of 1963.
TOTAL	5.6	

132. The expansion of steel production envisaged in the Third Five Year Plan is tentatively estimated to require an additional washing capacity of 12.7 million tons in terms of raw coal. The additional capacity is proposed to be established partly by the expansion of washeries already in existence and partly by installation of new washeries as per details given below:—

**Programme
for Third
Plan.**

Name of Washery	Raw coal input capacity	Likely date of commissioning
COKING		
<i>H.S.L.</i>		
Dugda II	2.4	By about 1965.
Bhojudih (Expansion)	0.8	By the third quarter of 1963.
<i>N.C.D.C.</i>		
Kathara	3.0	April, 1965.
Chalkari (Kargali Extension)	0.5	March, 1965.
Swang	0.75	October, 1965 (To be stepped upto 1 million tons in Fourth Plan).
Ramgarh	1.5	Latter half of 1966.
BLENDABLE		
Gidi (Karanpura)	2.84	April, 1965.

The Committee note that there has been a delay of nearly two years in reaching the target of washeries for the Second Five Year Plan. They hope that the washeries for the Third Five Year Plan would be established in time so that the programme of beneficiation of coal for steel plants is not hampered.

126. When the representative of the Ministry was asked about the response of the private collieries to the establishment of washeries, it was stated that the private sector had shown little interest in the matter.

**Setting up
of washeries
in private
sector.**

The representative of the Joint Working Committee stated during evidence that they were generally not in favour of establishment of Central Washeries as unit washeries were more suitable and economical. He admitted that recently the Government had informed them that private coal producers could set up washeries provided it did not interfere with the linking of the collieries with the central washeries.

As washing of coal is not only of benefit to industrial users, but also reduces the burden on transport, the Committee recommend that Government should pursue the matter of setting up of unit washeries with large producers of coal in the private sector.

Deshaling Operations.

127. The Committee would also like to mention, that the Director, Central Fuel Research Institute, in a memorandum to the Committee, has suggested that mechanised mines should carry out deshaling operation so as to eliminate unnecessary load of avoidable inert matter in coal. He has suggested setting up of standardised unit washeries with capacity of 100 tons per hour. *The Committee have no doubt that Government would examine the question of developing such standard unit washeries for installation by collieries in the country.*

B. Coal Council of India

Objective.

128. Realising the need for more closely integrated action on problems relating to coal, Government decided in 1956 to set up a high powered body, to be known as the Coal Council of India. The main purpose in setting up this body was to have reviews and studies conducted under its overall supervision and guidance for planning the development, utilisation and due conservation of the coal resources of the country. The Council is presided over by the Minister of Mines and Fuel. Its present composition is given in Appendix X.

The Committee learn that in view of the wide and complex nature of the coal problems, the Coal Council has set up four committees viz., (i) the Committee on Requirements and utilisation; (ii) the Committee on Assessment of Resources; (iii) the Committee on Production and Preparation; and (iv) the Committee on Transportation.

The Estimates Committee are glad to learn that some valuable work has been done by the Committee on Assessment of Resources in collecting data about the total availability of the coal resources in the country and by the Committee on Utilisation in preparing a plan of utilisation of coal for the Third and Fourth Five Year Plans.

Meetings held.

129. The Committee find that while the Committees on Assessment of Resources and Production and Preparation had held 4 meetings each in 1962 the Committees on Requirements and Utilisation and Transportation had not met at all during the year. *They would suggest that the*

Committees on Requirements and Utilisation and Transportation may also meet regularly so that they can periodically review the position.

They further suggest that the activities of these committees and the various studies etc. undertaken by them may be indicated in greater detail in the annual report of the Ministry for the information of Parliament as well as public.

They would also suggest that the Annual Reports of the Ministries should be made as informative as possible so that they can serve as a ready source of reference about the achievements and activities of the Ministries.

C. Fuel Efficiency Committee

130. Pursuant to the recommendation of the Committee on Requirements and Utilisation of the Coal Council of India, a permanent Fuel Efficiency Committee was set up in May, 1958 with a view to ensure that necessary technical advice, help and guidance were made available to the various categories of industrial consumers so as to make them conscious of the need to achieve economy and efficiency in the use of fuels. **Functions.**

The functions of the Committee are as under:

- (1) to evolve a pattern of survey, investigation and research in consumption of coals used in steam raising, power generation, processing and combustion in the various industrial furnaces and to determine the combustion characteristics of different types of coals;
- (2) to study the fuel problems of industries and to advise them on the use of proper type of appliances;
- (3) to draw up a comprehensive schedule of types, grades and sizes of coal for the various classes of consumers;
- (4) to initiate and organise studies and surveys to ensure that the coals allotted to consumers are consumed with due regard to maximum fuel efficiency; and
- (5) to make recommendations for building up suitable technical organisations for fulfilling the above objectives.

131. The composition of the Fuel Efficiency Committee is as follows: **Composition.**

- (1) Coal Controller—Chairman.
- (2) Joint Director, Mechanical Engineering (Coal), Railway Board;
- (3) Director, Central Fuel Research Institute or his representative;

- (4) A representative of the Department of Iron and Steel;
- (5) Technical Adviser (Boilers), Ministry of Works, Housing and Rehabilitation.
- (6) Thermal Specialist Engineer, Central Water & Power Commission; and
- (7) Chief Combustion Engineer, Coal Controller's Organisation. (Member-Secretary).

Work done. 132. The Committee are given to understand that one of the major recommendations of the Fuel Efficiency Committee, which has been accepted and implemented by Government is regarding the revision of the gradewise allocation of coal to different industries.

In his report on fuel economy measures submitted to the Government of India in 1961 the Colombo Plan Expert, Mr. Plummer, has stated that—

“The Fuel Efficiency Committee set up by the Coal Council of India have done valuable work in relation to the grading and sanctioning of coal to industry. They have not, however, been able to devote sufficient time to fuel efficiency matters, much as they may have desired to do so.”

Need for setting up fuel efficiency service. 133. In his memorandum to the Committee, the Director Central Fuel Research Institute, has stated that—

“So far, the Fuel Efficiency Committee has largely undertaken paper work..... It is imperative that an organisation on the lines of N.I.F.E.S. (National Industrial Fuel Efficiency Service), U.K. should be started.....”

The representative of the Ministry admitted in evidence that “due to inadequacy of staff and equipment, it has not been able to do that amount of job as might be expected of it”. He added that recently a decision had been taken after consultation with the Ministries concerned and the Planning Commission, that the National Productivity Council would set up an organisation somewhat similar to the one in Britain. The main difficulty was of foreign exchange required for importing the necessary equipment.

Scope for fuel economy. 134. The scope for effecting economy in the use of fuel is amply borne out by the following observations made by the Colombo Plan Expert in his report—

“It has been found that there is great scope for fuel saving. Few factories have been visited where savings of less than 15 per cent of fuel consumption are possible and some have been en-

countered where 50 per cent of the fuel burnt can be saved. The average savings possible amongst all factories visited are as high as 25 per cent.

The scope for fuel saving has been found to be greatest where the cost of fuel, delivered on site, is least i.e. nearer the coalfields."

The necessity of a well organised fuel efficiency service at a time when India is getting rapidly industrialised, cannot be over-emphasised. The cost of setting up such a service would be more than offset by the overall economy that the country would be able to achieve in fuel consumption. The Committee hope that Government would take early steps to set up a Fuel Efficiency Service in India.

The Committee would also suggest that the Central Fuel Research Institute, Dhanbad which has the richest experience in this field in India may be actively associated in building up the service.

135. *The Committee would further like Government to take urgent steps to see that certain 'first aid' measures suggested by the Colombo Plan Expert such as (i) thermal insulation (ii) prevention of steam leakage, (iii) economical loading of heat consuming plants, and (iv) use of steam at lowest possible pressure etc., which hardly require any capital expenditure and would make for fuel economy, are adopted early by the various industries.*

**"First-aid"
Measures
Required.**

136. *The Committee would also like to draw attention of the Ministry to the Colombo Plan Expert's observations that "it seems quite illogical that at some fuel consuming plants (e.g. gas producers) fines are screened out and rejected, whilst on others (e.g. water-tube boilers with travelling stokers) coal has to be crushed to make it small enough. There seems a case for screening plants at the pitheads so that various classes of consumers can be delivered an immediately usable fuel."*

**Setting up
of screening
plants at
pit-heads.**

The Committee would urge Government to see that screening, where necessary, is done by the collieries to avoid waste.

137. It is further stated in the Colombo Plan Expert's Report that—

**Need for
wide publi-
city
campaign.**

"Throughout the tour of the industry, the Expert was struck by the lack of publicity material and propaganda aimed at bringing home to the industrialist and factory worker, India's great need for fuel economy."

The Committee endorse the recommendation of the Colombo Plan Expert that the proposed Fuel Efficiency Service "should be backed by a vigorous publicity campaign and the cooperation of such bodies as Industrial Research Organisations, Productivity Councils, Chambers of Commerce and Professional Bodies should be enlisted to spread the message and purpose of industrial fuel efficiency."

D. Low Temperature Carbonisation Plants

Lack of foreign exchange

138. A scheme for setting up low temperature carbonisation plants for manufacture of smokeless domestic fuel was proposed by the late Department of Mines and Fuel in June, 1959 and was included in the Third Five Year Plan under category 'C' (i.e. new projects for which external credits had not by then been arranged). A provision of Rs. 22 crores, including foreign exchange cost of Rs. 15 crores, was made. Later on, however, the Planning Commission indicated that it would not be possible to make financial provision for the scheme in the public sector in the Third Five Year Plan. The Planning Commission decided in May, 1962, that since the prospects of setting up low temperature carbonisation plants in the public sector were remote, applications from private parties may be considered on merits. In pursuance of this decision, an application for setting up a low temperature carbonisation plant in Maharashtra has been agreed to by the Ministry subject to the availability of coal and transport.

Use of dung and wood as fuel a national waste.

139. It has been estimated by the National Council for Applied Economic Research that "the amount of dung, used as fuel in the country would be equivalent to 35 to 40 million tons of coal per year for the whole country and, if it is used as manure, India can produce an additional quantity of 9 million tons of foodgrains every year". According to the Council, the loss is equivalent to "burning 12 Sindris every year". The quantity of fuel wood consumed is equivalent to 55 million tons of coal per year, of which solid fuel wood was 31 million tons, charcoal about 1 million tons and the rest, derived from leaves, twigs etc. This steady rate of denudation of forests has resulted in the country losing rapidly the precious top soil.

Installation of Low Temperature Carbonisation Plants at Consumer Centres.

140. The Director, Central Fuel Research Institute in his memorandum to the Committee, has suggested that there is need for solving the problem of providing domestic fuel in urban areas. He has suggested that it may be done by installation of low temperature carbonisation plants at the consumer centres so that the surplus gas can be distributed in the townships.

The Committee note from the material furnished by the Ministry of Mines and Fuel that low temperature carbonisation plants at Jambad and Karanpura would be *prima facie* a sound economic proposition. As the necessity of providing a cheap smokeless fuel to people in order to replace dung and wood is obvious and urgent, they recommend that Government may draw up suitable schemes in this regard early on the basis of data already available. Efforts may be made to meet the foreign exchange costs through the foreign aid programme. The possibility of manufacturing indigenously the plant and machinery required may also be explored.

E. Reports and Returns

141. The Study Group of the Estimates Committee during their tour to Eastern Zone, were informed by certain representative organisations of the mine managers that as many as 192 books had to be signed by a manager every day and consequently it was not possible for him to devote adequate attention to his main function of looking after production and safety. The Committee have been furnished by the Joint Working Committee a set of the various reports, returns and proforma required to be submitted by the industry to various authorities.

Large number of reports and returns required.

The Committee understand that a Committee on Direction was appointed by the Government of India (Cabinet Secretariat) in November, 1960 to co-ordinate and rationalise the system of reporting in relation to trade and industry and that this committee desired to cover in its survey all the enactments affecting the coal industry with a view to find out the number of returns that colliery managements are required to submit to different authorities.

The Indian Mining Association, in a memorandum dated the 29th June, 1962 to the Committee on Direction, a copy of which has also been supplied to the Committee, pointed out that returns are required to be submitted by the Coal Companies under the Companies Act, the Central Income Tax Act and the Central Sales Tax Act. In addition, returns are required to be submitted periodically in terms of other enactments such as the Bihar Land Reforms Act, 1950, the West Bengal Estates Acquisition Act, 1955, the Mines and Minerals (Regulation and Development) Act, 1957, the Mineral Concession Rules, 1960 etc. Various Government authorities under such enactments are empowered to call for *ad hoc* information from colliery companies pertaining to their mining leases, minerals worked, royalties paid etc.

The Association has further stated that—

"It is necessary to point out that most of the information required by such authorities can be obtained by a reference either to the Coal Controller or to the Chief Inspector of Mines. Both these organisations have comprehensive statistical organisations and they should be able to furnish all details relating to production, despatches, colliery consumption etc. to any authority requiring this information relating to any particular coal mine, since the submission of this information monthly to both organisations is obligatory."

The Committee consider that there is room for rationalisation in the matter of submission of reports and returns by colliery managers so that they can concentrate more on their main function of production and safety. They suggest that Government may take early action to simplify the forms and reduce their number and periodicity.

F. Requirements of technical personnel for the Coal Mining Industry.

Requirements of Senior Technical Personnel.

142. The Committee understand that a Sub-Committee of the Coal Council's Committee on Production and Preparation has reviewed the man-power requirements for the coal mining industry during the Third Five Year Plan. It has also assessed the requirements of personnel and training facilities during the Fourth Five Year Plan. It has been found that facilities for imparting theoretical training at degree and diploma levels at the various technical institutions in the country would be adequate to meet the needs of the industry. For practical training of senior technical personnel, a Directorate has been set up under the Ministry of Scientific Research and Cultural Affairs for organising the necessary facilities at various places in the country. A committee has also been appointed to examine the question of granting partial exemption from statutory examinations and reduction in the period of practical training in mines for degree and diploma holders.

The Committee would suggest that the Ministry of Mines and Fuel may keep in constant touch with the Ministry of Scientific Research and Cultural Affairs with a view to ensure that the training programme for senior mining personnel keeps pace with the requirements.

143. The Committee understand that the requirements of junior technical personnel are being examined by a committee set up by the Ministry of Mines and Fuel. In this connection they would like to mention that the National Coal Development Corporation Ltd., has already set up five technical training schools for training technical personnel for the Corporation. They have pointed out in their 32nd Report on National Coal Development Corporation Ltd., that the capacity of these schools is not being fully utilised.

Requirement of Junior Technical Personnel.

The Estimates Committee hope that emergent steps would be taken by Government to utilise fully the training capacity available in the technical schools of the National Coal Development Corporation Ltd. in the best interests of the industry.

G. Organisational set-up of the Office of the Coal Controller

144. The main functions of the Coal Controller's Organisation are to exercise overall control over production and distribution of coal and to fix and exercise control on the prices of different varieties of coal and coke under the Colliery Control Order, 1945. This organisation is also responsible for looking after the expansion and development of the coal mining industry, particularly in the private sector, and all matters connected with such expansion and development including utilisation of foreign loans made available to the industry, sponsoring of applications for commodities like cement, iron, steel etc. and resolving difficulties faced by the industry in getting of power, explosives etc. for coal production.

Functions.

The Office of the Coal Controller has two wings—the Distribution Wing and the Production Wing. The details of the organisational set-up are given in the charts at Appendix XI.

The Committee observe from the organisational charts that the following items of work relating to coal distribution are at present discharged by the Production Wing of the Office of the Coal Controller:

- (i) coastal shipments for export of coal;
- (ii) coal supply to Railways including investigation of complaints about inferior supply; and
- (iii) grant of subsidy for coastal shipment.

It was admitted during evidence that the above was only a relic of the past when the Chief Mining Adviser of the Railway Board was responsible for production in State collieries and also looked after exports and coastal shipping. *The Committee suggest that these functions, which are more germane to distribution than production, may be transferred to the Distribution Wing of the Office of the Coal Controller.*

**Field
Organisa-
tion.**

145. The Committee observe that the Field Organisation of the Production Wing in the Office of the Coal Controller consists of a regional office at Dhanbad under an officer designated as the Coal Superintendent. The coal producing areas in the country have been grouped into 9 divisions under the administrative control of the regional office:

West Bengal

- (i) Asansol
- (ii) Raniganj
- (iii) Charanpur
- (iv) Dishergarh

Bihar

- (v) Sijua
- (vi) Jharria

Assam

- (vii) Gauhati

Madhya Pradesh

- (viii) PENCH Valley; and

Andhra Pradesh

- (ix) Singareni.

Each of these divisions, excepting Assam, are stated to be in the charge of a qualified mining engineer. The Assam area is in the charge of a non-technical officer designated as Deputy Assistant Coal Controller (Scale Rs. 400—950).

The Committee were informed in evidence that Assam was almost a self-sufficient area. The coal produced locally was, however, of low grade and most of the mines were small family mines. The need for posting a technical person in this region had therefore not been felt.

The Committee are not quite convinced of the necessity of posting an officer in Assam merely to look after work relating to allocation and distribution of coal, which in other States is performed by the State Coal Controllers. On the other hand, the Committee feel that production of coal in Assam needs to be stepped up. This is obviously not possible under the present conditions when the mining

industry is more or less functioning on a cottage industry basis. The Committee, therefore, suggest that Government may consider the question of posting a suitably qualified mining engineer in Assam who might take positive steps, in collaboration with the State Government, to develop the coal mining industry in the region on a scientific basis for boosting up production.

146. The Committee understand that the Special Re-
 organisation Unit recently examined the working of the
 Office of the Coal Controller. The Report was submitted to
 Government in January, 1963 and is stated to be under
 consideration. The Committee suggest that Government's
 decision on the Report of S. R. U. may be finalised early
 and necessary economies effected.

Examina-
 tion by
 S.R.U.

H. C. DASAPPA
 Chairman,
 Estimates Committee.

NEW DELHI—1.

April 3, 1963/Chaitra 13, 1885 (Saka).

APPENDIX I (vide para 25)

Statement showing the anticipated power shortage in Coal Mining Industry with respect to the overall shortage during the Third Five Year Plan.

	Available firm capacity in the area	Estimated overall demand	Estimated overall shortage	Estimated additional cumulated demand for coal-mining industry	REMARKS Shortage is recommended to be met as follows:—
(1)	(2)	(3)	(4)	(5)	(6)
	(MW)	(MW)	(MW)	(MW)	
*BIHAR—WEST BENGAL					
1961-62	755	1051·8	296·8	7·37	(1) Release of 30 MW from D.V.C. to the collieries in Bihar and Bengal by corresponding diversion to the Bihar Grid of 74 MW of peaking capacity or 30 MW at 50% load factor from Rihand Power Project through 132 KV link at Sone Nagar.
1962-63	777·0	1190·8	413·8	25·8	
1963-64	935·0	1399·3	464·3	53·35	
1964-65	1361·0	1627·2	266·2	78·61	
1965-66	1822·0	2024·5	202·5	89·83	
					(2) Diversion to Bihar Grid of the surplus power from Hirakud Grid for the next 2-3 years till load on the completed Hirakud Power system materialises.
					(3) Diversion of surplus power from the Durgapur Coke Oven Plant Power Station till such time as the loads anticipated in Durgapur Industrial belt matures.
					(4) Installation in next 24 months of 6×1·5 MW set in area served by the Dishergarh & Associated Power Supply Companies in Bengal.

MADHYA PRADESH

1961-62	.	.	.	.	.	165.5	228.4	62.9	1.65	(1)	Scheduled completion of construction of 132 KV transmission line from Korba to Birsampur by October, 1962 to facilitate use of 8,000 KVA (6,400, KW) of power in Korba-Korea-Region.
1962-63	.	.	.	.	.	175.5	289.5	114.0	9.72		
1963-64	.	.	.	.	.	241.5	378.8	173.3	17.27		
1964-65	.	.	.	.	.	413.0	456.0	43.0	26.27		
1965-66	.	.	.	.	.	520.0	550.0	30.0	32.18		

- (2) Utilising a portion of power supply rising from 3 MW in 1962-63 to 10 MW in 1964-65 made available by Rihand Project to Madhya Pradesh State Electricity Board by the construction of transmission line from Rihand station to Jhilimili by respective Boards within their jurisdiction.
- (3) A portion of power supply could also be made use of for Singrauli Coal-field located near the border of Uttar Pradesh State.
- (4) Utilizing a portion of the Power Supply from out of 15,000 KW made available by Maharashtra State Electricity Board to the Madhya Pradesh State Electricity Board.
- (5) Installation of diesel plant wherever necessary.

MAHARASHTRA

1961-62	.	.	.	.	.	596.5	671.2	74.7	..		
1962-63	.	.	.	.	.	774.5	758.9	plus 15.6 (Surplus)	1.33		
1963-64	.	.	.	.	.	862.0	998.2	136.2	2.33		
1964-65	.	.	.	.	.	905.5	1120.0	214.5	3.33		
1965-66	.	.	.	.	.	1249.5	1312.4	62.9	3.33		

ORISSA

1961-62	169.0	187.8	18.8	1.00		
---------	---	---	---	---	---	-------	-------	------	------	--	--

	1	2	3	4	5	6
1962-63	.	296.0	250.5	plus 45.5 (Surplus)	2.00	
1963-64	.	296.0	319.8	23.8	3.34	
1964-65	.	352.0	374.7	22.7	4.00	
1965-66	.	468.4	475.3	6.9	4.34	

ANDHRA PRADESH

1961-62	.	146.0	206.0	60.0	1.96	(1) Integrating the Andhra Power System with that of the Singareni Collieries Co. Ltd.
1962-63	.	146.0	245.7	99.7	4.06	
1963-64	.	151.0	366.9	215.9	6.13	
1964-65	.	227.0	391.9	164.9	9.54	
1965-66	.	367.0	478.3	111.3	12.88	(2) Early installation of the third boiler at Ramagudam Power Station.
						(3) Sanctioning of 2 more boilers for Kothagudium Power Station of the Singareni Collieries Company.

APPENDIX II

(Vide para 32)

Details of Programs of manufacture of Coal Mining Machinery by Heavy Engineering Corporation at Durgapur.

S. No.	Item	Quantity of items	Total weight, tons
1	Coal-cutters with jib length from 2 to 2.8 m.	50	175
2	Do.	550	1529
3	Leaders including:		} 1704
	(a) Gathering arm type	55	643.5
	(b) Shovel leaders (bucket type)	30	150
4	Scraper conveyers	1220	12936.7
5	Belt conveyers	600	10450.5
6	Trolley and battery-type electric mine locomotives 24" and 42" track gauge	100	700
7	Haulages including:		
	(a) direct haulages	80	478
	(b) endless haulages	170	1886
		100	330
		50	1110
8	Electric winders	10	413.6
		15	753.5
9	Main axial fans	100	1153.5
10	Booster fans	250	50
11	Centrifugal pumps	500	997.8
12	Sand pumps	300	555
13	Light boring rig	25	28.3
14	Gage keps and safety detaching hooks, rope clips, etc.		2000
	TOTAL		36617
15	Spare parts		8323 tons
	TOTAL OUTPUT		45,000

APPENDIX III

(Vide para 87)

Statement showing the chartered tonnage of shipping utilised for the movement of coal during the year 1962.

Position as on	Time chartered		Tonnage		Trip chartered		Tonnage	
	in		in		in		in	
	Dead Weight	tons	Dead Weight	tons	Dead Weight	tons	Dead Weight	tons
	No. of ships	DWT	No. of ships	DWT carried				
31-1-1962 . . .	3	23,975	5	13,721				
28-2-1962 . . .	7	62,404	4	15,918				
31-3-1962 . . .	7	62,404	5	29,140				
30-4-1962 . . .	7	62,404	4	22,439				
31-5-1962 . . .	7	62,404	..	..		
30-6-1962 . . .	7	62,404	5	29,917				
31-7-1962 . . .	7	62,404	6	38,283				
31-8-1962 . . .	6	52,425	7	49,903				
30-9-1962 . . .	2	15,755	3	18,306				
31-10-1962 . . .	1	7,535	2	10,480				
30-11-1962 . . .	..	..	1	4,419				
31-12-1962 . . .	..	..	1	4,325				
31-1-1963 . . .	..	..	1	4,402				

APPENDIX IV

(Vide para 87)

Statement showing the extra freight incurred due to under-utilization of the time chartered tonnage for the movement of coal during the year 1962.

Name of vessels	Sailed from Calcutta	Total No. of days taken for coal voyage	Maximum carrying capacity after allowing for bunker's stores	Actual quantity carried in tons	Difference	Net loss on under utilisation of tonnage
1	2	3	4	5	6	7
1. Lantao . . .	5-1-62	38	6,500	4,921	1,579	
2. " . . .	31-3-62	35	6,500	5,594	906	
3. " . . .	5-6-62	36	6,500	5,860	640	
4. " . . .	18-7-62	29	6,911	6,911	..	
5. " . . .	28-8-62	54	6,500	6,451	49	
6. " . . .	31-10-62	24	6,500	6,335	165	
		216			3,339	£22,267-16-
7. Mahadevi . . .	20-1-62	27	7,000	4,599	2,401	
8. " . . .	22-2-62	24	7,000	4,427	2,573	
9. " . . .	17-4-62	23	7,000	5,073	1,927	
10. " . . .	17-7-62	29	7,000	6,408	592	
11. " . . .	30-8-62	47	7,000	6,981	19	
		150			7,512	£34,780-4-0
12. Isabel Erica . . .	15-2-62	16	8,500	4,766	3,734	
13. " . . .	5-3-62	18	8,500	6,281	2,219	
14. " . . .	30-5-62	45	8,500	6,965	1,535	
15. " . . .	14-7-62	23	8,500	6,127	2,373	
16. " . . .	4-8-62	26	8,500	6,777	1,723	
		128			11,584	£35,232-15-0
17. Malika . . .	4-2-62	20	7,000	5,149	1,851	
18. " . . .	22-2-62	18	7,000	4,921	2,079	
19. " . . .	19-3-62	23	7,000	5,394	1,606	
20. " . . .	5-5-62	25	7,000	5,662	1,338	
21. " . . .	29-6-62	19	7,000	6,117	883	
22. " . . .	30-8-62	34	7,000	6,641	359	
		139			8,116	£34,830-15-0

	1	2	3	4	5	6	7
23. Shaukiwan		3-3-62	15	8,500	5,262	3,238	
24. "		22-3-62	18	8,500	5,678	2,822	
25. "		18-4-62	37	8,500	6,334	2,166	
26. "		6-6-62	38	8,500	5,600	2,900	
27. "		1-7-62	36	8,500	6,116	2,384	
28. "		18-8-62	42	8,500	8,035	465	
			<u>186</u>			<u>13,975</u>	<u>£57,023-5-0</u>
29. Ard Patrick		1-4-62	27	8,500	6,195	2,305	
30. "		25-4-62	30	8,500	5,239	3,261	
31. "		7-6-62	45	8,500	5,301	3,199	
32. "		20-7-62	34	8,500	6,740	1,760	
33. "		3-9-62	39	8,500	6,773	1,727	
			<u>175</u>			<u>12,252</u>	<u>£46,165-2-6</u>
34. Nego Trader		15-8-62	30	7,580	£7,580	..	..
					<u>TOTAL</u>		<u>£230,299-17-6</u>
					<u>TOTAL</u>		<u>Rs. 30,70,665.00</u>

APPENDIX V

(Vide para 87)

Statement showing the extra freight on account of difference in the freight rates and trip charter rates of chartered tonnage during the year 1962

Name of Trip Charter	Date of sailing from Calcutta	Discharge Port.	Qty. of coal carrd. in Tons	Freight earned	Charter hire remitted
1	2	3	4	5	6
				Rs. nP. £. Sh. d.	
1. Nagusena	4-1-62	Madras	. 2981	92,596.53	5,812 5 0
2. Nagusena	19-1-62	Madras	. 3220	100,025.04	6,279 0 0
3. Anthippi-Nichalos	15-1-62	Madras	. 2723	84,587.19	5,309 4 0
4. Do.	30-1-62	Cochin	. 2426	85,067.15	5,322 1 0
5. Yosu	26-1-62	Cochin	. 2371	83,134.59	4,816 15 2
6. Doria	3-2-62	Do.	. 4543	159,298.16	9,412 14 10
7. Bahadur	17-2-62	Bombay	. 4341	151,153.80	9,400 19 9
8. Anthippi-Nichalos	25-2-62	Cochin	. 2776	97,318.20	6,089 17 0
9. Agios Nicholas II	10-2-62	Madras	. 4258	132,245.82	7,911 19 9
10. Luigi	26-3-62	Cochin	. 5811	203,781.55	12,422 11 9
11. Saint Dunstann.	18-3-62	Do.	. 6068	212,754.15	13,311 13 6
12. Agios Nicholas II	8-3-62	Madras	. 6170	191,643.33	11,593 15 2
13. Korcula	10-3-62	Cochin	. 5239	183,696.73	11,493 1 0
14. Roberto Paroli	24-3-62	Cochin	. 5852	205,196.46	12,837 16 6
15. Archon Michael	10-4-62	Madras	. 5552	172,445.37	10,286 12 6
16. Union Trader	22-4-62	Tuticorin	. 4187	134,766.72	8,164 15 0
17. Archon Michael	29-4-62	Bombay	. 6453	226,247.56	13,841 15 0
18. Saint John	21-4-62	Do.	. 6247	219,034.97	13,704 10 0
19. Ranjer	18-6-62	Bhavangar	. 9082	248,299.45	15,536 0 0

1	2	3	4	5	6
20. Daiei . . .	26-6-62	Cuddalore	4686	150,828.48	8,909 0 0
21. Hongkong Pioneer . . .	19-6-62	Do.	4773	153,648.00	8,958 6 6
22. Prexiteles . . .	2-6-62	Bombay . . .	6762	237,083.70	14,504 10 0
23. Panagos . . .	16-6-62	Do.	6614	231,907.20	14,187 1 0
24. Mariasmi . . .	4-7-62	Sikka . . .	6186	248,451.65	13,567 10 0
25. Marihora . . .	16-7-62	Bombay . . .	7101	286,363.35	15,231 13 6
26. Sandys River . . .	17-7-62	Sikka . . .	7346	296,246.16	16,115 1 9
27. Ancrean . . .	21-7-62	Bombay . . .	6509	262,469.97	13,327 0 0
28. Hongkong Pioneer . . .	30-7-62	Cuddalore . . .	4956	175,504.60	9,301 15 10
29. Yianni . . .	6-7-62	Bhavnagar . . .	6185	249,411.96	13,568 0 0
30. Pionios . . .	2-8-62	Bombay . . .	6783	273,543.48	13,226.17 0
31. Paget Trader . . .	15-8-62	Okha . . .	8170	329,466.69	16,915 0 8
32. Trader . . .	16-8-62	Bhavnagar . . .	8538	344,310.75	18,730 0 0
33. Red Brook . . .	31-8-62	Okha . . .	6676	269,217.27	11,717 0 0
34. Daiei . . .	19-8-62	Tuticorin . . .	5189	183,729.20	10,512 10 0
35. Contractor . . .	15-8-62	Cochin . . .	7845	302,579.16	15,871 0 0
36. Agios Dimitris . . .	26-8-62	Bombay . . .	6702	270,288.90	14,702 0 0
37. Hongkong Pioneer . . .	10-9-62	Cuddalore . . .	5132	181,707.90	9,632 2 5
38. Georgious MII. . . .	6-9-62	Sikka . . .	5970	240,759.54	11,278 0 0
39. Almbabita . . .	28-9-62	Bombay . . .	7204	290,491.11	15,277 0 0
40. Captain John . . .	3-10-62	Okha . . .	5919	238,655.97	12,985 0 0
41. Hongkong Pioneer . . .	17-10-62	Cuddalore . . .	4561	161,494.90	8,560 8 6
42. Do. . . .	22-11-62	Do. . . .	4419	156,476.50	8,239 18 3
43. Do. . . .	24-12-62	Do. . . .	4325	153,130.90	8,117 9 3
			Rs.	86,71,060.11	£28 . . . 0
					OR
					Rs. 38,27,141.00
Therefore Difference					Rs. 48,43,919.11*

*This amount does not take into account dispatch/demurrage charges.

APPENDIX VI

(Vide para 102)

Procedure for the grading of coal seams

Categories or grading :

1. Grading of coal seams can be divided into two categories, namely (a) initial grading and (b) regrading.
2. Initial grading can further be sub-divided into two categories namely (a) provisional initial grading and (b) final initial grading.
3. Regrading is considered only after final initial grading or previous regrading.
4. Provisional initial grading is made on application from the owner, agent or manager of the coal mine and on the basis of sample drawn from the seam.
5. Final initial grading is made by the Board on the basis of wagon samples drawn on at least three different days.
6. Regrading is made either on application from the owner, agent or manager of the coal mine or by the Board its elf, ordinarily on the basis of wagon samples. Where considered necessary by the Board, seam samples are also drawn. No application for regrading should be entertained until after the expiry of six months from the date of initial grading or previous regrading.

Drawal of samples :

7. Seam sample should be drawn by an officer of the Board of the status of Additional Inspecting Officer or a higher status.
8. Wagon sample should be drawn by an officer of the Board of the status of a Sampling Assistant or a higher status.

Procedure for sampling of coal :

9. The drawal of seam samples and wagon samples shall be, as far as it may be, in accordance with the procedure specified by the Indian Standards Institution.

Provisional initial grading :

10. The provisional initial grading will ordinarily be made as indicated below :—

- (i) Within one month of the receipt of intimation that sampling faces are ready, two seam samples should be drawn. All cases in which this period is exceeded should be reported to the Board.

- (ii) The first sample should include all the bands. The second one should exclude the pickable bands of thickness above two inches. In the event of any disagreement about the pickability of bands, an appeal would lie to the Board.
- (iii) As soon as the results of analysis of seam samples be available, the Inspecting Officers should communicate then to the applicant owner, agent or manager of the coal mine allowing him 15 days to make representation, if any.
- (iv) If the percentage of ash or ash plus moisture in the first sample is denoted by A, the percentage of ash or ash plus moisture in the second sample by B, the percentage rejection of the first sample representing the bands that were included in drawing the second sample, by C, the percentage of cleaning considered possible during loading in the case of manual picking would be 5 per cent out of 'C'. In the case of belt picking, the percentage would be 10 out of 'C'. The proportionate percentage of ash or ash plus moisture in C—5 or in C—10, as the case be, should, therefore, be added to the ash or ash plus moisture indicated by the second sample. This proportionate percentage, denoted by D, should be arrived at by one of the two formulae given below :—
- (a) *In the case of manual picking :—*

$$D = \frac{(A-B) \times (C-5)}{C}$$
- (b) *In the case of belt picking :*

$$D = \frac{(A-B) \times (C-10)}{C}$$
- (v) The percentage of ash or ash plus moisture which should determine the provisional grade should be 'B' × 'D'. Where, however, 'C' be less than 5 or less than 10, as the case might be, the provisional grade would be determined by 'B'.

11. In the case of the re-opening of a seam, its previous grade may be restored provisionally if it was given by the Board and not by any other authority.

12. The bands accepted in drawing the seam samples should be indicated in the certificate which should also show the section of the seam sampled. This information should be included in the list of grades of collieries published by the Board annually.

Final initial grading :

13. The final initial grading will ordinarily be made as indicated below :—

- (i) Three wagon samples should be drawn.
- (ii) All the samples should be drawn within three months of the grant of provisional grade. All cases of delay beyond this limit should be brought to the notice of the Board.

- (iii) The result of analysis of every sample should, on receipt, be sent by the Inspecting Officer to the owner, agent or manager of the coal mine allowing him fifteen days time to make representation if any.
- (iv) If out of three loading samples, the results of analysis of at least two loading samples should indicate the same grade, the seam should be confirmed in such grade.
- (v) If, however, each of the three loading samples should indicate a different grade, the seam should be confirmed in the grade indicated by the average ash or ash plus moisture content, as the case might be, of all the three samples.

14. In the case of mixed loading of two grades the mixed loading will carry the lower of the grades until loading samples are drawn of the mixed loading and a grade fixed therefor. Where, however, the output of the higher grades be substantial so that the above decision might affect the interest of the applicant adversely, the Board would consider the case on merits.

Regrading :

15. Regrading will be done on the basis of usual periodical checking of loadings. For such periodical checking, priority shall be given to the grades of coal mines with substantial raising or against whom there may be complaints about poor quality of coal.

16. For periodical checking or loadings, samples should be drawn at least once in a year in the case of collieries whose coal, in the opinion of the Chief Mining Engineer, could be considered clean. In other cases, including those of mixed loading, samples should be drawn at least once in four months.

17. The regrading will ordinarily be made as indicated below :—

- (i) The result of analysis of every wagon sample should be communicated by the Inspecting Officer to the owner, agent or manager of the coal mine as soon as it becomes available *allowing him fifteen days time to make representation if any.*
- (ii) As soon as any result of analysis indicates a grade inferior or superior to the existing one, three further wagon samples should be drawn in quick succession and the result of each of the samples should be communicated by the Inspecting Officer to the owner etc., as soon as it becomes available.
- (iii) The results of all the four samples shall be reported by the Inspecting Officer, to the Calcutta office.
- (iv) If all the four or any three of them or the average of the four results should indicate a grade different from the existing grade, the owner shall be given by the Calcutta office opportunity of making representation, if any, against the proposed regrading by a specified date.
- (v) With the representation of the owner if received and without it if not received, the case should be placed before the Board.

APPENDIX VII

(Vide para 110)

Ceiling rates for underground cost and surface cost of stowing

Copy of letter No. 65-8(3)/60 dated the 6th December 1962 from Shri N. Laksman Rau, Dy. Secretary to the Govt. of India, Ministry of Mines & Fuel addressed to the Secretary, Coal Board, Calcutta.

SUB:—Grant of assistance by the Coal Board to collieries for stowing

I am directed to refer to the Coal Board's letter No.VA/III dated the 17th October 1962 on the above subject and to say that in supersession of this Ministry's letter of even number dated the 22nd Sept. '62 the Central Govt. hereby sanction the following ceiling rates of assistance for voluntary as well as compulsory stowing on volumetric basis with material mentioned against each:

Sl. No.	Material for use in stowing	Maximum ceiling rate per cubic metre of material stowed
		Rs
1	Hydraulic stowing with sand	4.00
2	Hydraulic stowing with sand-ash-mixture (sand 60%—ash 40%)	3.20
3	Hydraulic stowing with crushed material	4.55
4	Dry manual packing	3.70

2. These rates, and those mentioned in this Ministry's letter of even number dated the 4th August 1962 shall come into force with effect from 1st April 1962 (year 1962-63).

3. Other terms and conditions mentioned in this Ministry's letter No. C5-8(2)/60 dated the 22nd March 1960 and the earlier letters on the subject as well as the preceding instructions issued by the Coal Board from time to time will continue to be in force.

MINISTRY OF MINES AND FUEL

No. C5-8(3)/60

New Delhi, the 4th August, 1962/
13th Sravana, 1884 (S.E.)

To

The Chairman (for the Attention of Sri R.K. Talwar),
Coal Board,
11/A, Hastings Street,
Calcutta-1.

SUBJECT:—Grant of assistance by the Coal Board to collieries for stowing.

Sir,

I am directed to refer to this Ministry's letter No. C5-8(2)/60 dated the 22nd March 1960 on the above subject and to convey the sanction of the Central Government in pursuance of the provisions of sub-rule (1) of Rule 53 of the Coal Mines (Conservation and Safety) Rules, 1954 to the fixation of the following rates and terms in respect of grant of assistance by the Coal Board for stowing, both voluntary as well as compulsory to any owner, agent or manager of coal mine:—

- (a) There shall be separate rates of assistance for surface cost and underground cost for stowing with sand or with a mixture of sand and ash and the rates shall be expressed on volumetric basis;
- (b) The surface cost of stowing with sand or with mixture of sand and ash as admitted by the Board shall be reimbursed in full subject to the following ceiling limits:—

Distance transported	Ceiling rates of assistance per cubic metre	
	For sand	For sand and ash (25%)
1	2	3
<i>(A) Transport by aerial ropeway:</i>		
Upto 1 mile	Rs. 1.95	Rs. 1.55
Beyond 1 mile and upto 3 miles	2.15	1.70
„ 3 miles and upto 6 miles	2.25	1.80
„ 6 miles and upto 9 miles	2.35	1.85
„ 9 miles	2.40	1.90

1	2	3
(B) Transport by trucks, tractors and trailers	Rs.	Rs.
Upto 1 mile	2.80	2.25
Beyond 1 mile and upto 3 miles	4.00	3.20
„ 3 miles and upto 5 miles	4.80	3.85
„ 5 miles and upto 7 miles	5.60	4.45
„ 7 miles	6.40	5.10
(C) Transport by locomotive (Steam or diesel):		
Upto 1 mile	2.00	1.60
Beyond 1 mile and upto 3 miles	2.80	2.25
„ 3 miles and upto 5 miles	3.60	2.85
„ 5 miles	4.40	3.50
(D) Transport by rope haulage :		
Upto 1 mile	2.25	1.90
(E) Transport by belt conveyer		
Upto 1 mile	1.75	1.40

(c) The assistance in respect of stowing with sand and ash and sand mixture for underground cost shall be met upto 100% of the admitted cost subject to the following ceilings :—

(A) For depth of mines undertaking stowing:

Upto and inclusive of 800 feet 2.10 1.65

(B) For depth exceeding 800 feet 3.35 2.65

(d) The Board shall ensure that the stowing material transported by a colliery is actually used for stowing purposes and not disposed of for other purposes.

(e) The rates of assistance mentioned at (b) and (c) above shall apply to all cases of assistance sanctioned by the Board in future. The Collieries which were already doing stowing on the 31st December, 1961 and getting assistance from the Board at the rates will have the option of electing either the rates mentioned at (b) and (c) above or the existing consolidated rates of assistance for surface cost and underground cost. The option will be exercised at the time of making the next application and once exercised, it shall be final.

3. The other terms and conditions mentioned in this Ministry's letter No. C-5-8(2)/60, dated 22-3-1960 and the earlier letters on the subject as well as the procedural instructions issued by the Coal Board from time to time will continue to be in force in so far as they are not repugnant to the revised system of assistance now sanctioned.

4. I am also to request that the Board may submit proposals for the revision of the rates of assistance in the case of stowing with crushed materials and dry manual packing on volumetric basis. These proposals may also take note of any consequential changes that may be necessitated as a result of the revision of the rates of assistance for stowing with sand and mixture of sand and ash.

5. This letter issued with the concurrence of the Ministry of Finance (Department of Expenditure) *vide* their U.O. No. 7799-PSF/62, dated the 3rd August, 1962.

Yours faithfully,

Sd/- S. P. GUGNANI,

Deputy Secretary to the Govt. of India.

APPENDIX VIII

(Vide para 117)

Note on Special Assistance Scheme for collieries specially handicapped by various adverse factors.

The above scheme was introduced with effect from 1-9-1960, as a result of a recommendation made by the Coal Price Revision Committee. The adverse factors which have been specified by Government for the purpose of assistance under this scheme are as under:—

1. Gassiness.
2. Depth of shafts.
3. Inclination of seams.
4. High pumping cost.
5. Thinness of seams; and
6. High transportation cost from pit-head to-rail head.

Assistance under the scheme is restricted to collieries which produce selected grades or Grade I coal except (i) in the case of high transportation cost, for which all grades are eligible; and (ii) in the case of thin seams producing Grades II and III in the Madhya Pradesh State. The scales of assistance are sanctioned by the Board in accordance with these scales after scrutiny and verification.

The present rates of assistance in respect of underground mines are as follows:—

	Rate of assistance per tonne of coal.
	Rs. nP.
(a) Gassy nature of coal mines (Subject to it being established that additional expenditure has to be incurred by collieries under this head)	1.00
(b) <i>Depth of shafts</i> : No assistance will be admissible in the case of vertical shafts of 150 metres or less in depth. In respect of vertical shafts which are more than 150 metres in depth, assistance shall be admissible for each 30 metres of depth or part thereof over the first 150 metres at	0.06

Rate of assistance per
tonne of coal

		Rate of assistance per tonne of coal
(c)	<i>Inclination of seams:</i> No assistance shall be granted in cases where the true gradient of the seam is less than 1 in 3. For seams with 1 in 3 or steeper true gradients, assistance shall be admissible at . . .	Rs. nP. 0.24
(d)	<i>Pumping cost :</i> No assistance shall be granted in cases in which the cost of pumping is Re. 1/- per tonne or less of coal raised.	
	(i) Where the cost of pumping exceeds Re. 1/- per tonne but does not exceed Rs. 2/- per tonne of coal raised, assistance shall be admissible at . . .	The rate upto which the cost of pumping exceeds Re. 1/- per tonne subject to a maximum of 0.18
	(ii) Where the pumping cost exceeds Rs. 2/- per tonne of coal raised assistance shall be admissible at . . .	0.18 nP plus the rate upto which the cost of pumping exceeds Rs. 2/- per tonne subject to a maximum of 0.35 nP.
(e)	<i>Thickness of seams:</i> No assistance shall be admissible where the thickness of a seam is 1.5 metre or more.	
	(i) in the case of seams of thickness exceeding 1 metre but less than 1.5 metre, assistance will be admissible at . . .	0.60
	(ii) in the case of seams of thickness equal to or less than 1 metre, assistance will be admissible at . . .	1.20
(f)	<i>High transportation cost from pithead to rail head:</i> Assistance shall be granted only in cases where coal is despatched by rail and the distance between the pit-head and the nearest available loading point is more than 3 miles (i.e., 4.83 kilometres). In such cases assistance shall be granted at a rate not exceeding 15 nP per tonne per mile or part thereof in respect of the distance in excess of the first 3 miles (4.83 kilometres)	

The present rates of assistance in respect of open-cast mines (quarries) are as follows :—

	Rates of assistance per tonne of coal
(1) Inclination of seams	Rs. nP.
No assistance shall be granted in cases where the true gradient of the seam is less than 1 in 3. For seams with 1 in 3 or steeper gradients, assistance shall be admissible at :—	
(a) If the depth from the surface does not exceed 30 metres	NIL
(b) exceeds 30 metres but does not exceed 60 metres	0.24
(c) exceeds 60 metres but does not exceed 90 metres	0.36
(d) exceeds 90 metres	0.50

(2) Pumping Cost

No assistance shall be granted in cases in which the cost of pumping is Re. 1/- per tonne or less of coal raised.

- | | |
|---|---|
| (i) where the cost of pumping exceeds Re. 1/- per tonne but does not exceed Rs. 2/- per tonne of coal raised assistance shall be admissible at. | The rate upto which the cost of pumping exceeds Re. 1/- per tonne subject to a maximum of 0.12 nP. |
| (ii) where the pumping cost exceeds Rs. 2/- per tonne of coal raised assistance shall be admissible at. | 0.12 nP plus the rate upto which the cost of pumping exceeds Rs. 2/- per tonne subject to a maximum of 0.30 nP. |

NOTE.—The expression 'pumping cost' will include such items of expenditure as may be determined by the Coal Board (e.g., power consumption, coal consumption on boilers, depreciation etc. (but will not include expenditure on dewatering of accumulated water or on water consumed in stowing operations.

(3) *High transportation cost from pit-head to rail-head.*

Assistance shall be granted only in cases where coal is despatched by rail and the distance between the pit-head and the nearest available loading point is more than 3 miles (i.e., 4.83 kilometres). In such cases assistance shall be granted at a rate not exceeding 15 nP per tonne per mile or part thereof in respect of the distance in excess of the first 3 miles (4.83 kilometres).

The scheme was extended to thir seams in Madhya Pradesh producing Grades II and III coals with effect from 1-7-62 and 1-10-1962 respectively.

Under the scheme, as it was originally introduced there were different rates of assistance for coking and non-coking coals. This has been done away with effect from 1-10-62. Simultaneously, the rates of assistance have also been generally liberalised. This is one of the steps taken by the Government to serve as an incentive for the Coal Industry to achieve their target during 3rd Plan Period.

APPENDIX*(Vide para***STATEMENT***Statement showing Collieries that completely have*

Sl. No.	Name of Colliery	Name of Owner	Particular of fire etc.	Seam/
1	Ekra Khas Colliery	M/s. Bharat Collieries Ltd.	There are two distinct fires in the Colliery. One on the North side of the Dhanbad—Katras D.B. Road affecting the XIV, XIII, XII & XI seams. The other is on the South side of the said road affecting the XIV and XIII seams only.	XIV, XIII, XII & XI seams on the north side & XIV & XIII seams on the South side of the D.B. Road.
2	Kurasia Colliery	N.C.D.C. Ltd.	Big fire due to spontaneous combustion in the loose heap of coal at the junction of the mechanised quarry and the incline.	I, II & III seams.

IX

119)

A

gone out of production due to fire.

Date on which went out of production	Monthly production and grade of coal at the time of going out of produc- tion	Action taken to restart mining op- eration.	Action taken to prevent the spread of fire	Remarks
19-7-62	2,500 tons from XIV XIII seams quarry and 2,500 tons from XI seam under ground.	The XIV, XIII, XII & XI seams mines on the North side of the D.B. Road are being drown- ed with a view to quench the fire. Re-opening of the mines can be con- sidered only after the fire dies out. On the South side of the D.B. Road also, the XII and XI seams can be re-opened after the XIV, XII seam fires die out.	Suitable protec- tive works have been undertaken at the Loyabad Colliery under assistance from the Coal Board to prevent the spread of fire.	NIL
25-5-51	80,000 tons Grade I.	Production resu- med after contro- lling the fire.	All protective mea- sures for contro- lling the fire were taken by the col- liery for which assistance from the Coal Board is under Consi- deration.	Production was suspended for ab- out a year.

STATEMENT

Statement showing Collieries of which certain seams have

Sl. No.	Name of Colliery	Name of Owner	Particulars of fire etc.	Seam/s
1	2	3	4	5
1	Khas Sitalpur Colly.	M/s. N. H. Ojha & Company.	Fire occurred due to spontaneous heating in the working of Jambad seam.	Jambad
2	Pure Jharia . . .	M/s. pure Jharia Colliery Company.	Fire started in Nov., 1955 in the X seam (top-most) due to spontaneous combustion or illicit distillation in the goaves.	X seam.

B

gone out of production due to fire.

Date on which went out of production	Monthly production and grade of coal at the time of going out of production	Action taken to restart mining op- eration.	Action taken to prevent the spread of fire	Remarks
6	7	8	9	10.
29-4-58	3,000 tons	Production could not be started as fire occurred in the old workings and at the time of detection of fire, the workings were more or less exhausted.	The area was sealed off.	Resumption of working will not give any useful production. On the other hand danger of fire will increase.
August, 1960	500 Tons Grade II.	Action can be taken to restart mining operation only after the fire is completely controlled by fully flooding the mine and recovery work to be followed after dewatering of the mine is completed.	On the north and north east a trench has been cut up to the floor of X seam to isolate the fire from K. P. Dobary colliery and R. N. Bagchi Dobary Colliery on the east, sand flushing has been done through bore holes to create a sand barrier on the edge of R. N. Bagchi Dobary Colliery of X seam workings. This is expected to check the fire from attacking the barrier under Dhanbad-Jharia Rly. line. Apart from these electrical pumps have been installed to continuously pump water from the Chathore into the X	IX seam has not been worked ; VII & VIII seams combined was being developed.

1	2	3	4	5
---	---	---	---	---

- 3 North Adjoy Jambad Colliery. M/s. North Adjoy Coal Co. Ltd. The fire occurred due to spontaneous heating in an area which crushed extending over an area of 1200' x 1200' on the surface. Jambad seam.
- 4 Madhujore Colliery M/s. Madhujore Coal Co. (P) Ltd. Fire occurred in December, 1956 due to commencement of depillaring by open goaf method even prior to obtaining permission from the Board. Upper Kajora Seam
-

6

7

8

9

10

seam workings of Dobari and Pure Jharia on fire. This is expected to ultimately drawn the fire. At the movement it has created a large head of water against the 100 ft. railway barrier on the south, thus making it impossible for the fire to spread towards Jharia, East Bhuggatdih and other Collieries.

4-11-61 7,000 tons

The colliery Co. intends to extract the coal from Virgin area on the dip side by approaching it through the adjoining East Jambad Colliery which belongs to the same management.

The area under crush is not recoverable. At present the crushed area is being flooded and stoppings are being constructed to prevent the spread of fire from underground.

The fall in output is from the underground working of the Jambad seam. Presently 5,000 tons per month is raised from the quarry of Jambad seam.

Dec., 1956

2,000 to
2,500 tons

Dewatering of the workings for resumption of raising was taken up but in view of extensive stabilisation required by the office of the Chief Inspector of Mines, the idea was abandoned. The colliery management has however re-opened the same Kajora seam which is being worked in a different part of the property as well as the next lower Jambad seam which has also been recently opened.

The mine was allowed to be flooded with water.

NIL

1	2	3	4	5
5 Muslia Colliery	M/s. Gausick & Muslia Collieries Ltd.	Brattice cloth etc. was ignited by an ignition of inflammable gas on 12-12-58.	Gausick seam.	

6	7	8	9	10
12-12-58	2,000 tons.	<p>The office of the C.I.M. has not permitted use of number 2 pit as second outlet in the mine as the underground access to the pit passes through insecure and unstable workings. Sinking of a fresh pair of pits for working in the virgin area beyond a fault has yet to be completed for resuming production from the mine.</p>	<p>The workings have been allowed to be flooded with water.</p>	NIL

STATEMENT C

Statement showing collieries whose production has either been

Sl. No.	Name of Colliery	Name of Owner	Particulars of fire etc.	Seam/s.
1	2	3	4	5
1	Kothagudium Colliery (Andrew's Incline No. 1).	Singareni Collieries Co. Ltd.,	Spontaneous heating in a small heap of fallen coal in an under ground depillaring district.	King seam
2	Kothagudium Colliery (Venkatesh Khani No. 7 Incline).	Do.	Heating was noticed in a loose coal heap in the blind end.	King seam
3	Pure Chirimiri Colliery.	Central India Coalfields Ltd.	Spontaneous heating in under ground goaf	Main seam
4	Ballarpur Colliery	Ballapur Collieries Company.	Spontaneous heating in old split up and partially stowed areas. Heating Originally in fallen coal.	Ballarpur seam.
5	North Kessargarh Colliery.	Sarbasree Madan Lall Maganlal Saha and Gaya-chand Sunda.	Heating was detected in the quarry debris which had ultimately affected a part of the VII seam workings.	VII seam.
6	Malkera Colliery	M/s. Tata Iron & Steel Co. Ltd.	Spontaneous heating and fire was detected in the XIV seam goaf of the Colliery.	XIV seam.

partially or not affected due to Fire

Date on which went out of production	Monthly Production and grade of coal at the time of going out of production	Action taken to restart mining operation.	Action taken to prevent the spread of fire.	Remarks
6	7	8	9	10
15-1-62	..	Fire isolated completely by stoppings.	Fire isolated completely by stoppings.	No loss of production on record.
3-7-62	..	..	..	Reported on 10-9-62. Details not known.
13-2-61	5,000 tons Gr. I.	The heated area was isolated and stoppings constructed.	The heated area was isolated and stoppings were completed by 18-2-62.	Negligible loss of production.
9-1-63	12,000 tons Gr. II	Production resumed on 13-1-62.	The heated area sealed off completely by stoppings.	Negligible loss of production.
Nil	Nil	Nil	Protective work in the form of a trench cutting has been undertaken to isolate the unaffected portion under assistance from the Coal Board.	Only a part of the mine is affected. Production has not been hampered.
Nil	Nil	Nil	Sealing of the affected portion of the mine has been completed.	Do.

1	2	3	4	5
7	New Jayaramdih Colliery.	M/s. New Jayradih Coal Co.	The fire was detected in the old quarry debris of VII seam.	VII seam out crop
8	Ganeshpur Colliery	M/s. Bharat Mining Corporation.	The XIII seam is on fire from before 1955.	XIII
9	Khas Ganeshpur Colliery.	M/s. Khas Ganeshpur Coal Company.	A part of the XI/XII (combined) seam is on fire from before 1955.	XI/XII seam (combined).
10	Jogta Colliery	M/s. Jogta Coal Co.	XV, XIV & XIII seams are on fire from before 1955.	XV, XIV & XIII seams.
11	Angarpathra Colliery.	M/s. East Angarpathra Coal Co.	Parts of the XII, XI & X seams on the rise side of the property are on fire from before 1955.	XII, XI & X seams.
12	Khas Angarpathra Colliery.	M/s. Khas Angarpathra Coal Co.	Parts of XII, XI & X seams on the rise side of the property are on fire from before 1955.	XII, XI & X seams.
13	National Angarpathra Colliery.	M/s. National Coal Co.	Do.	Do.
14	Central Tentulia Colliery.	M/s. Central Tentulia Coal Co.	Fire broke out in the old debris of the XIII seam.	Nil
15	Ashakutty Phularitand Colliery.	M/s. H.V. Low & Company	Fire broke out in the old quarry debris of the X seam.	XI seam.

6	7	8	9	10
Nil	Nil	Nil	Protective work in the form of a trench cutting has been undertaken.	Production has not been hampered.
Not known	Nil	There is no scope to recover the XIII seam.	The fire in the XIII seam of the colliery has remained confined in the Ganeshpur property and there is no chance of its spreading out to other collieries.	The XIII seam was almost completely worked out in the property.
Nil	Nil	Nil	The affected portion has been kept sealed off by hydraulic crushed material stowing and brick stoppings.	The seam is being worked in the unaffected part.
Production from the underground working of the seams has ceased from before 1955; quarrying of the seams being continued.	Nil	Recommencement of the underground working is not possible.	Protective works in the shape of flushing of sand through boreholes, blanketing etc. are being done to prevent the spread of fire to other collieries.	Quarrying of the seams are being continued; XI seam is being worked by quarrying along the out crop edge.
Nil	Nil	Mine workings can be restarted when the fire dies out completely.	The XII, XI & X seams on the rise side of the property have been kept drawn.	Production from the unaffected portions of the seams is continuing.
Nil	Nil	The mine working can be restarted when the fire dies out completely.	The XII, XI & X seams/mines on the live side of the property have been kept drawn.	Production from the unaffected portions of the seam is continuing.
Nil	Nil	Do.	Do.	Do.
Nil	Nil	Nil	Fire has been isolated by excavating a trench.	Production has not been hampered.
Nil	Nil	Nil	Fire has been isolated by excavating a trench.	Production has not been hampered.

1	2	3	4	5
16	Sendra Bansjora Colliery.	M/s. Sendra Bansjora Coal Co.	Fire Broke out in the rejection heap at the siding.	Nil
17	Albion Colliery	M/s. Albion Coal Co.	Fire Broke out in the VII seam old quarry debris.	Nil
18	Jayramdih Colliery	M/s. Jayramdih Coal Co.	Fire broke out in the X seam old quarry.	Nil

6	7	8	9	10
Nil	Nil	Nil	Fire has been isolated by excavating trenches.	Do.
Nil	Nil	Nil	Fire has been quenched and isolated.	Do.
Nil	Nil	Nil	Fire has been isolated by excavating trenches.	Do.

APPENDIX X

(Vide para 128)

Composition of the Coal Council of India.

1. The Minister of Mines and Fuel	Chairman	
2. Dr. A.N. Khosla,	Member	
3. Shri B. Mitter.	Do.	Non-official
4. Shri J.N. Mookherjee.	Do.	Do.
5. Shri Narendra Singh Singhi	Do.	Do.
6. Shri Kanti Mehta	Do.	Do.
7. The Director General, Council of Scientific and Industrial Research.	Do.	
8. Member (Transportation), Railway Board.	Do.	
9. The Secretary, Department of Iron & Steel, (Ministry of Steel & Heavy Industries).	Do.	
10. The Secretary, Ministry of Mines and Fuel	Do.	
11. The Secretary, Ministry of Irrigation & Power.	Do.	
12. The Coal Controller	Do.	
13. The Managing Director, National Coal Development Corporation Ltd.	Do.	

APPENDIX XII

Statement showing the summary of recommendations/conclusions

Sl. No.	Reference to para No. of the Report	Summary of conclusions/recommendations
(1)	(2)	(3)
1	1	The Committee consider that as coal reserves are a matter of vital concern for all developmental plans, it is imperative that they are determined as accurately as possible. In particular, they would urge that the work of prospecting and proving reserves of coking coals which are required for manufacture of iron and steel and several other industrial products may be given high priority.
2	2 and 3	<p>The Committee observe that while the private sector slightly exceeded its target of coal production in the Second Five Year Plan, the shortfall in the public sector was more than 5 million tons.</p> <p>The Committee hope that so far as the current Plan is concerned, Government would make all efforts to see that the target of coal production laid down for the last year of the Third Five Year Plan is achieved both by the private as well as the public sectors.</p>
3	4	<p>It would appear that during the first two years of the Plan, there has been a certain amount of uncertainty both in respect of the likely demand for coal as well as in the rate of production to be achieved in the last year of the Third Plan.</p> <p>The Committee trust that the production pattern for the Third Five Year Plan as laid down by the Working Group in its Second Report, indicating a target of 98.3 million tons, would be adhered to and that necessary action would be taken to see that it is achieved.</p>

(1)	(2)	(3)
4	7	The Committee are glad to record their appreciation of the manner in which the Government, industry and colliery labour have worked hand in hand, since the declaration of emergency, to step up coal production. They hope that every endeavour would be made to sustain this tempo.
5	8	The Committee observe that the revised target of production for 1962-63 is only 1.1 million tons more than the target fixed for the last year (1960-61) of the Second Five Year Plan. They cannot, therefore, resist the conclusion that the revised phasing in fact has been necessitated by the realisation that the original targets which had been set by the Ministry could not be reached.
6	9	Another equally significant feature of the revised phasing of coal production is the steep increases in production targets in the latter half of the Third Five Year Plan. The Committee would like to sound a note of caution about the arduous nature of the task involved in stepping up production by 21.8 million tons during the last year of the Plan. Whether there will be a proportionate rise in demand during the year to absorb the increased production of coal in case the target is reached, is another problem. Not less will probably be the problem of gearing up transport to move the coal. The Committee are not sure if the Working Group have fully satisfied themselves as to the rationale of the present phasing. They would suggest that Government may closely review the phasing of production with a view to correlate it to demand and transport capacity.
7	10	The Committee are glad to note that the Coal Council have taken initiative in assessing the estimated requirements of coal for the Fourth and Fifth Plans. As planning and development of new mines take anything upto 8 years, the Committee cannot too strongly emphasise the need for drawing up perspective plans for coal. They agree with the Working Group that it is necessary that a long term programme is drawn up, at least in broad terms, of the future requirements of coal in various regions of the country and an assessment is made of transport requirements therefor.
8	13	It is observed that while the actual requirements of coking and blendable coals would be more than what was envisaged in the Third Plan, the availability of selected coal grades A and B would be less than anticipated.

(1)	(2)	(3)
9	14	<p>Since the present production of coking and blendable coals is only about 17 million tons, intensified efforts will have to be made to step up their production to 29 million tons by 1965-66.</p> <p>The Committee would suggest that collicry-wise targets of production of coking and blendable coals may be fixed. They in fact feel that Government should draw up without further delay a grade-wise phased programme of production for each of the remaining years of the Third Five Year Plan. Government should keep a constant watch on the grade-wise production of coal so that there is no shortfall in meeting the requirements of consumers.</p>
10	16	<p>Even making allowance for different processes used by the Steel Plants and their age, the Committee feel that the rate of consumption of coking coal is markedly varied. They suggest that Government may constitute an expert committee to go thoroughly into the matter so that practical measures may be taken early to effect economy in the consumption of coking coals by Steel Plants, as India has none too abundant a reserve of coking coals.</p>
11	17	<p>The very fact that such a representative body of the industry as the Joint Working Committee even were not very clear about the policy for grant of new coal mining leases, indicates that there has been a certain amount of vagueness and ambiguity about it. The Committee suggest that Government may make their policy clear to all concerned.</p>
12	18	<p>The Committee suggest that Government may examine the procedure for grant of mining leases in detail so as to eliminate unnecessary steps and reduce to the minimum the time lag between the submission of application and grant of mining lease.</p>
13	19	<p>The Committee are glad to note that the Central Government are taking interest in the matter of expediting the process of acquisition of land for mining purposes.</p>
14	20	<p>The Committee were glad to learn from the representative of the Ministry that in some of the new mines, the O.M.S., achieved was as much as 1.2 to 1.3 tons. They consider that there is scope for</p>

(1)	(2)	(3)
-----	-----	-----

further improvement in the overall O.M.S. They see no reason why with progressive mechanisation, the coal mining industry should not be able to attain O.M.S. comparable to that achieved by other countries.

15 21 The Committee recommend that constant studies should be made of such new techniques as hydraulic mining, so that those which promise results can be profitably adopted in this country to increase the O.M.S.

16 22 The Committee are of the view that vigorous steps are necessary to tackle the evils of drinking and indebtedness which have an adverse effect on O.M.S. They suggest that the Central Government may use their good offices with the State Governments to see that the liquor shops are located away from the collieries and miners' colonies and that the pay day is observed as a "dry day". As regards indebtedness, they feel that it should be possible to reduce substantially its incidence by such positive measures as setting up of cooperative credit societies, cooperative consumers' societies etc. A duty is also cast upon the employers to take positive action to curb the prevalence of these evils and promote actively the establishment of cooperative societies in the coalfields.

17 24 The Committee would like the area-wise survey to be completed expeditiously and positive action initiated for amalgamation of small and uneconomic collieries particularly those producing coking coal. The good offices of the Joint Working Committee may also be made use of for facilitating the work of amalgamation.

18 25 The Committee would like Government to ensure that the power requirements of collieries, particularly in West Bengal and Bihar coalfields are properly estimated and fully met from year to year. It would be helpful if their power requirements based on Plan production programme are tied up in advance with electric supply agencies.

As suggested by the Study Team appointed by the Ministry of Irrigation and Power, a certain amount of cushion in the availability of power to the collieries may be desirable to meet unforeseen difficulties so that production does not suffer at any stage.

-
- | (1) | (2) | (3) |
|-----|-----|--|
| 19 | 26 | The Committee suggest that the Ministries of Mines and Fuel and Irrigation and Power should initiate early action to assess the power requirement of collieries during the Fourth Five Year Plan and draw up suitable power expansion schemes so that the coal production programme is in no way hampered for want of power. |
| 20 | 27 | The Committee would like Government to make advance arrangements for ensuring supply of cement to meet the estimated requirements of collieries and keep a careful watch to see that production programme of no colliery suffers for want of supply of cement in time. |
| 21 | 28 | The Committee feel that now that the position of manufacture of steel has considerably improved, it should be possible to give priority for manufacture of steel required by collieries. They suggest that the Coal Controller may furnish the requisite information about the items of steel required for collieries such as rails, material for tub-manufacture etc. from past records, and the Iron and Steel Controller may place bulk quota of steel at the disposal of the Coal Controller for distribution to collieries. The Coal Controller may keep the Iron and Steel Controller informed about the distribution of the quota through monthly or quarterly returns. |
| 22 | 29 | The Committee would like Government to go into the question of shortage of timber experienced by collieries and in the mean-while, maintain a close liaison with the Railways so that their requirements for movement of timber are expeditiously met. |
| 23 | 31 | As detonators are essential for coal mining operations, the Committee consider that Government should have ensured that Indian Detonators Ltd. had proper arrangements for undertaking the distribution of electric detonators in the coalfields. They hope that the necessary arrangements for distribution in the coalfields would now be completed by Indian Detonators Ltd. without delay and that meanwhile suitable action would be taken by Government to ensure uninterrupted supply of detonators to collieries. |
-

(1)	(2)	(3)
24	32	The Committee recommend that redoubled efforts may be made to develop indigenous manufacture of coal mining machinery so that the growing requirements of the industry are met, as far as possible, from indigenous sources.
25	33	The Ministry of Mines and Fuel may examine, in consultation with the Ministry of Commerce and Industry, the suggestion of the Lower Grade Coal Producers' Association that the work of importing such items of machinery as drills, drill-bits, drill panels, electric cables etc. which are not manufactured indigenously may be entrusted to the State Trading Corporation who should serve as stockist to Government. This machinery may be issued to collieries after assessing their needs in consultation with the Chief Inspector of Mines.
26	35	The Committee would like Government to ensure that no part of the loan of Rs. 16.74 crores sanctioned by the World Bank for meeting the foreign exchange requirements of the coal mining industry for the Third Five Year Plan is allowed to lapse.
27	36	The Committee hope that the scheme of guarantee by the Reserve Bank would be finalised without delay so that the collieries can raise in time the matching rupee finance for importing coal mining machinery under the World Bank loan facilities.
28	37	The Committee are unhappy that several months were taken in fixing the amount of guarantee to be furnished by collieries with the result that the processing of applications for loan from World Bank was delayed, while in the meantime Government had to pay a commitment charge at the rate of 3% per annum. They feel that the matter should have been dealt with greater expedition.
29	39	The Committee have no doubt that if Government decide to switch over to the system of calorific value for grading of coal, they would make full use of the opportunity to fix the prices of coal in such a manner that there is incentive for utilising lower grades of coal and disincentive for use of higher grades of coal for which the reserves are none too abundant in the country.

-
- | 1 | 2 | 3 |
|---|---|---|
|---|---|---|
-
- 30 40 The Committee are not happy about the frequent revisions in prices particularly during 1962 when the prices were revised in such quick succession as on 5-2-1962, 1-6-1962, 13-6-1962 and 20-10-1962. As coal is used by a very large number of industries it is obvious that frequent revisions in its price are bound to have repercussions on the general price level. They would, therefore, impress upon Government the need for confining the revision of prices to the absolute minimum.
- 31 41 The Committee suggest that the feasibility of replacing the sales tax on coal and coke by an excise duty to be levied by the Centre for distribution to the States may be examined in consultation with the State Governments and the Ministry of Finance.
- 32 45 The Committee are glad to learn that important industrial consumers are now well stocked with coal. They would suggest that Government may keep a vigilant eye on the coal requirements of various States/industries so as to see that the quotas allocated by the Coal Controller are not inadequate to meet their requirements.
- 33 46 The suggestion of the Buckingham and Caranatic Co. Ltd., Madras that permits should be issued to consumers having standing supply quotas at the beginning of each year to cover 12 months' supply, so as to obviate the need for issuing monthly permits by the State Coal Controllers, appears to be useful for simplifying the procedure for supply of coal to principal consumers. The Committee suggest that the Ministry may examine the question early.
- 34 47 The Committee suggest that the State Coal Controllers may be asked to assess periodically the actual requirements of the principal consumers in their respective States so that the allocations are made on realistic basis.
- 35 48 The Committee would suggest that in order to keep himself posted with the difficulties experienced by consumers, it would be advisable for the Coal Controller or the Deputy Coal Controller (D) to pay visits to various industrial centres, particularly those far away from the coal areas, and meet the representatives of industry, chambers of commerce, small scale industries organisations etc.
-

1	2	3
---	---	---

36 50 The Committee are constrained to note that even after the setting up by Railways of their own Inspection Organisation in the coalfields in August, 1960 there has been no reduction either in the number of complaints of supply of inferior quality of coal or of engine failures. They consider that the Railway Inspection Organisation, which has been set up at considerable expense to Government, should bring about substantial improvement.

The Committee suggest that the result of working of the Inspection Organisation set up by the Railways should be reviewed to see whether it is commensurate with the expenditure involved.

37 51 The Committee recommend that the Coal Controller should use his good offices in bringing together the Hindustan Steel Ltd., and the coal producers so as to reach a satisfactory agreement for ensuring supply of consistent grade of coal.

38 52 The Committee consider that the measures taken by Government towards the end of 1962 for ensuring that supplies of coal are according to the specifications laid down, should have been taken much earlier as there have been persistent complaints from consumers about marked deterioration in the quality of coal. The Committee also feel that the time has come when Government should review the inspecting machinery in the field with a view to see how it can be rationalised to discharge effectively the function of ensuring supply of consistent quality of coal to consumers.

39 56 The Committee observe that although the year-wise targets of coal production as worked out by the Working Group in its Second Report, have been agreed to by the Railways and they are broadly committed to move the quantity indicated therein, the field-wise targets of production and direction-wise movement thereof during each of the remaining three years of the Third Five Year Plan, have still not been furnished to them by the Ministry of Mines and Fuel. It is unfortunate that the lessons of the Second Plan, when production was deliberately stepped up regardless of the fact that corresponding transport facilities were not available, have yet to be learnt.

1

2

3

Now that a coal production target of 98.3 million tons has been agreed to by all concerned, the Committee would stress upon the Ministry of Mines and Fuel the need to work out the field-wise targets of production and direction-wise movement thereof for each of the remaining three years of the Third Five Year Plan so that the Ministry of Railways get timely notice to gear up their transport arrangements to meet in full the requirements.

- 40 58 The Committee would urge the Ministry of Mines and Fuel to work out expeditiously in conjunction with the Ministry of Steel and Heavy Industries, the wagon requirements for movement of coal from individual collieries to washeries and steel plants for the remaining years of the Third Five Year Plan.
- 41 59 The Committee further observe that since July, 1962 the daily average loading for "Other consumers" has not only equalled the target but exceeded it. This is a creditable achievement and the Committee hope that the Railways would endeavour to increase the target of loading for "Other consumers", for it is well recognised that the requirements of consumers are very much higher than the target fixed by the Railways. They would also suggest that the Ministry of Mines and Fuel may work out at an early date the phased requirements of "Other consumers" so that the Railways have a clear picture of the targets that they should aim to attain.
- 42 60 The Committee hope that the Ministry of Railways would see to it that the works programmed by them are completed according to schedule so that the loading target of 8200 wagons laid down for the Bengal and Bihar coalfields to match the production target of 65.1 million tons for the year 1965-66 is fully achieved.
- 43 61 The Committee hope that Government would take necessary measures to step up production in the outlying coalfields so that at least the existing railway capacity for movement of coal from these outlying fields is utilised in full.
- 44 63 The Committee consider that since Moghalsarai is the key yard for movement of coal, its planning and performance should receive constant attention of the Railways.
-

1	2	3
---	---	---

- 45 65 and 66 The Committee observe that during the Second Five Year Plan only 1840 box wagons had actually been delivered to Railways against a target of 6057.

The Committee regret that there was a heavy shortfall in the manufacturing programme of box wagons in the Second Five Year Plan. This shortfall had in no small measure contributed to the difficulties in transport of coal which were experienced in the last year of the Second Five Year Plan. Since coal movement programme of the Railways in the Third Five Year Plan hinges in a large measure on the availability of the requisite number of box wagons, the Committee would like the Ministry of Railways to ensure that the target for manufacture of these wagons is fully achieved.

- 46 67 The Committee consider it unfortunate that at a time when box wagons are to be increasingly made use of for transporting coal, there should continue to be delay in strengthening/remodelling colliery sidings, because of controversy having arisen between the industry and the Railways over the question of meeting the cost involved. It is obvious that collieries would gain in no small measure from the speedier clearance of coal in box wagons. The Committee, therefore, expect that Government and the colliery owners would settle the matter without loss of time so that planned movement of coal in box wagons is in no way impeded.

- 47 68 It is obvious that due to the progressive increase in the demand for movement of coal and other general goods traffic, it would not be in general interest to relax the limit of free loading time. The Committee feel that even if bunkers are not installed by collieries because of the substantial capital outlay involved, there should hardly be any objection to the provision of mobile loading machines or traxacavators to speed up loading. In the case of smaller collieries, the mobile loading machines and traxacavators could be provided on cooperative basis. The Committee would urge the Government to take active interest in the matter so that the collieries suitably equip themselves for speedy loading of wagons.
-

1	2	3
48	69	The Committee consider that with the increasing use of transition device for shunting box wagons, it should be possible for Railways to examine sympathetically the request of the industry that demurrage should not be levied for the whole rake of box wagons for failure to load one wagon in time.
49	70	The Committee consider that as there is admittedly the possibility of 5% variation in loading according to line which by no means is negligible, early steps should be taken to provide adequate number of 100-ton weighbridges to weigh box wagons.
50	71	The Committee suggest that the question of inducing the bigger collieries at least to instal weighbridges suitable for box wagons may be discussed by the Ministries of Railways and Mines and Fuel with the industry. The Railways may also consider the question of providing more such weighbridges on their own. Pending the installation of sufficient number of such weighbridges, the Ministry of Mines and Fuel may take suitable steps to see that the collieries load the box wagons strictly in accordance with the instructions laid down for different sizes of coal.
51	72	The Committee would like the Railways to continuously study the difficulties which are being experienced in the use of box wagons so that these are rectified promptly.
52	73	The Committee would like the Ministry of Railways to pay particular attention to the question of securing suitable backloads for box wagons so that they do not have to return empty over long distances.
53	75	Since the consumers no longer have a choice of collieries for obtaining their requirements of coal under the planned movement scheme, greater responsibility rests on the Coal Controller's Organisation to ensure that the despatches conform to the prescribed grades.
54	76	The Committee feel that the bulk movement scheme should not result in denial of 1% concession in sales tax to consumers merely because of technical formalities. They would like the Ministry to see that the matter is expeditiously settled.

1

2

3

55 77 From the memoranda submitted to them as well as from the impressions gathered by the Study Groups of the Committee during their tours, the Committee find that shortage of BRK coal has been felt in almost all the States with the result that prices of bricks have gone up unduly high in recent months.

The need for providing bricks at a cheap rate to the people so as to sustain the housing programme as well as other building projects envisaged by the Government, needs hardly any stress. The Committee suggest that the difficulties being experienced by brick kilns in getting adequate and regular supply of coal may be jointly investigated by the Ministries of Railways and Mines and Fuel and the Coal Controller with a view to find a satisfactory solution.

56 78 As the revised scheme of coal movement in block rakes introduced with effect from 1st February, 1963 involves an entirely new orientation in the pattern of coal movement and distribution as hitherto existing, the Committee would suggest that a careful assessment may be made of its working after a period of three months. They hope that in extending the scheme, every care will be taken to see that there is no set-back either to production of coal or its supply to consumers.

57 79 One of the essential pre-requisites of the scheme is setting up of dumps at various places and to 'enliven' those already existing. The Committee were informed that the few dumps existing, at present were largely 'notional' since no sooner wagons were unloaded, than coal was removed by consumers. With the movement of coal in block rakes, supplies to the dumps would be considerably stepped up and these would, therefore, have to be operated in a systematic and organised manner. Particular care will have to be taken to see that coal of different grades and sizes is properly segregated and that the consumers actually get the type of coal allocated to them.

In this connection, the Committee would also like to cite the instance of Viramgam where a dump has been set up by Saurashtra Industries on a cooperative basis. The Committee feel that the industries should be encouraged to set up more coal dumps on a cooperative basis.

1	2	3
---	---	---

58 80 The Committee think that the difficulties in the matter of supply of wagons to collieries keeping in view the day-to-day requirements arise not so much because of the fact that the day-to-day allotment of wagons rests with the Railways, but due to lack of day-to-day co-ordination between the Coal Controller's Officers and the Allotment Officers of the Railways in the coalfields.

The Committee observe that while the Coal Controller has the authority to issue special allotments in favour of consumers who may be in distress and the Railways are required to meet such demands on priority basis, the present procedure at the same time enables the Railways to use their resources in the best possible manner. They would urge the two Ministries to see that their field staff work in close conjunction with one another so that the available transport capacity, is put to the best use.

59 81 The Committee observe that the total detention to wagons in West Bengal and Bihar Coalfields (from the time of arrival on the pre-weighment line to actual despatch to destination ranges between 16.2 to 24.1 hours. They consider this to be on the high side and would suggest that the Railways may explore the possibility of reducing the detention time especially in Asansol, Bhaga and Sitarampur depots where it is particularly heavy. They would also like the Railways to reduce the detention time in outlying coalfields particularly in Manendragarh/Jhagrakhand, where it is very heavy.

60 82 The Committee are constrained to note that planning in the matter of providing the requisite siding, pilot and depot capacities has again lagged behind, mainly due to the non-availability of a firm production programme for each coalfield. Now that the necessary information has been furnished by the Ministry of Mines and Fuel, the Committee would suggest that the report might be expedited so that necessary works may be taken up without delay.

As the requirements of Central India coalfields in this behalf have already been assessed by the Committee constituted by the Railways, they would urge that the necessary works may be taken up for execution without loss of time.

1	2	3
61	83	The Committee would also suggest that the assessment of siding, pilot and depot capacities for the Fourth Five Year Plan should be made as soon as the fieldwise production programme is settled so that the necessary works are taken up and executed well in time.
62	84	The Committee would like the Ministry of Railways to examine the question of delays in the approval of the plan and estimates and the actual construction of sidings and take necessary steps to speed up their construction.
63	88	The Committee would suggest that pending improvement in the draft conditions in Hooghly, Government may take suitable measures, such as utilisation of ships with wider beams and shallow draft, and topping up of coal vessels at Visakhapatnam to increase the percentage of utilisation of capacity of vessels.
64	89	The Committee observe that the extra freight because of higher coastal freight rates as compared to trip charter rates for chartered tonnage, amounted to Rs.48.43 lakhs in 1962. It is obvious that there is marked difference between the coastal freight rates and the charges paid to trip chartered ships. As this difference persisted throughout 1962 it cannot be entirely due to fortuitous circumstances of temporary slump in world shipping market. As this statement was received by the Committee towards the end of February, 1963 after the evidence of the representative of the Ministry of Mines and Fuel had concluded, the Committee could not examine the matter in detail. They would like this matter to be examined closely by Government for, in the last analysis, the difference between the freight rate for carrying coal by sea to Southern and Western India as compared to the all rail route has to be paid for under the subsidy scheme.
65	90	The Committee observe that no subsidy was paid in 1961-62 to consumers other than the Railways even though the scheme came into effect in May, 1961. The Committee note with dismay the complicated procedure of having as many as 25 forms to be filled by consumers for claiming subsidy. They also note that lately steps have been taken to simplify the procedure for submission of claims for subsidy by consumers. They cannot help feeling that the question of simplification should have been taken up at least in the beginning of 1962-63

1	2	3
---	---	---

when it was found that in the preceding year not a single payment had been made to the industrial consumers against their claim of over Rs. 74.8 lakhs. They hope that Government would clear all the outstanding bills and would also see that in future payments are made expeditiously.

- 66 91 The Committee suggest that the proposed simplified procedure for submission of claims for subsidy on coal moved by sea may be given wide publicity in Southern and Western India—the areas to which the scheme applies.
- 67 92 The Committee would also like to suggest in this connection that production from Singareni coalfield as well as Kamptee, Ballarpur and Sasti coalfields in Central India (which contain superior quality coal) may be stepped up with a view to meet, as far as possible, the requirements of industries in Southern and Western India, thereby obviating the need for carrying coal in such large quantities over long distances from Bengal-Bihar coalfields.
- 68 93 The Committee find that there has been noticeable improvement in the arrival of coal wagons in Kidderpore Docks in 1962-63. They hope that the improvement would be maintained so that the costly handling equipment in the Docks is put to full use.
- 69 94 Since coal production is vitally linked with its movement, the Committee would urge the Central and State Government concerned to execute expeditiously the road development programme.
- 70 95 The Committee would like Government to examine the question of subsidising the movement of coal by road on the pattern of the movement by rail-*cum*-sea route.
- 71 96 The Committee would like Government to make a careful assessment of the scheme for transport of coal by road-*cum*-river route undertaken on an experimental scale and assess the extra cost that the consumer might have to pay for obtaining coal supplies in this manner before launching on a more ambitious scheme.
- 72 97 The Committee suggest that the question of transportation of coal by Durgapur Canal may be taken up with the Government of West Bengal and the Ministry of Irrigation and Power.
-

1	2	3
73	98	As economies are expected to result from transport of coal through pipe lines, the Committee feel that studies for adoption of this method in the country need to be pursued.
74	100	The Committee would like Government to examine the question of simplifying the procedure for grant of industrial licence for reopening of coal mines and seams so that production from them is not hampered due to delay in issue of licences.
75	101	The Coal Board had fixed in 1960-61 the maximum time limits of 2 months and 3 weeks for initial grading and 4 months and 3 weeks for regrading of coal seams. The Committee see no reason why these maximum time limits are not being in actual practice adhered to. In fact, they expect the Coal Board to improve upon "the maximum time limits" for grading and regrading which were fixed nearly three years ago.
76	102	The Committee feel that speedier action should have been taken on the representation of the Lower Grade Coal Producers' Association dated the 31st July, 1962 which contained specific instances of alleged discrimination in the matter of grading of coal seams. They hope that Government would go into the matter fully and take necessary action without further delay.
77	103	The Committee are glad to note that the scheme of the Coal Board to set up their own laboratory for testing coal samples has been held in abeyance in view of the need for economy in expenditure and the present emergency as they consider that testing of samples should be done by a body independent of Coal Board and coal mining industry.
78	104	The Committee would like Government to fully satisfy itself about the effect of change-over from the existing basis of ash and moisture for determining grade of coal to calorific value on production and price structure of coal, before implementing the Expert Committee's recommendations. This is obviously a matter in which the Committee would expect Government to move with caution.

1

2

3

-
- 79 105 The Committee feel that in every case of shortfall in stowing the Coal Board should ask the management to explain the reasons therefor. They would like the Coal Board to expeditiously consider the question of some action in the nature of penalty, against owners of collieries who fail to undertake stowing to the extent indicated in their applications and sanctioned by the Coal Board. They would also like the Coal Board to check up the applications for stowing closely so as to make sure that the collieries do not inflate the figures and ask for a sanction which is obviously beyond their capacity.
- 80 106 In three years from 1959-60 to 1961-62, the sanction of loans for stowing plants amounted only Rs. 14.12 lakhs while payments made were of the order of Rs. 32.12 lakhs. This implies that payments of loans are disbursed after lapse of considerable time. The Committee feel that payments on account of loans sanctioned should be made promptly.
- 81 106 The Committee are not happy about the delay in the payment of instalments by collieries on account of the loan for showing plants.
- They would in this connection like to mention that the National Small Industries Corporation Ltd. charge a penal interest of 1% per month over and above normal rate from loanees who fail to pay the instalments by the due date.
- They would like the Coal Board to take an early decision about the levy of some penal interest on the owner of a colliery who fails to pay back the instalment on account of the loan by the due date.
- 82 107 (i) The Committee note from the Annual Report of the Coal Board for 1961-62 that recommendations of the Stowing Applications Committee were awaited on 25 out of 115 cases referred to them during the year. They recommend that applications for stowing should be processed expeditiously.
- (ii) The Committee find from the Annual Report of the Coal Board for 1961-62 that some bills relating to stowing done in previous years were paid during 1961-62. They recommend that payments for stowing should be made promptly.
-

1

2

3

-
- 83 108 The Committee would like the Coal Board to carefully assess the economics of the installation and the operation costs of pneumatic stowing and make efforts through the Central Mining Research Station to bring down the cost so that it can be adopted by collieries, both in the private and public sector, where sand is not readily available for hydraulic stowing.
- 84 109 The Committee would suggest that the results of Kargali experiment should be carefully assessed and if found successful publicised widely, so that washery rejects in as large quantities as possible, may be used for stowing. They would also suggest that the Central Mining Research Station be asked to expedite its investigations about the use of blast furnace slag and washery rejects as stowing material.
- 85 110 The Committee feel that as the State Governments are collecting cess for development and maintenance of roads in coalfields it should be possible for Central Government to persuade them to take positive steps to improve the roads.
- 86 111 The Committee feel that the Coal Board should take necessary steps to see that there are no voids in stowing and that the collieries are paid for the volume of stowing actually done by them.
- 87 113 The Committee feel that as the entire ropeway scheme in Jharia is proceeding on the assumption that enough reserves of sand are available in the Damodar River, Government should help the Coal Board to make an accurate assessment of sand reserves and annual sand replenishment at an early date.
- 88 114 The Committee hope that the Coal Board would tie up all the preliminaries e.g. mining leases for sand from Bihar and West Bengal Governments and power from electric supply authorities so that there is no delay in installation of ropeways according to programme.
- 89 116 The Committee would suggest that Coal Board may make pilot studies of the cost (recurring and non-recurring) for carrying sand from central dumps to pitheads through short ropeways, trucks, trailers etc. so that it is easy to persuade the collieries to adopt the most economical means for transporting sand.
-

1

2

3

-
- 90 118 The Committee would like the procedure for sanction of application for special assistance to be speeded up. The Coal Board may also lay down a time schedule for processing and sanctioning of applications so that there is no delay at any stage in their disposal.
- 91 119 Fires in collieries burn away precious reserves of coal and have persisted in some cases for several decades. The Committee recommend that Government may constitute an expert committee to go into the whole problem and draw up a comprehensive plan for combating and putting out fires. They have no doubt that the expert committee in evolving a comprehensive plan of action would take due note of the means adopted by other advanced countries to put out fires in collieries.
- 92 120 The Committee feel that there should be complete co-ordination of action between the Coal Board and the Chief Inspector of Mines so that the coal owners, managers etc. are effectively discouraged from resorting to negligent quarry working.
- 93 121 The Committee would urge the Central Mining Research Station to speed up its efforts so that a satisfactory detector for forecasting sudden outburst of coal gas in mines is brought into use at an early date.
- 94 122 The Committee hope that in taking an early decision on the question of purchasing plant and equipment for undertaking departmental protective works, Government would fully investigate the possibilities of the Coal Board borrowing earth-moving machinery etc. from National Coal Development Corporation or Damodar Valley Corporation and other project authorities.
- 95 123 The Committee would urge the Government to finalise consideration of the Coal Board's proposals to amend the Coal Mines (Conservation and Safety) Act, 1952 at an early date. They have no doubt that if the intention is to review the Act, as a whole, the representative Associations of the industry and miners would also be consulted and given opportunity to bring to notice their suggestions for the improvement of the Act.
-

1	2	3
96	125	The Committee note that there has been a delay of nearly two years in reaching the target of washeries for the Second Five Year Plan. They hope that the washeries for the Third Five Year Plan would be established in time so that the programme of beneficiation of coal for steel plants is not hampered.
97	126	As washing of coal is not only of benefit to industrial users, but also reduces the burden on transport, the Committee recommend that Government should pursue the matter of setting up of unit washeries with large producers of coal in the private sector.
98	127	The Committee would also like to mention that the Director, Central Fuel Research Institute, in a memorandum to the Committee, has suggested that mechanised mines should carry out deshaling operation so as to eliminate unnecessary load of avoidable inert matter in coal. He has suggested setting up of standardised unit washeries with capacity of 100 tons per hour. The Committee have no doubt that Government would examine the question of developing such standard unit washeries for installation by collieries in the country.
99	128	The Committee are glad to learn that some valuable work has been done by the Committee on Assessment of Resources in collecting data about the total availability of the coal resources in the country and by the Committee on Utilisation in preparing a plan of utilisation of coal for the Third and Fourth Five Year Plans.
100	129	The Committee suggest that the Committees on Requirements and Utilisation and Transportation may meet regularly so that they can periodically review the position.
		They further suggest that the activities of these committees and the various studies etc. undertaken by them may be indicated in greater detail in the annual report of the Ministry for the information of Parliament as well as public.
		They would also suggest that the Annual Reports of the Ministries should be made as informative as possible so that they can serve as a ready source of reference about the achievements and activities of the Ministries.

1	2	3
101	134	<p>The necessity of a well organised fuel efficiency service at a time when India is getting rapidly industrialised, cannot be over-emphasised. The cost of setting up such a service would be more than offset by the overall economy that the country would be able to achieve in fuel consumption. The Committee hope that Government would take early steps to set up a Fuel Efficiency Service in India.</p> <p>They would also suggest that the Central Fuel Research Institute, Dhanbad which has the richest experience in this field in India may be actively associated in building up the service.</p>
102	135	<p>The Committee would further like Government to take urgent steps to see that certain 'first-aid measures' suggested by the Colombo Plan Expert (Mr. Plummer) such as (i) thermal insulation, (ii) prevention of steam leakage, (iii) economical loading of heat consuming plants and (iv) use of steam at lowest possible pressure etc. which hardly require any capital expenditure and would make for fuel economy, are adopted early by the various industries</p>
103	136	<p>The Committee would urge Government to see that screening, where necessary, is done by the collieries to avoid waste</p>
104	137	<p>The Committee endorse the recommendation of the Colombo Plan Expert that the proposed Fuel Efficiency Service "should be backed by a vigorous publicity campaign and the cooperation of such bodies as Industrial Research Organisations, Productivity Councils, Chambers of Commerce and Professional Bodies should be enlisted to spread the message and purpose of industrial fuel efficiency".</p>
105	140	<p>As the necessity of providing a cheap smokeless fuel to people in order to replace dung and wood is obvious and urgent, the Committee recommend that Government may draw up suitable schemes in this regard early on the basis of data already available. Efforts may be made to meet the foreign exchange costs through the foreign aid programme. The possibility of manufacturing indigenously the plant and machinery required may also be explored.</p>
106	141	<p>The Committee consider that there is room for rationalisation in the matter of submission of reports and</p>

I	2	3
		returns by colliery managers so that they can concentrate more on their main function of production and safety. They suggest that Government may take early action to simplify the forms and reduce their number and periodicity.
107	142	The Committee would suggest that the Ministry of Mines and Fuel may keep in constant touch with the Ministry of Scientific Research and Cultural Affairs with a view to ensure that the training programme for senior mining personnel keeps pace with the requirements.
108	143	The Committee hope that emergent steps would be taken by Government to utilise fully the training capacity available in the technical schools of the National Coal Development Corporation Ltd., in the best interests of the industry.
109	144	<p data-bbox="395 783 1094 892">The Committee suggest that the following functions which are more germane to distribution than production may be transferred to the Distribution Wing of the Office of the Coal Controller:</p> <ul style="list-style-type: none"> <li data-bbox="430 901 947 928">(i) coastal shipments for export of coal; <li data-bbox="430 937 1088 992">(ii) coal supply to Railways including investigation of complaints about inferior supply; and <li data-bbox="430 1001 959 1028">(iii) grant of subsidy for coastal shipment.
110	145	The Committee are not quite convinced of the necessity of posting an officer in Assam merely to look after work relating to allocation and distribution of coal, which in other States is performed by the State Coal Controllers. On the other hand, they feel, that production of coal in Assam needs to be stepped up. This is obviously not possible under the present conditions when the mining industry is more or less functioning on a cottage industry basis. They, therefore, suggest that Government may consider the question of posting a suitably qualified mining engineer in Assam who might take positive steps, in collaboration with the State Government, to develop the coal mining industry in the region on a scientific basis for boosting up production.
111	146	The Committee suggest that Government's decision on the Report of the Special Reorganisation Unit of the Ministry of Finance, which examined recently the working of the Office of the Coal Controller, may be finalised early and necessary economies effected.

APPENDIX XIII

Analysis of recommendations contained in the Report

I. Classification of recommendations :

A. Recommendations for improving the organisation and working

S. Nos. 1, 2, 7, 9, 12-27, 29-51, 53, 56-58, 60-62, 65, 66, 68, 69, 72
74-78, 80, 82-88, 90-93, 95-100, 104 and 107-111.

B. Recommendations for effecting economy/increasing revenue

S. Nos. 10, 28, 36, 52, 59, 63, 64, 67, 71, 73, 79, 81, 89, 94, 101—103
and 106.

C. Miscellaneous

S. Nos. 3, 4, 5, 6, 8, 11, 54, 55, 70 and 105.

II. Analysis of the more important recommendations directed toward^s economy/increasing revenue :

S. No.	No. as per summary of recommen- dations	Particulars
(1)	(2)	(3)
1	10	An expert committee may be appointed to study the question of consumption of coke in steel plants so that practical measures may be taken early to effect economy in consumption thereof.
2	28	The delay of several months in finalising the guarantee bond resulted in the holding up of applications for loans from the World Bank while Government had to pay a commitment charge at the rate of $\frac{1}{4}$ % per annum.
3	36	The working of the Inspection Organisation set up by the Railways should be reviewed to see that the results are commensurate with the expenditure involved.
4	52	The Railways should attempt to secure suitable backloads for box wagons so that they do not have to return empty over long distances.

(1)	(2)	(3)
5	59	The Railways may explore the possibility of reducing the detention time in Bengal-Bihar coalfields, particularly in Asansol, Bhaga and Sitarampur Depots where it is heavy. The detention time in Manendragarh/Jhagar-khand Depots in the outlying coalfields also needs to be reduced.
6	63	Suitable measures such as utilisation of ships with wider beams and shallow draft as well as topping of coal vessels at Vishakhapatnam need to be taken to increase the percentage of utilisation of the capacity of vessels so as to obviate any losses on this account. (In the case of time-chartered vessels alone, the loss due to under-utilisation of capacity in 1962 was of the order of Rs. 30.7 lakhs).
7	64	The extra freight paid in 1962 because of the difference between the coastal freight rates and the trip charter rates for chartered tonnage amounted to Rs. 48.43 lakhs. The question needs to be examined by Government in detail.
8	67	Production in Singareni, Kamptee, Ballarpur and Sast ¹ coalfields need to be stepped up to obviate the need for carrying coal by rail-cum-sea route (which is subsidised) in large quantities to Southern and Western India from Bengal-Bihar coalfields.
9	71	The short-term scheme for transport of coal by road-cum-river route may be carefully assessed with a view to find out the extra cost that consumers may have to pay in obtaining supplies of coal in this manner before launching on a more ambitious scheme.
10	73	Studies regarding the technique of transportation of coal by pipe-lines may be pursued as economies are expected to result by its adoption.
11	79	The question of levying a penalty on colliery owners who fail to undertake stowing upto the extent indicated in their applications and sanctioned by the Coal Board, may be examined.
12	81	A penal interest might be levied on colliery owners wh ^o fail to pay back the instalment of loan for stowing plants by the due date.

(1)	(2)	(3)
13	89	Pilot studies may be undertaken of the cost (recurring and non-recurring) for carrying sand from central dumps to pit-heads through short ropeways, trucks, trailers etc. so that the collieries may be persuaded to adopt the most economical means of transporting sand.
14	94	As the estimated cost of machinery required by the Coal Board is expected to cost about Rs. 15 lakhs of which the foreign exchange cost would be as much as Rs. 13 lakhs, Government may fully investigate the possibilities of borrowing earth-moving machinery etc. from the National Coal Development Corporation and other project authorities.
15	101	A well organised fuel efficiency service should be set up early to effect economies in fuel consumption.
16	102	First-aid measures suggested by the Colombo Plan Expert should be expeditiously adopted by various industries to achieve fuel economy.
17	103	Screening may be adopted by collieries to avoid wastage of coal.
18	105	Early action may be taken to simplify the forms and to reduce the number and periodicity of various reports and returns required to be submitted by colliery managers so that they can concentrate on their main functions of production and safety.

DELHI

34. Jain Book Agency, Connaught Place, New Delhi.
35. M/s. Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.
36. Atma Ram & Sons, Kashmere Gate, Delhi-6.
37. J. M. Jaina & Brothers, Mori Gate, Delhi-6.
38. The Central News Agency, 23/90, Connaught Circus, New Delhi.
39. The English Boo Stall, 7-L, Connaught Circus, New Delhi.
40. Rama Krishna & Sons, 16-B, Connaught Place, New Delhi.
41. Lakshmi Book Stores, 42, M.M. Janpath, New Delhi.
42. Kitab Mahal (W.D.) (Private) Ltd. 28, Faiz Bazar, Delhi.
43. Bahri Brothers, 188, Lajpat Rai Market, Delhi-6.
44. Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi.
45. Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.
46. People's Publishing House, Rani Jhansi Road, New Delhi.
47. Mehra Brothers, 50-G, Kalkaji, New Delhi-19.
48. Dhanwantra Medical & Law Book House, 1522, Lajpat Rai Market, Delhi-6.
49. The United Book Agency, 48, Amit Kaur Market, Paharganj, New Delhi.

50. Hind Book House, 2, Jan Path, New Delhi.

51. Bookwell, 4, Sant Narakari Colony, Kingsway Camp, Delhi-9.

MANIPUR.

52. Shri N. Chaoba Singh, Newspaper Agent, Ramlal Paul High School, Annex. Imphal, Manipur.

AGENTS IN FOREIGN COUNTRIES

U.K.

53. The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON, W.C.-2.

© 1963 BY LOK SABHA SECRETARIAT

PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT OF
BUSINESS IN LOK SABHA (FIFTH EDITION) AND PRINTED AT THE PARLIAMENTARY
WING OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.
