

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:2988
ANSWERED ON:13.12.2006
LOSS OF REVENUE
Bauri Smt. Susmita;Khan Shri Sunil

Will the Minister of COAL be pleased to state:

- (a) whether the failure in arranging transportation by the Bharat Coking Coal Limited (BCCL) for cheaper `C grade coal and continued injudicious use of steel grade coal for boiler consumption resulted in revenue loss;
- (b) if so, the details thereof; and
- (c) the action taken or being taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a) to (c): Yes, Sir. Steel grade coal is being produced at Begunia Colliery situated in the state of West Bengal and `C grade Coal is produced at Basantimata and Dahinari Colliery situated in the state of Jharkhand. As such `C grade coal, for the purpose of boiler consumption at Begunia Colliery has to be brought from Bahibari/Basantimata colliery crossing the Brakar river, inter state border and covering a distance of about 30 KM on one side. Due to non-availability of infrastructure like tippers and drivers, departmental transportation of `C` grade coal from the mines situated in the Jharkhand side of the area of BCCL was not feasible.

Moreover, contractors were also not willing to transport such a small quantity (17.5 Metric tonne per day) at the prevailing distance slab rate due to the difficulties associated with the inter-state movement of goods. Keeping this in view, the management went for tendering for the purpose of arriving at a reasonable rate for transportation of (C grade coal. However, the rate quoted by the contractor was abnormally high which the management could not accept and the tender was ultimately cancelled. Considering all these aspects, steel grade coal was used but since it caters to the need of Core sector, management was making efforts to reduce its consumption in boiler and finally with the improvement in the availability of tippers, after suspension of work at Victoria West colliery, departmental transportation of `C` grade coal for the purpose of boiler consumption was started from April, 2004.

Thus despite cost advantage, use of steel grade coal in boiler has finally been discontinued from April, 2004 and only `C` grade coal is now being used in boiler.