C.P.U. No. 156

Committee on Public Undertakings (1969-70)

(FOURTH LOK SABHA)

SIXTY-FIRST REPORT

Action taken by Government on the recommendations contained in the Tenth Report of the Committee on Public Undertakings (Fourth Lok Sabha) on National Coal Development Corporation Ltd. [Paras in Section III of Audit Report (Commercial), 1967.]

MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (DEPARTMENT OF MINES AND METALS)

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

February, 1970/Phalguna, 1891 (Saka)

Price : Rs. 1.10

LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA SECRETARIAT PUBLICATIONS

Sl. No.	Name of Agent	Agency No.
	ANDHRA PRADESH	
1.	Andhra University General Cooperative Stores Ltd., Waltair (Visakhapatnam)	8
2.	G. R. Lakshmipathy Chetty and Sons, General Merchants and News Agents, Newpet, Chandragiri, Chittoor District.	94
	ASSAM	
3.	Western Book Depot, Pan Bazar, Gauhati.	7
	BIHAR	
4.	Amar Kitab Ghar, Post Box 78, Diagonal Road, Jamshedpur.	37
	GUJARAT	
5.	Vijay Stores, Station Road, Anand.	35
6.	The New Order Book Company, Ellis Bridge, Ahmedabad-6.	63
	HARYANA	
7.	M/s. Prabhu Book Service, Nai Subzimandi, Gurgaon, (Haryana).	14
	MADHYA PRADESH	
8.	Modern Book House, Shiv Vilas Palace, Indore City.	13
	MAHARASHTRA	
9.	M/s. Sunderdas Gianchand, 601, Girgaum Road, Near Princess Street, Bombay-2.	6
10.	The International Book House (Private) Limited, 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.	22
11.	The International Book Service, Deccan Gymkhana, Poona-4.	26
12.	Charles Lambert & Company, 101, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.	30
13.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.	60
14.	Deccan Book Stall, Ferguson College Road, Poona-4.	65
15.	M/s. Usha Book Depot, 585/A, Chira Bazar, Khan House, Girgaum Road, Bombay-2 BR.	5
	MYSORE	
16.	M/s. Peoples Book House, Opp. Jaganmohan Palace Mysore-1.	16
	RAJASTHAN	
17.	Information Centre, Government of Rajasthan, Tripolia, Jaipur City.	38
	UTTAR PRADESH	
18.	Swastik Industrial Works, 59, Holi Street, Meerut City.	2
19.	Law Book Company, Sardar Patel Marg, Allahabad-1.	48
	WEST BENGAL	
20.	Granthaloka, 5/1, Ambica Mookherjee Road, Belgharia, 24-Parganas.	10
21.	W. Newman & Company Ltd., 3, Old Court House Street, Calcutta.	44
22.	Firma K. L. Mukhopadhyay, 6/1A, Banchharam Akrur Lane, Calcutta 12.	82
23.	M/s. Mukherji Book House, 8B, Duff Lane, Calcutta-6.	

CONTENTS

COMMITTEE ON PUBLIC UNDERTAKINGS

(1969-70)

CHAIRMAN

Shri M. B. Rana*.

MEMBERS

2. Shri R. K. Amin
3. Shri Bal Raj Madhok
4. Shri K. Ananda Nambiar
5. Shri Vishwa Nath Pandey
6. Shri T. A. Patil
7. Shri G. S. Reddi
8. Shri P. M. Sayeed
9. Shri Digvijaya Narain Singh
10. Shri G. Viswanathan
11. Shri Nand Kishore Bhatt
12. Shri Godey Murahari
13. Shri Bhabhani Charan Pattanayak
14. Shri Rajendra Pratap Sinha
15. Shri Dattopant Thengari.

SECRETARIAT

Shri S. C. Mookerjee—*Deputy Secretary.*
Shri M. N. Kaul—*Under Secretary.*

*Appointed w.e.f. 10-12-1969.

STUDY GROUP VI ON ACTION TAKEN REPORTS (1969-70)

1. Shri B. C. Pattanayak—*Convener.*
2. Shri D. Thengari—*Alternate Convener.*
3. Shri T. A. Patil—*Member.*
4. Shri G. S. Reddi. ”
5. Shri N. K. Bhatt. ”

INTRODUCTION

I, the Chairman, Committee on Public Undertakings, having been authorised by the Committee to submit the Report on their behalf, present this sixty-first Report on the Action taken by Government on the recommendations contained in the Tenth Report of the Committee on Public Undertakings (Fourth Lok Sabha) on National Coal Development Corporation Ltd. [Paras in section III of Audit Report (Commercial), 1967.]

2. The Tenth Report of the Committee on Public Undertakings was presented to the Lok Sabha on the 10th April, 1969. Government furnished their replies indicating the action taken on the recommendations contained in the Report on the 10th October, 1968, 28th November, 1968, 25th January, 1969, 9th April, 1969, 24th May, 1969, 10th June, 1969, 18th July, 1969, 20th August, 1969, 19th September, 1969, and 27th November, 1969. Further clarification in respect of certain recommendations was called for from the Government on the 29th November, 1969 and replies thereto were received on the 15th December, 1969. The replies of Government to the recommendations contained in the aforesaid Report were considered and approved by the Committee on the 27th January, 1970 and the Chairman was authorised to finalise the Report on the basis of the decisions of the Committee.

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

(i) Report.

(ii) Recommendations that have been accepted by Government.

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

(iv) Recommendations in respect of which replies of Government have not been accepted by the Committee.

4. An analysis of the action taken by Government on the recommendations contained in the tenth Report of the Committee is given in Appendix VI. It would be observed, therefrom that out of 74 recommendations made in the report 42 recommendations (57%) have been accepted by Government. The Committee do not desire to pursue 27 recommendations (36%) in view of Government's reply. Replies of Government in respect of 5 recommendations (7%) have not been accepted by the Committee.

M. B. RANA,
Chairman,
Committee on Public Undertakings.

NEW DELHI;
February 26, 1970.

Phalguna 7, 1891 (S).

CHAPTER I

REPORT

A. Transfer of Assets—Paras 2 and 3 of the 10th Report (Fourth Lok Sabha)

Recommendation (Serial No. 1)

On 1st October, 1956 the net assets aggregating Rs. 8.14 crores of the ex-state collieries were provisionally transferred to the Company. In 1963-64 Government, however, decided to transfer net assets worth Rs. 6.30 crores only after excluding the value of book debts and liabilities. The formal deed for the transfer of net assets worth Rs. 5.54 crores was executed in November, 1963 and the transfer of the remaining assets worth Rs. 0.76 crores was under finalisation till July, 1966.

The Committee felt that the execution of the transfer deed of the remaining assets worth Rs. 0.76 crores had been inordinately delayed and hoped that this transfer would be finalised early.

In their reply dated the 15th December, 1969 the Ministry have stated that the Transfer Deed for the Assets was signed with the Government of India on 28-12-1967 but the document has not been registered as the Registrar wanted the Stamp Duty and Registration to be paid by the Corporation. The matter has been taken up to the High Court and the agreement will be registered after the decision of the High Court.

It is seen that the matter regarding the transfer of assets worth Rs. 0.76 crore is pending with the Corporation since 1963. The Committee reiterate the earlier recommendation that the execution of the transfer deed has been inordinately delayed and stress that the Government should pursue the matter vigorously so as to finalise it as early as possible.

B. Delay in the setting up of the New Washeries—Paras 57 to 61 of the 10th Report (Fourth Lok Sabha)

Recommendation (Serial No. 18)

Gidi and Kathara washeries were scheduled to be Commissioned by the end of 1964 and 1965 respectively and it was stated that Sawang Washery would be completed in April, 1968. During evidence the Managing Director however, stated that the Gidi Washery was likely to be completed by September, 1968 and Kathara by October/December, 1968. Efforts were being made to complete Gidi Washery by May, 1968.

The Committee felt unhappy that there had been delays in almost all cases. In the light of the experience gained by NCDC, the Committee expected that all the future projects would be commissioned within the schedule period.

According to the reply of the Ministry dated 25th November, 1968 to the above recommendation the Kathara Washery was to be completed by December, 1968 and Sawang by February, 1969. It was stated that the Gidi Washery might not be completed by the middle of 1969.

The Government was asked to state the latest position regarding the commissioning of the Washeries.

In their reply dated the 15th December, 1969 the Government have furnished the following information:—

"Construction of the Kathara Washery was completed in July, 1969 except for some minor jobs. The trail commissioning of the washery is expected to be completed by the end of December, 1969. The Washery may not, however, start commercial production immediately due to inadequancy of demand at present for washed coking coal.

Construction of the Sawang Washery was completed in March, 1969 except for some minor items. At present 'no load tests' on different equipment are in hand. According to the present time-schedule, 'water test' is expected to start in the last week of this month (December, 1969). Normal coal flow for washing will commence by January, 1970.

About 87% of the overall work at Gidi Washery has been completed. Civil Work is nearly complete except in the Loading Section. About 90% of the work of erection of electrical and mechanical equipment has been completed. The washery is expected to be completed by April, 1970 after which 'no-load test' will commence."

Thus it is seen that none of the three washeries could be completed according to the original schedule or schedules communicated to the Committte during evidence in 1967 or even according to the schedules communicated by the Government to the Committee in November, 1968. The Committee are unhappy over the inordinate delay in commissioning the washeries. The Undertaking should have adhered to the schedules as communicated to the Committee. The Committee recommend that the reasons for the abnormal delay in commissioning of the washeries should be investigated and steps should be taken to avoid the lapses in future.

C. Bad and doubtful debts—Paras 151 to 159 of the 10th Report (Fourth Lok Sabha)

Recommendation (Serial No. 36)

It was reported by Audit that no case had come to their notice when the Company had examined the economics of delaying the wagons and paying the demurrage charges *vis-a-vis* the under-loading charges. Further the Ministry had not replied to the following points :—

(i) The details of cases where underloading of wagons was necessary to avoid demurrage.

(ii) Whether the fact of underloading to avoid incurring of demurrage was recorded at the time of loading and put up to the competent authority.

The Committee regretted that the management had not substantiated their statement by making documents etc. available to Audit. The Committee recommended that that should be done.

In their reply dated the 16th August, 1969, the Ministry have explained the reasons why the said information could not be supplied to the Audit. They have stated that no separate records were kept of the details of the cases where underloading was necessary to avoid demurrage as the colliery manager was himself the competent person to take a spot decision on such day-to-day issues. The decisions whether underloaded wagons should be allowed to be drawn out and become liable for underloading charges or whether they should be detained and the load adjusted in which case demurrage would become payable on the entire rake was taken on the spot by the colliery manager concerned.

The Reply of the Ministry is hardly convincing. When the colliery Manager takes a decision on the spot why it should be difficult for him to record such a decision. The Committee are of the opinion that the Undertaking should have directed all the colliery Managers to record their decisions so that the economics of delaying the wagon and paying the demurrage charges vis-a-vis the underloading charges could be worked out scientifically and communicated to the Audit. The Committee regret that this has not been done.

D. Kargali Washery Ropeway—Paras 221 to 225 of the 10th Report (Fourth Lok Sabha)

Recommendation (Serial No. 52)

Kargali Washery went into operation in November, 1958. During initial stages raw coal was being transported to the Washery by means of the ropeway. During operations, the defects in the ropeway were noticed and the Corporation decided to discard it. Another reason put forward for discarding the ropeway was that it was deemed necessary to extract the coal locked up below the ropeway trestles. It has been stated that the Machinery valued at Rs. 6.87 lakhs written off in the Accounts from 1965-66 related to write off arising from the dismantling of the Kargali Washery ropeway.

In reply to recommendation at Serial No. 14 it has been stated that the extra expenditure involved in the change-over from the bicable ropeway system of transportation of coal from Bokaro to the Kargali Washery was Rs. 3,65,936.

The Committee recommended that the matter might be probed into to fix responsibility for the dead loss to the Corporation.

In reply dated the 15th September, 1969 to this recommendation it was stated that the ropeway was replaced by the manufacturers free of cost although by then the guarantee period had expired. But the new rope also developed the same defects in actual working after some time. It was stated that but for the dismantling of the ropeway, the quarry working would have been done in such a way that trestles were left intact for about 15 years. The blocking up of the coal by the ropeway trestles was therefore, not the direct cause of dismantling the ropeway.

Thus it would appear that conflicting statements were made regarding the reasons for dismantling the ropeway. The Ministry did not state after what time the new ropeway also developed the same defects in actual working and what action was taken by the Undertaking in this regard. Whether the manufacturers were approached to replace or repair the ropeways? This was enquired from the Ministry. They were also asked to state whether any step had been taken by the Undertaking to probe into the matter to fix responsibility for the dead loss to the Corporation as recommended by the Committee.

In their reply dated the 15th December, 1969 the Government have furnished the following information :—

"The new rope of the bicable ropeway, which was replaced by the manufacturer free of cost, developed the same defects after about 1½ years of the replacement. The matter was taken up with the manufacturers for their advice. As intimated earlier, the guarantee period was already over and it was only at the insistence of the Corporation that they had replaced the rope once free of cost.

The reasons for dismantling of the ropeway etc. have already been explained in detail in our replies to Recommendation Nos. 14 and 52. In the light of the explanations already submitted, the question of fixation of responsibility does not arise.

The Committee regret that conflicting statements have been made regarding the reasons for dismantling the ropeway. It is seen that the Corporation had to suffer a loss of Rs. 6.87 lakhs arising from the dismantling of the Kargali Washery Ropeway and another Rs. 3,65,936 on account of change-over from the bi-cable ropeway to the Railway system of transportation of coal. The Committee reiterate the earlier recommendation of the Committee that the entire matter has been handled casually by the Undertaking. It is regretable that the Corporation has failed to fix responsibility regarding huge loss suffered by it on account of discarding the ropeway.

E. Import of Defective Equipment—Paras 283—287 of the 10th Report (Fourth Lok Sabha)

Recommendation (Serial No. 64)

In September, 1963 the Company placed an order for the supply of four Stationary Air Compressors together with spares at a total cost of Rs. 2,91,200. The Compressors were received between 3rd September, 1963 and 3rd October, 1963 and payment was made to the supplier. The machines which did not give satisfactory service were lying unutilised till October, 1966 at the Project stores. Although three years had elapsed since the receipt of Compressors, no action had been taken regarding replacement/rectification of the defective Compressors, under the "warrantly" clause of the contract.

The Management had stated to Audit (June, 1966) that "Corporation is still considering to take suitable action against the firm, but it has been advised by the Legal Adviser to give some more time to the firm in view of the assurance given by the firm." The Committee were informed that the Ministry in reply to the Critical Review had stated no comments although National Coal Development Corporation Ltd. had reported that some of these compressors were in use in February, 1967. Subsequently, however, in a written reply to the Committee the Ministry had pointed out that three of the four compressors had been put into operation, and were rendering satisfactory service. There was no defect in their functioning. Only one Air Compressor was found to be defective inasmuch as it had a hair crack in the cylinder head. This had since been repaired.

No complaint was lodged against the supplier because the defect in the compressor was discovered only after the warranty period was over. The compressor was not installed during the warranty period because the project was not ready with all the complementary equipments like switch gears etc.

The compressors were not tested on arrival at the project which was then in the initial stage of development and where facilities for such testing were not immediately available.

The Committee expressed their regret that four Air Compressors purchased at a cost of Rs. 2,91,200 were not tested within the warranty period. They were also not put to use for three years and one of them had a line crack. The Committee recommended that person responsible for this should be appropriately dealt with.

In reply to this recommendation it has been stated that all the four compressors were installed at the Banki and Surakachar mines between February and October, 1964 and it was not thus factually correct to say that none of the four stationary Air Compressors were tested within the warranty period or put to use for three years. It has been admitted that the Corporation was at fault in not fully explaining the above facts to Audit. It has also been admitted that the suppliers did not repair the hair line crack in one of the compressors because the defect had been brought to light after the expiry of the warranty period.

The Committee regret to note that conflicting statements have been made regarding the installation and operation of the four Air Compressors and that the actual facts were not furnished by the Undertaking to the Audit. One Air Compressor was not repaired by the suppliers chiefly because the defect had been brought to light after the expiry of the warranty period. The Committee are unhappy that the Undertaking has failed to fix the responsibility in this regard.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Serial No. 2)

The Committee consider that the debts of the Company are on the high side and the total debts of the Company should normally not exceed the amount of paid-up capital. (Paragraph 6).

Reply of Government

Noted. As on 31-3-1968, the debt equity ratio was 0.94 : 1 *i.e.* long term loans were less than the equity capital.

[Ministry of Steel, Mines, & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 25th January, 1969]

Recommendation (Serial No. 4)

The Committee were informed that the investment made on collieries temporarily closed had not been entirely wasted because these collieries were likely to be worked out in the Fourth Five Year Plan periods. However, none of these collieries had yet been re-opened. It is unfortunate that a huge sum of Rs. 6 crores has been blocked in these collieries and would result in loss by way of deterioration of plant and machinery and unremunerative investment of money for quite a long period. All efforts should be made to find market for the output of these collieries as early as possible. (Paragraph 12).

Reply of Government

The Plant and machinery obtained for these closed collieries have already been shifted either to other productive units or the stores. Losses due to deterioration of plant and machinery removed to stores may not be substantial but the investment on immovable assets remains idle and therefore depreciation and interest on this part of capital investment accrue from year to year.

NCDC are continually exploring the possibility of finding market for the temporarily closed collieries. There are some indications now that it might be found feasible to reopen Katkona and Jagannath collieries by the end of 1969-70. The position is expected to crystallise in about a year's time. Efforts will continue to find market for the production from temporarily closed mines and these will be opened as and when market is available.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 10th October, 1968]

Recommendation (Serial No. 5)

"The Committee feel that the Ministry and the undertaking are working on assumption without any basic evidence to prove that conditions would be really propitious for reopening of Singrauli I in 1969-70. There is no reason to believe that the Railways would not be able to move coal from Bihar and Bengal towards U.P. after 1969-70.

The Committee would therefore recommend that instead of only hoping for favourable conditions in 1969-70, the undertaking should make an earnest effort to reduce their cost of production and enter the coal market on a competitive basis. They should be able to attract the purchasers near the collieries by quoting competitive prices and not depend on creation of conditions which would make them the sole supplier in that area. It is regrettable that private collieries lying hundreds of kilometres away from place of consumption are able to underbid N.C.D.C. in an area around its pit-head. It only shows how uneconomical is its working. The equipment on those mines which are not likely to be reopened in the near future should be shifted and utilised at other mines." (Paragraphs 16-17).

Reply of Government

N.C.D.C. is making and will continue to make all efforts, as recommended by the Committee, to reduce its cost of production and enter the coal market on a competitive basis. As the Singrauli coalified is a virgin area, involving considerable expenditure towards development, the Corporation can make its cost of production competitive only at optimum levels of production. Efforts are already being made to conclude agreements with the U.P. Electricity Board to supply coal to Obra and other power stations of the U.P. Electricity Board.

The equipment rendered surplus due to closure of mines or slowing down of operations are utilised at other needy projects by suitable diversions as and when desired by the N.C.D.C.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January, 1969]

Recommendation (Serial No. 6)

The Committee are not happy with the manner in which the matter regarding finalisation of agreements with Electricity Boards has been dealt with by the N.C.D.C. Had the Ministry and N.C.D.C. entered into firm commitments with the Electricity Boards before commencing supply of coal to them, this unfortunate situation would not have arisen. The Committee hope hat the matter would be settled early. (Paragraph 19).

Reply of Government

N.C.D.C. had considerable difficulty in concluding agreements with Electricity Boards for various reasons but even in the cases where agreements had been concluded, disputes have arisen. However, the Committee's recommendations are accepted and N.C.D.C. is being advised to conclude such agreements, as far as possible, before commencing supplies of coal.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 18th July, 1960]

Recommendation (Serial No. 9)

The Committee would recommend that the Government should review the position keeping in view the huge losses suffered by NCDC and decide whether it would be advisable to close down these collieries or to lease them out. In case Government want NCDC to continue to run these collieries the Corporation should be subsidised to the extent of the losses suffered by it. (Paragraph 32).

Reply of Government

The National Coal Development Corporation have appointed an Expert Committee to go into the working of the Giridih collieries and examine how far the working of the mines can be made economical, and if it cannot be improved, what steps should be taken to reduce the losses. The Committee's report is awaited.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968]

Further Information called for by the Committee

Whether the Expert Committee have since submitted their report and if so, what action has been taken on that report?

[Lok Sabha Secretariat O.M. No. 24-PU/67, dated the 29th November, 1969]

Reply of Government

The expert committee submitted its report on 10-12-1968. The recommendations of the Committee were considered by Government at the highest level and the action taken thereon is given below :

Recommendation (Serampore Colliery)	*Action taken*
(Serampore Colliery)	
1. 16A pit and 18A incline should be closed as there are hardly any mineable reserves left.	16A pit and 18A incline have been closed.
2. The scheme for re-opening 25 pit is technically unsafe and should be given up.	Work on re-opening of 25 pit has been given up.
3. Khandia incline producing Gr. IIIB coal is presently an uneconomic unit and could be closed down. It might be feasible to work this unit if the following conditions are satisfied :	Regular off-take can be assured only if the Barauni Thermal power station finally agrees to take this coal for their new sets. The matter has been taken up with the State Govt. In the meantime the NCDC continue to work this mine adjusting production to the market deeds.
(i) NCDC should be assured of a minimum off-take of 8000 to 10,000 tonnes per month and there should be a written agreement with the local unions that the piece-rated labour would ensure a minimum output of 72 cft (1·8 tonnes) per manshift.	
(ii) Absenteeism should be restricted to within 10 to 15%, and	
(iii) Overall OMS should be not less than 0·65.	

Recommendation	Action taken
Kurhurbaree colliery	
4. The following mines producing good quality coking coal should continue to be worked :	The recommendations have been accepted and the mines are being worked accordingly for the next 2 to 3 years.
(*a*) Kolimaran new incline at a production of 4000 tonnes p.m. for 4 years when the reserves will be exhausted.	
(*b*) 17B Bhadua incline at a production of 7000 tonnes p.m. for 4 years to be reviewed thereafter.	
(*c*) 10B Bhadua incline at a production of 8500 tonnes p.m. for 18 months after which the reserves will be exhausted.	
(*d*) Drivages in Dhobidih mine should continue in areas where geological disturbances are less and if the exploration proves successful, production might be raised to 2500 tonnes a month and the position reviewed after 3 years.	
5. 23-B Incline contains very poor quality coal and there is heavy accumulation of slack coal. It should therefore be closed.	N.C.D.C. is closing the mine.

After considering the position of reserves and market it was also decided that there was no need for the withdrawal of the President's directive which would lose its force soon when the reserves of good quality coking coal get exhausted. The surplus labour is being gradually reduced. The manpower strength has already been brought down from 4787 on 1-8-68 to 3568 on 1-11-69. Efforts are being made to bring it down further.

[Ministry of Petroleum and Chemicals and Mines and Metals (Department of Mines and Metals) D.O. No. C3-10(6)/68, Vol. II, dated the 15th December, 1969]

Recommendation (Serial No. 10)

The cost of production per tonne has sharply increased during 1962-63 to 1965-66. The Committee feel that in order to improve the sales performance and profitability of the Corporation it is necessary to reduce the cost of production of coal. They hope that every endeavour would be made to achieve this objective. (Paragraph 35).

Reply of Government

Low utilisation of production capacity because of insufficient growth of coal demand had resulted in increased cost of production. The NCDC has taken in hand a programme for raising production and sales to the level of 13 million tonnes during 1968-69 from 10.35 million tonnes produced in 1967-68. The increase in production may help in reduction of cost and improve profitability to that extent. The NCDC has also been endeavouring to bring down the inventory. The cost of production of each colliery is analysed in detail every month and however feasible, steps will be taken for introducing suitable economies in cost.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 10th October, 1968]

Recommendation (Serial No. 11)

The Committee regret to note that inspite of an assurance given to the Estimates Committee, there was lack of coordination in regard to supply of wagons for transport of coal during the Third Five Year Plan. They trust that efforts would be made by the Corporation and Ministry of Railways to overcome such transport bottle-necks, which hamper production. (Paragraph 42).

Reply of Government

The recommendation has been noted. The Corporation is maintaining close liaison with the Railway Administration at all levels in order to remove difficulties in the matter of supply of wagons.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 10th October, 1968]

Recommendation (Serial No. 14)

The Committee were not informed of the extra expenditure involved in the change of transportation system. They desire that the Corporation should work out this extra expenditure involved and intimate it to the Committee. (Paragraph 50).

Reply of Government

The extra expenditure involved in the change-over from the Bicable Ropeway to the Railway system of transportation of coal from Bokaro-Colliery to the Kargali Washery was Rs. 3,65,936.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 27th November, 1969]

Recommendation (Serial No. 15)

The Committee feel that had the filter plant been designed after making proper assessment of fine coal, expenditure incurred on manual recovery of slurry as a result of unsatisfactory performance of the filter plant could have been avoided.

The Committee were informed that with the expansion scheme, more filters were being added. They hope that these filter plants would be designed after taking into account the actual percentage of fine and present in the coal. (Paragraphs 53-54).

Reply of Government

The percentage of fines in the original design of the filter plant of the Kargali Washery was taken as about 2% on the basis of the information contained in the Report of the Coal Washing Plant Committee. In actual working, however, it was found that the percentage of fines was as high as 9%. Among other reasons, the increase in the percentage of fines was attributed to size degradation suffered by coal at various transfer points during transportation and the methods of coal extraction adopted. Under the expansion scheme, however, two large filters have been installed and these take into account the higher percentage of fines present in the coal.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January, 1969]

Recommendation (Serial No. 17)

"The Committee was surprised to learn that the arbitration was not accepted by the contractor although the arbitrator was appointed after obtaining the consent of the contractor. Since the award given by an arbitrator is always binding on both the parties the conclusion is inevitable that the matter was not taken very seriously by NCDC authorities. The process of arbitration put the Corporation under further loss by delaying the work. The Committee hope that such lapses will not be allowed to occur in future and that expeditious action will be taken against the contractor whenever they are found responsible for any delay or loss to the Corporation." (Paragraph 59).

Reply of Government

Although according to the terms of the contract, the award given by the arbitrator shall be final and binding on the parties, under the provisions of the Indian Arbitration Act 1940 which is also applicable in this case subject to the contract, still for the enforcement of any such award, it is essential that it is filed before the court and made a rule of the court. Any party to the award has the right to contest the same before the court and challenge its validity. Thus the contractor had the right to contest the award and this right was exercised by him.

However, the NCDC have noted the Committee's general observations that expeditious action should be taken against the contractors wherever they are found responsible for any delay or loss to the Corporation, and suitable instructions have been issued to all the concerned officers.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 9th April, 1969]

Recommendation (Serial No. 19)

The Committee regret to note that the development of washeries was taken up without assessing the effective demand of washed coal. It shows that there was lack of proper planning as regards the development of washeries. Had the Ministry acted with proper care, expenditure incurred on these washeries could have been saved from being rendered infructuous. The Committee recommend that an exhaustive survey should be immediately made to assess the demand of washed coal which should be reviewed periodically and only on that basis the setting up of new washeries should be planned. (Paragraph 63).

Reply of Government

The setting up of washery capacity for the production of clean coal is linked with the programme of the metallurgical industries. An assessment of the growth of these industries and the corresponding rise in the demand for coal was made before the washery programme was planned. There has, however, been a general recession in the industrial programme and the reduction in the steel programme has caused slackness in the demand for washed coal.

2. An assessment of the demand for washed coal of the metallurgical industries has recently been made. This assessment has established that the washeries already set up and those under construction would be adequate to meet the demand for washed coal up to 1970-71. In case the programme of the metallurgical industries proceeds according to the schedule now indicated, it is expected that by 1971-72, the washery programme already planned will be insufficient to provide the full requirements of clean coal and additional washing capacity would have to be set up to ensure adequate clean coal for the steel plants. The washery programme will, however, be reviewed periodically and new washeries will be planned to keep pace with the rise in demand for clean coal.

[Ministry of Steel, Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 10th October, 1968]

Recommendation (Serial No. 20)

The Committee feel that the Schedule of Rates must be reviewed periodically for modification if any, to keep the rates comparable with those prevailing in the market. They regret to note that no steps had been taken till September, 1966 to revise the schedule of Rates approved in August, 1960 even when the management had found them to be very much lower than the current market rates. (Paragraph 65).

Reply of Government

Noted. The revision of National Coal Development Corporation schedule of rates has been taken up and is expected to be completed within about six months.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 10th October, 1968]

Recommendation (Serial No. 22)

The Committee take a serious view of the whole matter and recommend that a thorough investigation of the whole affair must be undertaken with a view to fix responsibility. The Corporation had appointed a Committee to examine the matter in closer detail and to fix responsibility for the lapses, if any. The Committee was being asked to report within a month and the report of that Committee would be furnished as soon as available. The Committee would like to be informed of the final outcome of the investigations made. (Paragraph 78).

Reply of Government

The report of the enquiry committee appointed by the Managing Director shows :

(i) that there was no real risk of the buildings being damaged by heavy vibrations caused by deep blasting for 30 years or so by which time the workings of Singrauli-I project would reach near the site of the quarters. Miners quarters and buildings of this character are fully depreciated within the period of 30 years (or within a shorter period where the life of the mine is less than 30 years).

(ii) The Dy. Superintendent of collieries who was in overall charge of the project must be held responsible for the administrative lapse in not ensuring prompt and effective implementation of the instructions issued by Ranchi headquarters under Director of Planning's letter No. PL/613/4426-28, dated 20th May, 1963 which was received at Singrauli sometime towards the end of that month.

(iii) The Senior Executive Engineer (Civil) was equally responsible for the lapse as the construction of civil works was his direct responsibility, and verbal instruction was given to him (and not to the Dy. Superintendent of Collieries) by the Chief Engineer, (Civil) when he visited the site on 19-5-63, and this instruction was later confirmed by him in writing under letter No. CE(Const.)/Singrauli/62/5110-11, dated 21st May, 1963. No copy of this letter had been sent to the Deputy Superintendent of Collieries. The Executive Engineer could have immediately instructed the Assistant Engineers under him and the contractors not to take up new quarters at this site, and there was nothing that prevented him from taking this action. The layout and sites for constructions were also given as usual by the civil engineering staff, and not by the Deputy Superintendent of collieries. The Dy. Supdt. of Collieries learnt about the laying out of more quarters on comparing the figures given in the Executive Engineer's report for May and June, 1963 and thereafter made a census of all constructions made till then and issued written instructions stopping all further constructions.

(iv) The Senior Executive Engineer has left the service of the Corporation on 30-4-1965 and no disciplinary action can be taken against him now.

(v) In the circumstances of the case, a warning to the Dy. Superintendent of collieries should be sufficient to meet the situation.

After careful consideration of the facts and circumstances disclosed by the Committee's report, the Managing Director ordered that a severe warning should be administered to the Officer and a note of this made in his Confidential Character Roll and necessary action has been taken already.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968]

Recommendation (Serial No. 23)

The Committee feel that in the absence of physical targets and standards of permissible wastage in the manufacturing process, it is not possible to judge the efficiency of a workshop and to bring about further improvements. Laying of such norms is very necessary in order to ensure the efficient running of the workshop. They would, therefore, recommend that targets and standards for permissible wastage in the manufacturing process should be immediately laid down after making studies of norms laid down in industries maintaining similar workshops. The Corporation should then compare their present physical targets and wastage with the norms so laid and make efforts to bring them down to the minimum possible level. (Paragraph 80).

Reply of Government

The recommendation has been accepted. The permissible limits of wastages in the manufacturing process have been fixed by the N.C.D.C. and targets of production having regard to capacity and level of orders are being finalised. The actual wastages would be compared with these norms and efforts will be made to bring them down to the minimum possible levels.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November 1968]

Recommendation (Serial No. 24)

The Committee regret the inordinate delay over six years in construction of the railway siding. They consider that it was mostly due to failure of management of N.C.D.C. to pursue the matter with the Railways. The Committee hope that the construction of the Railway siding would be taken up immediately and completed as early as possible so as to save expenses on transportation and wharfage. (Paragraph 84).

Reply of Government

Noted. The delay was to some extent due to the fact that the National Coal Development Corporation had deposited an amount of Rs. 5.27 lakhs only on assisted siding terms while Railways insisted on treating it as a private siding and this matter took some time to be settled. Later, National Coal Development Corporation requested the Railway Board to reduce the amount to be deposited by allowing credit for the amount spent by them on the construction of the embankment for the siding. However, in order to expedite the construction, the balance amount in full as per estimate is being deposited with the Railways. The construction, work has already been taken up and earth work has been completed. Permanent way work is in hand. The Railways have been requested to expedite the completion of the work.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January, 1969]

Recommendation (Serial No. 30)

The Committee are unhappy to learn that even the Public Sector Undertakings make their purchases through middlemen and do not encourage direct purchases from N.C.D.C. resulting in avoidable expenditure on the payment of Commission to the middlemen both by the buyers and sellers. During evidence, the Committee were informed that the public sector undertaking did not give any preference to N.C.D.C. in regard to purchases of coal. They feel that it would enable N.C.D.C. to tide over its difficulties if public sector undertakings make their purchases of coal direct from N.C.D.C., except in cases where N.C.D.C. is not in a position to make supplies of the quality and quantity required. The Committee recommend that the Government should issue a directive that the public undertakings should not make their purchases of coal through middlemen but direct from N.C.D.C. At the same time N.C.D.C. should also streamline its production, delivery and accounting procedures with a view to eliminate all causes of complaints and make efforts to win over the confidence of consumers of coal particularly in the public sector. If any public sector undertaking has any grievance in connection with its dealings with N.C.D.C. the matter should be brought to the notice of its administrative Ministry, which in consultation with the Ministry in charge of N.C.D.C. should settle the matter amicably. (Paragraph 117).

Reply of Government

The Ministry have addressed all the State Governments/Union Territories and the Ministries/Departments of the Government of India to issue suitable instruction to all the Undertakings/Departments under their control, requiring coal, to make their purchases direct from the National Coal Development Corporation *vide* their letter No. C2-5(33)/68, dated the 21st June, 1968. The Corporation has taken the following steps to streamline its production, delivery and accounting procedures with a view to eliminating complaints and to gain confidence of consumers of coal particularly in the public sector :

(i) A Committee has been appointed to examine and report on the delays in dealing with the deductions made by consumers from coal sale bills.

(ii) As regards elimination of complaints regarding quality it may be stated that while production from underground mines is relatively free from foreign matter, the same cannot be said of open-cast mines where there is possibility of admixture of foreign matter in production. In order to ensure that the despatches of sized quality coal are free from foreign matter, the Corporation has set up coal handling plants with proper screening and sizing arrangements in six collieries in Karanpura group, five collieries in M.P. group, one colliery in Orissa group and in Kargali Washery in Bokaro and Kargali group.

Apart from the above, the coal handling plants in three other collieries of M.P. group are either under construction or under test-commissioning. These coal handling plants are provided with effective shaking screens of high frequency and adequate picking arrangements. Two other mines of Orissa group and three projects in M.P. are provided with screening arrangements so as to eliminate foreign matter.

(iii) Major consumers such as Railways and other private parties have stationed their inspectors at each colliery to inspect the rakes during loading operations and permit them to pass over the weigh-bridge after they are satisfied about the quality of coal loaded. The colliery manager is also held responsible for proper loading of coal free from foreign matter as far as possible. Any complaints received in regard to quality are investigated by the colliery representative and a representative of the Sales Department in consultation with the complainant.

(iv) The Corporation is thus aware of the need for quality consciousness in the field. The Corporation has also proposed to have independent inspection of loading points and arrange for speedy investigation of the complaints.

All the State Governments and the Ministries of the Government of India have been informed of the above measures taken by the N.C.D.C. They have also been told that in case there is any undue delay in the disposal of complaints regarding the sale of coal by N.C.D.C. the matter may be brought to the personal notice of the Chairman/Managing Director under intimation to this Ministry for taking suitable action.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968]

Recommendation (Serial No. 31)

The Committee regret to observe that at first the Ministry intimated to audit in February 1967 that they did not consider it obligatory to have an agreement as the scope and functions of middlemen were fairly well known and under the Contract Act the relationship between the National Coal Development Corporation Ltd. and the middlemen was that of a principal and agent. Subsequently in October, 1967, however, the Ministry have stated in their written reply that agreements existed in respect of all the middlemen. The Committee would desire that the management should produce all the agreement to Audit. (Paragraph 121)

Reply of Government

National Coal Development Corporation have exchanged formal letters of consent with middlemen in respect of each order indicating the terms and conditions of sale. These Letters of Consent are available for inspection by the Audit. The Corporation has been advised to enter into agreements defining the terms and conditions of sale through middlemen in detail.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 20th August, 1969].

Recommendation (Serial No. 38)

The Committee regret to note that the Ministry/Undertakings had not fixed any estimates of cost of coal production for nine projects, which were very necessary for assessing how the actual costs of these projects compared with the estimates. The need for preparing such estimates cannot be over-emphasised, in view of the fact that the costs have gone up from year to year in some collieries. The Committee recommended that estimates of costs should be prepared in such cases, so that the actual costs can be restricted to the estimates. (Paragraph 168)

Reply of Government

These nine collieries were ex-State Railway Collieries which were taken over by the NCDC, on its formation in October, 1956. Since the collieries had been in commercial production for decades, it was not considered necessary to prepare estimates of cost of coal production as in project reports for new mines. In actual practice the Cost Accounts Department of the Corporation makes a detailed analysis of the incidence of cost incurred from month to month and enquires into reasons for variations in cost.

Estimates of costs are being evolved as desired by the Committee for each unit taking into account method of mining, present level of wages, current and anticipated levels of output and prices of stores, lubricants, etc.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 28th November, 1968].

Recommendation (Serial No. 39)

The Committee feel that one of reasons for increase in the cost of production as compared with that indicated in the Project Report is the employment of more staff than envisaged in the Project Report. They recommend that the impact of over-staffing on the cost of production may be worked out and necessary remedial measures taken. (Paragraph 171)

Reply of Government

Where there has been any increase in manpower strength over the provision in the original project report it would no doubt be one of the factors contributing to increase in cost of production over the estimated cost of production as given in the project report. As explained earlier in the reply to Recommendation No. 26, the increase in manpower in certain projects to which the Committee's report has referred, is due to change over from mechanised loading to manual loading. A study of the impact on cost of increase in manpower over the project report provision in such cases has but limited practical value. The Committee of Senior Officers of the Corporation which is examining the existing strength of manpower in different NCDC Projects has been asked to make an analysis also of the probable impact on cost of increase in manpower strength over project report provision, if any. Necessary remedial measures would be taken on receipt of the Committee's report.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C 3-10(6)/68 dated the 25th January, 1969].

Recommendation (Serial No. 40)

The Committee are unhappy to note that due to unrealistic purchases of stores and equipment a huge amount of money has been blocked without any prospects of returns therefrom till the end of the Fourth Plan. The Committee recommend that the stores and equipment surplus with National Coal Developent Corporation should be utilized in the collieries where these can be put to use profitably and the Corporation should exercise greater caution in making further purchases of stores. (Paragraph 177)

Reply of Government

The Corporation has already explained as to how in its drive to raise production in accordance with the targets set for it, large scale purchases of equipment had to be made. Due to subsequent lowering of targets and lack of prospects for immediate utilisation, a large quantity of equipment and stores is remaining surplus to the needs of National Coal Development Corporation. The recommendations of the Committee in this context have been noted for compliance. The Board of Directors of National Coal Development Corporation have already decided to set up an integrated Purchase and Stores Organisation under one officer so that stores are regulated with reference to stocks etc. Moreover, ABC-XYZ analysis is being carried out in the various collieries and Central

Stores at Barkakana. Future purchases of equipment will be made carefully so as to ensure that there is no avoidable surplus purchases of equipment/stores.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 10th October, 1968].

Recommendation (Serial No. 44)

The Corporation has not been able to establish a satisfactory system of inventory control even after the lapse of eleven years from the date of its formation. As already admitted by the Ministry, they have been able to fix inventory levels, Economic Order Points and Economic Order Quantities only in one area. The Committee are not satisfied with the slow progress made by the Corporation in the establishment of proper inventory control system. They recommend that reorganisation of the inventory control system should be completed as expeditiously as possible. (Paragraph 194)

Reply of Government

The recommendation has been accepted. The Corporation has decided to reorganise its Purchase and Stores Wings and to set up an integrated Purchase and Stores Organisation under one officer so that purchases are regulated with reference to stocks and future increases in the inventory arrested. Regional and the Central Stores which are at present under the control of the Area General Managers are to be brought under the control of the Controller of Stores so that A B C—X Y Z analysis are carried out quickly in all Stores to ensure implementation of principles/techniques of inventory control.

Detailed instructions regarding proper provisioning,. fixation of limits of safety stocks have already been drawn up and circulated among the Central Stores and major regional stores. The work of automatic provision of stores by the Regional Stores is also simultaneously progressing on the above basis.

For effective inventory control it is also essential that deficiencies in stores accounting are remedied and arrears in stores accounts brought up-to-date. These are being attended to.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 28th November, 1968].

Recommendation (Serial No. 46)

The Committee are surprised to note that the basis on which the requirements of retreading material were originally estimated and procured cannot be ascertained by the Ministry from available records. The Committee hope that in future such mistakes would not recur. (Paragraph 203)

Reply of Government

The indent/procurement of the retreading material is now being regulated keeping in view the workload expected to be achieved by the retreading workshop. After careful observation stock holding of the retreading material has been fixed at three month's consumption only.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 10th October, 1968].

Recommendation (Serial No. 47)

The Committee desired to know the reasons for not disposing of the materials earlier when they were not required and have been informed that this could not be done as in the first instance, efforts were made to persuade the supplier to take back the material. When this failed, some time was lost in observing the formalities in the disposal of surplus materials. The Committee regret to note that expeditious action was not taken by the Corporation in this matter. Efforts to persuade the suppliers to take back the material and observance of formalities for disposal of surplus material could have been taken simultaneously. Due to lack of positive action, the matter was allowed to drag on for a considerable time which resulted in the materials becoming unserviceable. Had steps been taken earlier for disposal of this material it could have fetched a higher price in auction. (Paragraph 205)

Reply of Government

The Committee's observations have been noted for guidance.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C 3-10(6)/68 dated the 28th November, 1968].

Recommendation (Serial No. 49)

The Committee do not see any reason why the Management could not furnish the lists to Audit even by January 1968. They cannot help feeling that perhaps these lists are not being maintained properly. (Paragraph 215)

Reply of Government

The detailed list comprising all items of equipment in actual deployment at different projects was not readily available at headquarters office at Ranchi and as such it could not be supplied to the Audit. It may be mentioned that in actual working, it often became necessary for the Area General Manager in charge of the projects to transfer a few items of equipment temporarily or otherwise from one project to another in the same area. To regulate such transfer of equipment from one project to another project, the Board of Directors of the Corporation have since laid down the procedure and necessary order has also been issued to ensure that up-to-date information regarding actual deployment of equipment and machinery at a given point of time in various projects is available to the top management. The list of equipment actually deployed in the projects along with project provision both for opencast and underground mines has since been forwarded to Audit. The deployment of equipment is based on the conditions observed after the projects started working. The NCDC is being asked to maintain a list at Headquarters of equipment deployed at various projects and up-date it every quarter.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C 3-10(6)/68 dated 28th November, 1968].

Recommendation (Serial No. 50)

The Committee are unhappy to note that the project reports were prepared without undertaking adequate survey and recommend that proper geological investigation of the area where a colliery is to be opened should be done before project reports are prepared, so that they do not require any major change later. (Paragraph 216)

Reply of Government

Noted. The recommendations of the Committee have been accepted. Necessary care will be taken in drawing up Project Reports in future, keeping in view the shortcomings noticed in the preparation of earlier Project Reports.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 28th November, 1968].

Recommendation (Serial No. 51)

The Committee regret to note that the Corporation had blocked a huge sum in equipment remaining unutilised or awaiting disposal which the Corportation was finding difficult to dispose of. The Corporation is not only losing interest on the sum blocked but also with the passage of time the equipment is likely to deteriorate or became obsolete and hence fetch much less price than its value. The Committee recommend that Corporation should take immediate steps to dispose of the 'dead' surplus as early as possible. The Government before releasing foreign exchange for import of plant and machinery from abroad for other public or private undertakings should ensure that similar items of plant and machinery are not lying surplus with any public undertaking or concern for disposal.

During evidence the Committee also drew attention of the officials of the Ministry and National Coal Development Corporation to the recommendation made by the Estimates Committee in para 257 of their 32nd report (Third Lok Sabha) on National Coal Development Corporation regarding steps to be taken to reduce inventories and to obviate any unnecessary accumulating of stores by changing the procurement procedure. The Committee were informed that National Coal Development Corporation had partially implemented the recommendations in respect of codification and that the recommendations were being constantly examined by National Coal Development Corporation. It is regrettable that although more than 4 years have elapsed since the Estimates Committee made the recommendations (*i.e.*, in 1963-64) National Coal Development Corporation has not been able to implement them to the full extent. The Committee suggest that the recommendations of a Parliamentary Committee should be implemented speedily so that the Corporation may reap benefits early. (Paragraphs 218-219)

Reply of Government

During the past three years the National Coal Development Corporation sold dead surplus plant and equipment and unserviceable materials as indicated below:

Year	*Value of materials disposed of*
1965-66	Rs. 11.47 lakhs
1966-67	Rs. 95.32 lakhs
1967-68	Rs. 27.69 lakhs.

During 1968-69 and up to June 1969 the Corporation have disposed of surplus stores of the value of Rs. 85.58 lakhs. As on 1-6-1969 surplus plant and equipment of the value of Rs. 176.38 lakhs are awaiting disposal. This comprises new and unused plant and equipment of the value of Rs. 98.68 lakhs and used ones of the value of Rs. 77.70 lakhs. Every effort is being made by the National Coal Development Corporation to arrange speedy disposal of the dead surplus plant and equipment held in the Corporation by issue of tenders, conducting public auctions and sale to other Government undertakings and Departments through negotiations.

As regards the general question of disposal of surplus stores of the public undertakings, Government are considering the suggestion that the public undertakings while applying for import of plant or machinery from abroad, would be required to give a declaration that similar items of equipment are not available with other public undertakings. At present 'Lok Udyog', a publication issued by the Bureau of Public Enterprises, is publishing lists of equipment which become surplus to the requirements of public undertakings from time to time. They would also publish comprehensive list of items of surplus plant and machinery available with public undertakings once in six months.

With regard to para 2 of the recommendation about implementation of the recommendation made by the Estimates Committee in para 257 of the 32nd report (Third Lok Sabha) the National Coal Development Corporation have taken the following steps :

1. A change has been introduced in the method of procurement by entering into rate and running contracts with firms for a large number of stores so that only on actual requirement these items of stores are purchased from the suppliers.

2. In the regional stores, automatic replenishment scheme has been introduced for ordering fresh quantities on the maximum-minimum level scale in order to ensure that only the require quantities are ordered.

3. By carrying out ABC-XYZ analysis the National Coal Development Corporation has been able to spot-light inventories which have not moved for the last three years or more and complete lists of these items are circulated to all the projects under the Corporation to find out whether any requirements have come up since the preparation of the surplus list.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M.No. C3-10(6)/68 dated the 18th July, 1969].

Recommendation (Serial No. 53)

No satisfactory explanation has been given for the retention of a large number of workers inspite of mechanisation of the Kargali mine. The Committee recommend that a detailed study of methods of work should be taken at this mine to ensure utilization of men and machines. (Paragraph 230)

Reply of Government

Kargali is one of the old ex-State Railway collieries taken over by the National Coal Development Corporation on its formation in 1956. The Committee's observation relates to the open-cast mine at Kargali where the overburden removal has been mechanised, with the result that as against 4,000 persons who were employed on this work previously, only 715 persons are employed now. Coal removal in the open cast mine is, however, still done chiefly through manual labour and presently about 1,000 persons are engaged in this work.

A plan has been evolved for introducing better methods of coal removal with a view to reducing the man power by about 400 persons, and thereby improving the output per man-shift and profitability. To facilitate this, the voluntary retirement scheme has been re-introduced in this colliery with effect from March, 1968. Steps are also being taken gradually to transfer the personnel to other collieries where there is increased demand for man-power because of development of new units, or the need for increasing current output for meeting fresh requirements.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 25th January, 1969].

Recommendation (Serial No. 54)

The Committee are of the view that sufficient care was not exercised by the authorities when the project reports for these collieries were prepared. The defective project reports led to purchase of machinery which was not suitable and had to be discarded later on, while man power had to be increased, thus leading to excessive expenditure and consequent losses at these collieries. The Committee hope that sufficient care would be taken by the authorities to safeguard against the repetition of such mistakes in future. (Paragraph 232)

Reply of Government

It is accepted that the development of certain collieries in the initial stages of the Second Five Year Plan was taken up by the Corporation with incomplete geological data. Care would be taken to ensure that such a situation does not arise in future.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 28th November, 1968].

Recommendation (Serial No. 55)

The profitability in Bhurkunda Colliery in Karanpura Region is steadily going down. In 1963-64 the Colliery showed a profit of Rs. 33.59 lakhs which came down to Rs. 19.24 lakhs in 1964-65 and further fell down to Rs. 9.68 lakhs in 1965-66. The Committee recommend that the causes of this steep decline in the profits of the colliery should be investigated and effective steps taken to set the matter right. (Paragraph 233)

Reply of Government

The reasons for steep decline in profits of Bhurkunda Colliery between 1963-64 and 1965-66 have been investigated as desired by the Committee. There was a substantial rise in the cost of production at this colliery between 1963-64 and 1965-66 on account of statutory increase in wage rates, and increase in prices of stores, spares, and power tariff. Moreover, profit sharing bonus which was not payable in 1963-64 had become payable from 1965-66. There was increase in payments of demurrages in 1965-66 over

1963-64 of about 12 paise per tonne due chiefly to bunching of rakes and also difficulties in timely loading due to fall in order for slack coal. It might be mentioned that loading at this colliery is done in separate rakes for Steam and Slack coal from separate steam and slack bunkers, and difficulties are caused if the sequence of steam and slack rakes cannot be maintained in supplies made by the Railways. There is also some increase in the computation of cost in 1965-66 due to a larger provision being made by the Corporation for bad and doubtful debts. While the cost of production increased by Rs. 4.16 per tonne between 1963-64 and 1965-66 due to these reasons, the price of coal which was controlled increased during the period by Rs. 1.60 per tonne. However, the cases of this and other unremunerative collieries of NCDC are currently under examination by a Committee and the recommendation of the Committee for improving the profitability will be given due consideration when received.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals, O.M. No. C3-10(6)/68 dated the 25th January, 1969]

Recommendation (Serial No. 56)

The Committee regret to note that the assurance given to the Estimates Committee did not come true. Not only did the Corporation not earn profits as estimated, but on the contrary has incurred huge losses. The need for the public undertakings securing a reasonable return on the capital invested in them cannot be too strongly emphasized. The Committee recommend that the Corporation should make strenuous efforts to improve its profitability by increasing efficiency and affecting economy. They hope that the Corporation would be able to attain a rate of net profit equal to that in the private and would thus favourably compare with the performance of the private sector. (Paragraph 239)

Reply of Government

In the Third Plan, the cumulative net profit of NCDC after providing for full depreciation (which amounted to Rs. 20.39 crores) and interest charges etc. was Rs. 0.47 crores. The main reason for the shortfall in anticipated projects was that due largely to lack in growth of steel production and power generation, the demand for coal did not build up as the planners had anticipated, and almost throughout the Third Plan, and more particularly from 1963 onwards, the large production capacity built-up by the Corporation with heavy investment could not be utilised to advantage. While the average capital investment per tonne in private sector mines which were operating in the Third Plan was only around Rs. 16, as most of the mines in that sector are manually worked, the investment in the new large and mechanised mines of NCDC was about Rs. 80 per tonne, which is in line with some of the modern mechanised mines in the private sector. Economics of such mines are dependent to a large extent on optimum utilisation of the capacity. A mechanised unit, unless worked to a high percentage of its capacity, tends to become highly uneconomical and much more so in comparison with manually worked unit. Moreover, in making comparison between the performances of N.C.D.C. and individual concerns or units in the private sector, it has to be borne in mind that the profit and loss of NCDC is the resultant of the profits/losses of 26 different collieries of which some are old and almost exhausted, some new and highly remunerative, and some new but not very remunerative.

The old Giridih collieries which the Corporation has been running under a Presidential Directive incurred a total loss of Rs. 2.32 crores in the Third Plan which largely offset the profits earned by other collieries. Also, NCDC was required to take up the development of new collieries almost entirely in virgin areas where a good deal of expenditure had to be incurred on provision of roads, buildings etc. on which the private sector does not have ordinarily to make much investment. As a Government Corporation, N.C.D.C. was also expected, from the beginning to provide wages and amenities of various kinds on a more generous scale than what is usual in the private sector.

The recommendation of the Committee that the NCDC should make strenuous efforts to improve its profitability so as to earn a rate of net profit atleast equal to that in the private sector when it reaches full production is accepted. Efforts are being made by the Corporation to raise sales and production with a view to making optimum use of the production potential built up. As a result of these efforts, the Corporation was able to raise its production in 1967-68 to 10.35 million tonnes as against 9.49 m. tonnes in 1966-67 and expects to raise it further to about 12.5 million tonnes in the current year 1968-69 and over 14 million tonnes in 1969-70. Measures have also been initiated for re-organisation of operations in some of the losing mines, and closing down of depleted pits. Steps have been taken for better maintenance of equipment and stepping up repair of sick equipment and for raising the output per manshift, and thereby improving production and profitability. This Department has been and will continue to press the N.C.D.C. to show better results all round.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals, O.M. No. C3-10(6)/68 dated the 25th January, 1969]

Recommendation (Serial No. 60)

The Jagannath colliery will be reopened only when the Talcher power station is fully commissioned. It is thus clear that no use of the dragline has been made since its arrival in India in February 1965. The Committee consider it very unfortunate that machinery which was not required immediately was imported resulting not only in blocking of huge funds but also loss due to deterioration etc. The Corporation should exercise greater foresight in placing orders for machinery so that such instances do not recur. (Paragraph 264)

Reply of Government

The recommendation has been noted. The Corporation will exercise due care in future in so far as possible to avoid instances of this nature.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 25th January, 1969]

Recommendation (Serial No. 61)

The Committee recommend that the Government examine the question of inclusion of penalty clause for late delivery in the model agreement with all foreign firms. (Paragraph 266)

Reply of Government

Government accept the recommendation and will examine the question of inclusion of penalty clause for late delivery in the contracts with all foreign firms.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 9th April, 1969].

Recommendation (Serial No. 63)

The Committee are surprised to note that no regular enquiry was conducted to investigate the causes of fire which resulted in such a huge loss and the matter was considered closed only on the basis of the report of the Area General Manager. The Committee are surprised to note that even the Principal Technical Officer who visited the colliery when the fire was being dealt with did not make any report on the causes of fire. They are of the view that this failure on the part of the Principal Technical Officer shows his indifference or lack of proper appreciation of the gravity of the matter. The Committee would like to be re-assured that the fire was not due to sabotage or negligence on the part of any employee of the Corporation. The Committee recommend that in future a regular Enquiry Committee should invariably be set up to investigate the causes of such accidents and report promptly submitted to the Board. (Paragraph 282)

Reply of Government

Signs of spontaneous heating were first noticed in the Talcher Colliery on 31st July 1963 in a large area which had been depillared with sand stowing more than a year ago. It was found that some coal in the roof which had not been taken out at the time of depillaring had fallen and was getting heated. A report giving relevant facts was sent by the Area General Manager on the same day both to the Managing Director at Ranchi and the Mines Department. After this, various measures were taken in consultation with the Regional Inspector of Mines, Chaibasa and the Chief Inspector of Mines, Dhanbad to isolate completely the worked-out area which was developing spontaneous combustion and partial working was resumed from 21st August 1963. On 20th September, it was, however, found that in another depillared or worked out area in No. 6 North East district of the Colliery there was heating in incipient stage. As there was danger of the fire ultimately spreading to the working area and consequent loss of machinery and valuable coal reserves, urgent steps were taken to seal off the entire area and to withdraw the main items of equipment and machinery in an organised way and to allow the mine to be inundated with a view to extinguish the fire completely before resuming fresh operation. All these measures were taken with the approval of the Managing Director, the Director of Production who was the Chief Technical Officer of the National Coal Development Corporation and after close consultation with the Inspectorate General of Mines who gave detailed instructions regarding thickness masonary stoppings, and other measures for sealing off the mine and preventing the spread of the fire to adjacent coal reserves.

As would be clear from the facts set out above, the fire did not occur all of a sudden. There was also no out break of fire to the areas which were being worked but there was risk of fire to these areas due to spontaneous heating in adjacent goaves or worked out areas. The problem remained under continuous study by the technical officers of the Corporation and the Inspectorate General of Mines (now called Directorate General of Mines Safety) from 31st July to the end of September. It will be appreciated that in the circumstances, there was no real need or cause for instituting a formal enquiry to investigate the causes of fire. There is also no doubt whatsoever that the fire was not due to either sabotage or negligence on the part of any employee of the Corporation.

It may also be stated that the entire machinery of the working area which was thus allowed to be inundated to prevent the spread of fire including all rails, mine cars, conductors, insulators, locos, haulage engines, coal cutting machines and cables were removed before the area was finally sealed off and within 1½ months of the decision taken to seal the mine, working was started in a new area of the Talcher mine with this machinery. The recovery of the machinery and equipment involved great risk when the fire in the adjacent goaves was rising and there were poisonous gases in the area from which machinery had to be removed, and the officers, staff and workmen were congratulated for the excellent work done.

However, the Government agrees with the recommendation of the Committee that in future a regular enquiry committee should invariably be set up to investigate the causes of such occurrences and a report submitted to the Board of Directors and Government.

[Ministry of Steel, Mines & Metals, (Department of Mines & Mines), O.M. No. C3-10(6)/68 dated the 28th November, 1968].

Recommendation (Serial No. 65)

The Committee consider it regrettable that the stores received by the Corporation were not verified at the time of their receipt. The packages were received in 1961, *i.e.* 5 years after the establishment of Corporation. It is a matter of surprise that the Corporation was not able to streamline its stores organisation during all this period and have put forward the plea that the organisational set up of stores was incomplete. No effort appears to have been made by the Corporation to find out whether the package containing the missing parts had been actually received or whether it was subsequently pilfered. The Committee regret to note that due care was not exercised by the Corporation on receipt of machines and equipment purchased by it. (Paragraph 294).

Reply of Government

The observation of the Committee has been noted.

Strict instructions have since been issued for verification of each consignment immediately after receipt so that where any shortage or damage is noticed, the matter can be taken up promptly with the Railways and Insurance.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January, 1969].

Recommendation (Serial No. 67)

The Committee are surprised to note that it took the Corporation 3 years and four months to discover the loss of the components and 9 months thereafter to address the firm to supply the missing parts and a further period of one year to ask for the release of foreign exchange. The Committee are unhappy at such unjustifiable delays and hope that the Corporation would ensure that such delays do not recur in future. This is another instance where Corporation has suffered loss due to its failure to inspect plant machinery on receipt. The Committee would suggest that all machinery etc. must be inspected on receipt in order to ensure that it is in accordance with the order placed. (Paragraph 298).

Reply of Government

Strict instructions are being issued for verification and inspection of all machinery, equipment and stores immediately on their receipt in the Stores.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated 28th November, 1968].

Recommendation (Serial No. 68)

The Committee are unhappy to note that important documents like credit notes and consolidated bills are not traceable. This shows that no care was exercised in the maintenance of important records. The committee recommend that the procedure should be streamlined to avoid recurrence of such instances. All efforts should also be made to get the claims paid early. (Paragraph 304).

Reply of Government

In terms of the supplies of Iron and Steel Materials received by the various collieries of National Coal Development Corporation under DLF scheme, National Coal Development Corporation is to get from the Iron and Steel Controller/an amount of Rs. 1.59 lakhs as reimbursement of freight charges. National Coal Development Corporation has already received a sum of Rs. 17,800. Against a claim of Rs. 85,800 which as returned originally by the Iron and Steel Controller, a claim for Rs. 63,364 was resubmitted with all documentary evidence and payment of this sum has also been received from the Iron and Steel Controller. The total amount so far recovered is thus Rs. 81,164. Against the balance amount of Rs. 77,636, the Corporation has since obtained necessary details of credit Notes for a sum of Rs. 47,000. The Railways are being contacted for giving a certificate in lieu of receipt of the amount from National Coal Development Corporation. On receipt of this certificate from the Railways, the claim will be submitted to the Iron and Steel Controller. Steps have also been taken for locating the credit notes and other documents for the remaining sum of Rs. 31,000 in the offices of various collieries and every endeavour is being made to realise the claim for the full amount.

The Committee's observation about stream-lining the procedure to avoid recurrence of such difficulties has been noted.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968].

Recommendation (Serial No. 69)

The Committee feel that N. C. D. C. staff were negligent in allowing outsiders to take away coal from the stocks, without authority. It is said that no records of the quantities of coal issued were being maintained. There was obviously no proper check against pilferage of stocks. In the view of the Committee, responsibility for not maintaining proper records of issues must be fixed. The Committee also hope that the management would now gear up its organisation so as to ensure that stocks of coal and other articles are not pilfered away. (Paragraph 308).

Reply of Government

When coal is issued to the colliery staff for their consumption from central points, a record of the total quantity issued is maintained. It would appear that in the Gidi colliery substantial quantities of coal were stocked on the ground at a number of places spread over an area of about 2 square miles during the initial stages of development when railway transportation was not available there and arrangements for mechanised loading had not come into use. It came to the notice of the project management that the contractors' staff had taken some coal for domestic consumption from time to time and a claim for payment was preferred against the contractor. The amount is proposed to be recovered before making the final payment to the contractor. There were no formal requisitions for coal from the contractor and as such there were no formal issues to him. There was, therefore, no question of maintaining accounts of issues.

2. Unauthorised removal of the coal by others also from ground stocks may, however, have taken place as the stocks were spread over a large area. With the provision of coal bunkers and mechanisation of loading arrangements, coal stocks are now generally well guarded in all the National Coal Development Corpn. Collieries including Gidi. The Committee's observation in the last sentence of the para has been noted by the National Coal Development Corporation for compliance.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 24th May, 1969].

Recommendation (Serial No. 73)

The management accepted the claim of the firm to a substantial extent even though the charge of underloading was not substantiated. Further, the object with which the claim of the firm was accepted *i.e.* the firm's order on Bachra Colliery would be retained and also that it would increase its off-take of coal to the extent possible, was not achieved, as the firm took coal only upto May 1964 *i.e.* for only 14 months after the decision of making the payment was taken. The Management could at least have entered into a firm contract with the firm for the continuance of sale and increased off-take in future, which does not appear to have been done by the Management.

The Committee are not satisfied with the manner in which this matter was settled by the Corporation. The Committee are unable to understand how the underloading of wagons which resulted in huge loss to the Corporation did not receive the attention of the management for the purpose of fixing the responsibility. The reply of the Ministry creates the impressions that such serious matters as underloading of wagons are treated by the Corporation as routine and unimportant. It appears that it was nobody's business to supervise the loading of wagons and things were left to go their own way without any direction and control. The Committee recommend that a thorough enquiry be made into the causes of underloading and responsibility fixed. They also hope that such mistakes would not recur in future. (Paragraph 313-314).

Reply of Government

This matter has also been studied by Kamat Committee appointed by Government to go into the affairs of National Coal Development Corporation. In the light of the conclusion of the Public Undertakings Committee and Kamat Committee, Chairman, NCDC has been asked to make an enquiry with a view to fixing responsibility for the lapses, if any.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 9th April 1969].

Recommendation (Serial No. 71)

The explanation of the Ministry does not appear to be satisfactory particularly in view of the fact that no difficulty has been felt in direct booking of materials to the respective colliery Rly. sidings, after the Area General Manager Kargali had issued a circular for booking material direct to the colliery in April, 1966. As the issue affects all the collieries of National Coal Development Corporation and not only Bokaro-Kargali, the Committee hope that the matter would be examined by National Coal Development Corporation in detail and suitable instructions issued to all the collieries as early as possible. (Paragraph 319).

Reply of Government

The question whether the materials such as stores and spares, equipments are to be booked to the last 'serving' Railway Station or to the private siding of the collieries has since been examined in detail. It has been decided that large or bulky items of goods for which full wagons have to be provided and which are ordinarily insured should be booked by Suppliers direct to the Colliery siding. In other cases where there is no full wagon load, dirctions should be given for booking of goods to the last 'serving' Railway Station so as to have the advantage of getting open delivery.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968].

Recommendation (Serial No. 72)

The Committee are of the opinion that the responsibility for mismanagement and inefficiency of the Corporation lies on the shoulders of the top management of NCDC. The second line of management is equally to be blamed. (Paragraph 322).

Reply of Government

The Committee appear to have come to the conclusion that there was mis-management and inefficiency in the NCDC and that the responsibility for this lies with the top management as well as the second line of management, on the basis of the statements made in para 321 of the Report. The statements made in para 321 and the Government's remarks against them are given in the table below :

Conclusion of the Committee	Comments of the Government
(1) The Corporation could achieve a production of only 11·2 m. tonnes in 1965-66 against target of 30·5 m. tonnes which was later revised to 22·45 million tonnes. The Corporation developed only 16 collieries against the planned target of 27 collieries and even out of these sixteen, 8 collieries had to be closed down. This resulted in machines and manpower remaining idle to the extent of 68·2%.	The revision of the production plans of the NCDC during the Third Plan was necessitated mainly by the slackness in coal demand which started in the middle of the plan period. The Coal Industry both in the private sector and the public sector experienced serious difficulties in the disposal of coal from 1963-64 onwards. If the Corporation had produced anywhere near the mid plan estimate of 22·45 m. tonnes or even upto the built-up capacity of 15·35 m. tonnes, it would have resulted in the locking up of several million tonnes of coal in stock, heavy expenditure on re-handling, loss due to deterioration and fire. A number of projects were given up and in certain projects work was slowed down when it became certain that there was not to be sufficient effective demand to justify their working to capacity. The idle capacity at the end of the 3rd Plan was about 35% and not 68·2%.
(2) There was heavy over-staffing in the Corporation and consequently the Corporation had to pay retrenchment compensation of Rs. 32·34 lakhs upto January, 1967.	Retrenchment compensation was paid mainly to get rid of surplus labour at the old State Railway collieries in Giridih where coal reserves were nearing exhaustion and at the old collieries of Kargali and Bokaro where partial mechanisation had been introduced. As mentioned in the reply to Recommendation No. 28, the Corporation has brought down manpower strength over the last 4-5 years while additional demand for manpower had arisen in certain development projects in progress.
(3) The outstandings of the Corporation remained unrealised for long periods on which interest amounting to Rs. 18·19 lakhs could have been recovered during the year 1965-66, but was not done.	The Corporation had to compete with a large number of private collieries in depressed market conditions and it was not, therefore, in a position to take drastic steps against the parties who were delaying payments. A considerable portion of the outstandings is due from various Govt. parties who would not be normally willing to pay interest on over dues. The Coporation is taking steps to improve the realisation of outstanding dues from all parties.
(4) The Corporation had not been able to establish a proper inventory control system in all the collieries, and the value of the plant and machinery had risen from Rs. 560 lakhs to Rs. 1,833·80 lakhs between 1963-64 and 1965-66.	There was increase in the value of plant and machinery in 1965-66 over 1963-64 due largely to suspension/closing down of seven projects which had been taken in hand earlier under the Third Plan and the slowing down of the pace of development in other projects due to slump in the coal demand. Moreover, as explained in the preply to recommendation No. 41, the total of Rs. 1,833·80 lakhs in 1965-66 included plant

Conclusion of the Committee	Comments of the Committee
	and equipment of the value of Rs. 691 lakhs which had been acquired before 1963-64, but had not been taken into account earlier. The Corporation has been taking steps to reduce the inventories and the value of plant and equipment and stores as on 31-3-1968 has come down to about Rs. 13 crores.
(5) Out of 21 Revenue collieries as on 31st March, 1966, as many as 9 collieries incurred losses and the cumulative losses of the Corporation stood at Rs. 194·94 lakhs and Rs. 160·70 lakhs as at the end of 1964-65 and 1965-66 respectively.	The 9 collieries which incurred losses in 1965-66 included five old State collieries *viz.* Serampore, Kurharbaree, Talcher, Deulbara and Kargali. These collieries have been continuously incurring losses. Some of the other collieries which incurred losses in that year had only then been transferred from development to revenue account. The Corporation has already taken various steps to improve the working of the collieries. It has further appointed a Technical Committee to go into the problems of all the losing collieries and to suggest further measures for improving their working.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 9th April, 1969].

Recommendation (Serial No. 73)

The Committee recommend that a high powered Committee assisted by technical persons from outside National Coal Development Corporation should probe into the affairs of National Coal Development Corporation in detail and the persons responsible for this sad state of affairs whoever they may be and wherever they may be employed at present should be brought to book. (Paragraph 323).

Reply of Government

The Government had already appointed a committee under the chairmanship of Shri G. R. Kamat, whose terms of reference were comprehensive enough to include probe into the allegations of mal-practices and financial irregularities. The composition of the committee was such that besides the chairman who is a senior retired civilian, it included a former member of the U.P. Legislative Assembly, who had been associated with the problems of the coal industry, and technical persons from outside National Coal Development Corporation. The committee submitted its final report to Government on 19th August, 1968, which is under examination.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 9th April, 1969].

Recommendation (Serial No. 74)

The Committee feel that the Ministry cannot also be absolved of the responsibility in regard to the affairs of National Coal Development Corporation. It is a pity that the Government although aware of the distressing conditions prevailing in N.C.D.C., did not take any effective action all these years to improve matters. The Committee feel that the administrative Ministries must keep a closer watch over the performance of the public undertakings under their control and take remedial action in time.

Reply of Government

Government have been conscious of the need to improve the performance of the National Coal Development Corporation, and from time to time have been pressing the Corporation to take various measures to that end. Close watch on the performance is being kept. The conclusions of the Committee on Public Undertakings in para 321 of their Tenth Report have been dealt with in detail in reply to recommendation No. 72. Many of the difficulties faced by the N.C.D.C. have been due to the magnitude of the development programmes for achieving the Plan targets during the Third Five Year Plan and the speed with which these were undertaken. The continued recession in the consuming industries such as steel, power etc. has affected the coal demand which has remained stagnant over a number of years, with the result that the present production is considerably lower than the capacity built up by the Corporation. In spite of these difficulties, since the inception of the Corporation upto and including 1966-67, it has been able to meet from its current earnings, the requisite depreciation and interest charges as also the losses of the order of Rs. 3 crores on Giridih collieries which are continued under a Presidential directive. It has provided Rs. 27 crores from its internal surpluses towards its investment programmes and paid Rs. 17 crores interest on Government loans. With a view to improving its working, as has already been stated in our reply to Recommendation No. 73, Government had entrusted a comprehensive enquiry on N.C.D.C. to a Committee under the Chairmanship of Shri G. R. Kamat in July, 1967. The Committee has recommended several steps to bring about overall improvement and tone up efficiency in the working of the N.C.D.C. Action has already been initiated on these recommendations. The weaknesses and shortcomings of the undertaking pointed out by the Committee on Public Undertakings have been duly taken note of and suitable remedial action on the lines indicated in the replies to the various recommendations is being taken. As a result of these measures and with the increase in the demand for coal it is hoped that the performance of the Corporation would show improvement in future. Already N.C.D.C. has shown signs of recovery from the recession in coal demand and the Corporation expects to produce about 12.5 million tonnes in the current year as against 10.35 in 1967-68 and 9.49 in the earlier year.

As regards Committee's observation that the administrative Ministries keep a closer watch over the performance of the public undertakings under their control and take remedial action in time, the matter is under the consideration of the Government.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 9th April, 1969].

Further Information called for by the Committee

Please furnish a copy of the Kamat Committee Report.

Whether the report has since been examined and if so, what action has been taken on the various recommendations?

The Committee recommended that the administrative Ministries must keep closer watch over the performance of the Public Undertakings under their control and take remedial action in time. In reply it was stated that the matter was under the consideration of the Government.

Whether the matter has since been considered and if so, what action has been taken in the matter?

[Lok Sabha Secretariat O.M. No. 24-PU/67, dated the 29th November, 1969].

Reply of Government

As desired, a copy each of the Kamat Committee Report and of the statement showing the decisions of Government on the recommendations of the Committee are sent herewith. In accordance with the recommendation of the Committee on Public Undertakings certain measures have been evolved so that the administrative Ministry may keep a closer watch on the performance of the Public Undertakings. A copy of the Ministry of Finance O.M. No. 2(34)/69-BPE(GM), dated 7-7-1969 indicating the directions in which action is proposed to be taken was furnished to the Lok Sabha Sectt. with this Deptt.'s O.M. No. C2-6(28)/68, dated 19-9-1969. As proposed in the Ministry of Finance O.M. referred to, reporting system has been reviewed and the returns to be submitted by the Corporation to Govt. have been slightly revised. The Secretary in this Department has decided to hold six monthly meetings to review the performance of the various public enterprises under the administrative control of this Department.

[Ministry of Steel, Mines & Metals (Department of Mines & Metals) D.O. No. C3-10(6)/68 Vol. II, dated the 15th December, 1969].

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT REPLY

Recommendation (Serial No. 3)

The Committee regret to note that initially N.C.D.C. did not make any independent assessment of the country's demand for coal. However, N.C.D.C. has now started reviewing the estimates periodically. The Committee would recommend that in order to avoid losses and in the interest of efficient and smooth working, the Corporation should itself independently estimate the demand for coal and try to reconcile with the targets fixed by the Government (Paragraph 11).

Reply of Government

The demand for coal is a derived demand. Assessment of coal demand for the country as a whole, on a long term basis, is possible only on the basis of Plan targets in respect of the various coal consuming sectors. This Ministry, in consultation with the Planning Commission and all the concerned agencies however reviewed this assessment from time to time. The Corporation do not do so, as there are limitations on their making such assessment, but they do estimate periodically the demand of coal produce in their own collieries, which they would continue to do. They also make estimates of the probable level of demand for their coal for one or two years ahead on the basis of information regarding expected increase/decrease in demand by their present and prospective customers. The Committee's recommendation that the Corporation should itself independently estimate the demand has been noted and will be complied with to the extent possible.

[Ministry of Steel. Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 10th October, 1968].

Recommendation (Serial No. 7)

The Committee feel that the increase of stocks at pithead did not justify raising of the targets during the years 1962-63 to 1964-65. It appears that all the factors were not taken into consideration while fixing annual targets. The Committee regret to note that the targets were revised frequently and even these revised targets were not near the mark. The Committee hope that in future realistic targets would be fixed to ensure that there are little or no variations between the actual production and the targets fixed. (Paragraph 26).

Reply of Government

During the years 1962-63 to 1964-65, the NCDC had fixed the annual production targets, after taking into consideration, among other things, the planned targets of the year for expansion of power, steel etc., for which the Corporation was expected to supply coal. The Corporation had to constantly review its production programme on the basis of the ready market for its coal and the targets had to be revised in the course of the year when it was found that there were likelihood of delay in the commissioning of the power plants, *viz.*, Patratu, Talcher, Delhi Electric, Harduaganj etc. Scaling down of consumption of coal by Hindustan Steel Ltd. which was linked with the Corporation's coal projects for supply of coal, also affected the Corporation's target of production. As the development of different coal based industries did not progress as anticipated, revisions in the target of coal production had to be made.

The stocks held at pithead by the Corporation on 31st March 1963 and 31st March, 1964 were only about 7% of the total annual production or less than one month's production which cannot be regarded abnormal. This compares favourably with the closing stock of 5.2 million tonnes for the year 1963-64 against an All-India coal production of 64 million tonnes. The stocks increased in 1964-65 to about 9.8% of the production due to delay in the commissioning of the various power stations.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 18th July, 1969].

Recommendation (Serial No. 8)

The Committee are unable to accept the interpretation put forward by the representative of N.C.D.C. on the "loss on pithead stocks". Though the Committee agree that the losses were for the quinquennium ending 31st March, 1966, they cannot agree that these losses were not business losses in the strict sense but were only cases of avoidable expenditure. The Committee are of the view that as far as N.C.D.C. is concerned, these were actual losses and major portion of these losses could have been eliminated if accurate estimates of demand had been made or production limited to sale or efforts made to minimise losses by proper care at the pit-head. They would urge that while steps should be taken to minimise the loss on rehandling as far as possible, the loss on account of deterioration should be eliminated altogether.

The Committee feel that in order to determine the true profits of the Corporation every year, it is necessary to make an allowance for loss due to inevitable rehandling. The Committee hope that standards will now be fixed for such loss after ascertaining the position in this regard in the private-sector.

Reply of Government

N. C. D. C. has been trying to keep down the loss on pit-head stocks by limiting production from month to month to the level orders are available. However it may please be appreciated that such loss cannot be eliminated altogether in the normal working of any large undertaking due to following reasons :—

(a) stocks may accumulate sometimes due to shortfall in supply of wagons even if there is very close regulation of production on the basis of orders;

(b) sometimes an appreciable quantity of slack coal for which there is no immediate demand may have to be dumped which may not have sufficient orders;

(c) it is not also desirable to disturb frequently the production trends to cater to a fluctuating market.

It may be mentioned that loss due to deterioration in coal stocks may not actually arise as the deteriorated stocks have been and are being sold by N. C. D. C. at prices higher than the original sale value of the coal taking advantage of the successive increases during recent years in the price of coal. However, the amount written off was to ensure that closing stocks were not overvalued.

The Committee have appreciated that some amount of rehandling of stocks is inevitable. The cost of rehandling varies from colliery to colliery depending on various factors, and provision is made by N. C. D. C. in the accounts for expenditure incurred on rehandling on the basis of reports from each colliery. Expenditure has to be incurred on rehandling in private collieries also and there would be variations from one unit to another, and from time to time depending on circumstances. This is a problem which is affecting the entire Coal Industry and is not peculiar to N. C. D. C.

As desired by the Committee, the N. C. D. C. is studying the problem of rehandling losses in the light of their own experience and data available from Private collieries to fix standards for such loss.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 10th October, 1968]

Further Information called for by the Committee

Whether the standards for the loss due to inevitable rehandling of coal have since been fixed and if so, the details thereof? When has the study been undertaken and what are the results?

[Lok Sabha Secretariat O.M. No. 24-PU/67 dated the 29th November, 1969].

Reply of Government

The frequency and quantum of rehandling as a result of stocking of coal are dependent on many variable and indeterminate factors on which the Corporation has very little or no control at all. Cost of rehandling also depends on various factors, *e.g.* the production of the unit, availability and the area of the stockyard, distance of the stockyard from the loading point, size and quality of coal etc. It is, therefore, very difficult to lay down any standards/norms in the matter. A Committee under a Chief Mining Engineer has, however, been formed to assess possibilities of fixing such standards/norms. The Corporation is also in touch with other units of the coal industry for the purpose of finding out the practice followed by them.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), D.O. No. C3-10(6)/68 Vol. II, dated the 15th December, 1969].

Recommendation (Serial No. 12)

Although the Committee agree that some teething troubles were inevitable in view of its being the first washery in the country, they are unable to understand why it has not been possible for the Corporation to achieve the rated capacity even after 8 years of its commissioning. N. C. D. C. should by now have acquired sufficient experience in the establishment and functioning of such washeries and the Committee hope that the management would be able to achieve the rated capacity at an early date. The Committee regret that the washery has not been able to work even for 14 operational hours. The Committee desire that the Government should examine as to why 16 hours working was envisaged in the Project Report and why N. C. D. C. has not been able to work the washery even for 14 operational hours. They recommend that effective steps should be taken to increase the working hours of the washery from the present 13 hours to at least 14 hours. (Paragraph 44).

Reply of Government

The specifications set out while tenders were invited for the setting up of the Kargali Washery required the hourly capacity to be 525 tons and the annual throughput 2.2 million tons. The offer finally made by the tenderer was for hourly capacity of 463 tons. Normally, washeries work for 2 shifts in a day but the actual washing hours are between 4000 to 4200 in a year. This is the basis adopted in all the HSL & NCDC washeries set up subsequent to the installation of Kargali Washery. On this basis, the daily input for Kargali Washery would work out to $463 \times 14 = 6482$ tons and annual input to 1.94 million tons.

This rate of input of about 6,500 tonne per day has been achieved by the Kargali Washery on a number of days, but it has not been able to sustain this rate on account of various factors such as :

(1) Inadequate and erratic supply of wagons for movement of clean coal, resulting in stoppage of the washery and even the connected mines for several hours in a day.

(2) Inadequate and irregular movement of middlings due to periodical failure of the aerial ropeway system of the DVC.

(3) Frequent interruption in power supply which affect the functioning of the washery over much longer periods within the actual period of power breakdown due to jamming of pipes etc.

Constant efforts are being made to overcome these and other difficulties and to improve matters.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January, 1969].

Recommendation (Serial No. 13)

The Committee feel that there is no reasonable explanation for excessive percentage of rejects to the total input. The Committee recommend that the Corporation should make an earnest effort to see that the percentage of rejects is brought down to a reasonable level. The Committee are very unhappy that the washery has not attained the rated capacity so far. (Paragraph 48)

Reply of Government

Several tests were conducted by the C.F.R.I. on the Kargali and Bokaro coals before specifications were drawn up for design of Kargali Washery. The yield percentage of clean coal and consequently of rejects depends upon the quality of input from time to time. The thick seam of Kargali extends over Kargali, Bokaro & Chalkari collieries and varies in quality from place to place and foot by foot along its thickness. Besides, there have also been variations in the quantities of coal drawn from each of these collieries to form the blend which was put into the Kargali Washery. It is mainly on account of the wide variations in quality of the input that there are periodical variations in yield percentage of clean coal & rejects. The washery has however, maintained a steady quality of output to feed the steel plants, although the quality of the input fluctuated from time to time for the reasons mentioned above.

Every effort is being made to keep the percentage of the rejects to the minimum. During the period April, 1966 to May, 1968, the rejects percentage came down to an average of 11.74 and the Corporation is being asked to maintain and if possible improve upon this.

So far as the observation of the Committee on non-attainment of the rated capacity of the washery is concerned, reply to recommendation No. 12 may kindly be seen.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 25th January, 1969].

Recommendation (Serial No. 16)

The Committee were informed during evidence that no responsibility had so far been fixed for the failure to incorporate the correct rate in the contract. The Committee are of the view that in such matters there must be no delay in fixing the responsibility and they urge that responsibility in this case should be fixed at an early date and recovery made to the extent of the loss. (Paragraph 56)

Reply of Government

The tender for modification and expansion of Kargali washery was invited in February, 1962. As the quotations received were not acceptable, the N.C.D.C invited in October 1962 fresh quotations from the same tenderers and the contract was finalised with the West German Firm in March, 1963. In the meantime, the Stores Department of the N.C.D.C. revised the issue rate of cement in July 1962 from Rs. 140/- to Rs. 155/- per ton, but this increase in the rate of cement was not noticed at the time of calling fresh quotations.

2. It is difficult to fix responsibility for the omission on any particular individual at this point of time. The N.C.D.C. have, however, taken adequate measures to ensure proper scrutiny by their Internal Finance

before draft contracts are finalised. The recommendation is noted for compliance in future.

[Ministry of Petroleum & Chemicals & Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 19th September, 1969].

Recommendation (Serial No. 21)

After the receipt of the report of Indian Bureau of Mines in 1963 that coal seams of 50' thickness with an overburden of 150' thickness existed in the area, it was felt that exploitation of coal at that depth through deep blasting would affect the buildings through vibration. During the evidence the Jt. Secretary of the Ministry also stated that these buildings would not last for more than 40 or 50 years.

In view of this position, the Committee are not convinced with the argument that the expenditure incurred had not been infructuous. They consider that if further construction of buildings had been stopped in March, 1963 on receipt of report from Indian Bureau of Mines, instead of waiting till July, 1963 much of the infructuous expenses could have been saved. The Committee regret the leisurely way in which matters are dealt with by NCDC. (Paragraph 70-71)

Reply of Government

In the coal fields, the construction of miners quarters etc. on coal bearing lands is often unavoidable. Specific reference to this aspect has been made in page 23 of the project report. The Miners quarters etc. which were being constructed in 1963 would have a life of about 30 years. The site of construction was at the opposite end of the quarry, and the effective vibration would have been felt only after the workings had reached fairly close to the site of the buildings, a process which would have taken about 30–35 years in the ordinary course. As it is, the Singrauli-I coal mine project for which these quarters were built was suspended towards the end of 1964 because of inadequate growth of coal demand in the country. The miners quarters and other buildings which were constructed do not therefore run any risk whatsoever of being affected by deep blasting within their life span. Out of 743 quarters constructed, all but about 100 are allotted to workers employed in the nearby Singrauli II or Jhingurdah mine. The remaining quarters will also be occupied by workmen of Jhingurdah as the manpower increases with further development of the Jhingurdah mine in the course of the next year or so.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 28th November, 1968].

Recommendation (Serial No. 25)

The Committee note that in almost all these collieries manual loading was resorted to even though the project report had envisaged mechanical loading of underground pull. Except in the case of Korba no reasons have been given for change over to manual loading in other collieries. The Committee recommended that it should be investigated by an independent authority as to why these collieries had to resort to manual loading when specific provision for mechanical loading had been made in the Project reports. (Paragraph 93)

Reply of Government

It has been ascertained that there was change over from mechanical to manual loading in Saunda, Sayal 'D', and Gidi 'A' as in the steep inclinations of these seams, it was not found feasible in practice to use the mechanical loaders. The project reports for these collieries were considered by the Board of Directors in May and October 1959. Doubts were expressed even then about the practicability of using mechanical loaders in the steep inclinations of the seams in these collieries. The senior technical experts, whose advice was available to the Corporation at that time, however, felt that considering the great advantages of mechanisation for large-scale coal production, it would be desirable to introduce the use of mechanical loaders. While approving the project reports, the Board noted that if there was practical difficulty in using the mechanical loaders, they could be shifted to other projects which were being taken in hand and where satisfactory conditions existed for the use of such equipment. It is apparent that the Corporation took a calculated risk in providing for purchase of heavy duty loaders. There does not appear to be any scope for doubt about the facts and circumstances under which manual loading was resorted to instead of mechanical loading, and Government do not consider it necessary to institute in the circumstances any further enquiry.

It might be mentioned that the heavy loaders obtained for this project have been deployed in other projects where the seam inclination is not very steep.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 28th November, 1968].

Recommendation (Serial No. 26)

The Committee observe that the strength of staff as on 1-4-1967 exceeded the total strength of staff required for full production. At the time of full production the staff strength in all these collieries should be 12074, whereas even before reaching that stage 14612 persons had been employed. These collieries had thus been over-staffed by 2538 persons. Since none of the mines had reached the targetted capacity of production, the figures are not exactly comparable. If the figures are adjusted on the basis of production achieved, the present strength of staff would be very much on the high side. The Committee are unable to understand as to how the management assessed the surplus staff at 391 persons on 30-9-1967. (Paragraph 98)

Reply of Government

The Project Report figures of man-power requirements and the actual man-power employed at any project are not strictly comparable as some of the project reports were prepared when adequate geological and drilling data were not readily available and deviations have, therefore, been made during the implementation of the projects. Out of 26 revenue collieries, Section III of the Audit Report (Commercial) 1967 has listed 5 collieries where the man-power deployed has been regarded as excessive in comparison with the estimates given in the original project reports. In 3 out of these 5 collieries, namely, Saunda, Sayal-D and Gidi-A, the project report provided for mechanised loading operations but mechanisation was not found feasible in practice and manual loading was introduced. It would appear from the category-wise figures given under para 90 of the report, that the total strength of monthly-paid and daily rated workers in each of these projects is substantially lower than the project report provision. There is increase only in the number of piece-rated workers employed as loaders due to change from mechanised loading, as originally envisaged, to manual loading. It would also appear from the statement under para 90 of the Committee's report that the man-power strength has been progressively brought down after 1-4-1964 in these collieries having regard to the lower level of output in conditions of recession.

In Korba colliery the increase in man-power over the project report estimate is also only in respect of piece-rated workers employed as loaders due to change over from mechanical loading, as provided in the original project report, to manual loading for the reasons set out in para 91 of the Committee's report.

The project report figure (1847) for the remaining colliery, Kurasia, is not comparable with the actual staff strength on 1-4-1967 (3217), for this is an old colliery and the project report estimate of man-power requirement is only in respect of additional man-power for expansion, and did not include existing workmen numbering 1948. This was pointed out in the replies furnished by the Ministry (*vide* para 91 of the Committee's report).

It might be pointed out that there are difficulties in adjusting the man-power strength from time to time strictly in proportion to the actual output. The basic establishment of the mine, maintenance staff etc., have to be provided more or less on a uniform basis throughout after completion and commissioning of the project. With fall in output or with pegging of production at a lower level, there may be some scope for reduction in daily rated and piece-rated men, but any significant adjustment in man-power can be achieved only over a period of time considering the difficulties of development and retrenchment. Details of the surplus of 391 persons on 30-9-1967 assessed by the Corporation, are as follows:

Deulbera Colliery	90	Sand loaders
Kurasia Colliery	65	Kamins
Korba Colliery	225	Wagon loaders.
Manikpur Colliery	1	Asstt. Engineer (Mechanical).
	1	Foreman/Chargeman.
	3	Electrician
Banki Colliery	1	Engineering Assistant (Civil)
	1	Civil Surveyor
	1	Probationary Assistant Engineer (E&M).
	1	Engine Wright
	2	Drivers.
	391	

A Committee consisting of Senior Officers has been appointed by the National Coal Development Corporation to carry out a detailed examination of the strength of man-power presently employed in various National Coal Development Corporation projects and to make recommendations for reduction/adjustments in man-power strength where necessary or desirable.

This Committee is expected to submit its report by the end of November, 1968.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 28th November, 1968].

Further Information called for by the Committee

Whether the Committee of Senior Officers have since submitted their report and if so, what action has been taken by the Corporation to reduce the man-power strength.

[Lok Sabha Secretariat O.M. No. 24-PU/67 dated the 29th November, 1969].

Reply of Government

The Committee of senior officers appointed by the NCDC to look into the man-power employed at various collieries has submitted its report to the Corporation. The report is now under examination in the NCDC.

[Ministry of Petroleum and Chemicals and Mines & Metals (Department of Mines & Metals) D.O. No. C3-10(6)/68 Vol. II, dated the 15th December, 1969].

Recommendation (Serial No. 27)

The Committee are surprised to note that unskilled workers who are ostensibly employed by N.C.D.C. to work in the collieries are officially made to work as private servants of officers at various levels. The Committee strongly deprecate this practice. Whereas the undertaking bears the expenditure on these labourers, they are engaged in private work of officers and do no productive work for N.C.D.C. It adds to the cost of production. The Committee recommend that this system of allotting unskilled labourers to officers should be stopped forthwith. (Paragraph 100)

Reply of Government

The Committee's observation that unskilled workers employed in the collieries are made to work as private servants of officers would appear to be based on some misapprehension. The correct position is that one attendant and one or more Malis are provided to officers at various levels following the practice in the coal industry, under a resolution passed by the Board of Directors at their meeting held on 4/5.7.63. Thus undermanagers and officers drawing pay of Rs. 400-1250/- are allowed one attendant. Officers drawing pay in a scale of which the minimum is Rs. 1100 or more are given, in addition, one Mali. Officers drawing pay in scales of which the minimum is not less than Rs. 1100 are allotted two Malis if they are in occupation of pre-Corporation bungalows which have large compounds. It seems desirable that bungalows having sizeable compounds in the collieries are looked after and maintained satisfactorily.

Only one Orderly peon is provided even to senior managerial personnel and no Orderly peon is allotted to junior officers. The collieries are situated mostly in out of the way places and the provision of a personal attendant at the residence of the officer may not be regarded as being entirely without justification.

The whole question was once again placed before the Board of Directors at their meeting held on 5th October, 1968. After careful consideration, the Board reached the conclusion that it would not be desirable to withdraw bungalow attendants considering the circumstances under which the field officers in the collieries have to work. The provision of a Mali under the existing orders of the Board was also justified. However, the Chairman, National Coal Development Corporation, has already taken steps to discourage and prevent unauthorised use of colliery workers in excess of the provision of Board's orders.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 28th November, 1968].

Recommendation (Serial No. 28)

The Committee regret that an important matter like building up the staff strength beyond the provision of the Project Reports which involved financial drain on the resources of the undertaking was not brought to the notice of the Ministry or top management from time to time. The Committee can understand the Ministry's failure to notice it but they cannot visualise how the top management missed the huge excess in staff strength.

The Committee feel unhappy that the staff in collieries was increased without due regard to the needs of the projects and heavy amounts had to be paid as compensation for compulsory retirement to normalise the heavy overstaffing. The Committee recommend that the Ministry should exercise suitable checks on the staffing of the undertaking so that there is no idle man-power in the undertaking and the operation costs are brought down.

(Paragraphs 104-105)

Reply of Government

It has been explained in the reply to recommendation No. 26 that the figures of actual employment in the various collieries are not strictly comparable with the figures mentioned in the project reports as there have been several deviations from the original project reports in the course of implementation, as a result of the actual working conditions encountered. The increase in employment over project report provision in four out of five projects dealt with by the Committee in paragraphs 90-97 of its report is in the number of piece-rated workers or loaders. These increases have been necessitated due to the change over from mechanised loading as envisaged in the project report to manual loading which became necessary in view of the working conditions actually encountered. In the fifth case *viz.* Kurasia, the excess is due to the fact that the provision made in the project report was only for the expansion of the colliery from its original production and did not include the workers who were already in position.

2. The Corporation had to pay retirement compensation to personnel in the Giridih Collieries who had become surplus due to depletion of reserves and consequent closure of pits/fall in production. Such compensation became payable in Bokaro and Kargali collieries where a number of persons who were employed in the collieries even before they were taken over by the Corporation for manual removal of overburden became surplus with the mechanisation of overburden removal and the partial mechanisation of coal removal. Attempts are being made to persuade some more workers in the Kargali-Bokaro area to retire voluntarily on payment of

usual compensation as this would help improving the economics of working by improvement in the output per man-shift.

3. It may be pointed out that the Giridih collieries as well as Bokaro-Kargali Collieries were old state Railway Collieries taken over by the Corporation in 1956 and the personnel, who were subsequently retired with the progress of mechanisation or fall in production, had been there even earlier and were not recruited by the Corporation.

4. In this connection, it may also be mentioned that the Corpn. has succeeded in reducing total man-power employed from about 73,000 in 1964 to about 66,900 during a period when 14 new units requiring more personnel have also been developed.

5. Since 1964, all recruitment has been stopped except where suitable persons were not available for any vacant post. Further, orders have been issued in March, 1968 that no recruitment should be made even against actual vacancies or sanctioned posts without the prior sanction of the Managing Director. For ensuring that these instructions are strictly complied with, a statement of the man-power deployed under each category is obtained monthly from each project, and scrutinised at the Headquarters.

6. However, in order to exercise greater check in future, it is proposed that the phased requirement of man-power corresponding to various stages of development and production be indicated in the project report itself and that these figures be adhered to as far as possible. A detailed and careful examination of the man-power strength employed in all projects has also been taken up by the NCDC. NCDC is also being advised to submit annual statements of man-power employed in various projects to help the Ministry to appreciate the position.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 25th January, 1969].

Recommendation (Serial No. 29)

It has been pointed out in the Audit Report that the non-achievement of target production of 30.5 million tonnes by the end of 1965-66 resulted in machines, buildings and man-power remaining idle to the extent of 68.2 per cent. The Committee deprecate the failure of the management to take effective measures to implement the recommendation of the Estimates Committee. The Committee hope that the Management would now bring the entire resources of men and material into full use. (Paragraph 108)

Reply of Government

Originally, NCDC's target for the Third Plan was 30.5 million tonnes by the end of 1965-66. The actual production in the last year of the Third Plan was 9.68 m. tonnes. Since 9.68 is approximately 31.8 per cent of 30.5, Audit appear to have concluded that machines, buildings and man-power to the extent of 68.2% (100-31.8) remained idle. This conclusion is based on the assumption that investment for a capacity production of 30.5 m. tonnes had actually been made by the Corporation. It was pointed out in this Ministry's comments on the audit review sent to the Director of Commercial Audit in February, 1967 that this assumption was *not correct*. Audit appear to have accepted the argument that the figure of investment of Rs. 126.55 crores mentioned by them in the draft audit review was not correct, and they deleted this figure in the final review, but they did not modify their conclusion regarding idle capacity based on this incorrect assumption.

2. The Audit report itself mentions that, against the plan for development of 27 new collieries during the Third Plan period, the Corporation took up the development of only 16 out of which again, 8 were subsequently suspended due to slump in the coal market. The figures of expenditure given in the table contained in paragraph 3(a) of the Audit Report and reproduced in paragraph 7 of the Committee's Report show that the investment made in many of the projects was a small part of the total cost as estimated originally in the project reports. Moreover, in comparing the original project report estimates with the actual expenditure incurred, it has to be remembered that through-out the Third Plan period and more especially, after 1962 there was an almost continuous rise in prices and wages resulting in considerable increases in the capital cost.

3. The total capital expenditure of the Corporation by 31.3.66 (end of Third Plan) was Rs. 126.55 crores but as shown below this figure includes expenditure incurred on (a) washeries, prospecting and boring for future projects, (b) the Korba Central Workshop, and (c) expenditure for advance action on Fourth Plan projects :

Total capital expenditure incurred as on 31-3-1966		Rs. 126·55 crores
Less :		
(*i*) Investment on washeries ..	Rs. 9·99 crores	
(*ii*) Expenditure on advance action for 4th Plan	Rs. 10·50 crores	
(*iii*) Expenditure on prospecting and boring for future plans ..	Rs. 6·20 crores	
(*iv*) Expenditure on Central Workshop, Korba	Rs. 0·76 crores	Rs. 27·44 crores
Net Capital expenditure on coal production and related activities		Rs. 99·11 crores

The net capital expenditure on coal production etc. was Rs. 99.11 crores. This includes (i) a sum of about Rs. 59 crores spent by the end of the 2nd Plan and (ii) a capital expenditure of Rs. 4.47 crores on seven closed projects (*vide* statement under para 7 of the Committee's report). The total expenditure incurred in the Third Plan on coal development (excluding closed and suspended mines) was Rs. 35.61 crores for the development of 22 Third Plan collieries. Against this number 19 collieries continued to be under development by the end of the Third Plan and the investment made on these projects could be remunerative only after they go into production. For the remaining 3 Third Plan collieries *viz.*, Bisrampur, South Balanda and Churcha the total project provision was Rs. 16.88 crores for a target production of 4.3 million tonnes. Investment made in these collieries by the end of the Third Plan was Rs. 13.18 crores and production capacity developed was 1.6 million tonnes. The coal development target had been reduced from 30.5 million tonnes to 23.50 million tonnes after the mid-plan appraisal in 1963. As the slump in coal demand continued in 1964, 7 projects were closed down, and there was deliberate slowing down/curtailment of programmes also in some of the other projects and restrictions were imposed on actual production to match with effective demand.

4. The Committee has observed that the management did not take effective measures to implement the recommendation of the Estimates Committee for an expert study into the causes of the idle capacity of men and machines. In this connection, the reply furnished by the Government to the Estimates Committee may kindly be referred to. This reply reads as follows :

> "The idle capacity arises from two sets of causes. One is related to extraneous factors such as transport capacity or the level of demand. There is not much that the Corporation can do directly about these factors. The other is the idle capacity arising out of the inadequate utilisation of machinery. This is a matter which is constantly under review by the Corporation and detailed studies, particularly about the methods of work, have been undertaken by the industrial Engineering Department of the Corporation."

It will be appreciated that the Corporation was obliged to restrict actual production due to slump in the coal market having 35% of its built up capacity unutilised and that it could have only added to its already heavy unsold stocks if it had tried to utilise its capacity more fully.

In the 7th Report of the Committee on Public Undertakings (3rd Lok Sabha) it was intimated that the Committee did not desire to pursue this recommendation in view of the Government's reply. It may not, therefore, be quite correct to say that the management failed to take steps to implement the recommendation of the Estimates Committee as the Committee itself was satisfied with the steps already being taken by the Corporation. These studies are still being conducted on a continuing basis and efforts are made to obtain the optimum utilisation of man-power, machinery and other investments subject of course to the limitations imposed by level of demand and availability of transport.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 28th November, 1968]

Recommendation (Serial No. 32)

Even after the Board had directed in August, 1966 that prompt steps should be taken to bring down outstandings against firm 'A' to Rs. 15 lakhs, the arrangements for direct payment by Harduaganj Power House were made only in the middle of February 1967 and the Bank guarantee was increased as late as June, 1967. The outstandings were again allowed to increase to Rs. 32 lakhs which shows the prompt and resolute efforts have not been made to bring down the outstandings.

The Committee regret to note that the outstandings against firm 'A' had been allowed to increase to a high level, even though the firm had always defaulted in clearing the outstandings within the credit period. This Committee recommend that immediate arrangements must be made to recover the outstandings directly from all the parties to whom the coal was supplied through firm 'A' and if it is decided to continue dealing with the firm, its security amount should also be increased.

The Committee also regret to note that in spite of the fact that the Corporation were aware that the assets of the firm were encumbered and adequate security could not be obtained by way of hypothecation of these assets, the outstandings against this firm were allowed to increase to

Rs. 34 lakhs at one stage and were left at Rs. 28 lakhs even as late as 31st August, 1967. The Committee recommend that the firm should be asked to offer unencumbered assets as security and the outstandings should also be brought down to a safe limit as speedily as possible. (Paragraphs 130-131-132).

Reply of Government

The question of speedier reduction of outstandings against the Frim 'A' as well as others has been constantly under review by the management and the Board of Directors of NCDC and the position as it obtains now is that the firm 'A' has increased the amount of security in the form of bank guarantee to Rs. 10 lakhs in addition to offering for hypothecation unencumbered properties valued at over Rs. 11 lakhs. It has also arranged for liquidation of arrears in instalments of Rs. 1.50 lakhs per quarter in addition to adjustment of the commission on current sales against arrears. A decree for Rs. 15 lakhs secured by the firm under orders of the Calcutta High Court has also been agreed to be assigned to the Corporation, enabling the Corporation to withdraw immediately a sum of Rs. 5 lakhs deposited so far against this decree and also withdraw future deposits as per orders of the High Court. The level of current transaction with the firm has been limited to Rs. 7 lakhs per month excluding supply to Harduaganj Power House, which makes direct payment to the Corporation.

The Government has been regularly advising the Corporation to ensure that the outstandings against this and other firms are reduced and are fully covered by bank guarantee. The Corporation is again being advised to take appropriate action in this regard.

[Ministry of Petroleum & Chemicals and Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 9th April, 1969].

Recommendation (Serial No. 33)

No efforts were made to keep the outstanding within the credit period. The Committee recommend that a thorough investigation should be made into these cases to fix responsibility for allowing the oustandings to increase beyond the amount of security and extension of credit period without approval of competent authority. The Committee further recommend that effective steps be taken to obviate the recurrence of such cases in future. (Paragraph 140).

Reply of Government

A statement giving details of outstandings against various parties and information relating the amounts of Bank guarantee and other securities, if any, furnished by the parties is placed before the Board of Directors at their periodical meetings. While a number of steps had been taken to expedite clearance of outstandings, such as issue of notices, personal discussions, etc., the Corporation had not taken drastic steps by suspending despatches or instituting civil proceedings as it has been operating in a highly competitive market. In the slump conditions prevailing in the coal industry, a fall in the level of sales and consequently of production would have resulted in much heavier damage than the loss of interest on overdues. It may be pertinent to mention here that the Corporation's sales to middlemen and other private parties are mostly of slack coal for which the demand still continues to be low in relation to the present production capacity. Normally about 40 per cent of the coal produced in a mine consists of slack and even if there is adequate demand for steam coal, the production has to be slowed down and sometimes stopped, if the corresponding slack coal is lifted in time.

2. As regards Committee's recommendations that effective steps be taken to obviate the recurrence of such cases in future, it might be mentioned that this question was considered by the Board of Directors at their meeting in May, 1968 in the context of the recommendations made in this behalf by the Guha Committee and the observations of the Committee on Public Undertakings. The Board had decided *inter alia* as follows :

(i) Endeavours should be made to enter into long term agreements for direct sales to Government undertakings.

(ii) Managing Director be authorised to fix credit periods ranging from 45 to 90 days in respect of sales through middlemen.

3. It has been reported by the Corporation that in the present depressed market conditions and in the context of decontrol of coal, it is essential for maintaining and further improving the current level of sales, production and profitability that there should be considerable flexibility in the terms and conditions of sales, subject to such safeguards and precautions as might be considered necessary for safeguarding the Corporation's dues.

4. It is, however, considered necessary that the outstandings of the Corporation should be reduced as much as possible and the recent decisions taken by the Board of Directors should help in course of time to bring down Corporation's dues. The Government have been regularly advising the Corporation to ensure that the outstandings against the middlemen are reduced and are fully covered by bank guarantee. The Corporation is again being advised to take appropriate action in this regard.

5. In this connection the Kamat Committee has made several recommendations for reducing the outstandings of the Corporation. A number of these recommendations have already been accepted for implementation by the National Coal Development Corporation.

[Ministry of Petroleum & Chemicals and Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 9th April, 1969].

Recommendation (Serial No. 34)

The Committee are unhappy to note that no action was taken against M/s. Ramjidass Sharma & Bros. for issuing cheques which were not honoured. The Committee are unable to understand why supplies to this firm have not been discontinued by terminating the contract. The Committee recommend that it should be examined whether criminal proceedings can be instituted against this firm for issuing post-dated cheques which were dishonoured by the Bank.

The Committee are surprised to note that although it was decided in January, 1967, to serve legal notice on the firm, NCDC have not been able to complete legal formalities for filing the suit even after a lapse of one year. Such delay in taking action against defaulting parties is unhealthy as it creates an impression that meddlemen can default on payments with impunity. Besides this, other firms against whom there are larger outstandings no legal action appears to have been initiated. The Committee recommend that prompt and effective steps must be taken to bring the outstandings to the level of bank guarantees and in future outstandings should not be allowed to exceed the amount of total financial coverage. Where a firm does not liquidate its outstandings within a stipulated period immediate legal action must be taken to recover the outstandings. (Paragraphs 142-143).

Reply of Government

M/s. Ramjidass Sharma & Bros. had paid Rs. 1.46 lakhs out of the total sale value of Rs. 2.86 lakhs and post-dated cheques for the balance had been obtained from them (knowing that they were post-dated) as a measure of safeguard pending the opening of a Bank Guarantee by the party. When the first cheque was returned by the Bank, the matter was taken up with the firm telegraphically and they confirmed in writing on 24-12-65 that the return of the cheque was regretted, that it had been occasioned by unforeseen circumstances and that they would open a bank guarantee by January, 1966. There was at that time no reason to distrust the *bona fides* of the party as more than half of the total value of the coal despatched had already been paid by them and the Corporation was interested in promoting its sales and considered that a certain latitude to the customer was justified in the prevalent state of the coal market. Although the party confirmed in writing that they would be opening a bank guarantee by January, 1966, no consent letter for further despatches was issued in their favour after the return of the party's first cheque was brought to the notice of the Sales Department and the Accounts Office. However, one consignment of about 1500 tonnes of slack coal went through after this. This despatch could have been stopped at the risk of the Corporation having to pay freight charges for returning the wagons. Since the party had all along been stating both orally and in writing that they would be making the payment soon, it was not considered necessary to stop the despatch of this consignment of coal in the overall interest of the business. This was a normal business risk which the Corporation had to take in the market conditions which are heavily weighted against the producers of coal at present.

2. The question whether criminal action could be taken against M/s. Ramjidas Sharma & Bros. has been examined in consultation with the Solicitor of the Corporation. The opinion of the Solicitor is that when a post-dated cheque is dis-honoured there is only a breach of promise for which a civil suit can lie and that there is no element of cheating. He has also quoted certain court rulings on the subject and stated that no criminal case lies in the circumstances of the case and even if one is filed, it cannot succeed.

3. A civil suit for the recovery of the amount due was filed in January, 1968. The delay in filing the suit is regretted; but it occurred due to the fact that after the cheques had been dishonoured by the bank, efforts were made to persuade the party to pay the amount as it would have saved time by dealing with the party directly in preference to the institution of legal proceedings.

4. As regards the Committee's recommendation relating to financial coverage for the outstandings, the detailed reply given in respect of recommendation No. 33 may kindly be referred to Government also consider that the outstandings of the Corporation should be reduced as much as possible and have advised the Corporation to take appropriate steps. The

Corporation is fully alive to the situation and is taking effective steps to reduce the outstandings as much as possible.

[Ministry of Petroleum & Chemicals and Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68 dated the 10th June, 1969].

Further Information called for by the Committee Recommendation (Serial Nos. 32, 33 and 34)

Please furnish the details of the outstandings against various parties and the latest information relating to the amounts of Bank guarantees and other securities.

What results have been achieved by the undertaking as a result of implementation of the recommendations of the Kamat Committee?

[Lok Sabha Secretariat O.M. No. 24-PU/67 dated the 29th November, 1969].

Reply of Government

The outstandings against various parties as on 30-9-69 are given in the attached statements. (Appendices I and II).

As recommended by the Kamat Committee a special Officer was appointed to look into the outstandings which were pending for a long time. This Officer has since identified the various items and the reasons for which they have not been settled and action is proposed to be taken by the NCDC expeditiously for settling these overdues. The outstandings beyond the credit period pertaining to 1967-68 and earlier years have been brought down from Rs. 4.53 crores on 30-9-68 to Rs. 3.25 crores on 30-9-69. The percentage of outstandings beyond the credit period against all parties excluding M.P. Electricity Board and Renusagar power company the disputes with whom are under arbitration, to the average monthly sales to such parties has come down from 160 on 31-10-68 to 141 on 31-10-69.

[Ministry of Petroleum & Chemicals and Mines & Metals (Department of Mines & Metals), D.O. No. C3-10(6)/68 Vol. II, dated the 15th December, 1969].

Recommendation (Serial No. 35)

It is surprising that the matter of charging interest on large outstandings due mainly from Railways was not placed before the Board of Directors till 1967 even though the reactions of all the parties were available to NCDC as far back as in 1965. The interest foregone for only one year *i.e.*, 1965-66 worked out to Rs. 18.19 lakhs.

During evidence the Committee were informed that most of the private collieries charged interest from the purchasers of coal for outstandings beyond the credit period. In view of this, the Committee would recommend that the question of levying interest should be re-examined in the light of recommendations of the Committee appointed by the Board of Directors, and positive steps should be taken to prevent accumulation of outstandings with middlemen and others. (Paragraphs 149-150).

Reply of Government

Although the matter was not formally placed before the Board of Directors till 1967, the monthly statements of outstandings were considered by the Board from time to time, and they were aware of the difficulty in making realisation of interest charges from customers including Government Departments in a buyer's market. Also some of the outstandings against the Railways as also other parties were on account of disputed bills/ counter claims. In the conditions prevailing in the coal market, the question of foregoing interest charges therefore hardly arises in any real terms.

The Committee appointed by the Board of Directors with Shri A. B. Guha formerly Adviser, Planning Commission, as Chairman has recommended the introduction of a system of giving rebate on coal prices for prompt payment and levy of interest on overdues. Having regard to the present market conditions, the Committee however recommended that the realisation of interest charges on overdues beyond 90 days might be waived with the prior approval of the Managing Director. After considering the recommendations of the Committee, the Board of Directors noted that consumers including public sector units had refused to pay interest, and that in a buyers' market it had not been considered expedient to enforce the earlier decision regarding the levy of interest. The Board considered that while there was risk in introducing rigid terms and conditions of sale in the present circumstances, it would be advisable to demand payment of interest in case of overdues beyond the credit period, but the payment of interest might waived in suitable cases with the approval of the Managing Director. The Board have desired that they should be apprised of the working of this arrangement from time to time, and that their further orders should be obtained, when necessary.

The Board desired that the suggestion for grant of prompt payment rebate to consumers and middlemen should be examined further.

It has been unofficially understood by NCDC that in actual practice private sector firms have also not been able, generally speaking, to realise interest charges on overdues against coal supplies.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968].

Further Information called for by the Committee

What definite procedure is being adopted by the Undertaking with regard to the levy of interest and payment of rebate to consumers and middlemen and what results have been achieved as a result of such procedure ?

How far the Undertaking has been able to prevent accumulation of outstandings with middlemen and others as recommended by the Committee ?

[Lok Sabha Secretariat O.M. No. 24-PU/67 dated the 29th November, 1969].

Reply of Government

A Committee of Directors headed by the Chairman, NCDC has been appointed to review the working of the Sales policy of the Corporation. The work of this Committee is expected to cover measures for reducing the outstanding and the question of interest on overdues from private parties.

[Ministry of Petroleum & Chemicals and Mines & Metals (Department of Mines & Metals)/D.O. No. C3-10(6)/68 Vol. II, dated the 15th December, 1969].

Recommendation (Serial No. 37)

The Committee regret to note that no positive steps were taken by NCDC to find out the reasons for losses amounting to over Rs. 8 lakhs. Instead of making efforts to find out reasons and realising the amounts from customers before they became time-barred, NCDC merely wrote off this amount as had debts from their books. The Committee recommend that investigation should be made into the causes of such losses, so that there may not be such recurrence. (Paragraph 163).

Reply of Government

The amounts have been formally written off in the accounts but the claims against the various consumers are still being pursued. As a result of these efforts, a small amount of Rs. 6,761.20 has been realised. An Officer has been put specially incharge of this work and it is expected that these cases would be settled finally after considering in detail the reasons for deductions made in the bills by the different consumers.

The details of the amount of about Rs. 8 lakhs under "reasons not known" have been investigated and it has been ascertained that Rs. 5.53 lakhs were deducted for the following reasons:

1.	Underloading	97,184·11
2.	Inferior quality	2,34,314·42
3.	Excess claim	19,751·65
4.	Kept in Rly. Deposit	47,857·16
5.	Want of D.A. Note	67,821·20
6.	Difference in rates	12,452·71
7.	Misgradation	3,606·73
8.	Against Rly. claims	988·42
9.	Missing wagon	2,136·89
10.	Recovery of excess payment	126·81
11.	Sales tax	46,907·76
12.	Wharfage charges	343·98
13.	Short receipt of coal	32·13
14.	Demurrage	107·90
		5,33,631·87

Efforts are being made to ascertain the reasons for the deductions of the balance amount of about Rs. 2.76 lakhs.

A Committee has been constituted to make recommendations regarding changes in procedure and administrative arrangements by means of which the deductions made by consumers through counter claims are settled expeditiously.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November 1968].

Further Information called for by the Committee

Recommendation (Serial No. 37)

Whether the investigations with regard to the balance amount of Rs. 2.76 lakhs have been made and if so, the outcome thereof?

How much of the total amount has been realised and what steps have been taken in the light of the recommendations regarding changes in procedure and administrative arrangements by means of which the deductions made by consumers through counter claims could be settled expeditiously.

[Lok Sabha Secretariat O.M. No. 24-PU/67, dated the 29th November, 1969].

Reply of Government

Out of Rs. 2.76 lakhs, as already intimated a sum of Rs. 0.07 lakhs has been realised. Reasons for deductions amounting to Rs. 1.13 lakhs have been ascertained as detailed below :

Underloading	Rs. 0·30 lakhs
Inferior quality	Rs. 0·27 lakhs
Sales tax	Rs. 0·20 lakhs
Difference in rates	Rs. 0·35 lakhs
Passed on carrying capacity	Rs. 0·01 lakhs
TOTAL	Rs. 1·13 lakhs

The balance amount of Rs. 1.56 lakhs relates to various State Government Departments. The consignees are numerous and spread over a large part of the country. As immense difficulty is experienced in obtaining the particulars, it is proposed to drop the matter. The report of the Committee which went into the reasons for such deductions and measures to prevent their recurrence, is under active consideration.

[Ministry of Petroleum & Chemicals, Mines & Metals (Department of Mines & Metals) D.O. No. C3-10(6)/68, Vol. II, dated the 15th December, 1969].

Recommendation (Serial No. 41)

The Committee are surprised at the comparison suggested by the Ministry. The fact that the value of stores had gone up from Rs. 560 lakhs to Rs. 1833.80 lakhs within two years time, *i.e.* from 1963-64 to 1965-66 was patent.

Even if the year-wise increase is taken into consideration, the rise is 75.8 per cent in 1964-65 over the figures of 1963-64 and 86.3 per cent in 1965-66 over those of 1964-65. The Committee are constrained to observe that the Ministry are worried about the method of comparison but have not given enough the progressive rise in the value of plant and equipment. (Paragraph 179).

Reply of Government

The value of plant and machinery in stores was as follows :—

1963-64	Rs. 560·00 lakhs
1964-65	Rs. 984·27 lakhs
1965-66	Rs. 1,833·80 lakhs

The increases are mainly due to the fact that orders had been placed earlier for supply of equipment for opening 16 new mines for achieving the Third Plan Programme of building additional capacity for 18.5 million tonnes of coal. Some of these projects had to be deferred/suspended as demand for coal during the Third Plan period fell short considerably of the anticipated target production. Moreover, this sum of Rs. 1833.80 lakhs as total value of plant and machinery in stores in 1965-66 included plant and equipment to the value of Rs. 691 lakhs which had been acquired earlier in 1962-63 and 1963-64, but accounted for in 1965-66 only. If this amount is left out of consideration, the increase in value of stores in March, 1966, over that in March, 1965, works out to about 16%. Stocks of plant and machinery have since been reduced to Rs. 13.22 crores as on 31-3-68 as a result of their utilisation in development projects, including washeries. There will be further progressive reduction on a significant scale within 18—24 months.

National Coal Development Corporation has since taken various steps to streamline the administrative set up of its stores and purchase Department to ensure better inventory control.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January, 1969].

Recommendation (Serial No. 42)

The Committee feel that no serious effort was made by National Coal Development Corporation to cancel the contracts with the result that a huge amount was blocked up as investment in surplus and unremunerative stores and equipment. The Committee recommend that the Government should look into the matter closely and fix responsibility for not cancelling these contracts. (Paragraph 184)

Reply of Government

It will appear from the statement in para 180 of the Committee's report at page 55, that orders for plant and equipment had been placed for most part in 1962-63 and 1963-64. The Corporation was required in the Third Plan to take up a large number of new colliery projects to develop a production capacity of 30.5 million tonnes by the end of the Third Plan period (1965-66). As the time available for development was extremely limited, and the lead-time for procurement of imported plant and equipment is normally 18 to 24 months, advance action had to be taken for the procurement of essential plant and equipment. Even at the time of the mid term appraisal by the Planning Commission (late 1963), the production target for the Corporation was placed at 22.45 million tonnes by the end of the Third Plan period, and the Corporation had to gear itself for achieving a production of 22.45 million tonnes. The demand for coal at the end of the Third Plan had been estimated by the Planning authorities in relation to the targets for production of steel, generation of power etc. and it was hardly possible for the Corporation or even the Ministry at that stage to proceed on the assumption that even by the end of the Third Plan (1965-66) there would be no substantial increase in the coal demand. The question of cancellation of contracts could hardly arise before the end of 1964 when it was decided to suspend certain projects because of the slow growth of demand. It was, however, too late at that stage to cancel the contracts which had been entered into as stated earlier mostly in 1962-63 and 1963-64, as a substantial proportion of the orders were in respect of machinery required for foreign collaboration Projects and for Projects on which work was not suspended or slowed down. The machinery that was imported for projects which have been suspended or closed was diverted to other development Projects.

It might also be mentioned that the Kamath Committee which went into the question of purchase of equipment for the Third Plan projects have remarked that "even if we take into account the fact that at certain mines work has been suspended, the equipment as actually purchased is not in the aggregate more than what was needed for the target production from the mines where work has not been suspended, except in respect of draglines".

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January, 1969].

Recommendation (Serial No. 43)

There is a huge stock of imported plants, machinery, stores and spares which is not going to be utilized for a number of years. Before they are put to use the manufacture of these items would have commenced in India. Thus ordering of the machines far in excess of requirements has led to the blocking of precious foreign exchange. Besides the machinery will deteriorate during the year while awaiting utilisation. (Paragraph 186).

Reply of Government

It might be mentioned that a number of projects *e.g.* Banki, Surakachar, Manikpur, Sudamdih and Monidih had been undertaken with foreign collaboration, and the agreement made with the foreign collaborators provided for supply of major items of equipment from these countries. This also applies to major items of equipment for the Washery projects. Many of these items are still not being manufactured in India and in a number of cases where we have placed orders with the MAMC they have not been able to meet the demand even after several extensions of the delivery schedule. It may not, therefore, be wholly correct to take the view that the import of the equipment could have been avoided to any large extent.

It is also not correct to hold that the machines were ordered far in excess of the requirements. The Kamath Committee have concluded that in the aggregate, the availability of equipment for the projects is less than what was envisaged, and that even if we take into account that at certain mines work has been suspended, the equipment as actually purchased is not in the aggregate more than what was needed for the target production from the mines where work has not been suspended except in respect of draglines. While some blocking of foreign exchange has undoubtedly resulted from suspension of some of the development projects, slowing down of other projects, and restriction of the capacity/production of other mines due to slackness in coal demand, the purchase of and part payment for all this equipment which was purchased before devaluation has also resulted in some savings.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968].

Recommendation (Serial No. 45)

From the replies furnished by the Ministry the Committee can only conclude that a complete and detailed analysis was not conducted by N.C.D.C. to find out the stores which are usable and which are surplus and hence required to be disposed of. Stores once declared surplus have been found to be usable on subsequent analysis. The Committee can only come to the conclusion that either the first scrutiny was superficial or on second scrutiny lots of stores earlier declared surplus have been categorised as usable in order to save the management from being blamed as extravagant. The Committee urge that a proper assessment of the stores and spares must be made and the surplus stores disposed of early. For this the Corporation may consider the advisability of availing the services of private organisations which are experts in raw materials and spares inventory control a suggestion with which the Managing Director of the Corporation seemed to agree during evidence. (Paragraph 198)

Reply of Government

(1) Information previously furnished to the Public Undertakings Committee regarding disposal of surplus equipment at Central Stores, Barkakana is amplified as under:

Out of the spare parts held in Central Stores, Barkakana, 881 items valued at Rs. 30.35 lakhs had been categorised as Insurance items and the remaining 4865 as non insurance items valued at Rs. 13.12 lakhs. The Central stores declared these non-insurance items as surplus on the basis of number of issues for three years and more. In accordance with the normal practice before any item can be declared as dead surplus, the list of such items is to be circulated to all the Projects of the Corporation. In this manner, the list of 4865 items of non-insurance spare parts was circulated to all the Projects, out of which, spare parts worth Rs. 5.39 lakhs were absorbed by the Projects and were thus issued from the Central Stores. The balance of 3684 items valued at Rs. 7.73 lakhs declared as dead surplus were thereafter circulated to other Government Departments and public Undertakings and disposal action is now being taken by calling for public tenders.

It will be seen from the above that the action to reutilize spare parts worth Rs. 5.30 lakhs was a part of the normal drills adopted by this Corporation in connection with the disposal of the surplus items and was not an attempt to reduce the magnitude of the surpluses. It will further be seen that this cannot be construed as any procedural lacuna or any deliberate attempt to save the management from blame. The confusion appears to have arisen because the stores valued at Rs. 13.12 lakhs instead of being declared 'provisionally surplus' in the first instance were declared 'surplus'.

2. Recommendation of the Committee that proper assessment of stores and spares be made and surplus stores disposed of early is accepted. As regards the suggestion for utilising the services of private organisation, it may be stated that the problem has since been studied in some depth by an expert committee appointed by the Ministry of Finance, and also by the Kamat Committee in consultation with the officers of the Corporation and the Corporation has taken certain decisions for reorganising stores and purchase work for a proper assessment of surplus stores and spares and for disposal of dead surplus. It is not considered necessary, therefore, to utilise

the services of any private organisation in this connection presently for this purpose.

[Ministry of Steel, Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January, 1969]

Recommendation (Serial No. 48)

The Committee regret to note that in spite of the Ministry being aware of the lack of demand for coal in 1964 due to slump in the market, the Corporation was advised to procure Plant and Machinery for the target of production, which NCDC has not been able to achieve even now. The Committee are of the opinion that if proper care had been taken, the procurement of Plant & Machinery could have been restricted, more or less, to the requirement of actual production. (Paragraph 212).

Reply of Government

By the end of 1964, the Ministry as well as the Corporation had become aware of the slump in coal market. It was, however, hardly possible at that stage to assume that the expansion of power and steel capacities to which the coal targets were related to a large extent would not proceed as envisaged in the mid-plan appraisal of the Third Plan carried out by the Planning Commission in the latter part of 1963. Moreover, as orders had been placed for import of plant and machinery for the Third Plan projects mostly in 1962-63 and 1963-64, it was not practicable in 1964 to cancel or make substantial modifications in the contracts/collaboration agreements already entered into with foreign firms and governments. It might be mentioned that procurement of plant and machinery in any mine or other production unit cannot strictly be limited to the requirement of actual production in a given year. The main items of equipment have to be installed for most of the mines/units even though their full capacities may not be utilised in the initial stages of development and working.

[Ministry of Steel, Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January, 1969]

Recommendation (Serial No. 57)

The Committee are concerned to note that in spite of taking action the Corporation had incurred demurrage and wharfage charges amounting to Rs. 9.21 lakhs during the year 1966-67. It will thus be seen that the demurrage and wharfage charges which has shown a declining trend since 1963-64, have risen in 1966-67 over the previous year. No concrete results can be achieved unless there is greater cooperation between the Railways and collieries on the one side and between collieries and the sister departments on the other. The Committee recommend that immediate steps be taken to implement the reports and recommendations made by the Committees and officers of the Corporation in order to reduce demurrage charges to the minimum possible. (Paragraph 249).

Reply of Government

The incidence of demurrage is heavy in collieries with mechanised loading arrangements mainly because the existing loading and weighment time of 5 hours for a box rake is extremely inadequate. The question increasing free loading time of box rakes at such collieries was taken up with the Railways and is presently under their examination. Other factors leading to detention of wagons and incurring of demurrage are bunching of steam/slack rakes, supply of wagons on any day in excess of the day's allotment/production and supply of more than one rake at a time. This whole question was examined at great length by the NCDC Enquiry Committee, headed by Shri G. R. Kamat which came to the conclusion that 70 to 80 per cent of the demurrage incurred can be avoided if the difficulties arising from the existing supply of wagons are removed, and the free loading and weighment time of five hours allowed by the Railways to the collieries of Gidi A, Bhurkunda and Saunda is increased to ten hours. The collieries may have adequate elbow-room if for the present, free loading and weighment time is increased from 5 to 10 hours. These recommendations have been referred to the Railways and are under their consideration.

[Ministry of Steel, Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968]

Further Information called for by the Committee

Whether the recommendations of the Kamat Committee have since been considered by the Railways and if so, what decisions have been arrived at?

What steps have been taken to reduce the incidence of demurrage and what results have been achieved?

[Lok Sabha Secretariat O.M. No. 24-PU/67, dated the 29th November, 1969]

Reply of Government

The Kamat Committee had recommended that the free loading time allowed to NCDC's collieries in Karanpura may be increased from the existing 5 hours to 10 hours. After consideration of the report, a Study Team comprising of an Officer of the Railways and the Chief Mining Engineer of the Coal Board was appointed to examine this question. The report of this Study Team is now under consideration of the NCDC. After the comments of the Corporation are received, a decision will be taken in the matter.

As submitted already, substantial reduction in demurrage is possible only if the rules regarding loading time are liberalised. In the meantime, the Corporation is taking such steps as to instruct field officers to maintain complete records of loading and to fix responsibility for demurrage and recover it where necessary, from the loading contractors.

[Ministry of Petroleum and Chemicals and Mines & Metals (Department of Mines & Metals) D.O. No. C3-10(6)/68, Vol. II, dated the 16th December, 1969]

Recommendation (Serial No. 58)

The Committee are not happy with the non-fixation of responsibility for loss which as admitted by the Ministry was due to negligence of NCDC staff. They fail to understand why no action was taken by the Corporation to bring to the books the persons responsible for such negligence. The Committee recommend that proper action should be taken not only to fix responsibility but also to ensure that in future demurrage charges are not incurred due to negligence of NCDC staff. They also hope that outstanding demurrage charges would be promptly recovered from the contractors responsible for the delays. (Paragraph 255).

Reply of Government

The demurrage in question was incurred during the period January to December 1961 at Bokaro Colliery. The amount of demurrage payable was subsequently brought down after discussion with the Railway authorities and on a *pro-rata* basis the amount chargeable to the Contractors works out to Rs. 10,200 against Rs. 32,000 which was similarly estimated earlier. Full particulars of these transactions are no longer available in N.C.D.C.'s records due to lapse of time and NCDC has not been able to find out as to who were the persons directly responsible at that time for recording the particulars of wagons handed over to contractors for loading. This matter is, however, being pursued further as desired by the Committee.

It might be stated that outstanding demurrage charges, if any are being promptly adjusted against the bills of loading contractors, who are now employed only in a few collieries where it has not been possible to introduce mechanised loading arrangements.

[Ministry of Steel, Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1969]

Further Information called for by the Committee

At what stage the matter stands at present? Whether any responsibility has been fixed and whether any amount chargeable to the contractors has since been recovered?

[Lok Sabha Secretariat O.M. No. 24-PU/67, dated the 29th November, 1969]

Reply of Government

1. Recovery of Rs. 10,200 from Loading Contractors on account of Railway demurrage.
2. Fixation of responsibility for loss on the NCDC staff concerned.
3. To ensure that in future demurrage charges are not incurred due to negligence of the NCDC staff.

This pertains to recovery of Railways demurrage charges incurred at Bokaro Colliery during the period January to December, 1961 from the Contractors. The liability of the contractors had been estimated at Rs. 10,200 on an *ad-hoc* basis. As desired by the Committee, efforts were made to collect details of the transactions to enable the Corporation to recover the amount from the contractors and fix responsibilty for negligence on the part of the employees of the Corporation but full particulars of these transactions are no longer available in the records of the Corporation due to lapse of time. It has not, therefore, been possible to recover the amount from the contractors or to fix responsibility on any employees of the Corporation.

Strict instructions have been issued to all field officers for maintenance of proper records in future and to hold a departmental enquiry in every case of demurrage and to fix responsibility therefor.

[Ministry of Petroleum and Chemicals and Mines & Metals (Department of Mines & Metals) D.O. No. C3-10(6)/68 Vol. II, dated the 15th December, 1969]

Recommendation (Serial No. 59)

The Committee regret to note that the matter of payment of port demurrage has not been settled even after a lapse of more than 3 years. The Committee would urge that these cases should be settled without further delay. The Corporation should also streamline their procedure of taking deliveries at the port so that payment of demurrage is avoided in future. (Paragraph 258).

Reply of Government

The Assistant Director, Shipping, Calcutta had been doing the work of customs and port clearance of imported equipment of the NCDC till 31-3-65. Out of the two cases mentioned in the report, the A.D. Shipping was requested to accept part debit in one case, as complete invoice particulars were made available to him on 4-4-64 and in the normal course, customs and dock clearance should have been completed within another four days. Therefore, A.D. Shipping was requested by the NCDC to accept debit for a part of the rent charges for the period from 9-4-64 to 16-5-64. It is understood that the Assistant Director Shipping has not yet accepted the debit. Informal discussions by NCDC with D.G.S. & D. reveal that according to the terms of working of A.D. Shipping on behalf of various Government projects, there was no arrangement for acceptance of debit by A.D. Shipping for any rent paid in the port. In case the clearing agency contractor of A.D. Shipping is held responsible for any part of the rent, the same is recovered from his bill, otherwise this is paid from the deposit account of the projects concerned. Therefore, it seems doubtful whether the A.D. Shipping would accept the debit of any part of the rent. NCDC is, however, pursuing the matter with the A.D. Shipping.

2. From 1-4-1964 the clearance work was entrusted to a contractor working directly under the National Coal Development Corporation. As the work of this contractor was found to be unsatisfactory, it was taken away from him and is being managed departmentally with effect from 1-4-1968. It may be stated that current shipments are being cleared almost free of rent or on payment of nominal rent.

3. To streamline the procedure, a study has been made on the defects generally noticed in the shipping documents of Russian and Polish shipments which appear to have led to delay in customs clearance in the past. The defects identified by this study have been brought to the notice of the suppliers so that they can be avoided in future.

[Ministry of Steel, Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January 1969]

Further Information called for by the Committee

Recommendation (Serial No. 59)

Whether the case regarding payment of Port Demurrage has since been settled and if so, in what manner?

[Lok Sabha Secretariat O.M. No. 24-PU/67, dated the 29th November, 1969]

Reply of Government

The Assistant Director (Shipping), Calcutta, was looking after the work of customs and port clearance of imported equipment of NCDC upto 31-3-64. The question of payment of the port demurrage/rent charges was taken up with him. He has explained that the detention of the cargoes in question, resulting in payment of the charges, was unavoidable considering the various practical difficulties faced in port clearance in view of the heavy rush of imports at the time. He has therefore, not agreed to pay even a part of the charges.

The work is now being carried on departmentally, which has helped to speed up clearance to a great extent and reduce costs.

[Ministry of Petroleum and Chemicals and Mines & Metals (Department of Mines & Metals) D.O. No. C3-10(6)/68 Vol. II, dated the 15th December, 1969]

Recommendation (Serial No. 62)

The Committee regret to note that the loaders had to be withdrawn from the projects as the gradient of the seam turned out to be steeper than that envisaged in the Project Report. The Committee recommend that the circumstances under which this basic fact was wrongly stated in the Project Report should be investigated and responsibility fixed. The Committee hope that full use of the loaders will now be made in the appropriate mines. (Paragraph No. 278).

Reply of Government

It is true that the loaders had to be withdrawn from the projects as it was found on the basis of practical experience that they could not be worked satisfactorily in the steep gradient in the Sayal mine. It would appear, however, on a detailed examination of old records that even when the project report for Sayal-D was under consideration of the Board of Directors in May and October 1959, doubts were expressed about the feasibility of using mechanical loaders in this and certain other projects in the Karanpura area where steep gradients were likely to be encountered. The best technical advice available to the Corporation at that time was, however, in favour of introducing heavy duty loaders as it was known that they were being used under even more arduous conditions abroad. A copy of the note given by the technical advisers is attached (Appendix III). The Board noted that "there was an element of doubt about the practicability" of using heavy loaders in steep gradients. They further noted that in case the heavy duty loaders proposed to be purchased could not be used in the projects concerned, the management proposed to use them elsewhere. The Board desired further that the management should keep the problem in view and ensure the best and most economical use of the heavy loaders.

The advantages of successful mechanisation are so significant and substantial that the National Coal Development Corporation, which was allotted a very heavy target of coal development and production, considered it advisable to take a calculated risk in the deployment of heavy duty loaders. As a number of projects where such equipment could be satisfactorily employed were also likely to be taken in hand soon, there was a clear possibility of this equipment being utilized elsewhere if it was not found practicable to use it in Sayal or other Karanpura mines with steep gradients.

In so far as the Sayal mine is concerned, the project report mentioned that the amount of dip varies from 1 in 4 to 1 in 3 : 2. Except in one portion, when the dip was found to be greater, the statement made in the project report has been found to be generally correct.

It is regretted that in the statement made before the Committee, a wrong impression was given in the absence of some of the old records which have come to light later.

The present position about utilisation of 12 gathering arm type heavy duty loaders is indicated below :

Karanpura Group—2 Nos.

Korea Group—4 Nos.

Patherkhera—6 Nos.

One loader in Korea and one in Patherkhera are presently not in use but would be brought into use shortly.

[Ministry of Steel, Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968]

Recommendation (Serial No. 66)

The reasons put forth by the Ministry for the delay in installation of the weigh-bridge are not convincing. The weighbridge had been ordered on the specific decision that it would be installed at Bhurkunda. It was a mistake to have linked its installation with the upgrading of railway track. From the reply of the Ministry it appears that although it has now been installed the linking with the railways is yet to be done. There was thus no bar to the installation of the weighbridge pending settlement of the dispute regarding upgrading of railway track and connecting it with the existing lines. The Committee regret that by delaying the installation of the weigh-bridge the Corporation were not able to earn a rebate of Rs. 1,52,670 on coal despatched from January, 1963 to March, 1966. (Paragraph 296).

Reply of Government

The question of realignment and strengthening of the entire track including re-organisation of the yard was under cosideration in consultation with the Railways, and it was thought at the time that the better course might be to postpone the installation of the weighbridge until these issues had been more or less settled. The weighbridge has since been commissioned.

The Committee has observed that due to delay in the installation of the weighbridge, the Corporation had not been able to earn a rebate of Rs. 1,52,670 on coal despatched from January, 1963 to March, 1966. With the installation of the weighbridge, the Corporation would have at the same time had to pay to the Railways the expenditure on the staff employed for operating the weighbridge which works out approximately to Rs. 95,000. In addition, the Corporation would have had to pay demurrages as the loading and weighment could not have been completed within the limit of 5 hours. The Railways have prescribed a free time of 5 hours for loading and weighment, in respect of collieries fitted with bunkers of 1000 tonnes capacity and more. It is generally the weighment and consequential adjustment that delays operation and inevitably demurrages accrue. Wherever weighbridges are not provided, full 5 hours time is available for loading purpose, weighment being undertaken at railway yards.

Several representations have been made to the Railways by NCDC for allowing more time for loading and weighment of wagons. The Committee appointed by the Government of India under the Chairmanship of Shri G. R. Kamat has, on the basis of studies conducted, recommended extending the free time to 10 hours. A committee of Eastern Railway Officers also examined the problem in February, 1968 and appears to have recommended 9 hours free time. The matter is currently under examination by the Railway Board and until the present time limit is extended to permit of loading and weighing of box rakes, the weighbridges however necessary they are for accurate determination of the weight of coal being loaded into wagons, will continue to attract demurrage. The matter is being pursued with the Railway Ministry.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 25th January, 1969]

CHAPTER IV

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

Recommendation (Serial No. 1)

The Committee feel that execution of the transfer deed of the remaining assets worth Rs. 0.76 crore has been inordinately delayed and hope that this transfer would be finalised early. (Paragraph 3).

Reply of Government

The transfer of the remaining assets worth approximately Rs. 76 lakhs was to be effected after verification of these assets by the Accounts Officer who was appointed by the Ministry with the concurrence of the Audit. The Accounts Officer as a result of his scrutiny assessed the value of the assets at Rs. 74,32,329. These assets have since been included of the second part agreement which was signed on 28-12-1967. Documents for the execution of the transfer deed for these assets have already been submitted to the Registrar, Hazaribagh for execution of the transfer deed.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 10th October, 1968]

Further Information called for by the Committee

Whether the transfer deed for the assets has since been executed and if so, on what date the matter was finalised?

[Lok Sabha Secretariat O.M. No. 24-PU/67, dated the 29th November, 1969]

Reply of Government

The Transfer Deed for the Assets has been signed with the Government of India on 28-12-1967 but the document has not been registered as the Registrar wanted the Stamp Duty and Registration to be paid by the Corporation. The matter has been taken up to the High Court and the agreement will be registered after the decision of the High Court.

[Ministry of Petroleum and Chemicals and Mines & Metals (Department of Mines & Metals) D.O. No. C3-10-(6)/68 Vol. II, dated the 15th December, 1969]

Recommendation (Serial No. 18)

The Committee are unhappy to note that there have been delays in almost all cases. The Estimates Committee in para 51 of their 32nd Report (3rd Lok Sabha) on National Coal Development Corporation while commenting upon the delay in commissioning of Kargali washery had hoped that there would be no recurrence of such delays in future. The Committee regret to note that no action has been taken on the above observation. In the light of experience gained by National Coal Development Corporation the Committee expect that all future projects will be commissioned by it within the scheduled period. (Paragraph 61).

Reply of Government

The Committee's observations have been noted.

It is expected that Kathara Washery will be completed by December, 1968 and Swang by February 1969. As regards Gidi Washery certain disputes have arisen with the contractor for erection of Electrical and Mechanical Sections. While every effort is being made by the Management to settle the disputes so that the construction work can proceed, it is expected that Gidi Washery may not be completed by the middle of 1969. Even after the erection has been completed, there may be delay in commissioning the above washeries owing to the slackness in the growth of demand for washed coking coal and washed blendable coal.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968]

Further Information called for by the Committee

What is the latest position regarding the commissioning of the washeries? Please state the dates on which these were commissioned.

[Lok Sabha Secretariat O.M. No. 24-PU/67, dated the 29th November, 1969]

Reply of Government

Construction of the Kathara Washery was completed in July 1969 except for some minor jobs. The trial commissioning of the washery is expected to be completed by the end of December 1969. The washery may not however, start commercial production immediately due to inadequacy of demand at present for washed coking coal.

Construction of the Sawang Washery was completed in March 1969 except for some minor items. At present 'no-load tests' on different equipment are in hand. According to the present time-schedule, 'water test' is expected to start in the last week of this month (December '69). Normal coal flow for washing will commence by January, 1970.

About 87% of the overall work at Gidi Washery has been completed. Civil Work is nearly complete except in the Loading Section. About 90% of the work of erection of electrical and mechanical equipment has been completed. The washery is expected to be completed by April, 1970 after which 'no-load test' will commence.

[Ministry of Petroleum and Chemicals and Mines & Metals (Department of Mines & Metals) D.O. No. C3-10(6)/68 Vol. II, dated the 15th December, 1969]

Recommendation (Serial No. 36)

The Committee regret that the Management have not substantiated their statements by making documents etc., available to the Audit. This should be done now.

The Committee are of the view that the Corporation cannot be absolved of its responsibility for loss due to underloading of wagons. They, therefore, recommend that weighbridges should be provided at all the collieries, so that the disputes and losses arising out of underloading of wagons, may as far as possible be eliminated. The responsibility for supplying inferior quality coal lies on the Corporation. The cases where inferior quality coal had been supplied should be investigated and individual responsibility fixed. (Paragraphs 159-160).

Reply of Government

The Committee have stated that documents should be made available to Audit indicating details of cases where underloading of wagons was necessary to avoid demurrage and also whether the fact of under-loading to avoid demurrage was recorded at the time of loading, and put to the competent authority. In this connection, it may be stated that the decision whether underloaded wagons should be allowed to be drawn out and become liable for underloading charges or whether they should be detained and the load adjusted in which cases demurrage would become payable on the entire rake, is taken on the spot by the colliery manager concerned. No separate records are kept of the details of the cases where under-loading was necessary to avoid demurrage as the colliery manager is himself the competent person to take a spot decision on such day-to-day issues. As regards the relative economics of delaying wagons and of letting some of the wagons go underloaded, it may be stated that, if a rake of 28 BOX wagons is detained beyond the free loading time, the demurrage payable would be Rs. 1120 per day. In addition the Railways would short supply a rake due to such detention, the effect of which is to deprive the colliery of an outlet for over 1500 tonnes. Presuming that the last few wagons are short loaded even to the extent of about 20 tonnes in all, the avoidable freight for a distance of 1000 Km would work out to about Rs. 516. A number of specific instances where it was definitely advantageous to have left some wagons underloaded rather than incur demurrage on the entire rake can be made available to Audit, if required. In general, it is preferable not to detain the wagons. However, if in any particular case it is obviously to the advantage of the Corporation to detain the wagons and adjust their load, the decision would be taken accordingly by the colliery manager.

The Committee has further observed that weighbridges should be provided at all the collieries so that disputes and losses arising out of underloading can be eliminated as far as possible. Weighbridges have been installed or are under installation at all the collieries of the NCDC except the following :—

Giridih : This group of collieries is nearing exhaustion and is expected to be closed down in a few years' time. The installation of weigh-bridges is not, therefore, considered economical.

Talcher & Deulbera : The coal produced in these two collieries is mostly consumed by the Railways and the coal is weighed on the railway weighbridge as has been the practice even before NCDC took over these collieries.

Bokaro & Jarangdih : These collieries are linked to Kargali washery where weigh-bridge is in operation.

As regards complaint on quality, action has already been taken by the Corporation as indicated in the reply to recommendation No. 30 of the Committee's report.

[Ministry of Petroleum and Chemicals and Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 20th August, 1969]

Recommendation (Serial No. 52)

Kurgali Washery went into operation in November, 1958. The Ministry have stated that during the initial stages raw coal was being transported to the washery by means of the ropeway. During operations the defects in the ropeway were noticed and the Corporation decided to discard it. The Corporation had provided in the contract for performance guarantee in respect of individual units and sections of plant and equipment. It is curious that the Corporation did not take any action for the repair and replacement of defective machinery and decided to dismantle the ropeway.

Another reason put forward for discarding the ropeway is that it was deemed necessary to extract the coal locked up below the ropeway trestles. The Committee regret to note that a proper survey of the ground was not made initially when the ropeway was installed to ensure that the ropeway trestles did not block rich coal deposit. It is also surprising that within a short span of six years it became unavoidable for the Corporation to mine the coal below the trestles. This becomes all the more surprising in view of the fact that in 1961-62, the actual output of the washery was only 62 per cent of its rated capacity.

The Committee feel that the ropeway was installed without proper survey and it was discarded without proper assessment of alternatives for repair of the ropeway. It is not known whether performance of the ropeway was checked within the guarantee period. The entire matter seems to have been handled casually with the result that an amount of Rs. 6.87 lakhs had to be written off on this account alone. The Committee recommend that this matter may be probed into to fix responsibility for this dead loss to the Corporation. (Paragraphs 223-225).

Reply of Government

In the running tests that were conducted, the ropeway conformed to the specifications as per terms of the contract. In actual working, however, it was noticed that the rope was wearing out fast and developing various defects. The NCDC took up the matter with the manufacturers, who replaced the rope free of cost although by then the guarantee period had expired. But the new rope also developed the same defects in actual working after some time.

2. Due to periodical defects arising in the operation of the ropeway, mining operation at the colliery had to be suspended often. This resulted not only in lay off of the workers with consequent labour unrest but also in loss of production and decline in profitability. The NCDC, therefore, appointed a Technical Committee to go into the question of periodical failures and to suggest remedial measures for improving the performance of the ropeway. The Committee found that repairs and improvement of the ropeway were not practicable. The only alternative was to dismantle the ropeway and to instal a new ropeway with higher capacity. This would have

involved additional expenditure. Alternative arrangements for transport of coal had also to be made during the period of the installation of the new ropeway.

3. By 1964 a second quarry had been opened at Bokaro and with its opening an additional loading point for transporting coal by wagons had to be constructed. A new mine at Chalkari was also under development and another loading point had to be constructed to transport coal from this mine to the washery. Additional transport facilities by wagons had been provided for these mines. It was considered convenient operationally and also advantageous financially to have only one system of transportation for carriage of coal to the washery. The ropeway was accordingly dismantled in Fabruary 1964.

4. As between Bokaro Colliery and Kargali Washery, there would have been some locking of coal with almost any other alignment of the ropeway. But for the dismantling of the ropeway, the quarry working would have been done in such a way that trestles were left intact for about 15 years, which is the normal life of the ropeway. The blocking up of the coal by the ropeway trestles was therefore not the direct cause of dismantling the ropeway.

[Ministry of Petroleum and Chemicals and Mines & Metals (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 19th September, 1969]

Further Information called for by the Committee

After what time the new ropeway also developed the same defects in actual working and whether the manufacturers were approached to replace or repair the ropeway?

What steps have been taken by the Undertaking to probe into the matter to fix responsibility for the dead loss to the Corporation as recommended by the Committee.

[Lok Sabha Secretariat O.M. No. 24-PU/67, dated the 29th November, 1969]

Reply of Government

The new rope for the bicable ropeway, which was replaced by the manufacturers free of cost, developed the same defects after about 1½ years of the replacement. The matter was taken up with the manufacturers for their advice. As intimated earlier, the guarantee period was already over and it was only at the insistence of the Corporation that they had replaced the rope once free of cost.

The reasons for dismantling of the ropeway etc., have already been explained in detail in our replies to Recommendation Nos. 14 & 52. In the light of the explanations already submitted, the question of fixation of responsibility does not arise.

[Ministry of Petroleum and Chemicals and Mines & Metals (Department of Mines & Metals) D.O. No. C3-10(6)/68 Vol. II, dated the 15th December, 1969]

Recommendation (Serial No. 64)

The Committee regret to note that the four Stationary Air Compressors purchased at a cost of Rs. 2,91,200 were not tested within the warranty period. They were also not put to use for three years and one of them had hair line crack. Persons responsible for this should be appropriately dealt with. Where there is a warranty clause in the contract it should be availed of within time so that the Corporation is not put to any loss and expenditure on the replacement of parts or rectification of defects in the plant and machinery procured from suppliers. (Paragraph 287).

Reply of Government

Four Hungarian air compressors were ordered for in September, 1963 and supplied by 3rd October of the same year. There was a guarantee of twelve months from the date of supply against defects which if proved to be due to faulty design, materials or bad workmanship, or any such defects occurring within the above period were to be rectified free of charge.

2. The compressors were received sooner than expected, and they could not be tested immediately on receipt as they were stationary compressors for which heavy foundations were needed for installation and commissioning. The associated electrical switchgears which were needed for testing were also not available at that time. All the four compressors were, however, installed at the Bank and Surakachar mines between February and October 1964, and it is thus not factually correct to say that none of the four stationary air compressors were tested within the warranty period or put to use for three years.

3. In this connection, reference may be made to (i) letter No. BNK/ST/SVP/2340, dated 6th April 1964 from Deputy Superintendent of Collieries, Banki to the Suppliers, Messrs. Agarwal Engineering Co., Calcutta; and (ii) Letter No. Agency/2478/64, dated 24th July, 1964 from M/s. Agarwal Engineering Co. to Chief Purchase Officer, NCDC, Appendices IV and V. Corporation is, however, at fault in not fully explaining the above facts to audit.

4. Various defects which were noticed after commissioning of the compressors were reported to the Suppliers and the defects appearing in three of the compressors were rectified by the Suppliers at their own cost.

5. In respect of the two compressors installed at Banki (including one compressor in which an hairline crack was found between the discharge entry and the cylinder) the Executive Engineer (E&M), Banki Colliery sent his report on the defects noticed to the Chief Engineer (E&M) NCDC at Ranchi on 9th October 1964. The period of guarantee had expired shortly before this. The matter was taken up with the supplier by the Chief Purchase Officer on the 29th October 1964. While the operational defects noticed in the compressors were rectified by the suppliers, the hairline crack was ultimately repaired at the Corporation's own Central Workshop at Barkakana at an estimated cost of about Rs. 1000. This amount has not

been recovered from the Suppliers chiefly because the defect had been brought to light after the expiry of the warranty period.

[Ministry of Steel, Mines & Metals, (Department of Mines & Metals), O.M. No. C3-10(6)/68, dated the 28th November, 1968]

M. B. RANA,
Chairman,
Committee on Public Undertakings.

NEW DELHI;
February 26, 1970
Phalguna 7, 1891 (*S*)

APPENDIX I

(*Vide* reply to recommendation at serial Nos. 32, 33 and 34, Page 50)

STATEMENT NO. I

Statement showing the Partywise break-up of Debtors (Coal) balances as on 30-9-1969

Sl. No.	Parties	Outstanding: Beyond Credit Period	Outstanding: Within Credit Period	Deposit	Net
1	2	3	4	5	6
				(Figures in lakh of Rupees)	
1.	Railways..	60·68	82·59	0·42	142·85
2.	M.P. Elec. Board	215·25	39·29	0·05	254·49
3.	Talcher Thermal Power Station	45·61	9·58	—	55·19
4.	*Hindustan Steel Ltd.*				
	(*i*) Bhilai	56·03	18·43	0·27	74·19
	(*ii*) Rourkela	36·44	11·77	0·03	48·18
	(*iii*) Durgapur	6·78	1·72	0·02	8·48
	(*iv*) Dugda	0·21	3·78	0·03	3·96
	(*v*) Bhujudih	0·42	—	—	0·42
5.	Other Govt. Deptt. & Undertakings	108·78	53·04	11·16	150·66
	TOTAL (a)	530·20	220·20	11·98	738·42
6.	*Private Parties* :				
	(*i*) Middlemen	139·44	163·97	11·43	291·98
	(*ii*) M/s. Renusagar Power Co.	54·97	19·09	0·36	73·70
	(*iii*) Others	28·11	1·44	8·47	21·08
	TOTAL (b)	222·52	184·50	20·26	386·76
	TOTAL (a+b) ..	752·72	404·70	32·24	1125·18

APPENDIX II

(*Vide* reply to recommendation at serial Nos. 32, 33, and 34, Page 50)

STATEMENT NO. 2

Statement showing coal sales dues against Major Middlemen as on 30-9-1969

Sl. No.	Name of the Party	Total	Beyond Credit Period	Within Credit Period	Deposit	Coverage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
						(Figures in lakh of Rupees)
1.	M/s. S. K. Kahansons & Co.					
	(*i*) Harduaganj Power Stn.	25·12	6·89	18·23	3·88	Direct payment by U.P.E.B.
	(*ii*) Others	42·64	31·61	11·03		7·00 B.G.
		67·76	38·50	29·26	388	
2.	M/s. K.C. Thapar & Bros	49·27	17·47	31·80	0·46	4·00 BG.
3.	„ S. D. Sethia & Co.	27·51	7·35	20·16	0·80	3·50 BG.
4.	„ Khas Dharambad Collys. Co.	24·83	5·79	19·04	0·02	2·50 BG.
5.	„ Bharat Collys. Ltd.	23·56	12·74	10·82	0·07	3·00 BG.
6.	„ Translinks ..	20·20	8·07	12·13	0·22	3·00 BG.
7.	„ Ikrah Nandi Coal Co.	17·58	12·28	5·30	1·82	—
8.	„ Natwarlal Shamal Das	8·92	4·29	4·63	0·12	3·00 BG.
9.	„ Jaiswal Coal Co.	7·08	0·49	6·59	0·25	1·50 BG.
10.	„ Traders International	6·82	2·27	4·55	0·02	1·00 BG.
11.	„ Nanalal M. Verma	5·90	2·54	3·36	0·43	2·00 B.G.
12.	„ Shah & Vora ..	5·44	5·42	0·02	0·65	4·01 LC.
13.	„ Coal Shipments Ltd.	4.09	1·85	2·24	0·16	1·00 BG.
14.	„ Bhojraj Dalmia & Sons ..	3·82	1·83	1·98	0·10	1·50 BG.
15.	„ Eastern Associated Coal Corporation	3·54	—	3·54	—	—
16.	„ Sikri Bros. ..	2·40	1·07	1·33	0·10	0·50 BG.
17.	„ D. P. Behal & Co.	2·35	2·35	—	0·02	—
18.	„ Bhalotia Coal Marketting	2·10	2·10	—	—	—
19.	„ T. M. Shah ..	1·53	0·35	1·18	—	2·50 KC.
20.	„ Allied Coal Agency	1·48	1·48	—	0·10	1·25 BG.
21.	„ Ramjidas Sharma	1·41	1·41	—	—	—
22.	„ U.P.C.F. Ltd ..	1·39	0·73	0·66	0·05	—
23.	„ Gwalior Rayons ..	1·27	0·03	1·24	—	—
24.	„ Shivram Singh & Co.	1·16	1·16	—	—	—
25.	„ Orissa Textile Mills Ltd.	1·15	0·29	0·86	0·21	0·90 BG.
26.	„ R. Chimanlal & Co.	1·12	0·69	0·43	0·15	1·50 RLC.
27.	„ Naresh Kumar Coal Sales	1·03	0·50	0·53	0·04	0·75 BG.
	TOTAL	294·71	133·06	161·65	9·67	44·41
28.	Others	8·70	6·38	2·32	1·76	4·74
	GRAND TOTAL ..	303·41	139·44	163·97	11·43	49·15

APPENDIX III

(*Vide* reply to recommendation at Serial No. 62 page 61)

Note recorded by the Mining Advisor, Chief Mining Engineer (K) and Chief of the Planning Section

The Sub-Committee of the Board of Directors took up for consideration the Project Report for Sayal 'D' on 7-4-59. Certain observations have been made by the Sub-Committee and replies to those observations are furnished below :

(1) Sayal 'D' block will be developed by main inclines which will be driven on a gradient of 1 in 4 to suit the installation of belt conveyors. From these main inclines roadways rising at 1 in 10 20 will be driven to develop east and west and from these roadways connection galleries driven at half course *i.e.* at about 1 in 6 will connect up the various sets of east and west galleries. Loading can be done by Samson 4 ton per minute caterpillar mounted gathering arm type loaders on dipping gradients greater than in 1 in 4; the work is not easy but it is being done. On the other proposed gradients of 1 in 20 and 1 in 6 rising, no difficulty is anticipated in using the Samson loader or various USA hightonnage loaders with heavy tracks and heavy traction motors.

To substitute hand loading for mechanised loading will entail a heavy reduction in output and an increase in cost. To consider increasing NCDC's output by hand labour methods means that a long period will be required to recruit, to train and to house the labour; much longer than if mechanical loaders are employed.

Reference may be made to the plan accompanying the Project Report-HQ/629-which contains certain details of the layout and should be studied in relation to the Report.

On this plan also are given the locations of the proposed central screening plant etc.

(2) Ventilation fans, fan houses, fan drives, drifts, etc., have been standardised on what is considered to be a rational basis. The fans have adjustible blades and can circulate varying mounts of air at varying water guages according to the mine conditions. The capacity of each main ventilating fan in the Sayal 'D' project is 150,000 cu. ft. of air per minute at a water gauge of 2.5″ when the blades are fully adjusted and the mine is operating on maximum raisings.

(3) Under item No. 43 of Appendix VI showing the requirement of machinery and equipment, provision has been made for Rs. 10 lakhs on account of the 300 tons per hour screening plant and surface arrangements. This includes the screening plant for sizing and loading of coal on surface

L53LSS/69—6

and bunkering of screening coal also. Planning Section has already made out a typical lay out of proposed surface arrangements and a firm of consulting engineers has been proposed to be appointed for the purpose of detailed estimates and drawings being made out for bunkers etc. A detailed working plan will be prepared in due course.

Sd/ B. R. TOLLEY
24-4-1959
Chief of Planning Section.

Sd/ R. N. SINGH
28-4-1959
Chief Mining Engineer (K)

Sd/ L. J. BARRACLOUGH
28-4-1959
Mining Adviser.

APPENDIX IV

(*Vide* reply to recommendation at Serial No. 64 Page 69)

NATIONAL COAL DEVELOPMENT CORPORATION LIMITED
OFFICE OF THE DY. SUPERINTENDENT OF COLLYS.
BANKI & SURAKACHHAR

P.O. KATGHORA, DIST. BILASPUR (MP)

No. BNK/ST/SUP/2340 Dated : 6th April, 1964

M/s. Agarwal Engineering Company,
27, Stephens House,
5, Dalhousie Square East,
Calcutta-1.

Dear Sirs,

SUBJECT :—*Supply of Hungarian Compressors against order No. CPO/BPM/B&S/Comp/925-R/Agarwal/839 of* 3-9-63.

With reference to the above cited supply order, I may state that 4 Nos. of Hungarian Compressors have been supplied to these Projects sometime ago. In view of the non-urgency the compressor installation was not taken up. Since the compressors under question have been installed and on commissioning one of them serial No. of which is 1560 CM/H Type/TKV 1/42 Serial No. 142-63-004 it is found that the main fixing nuts for the horizontal cylinder at the bottom are found totally not fitted original. This has been only noticed after the compressor was commissioned and oil started leaking from the chamber. These nuts are fitted at such a position which are not easily accessible. Besides on inspection by our Engineers it is found that these nuts were originally not fitted in the factory. Since the machine has been started it is likely that damages might have occurred in the machine which is serious issue. Under these circumstances, you are requested to depute one of your representatives to check up this particular compressor which is now put out of use.

This may please be treated as most urgent as we intend switching or from our similar capacity compressors. which is not possible unless it is examined by your Mechanic or Service Engineer.

An early action in this regard will be highly appreciated.

Yours faithfully,
Sd/-
Dy. Supdt. of Collieries, Banki.

No. BNK/ST/Sup./ Dated the 6th April, 1964.

Copy to :

1. Area General Manager, Korba for information.
2. Chief Purchase Officer, Ranchi for information.

Sd/-
Dy. Supdt. of Collieries, Banki.

APPENDIX V

(*Vide* reply to recommendation at Serial No. 64 Page 69)

AGARWAL ENGINEERING COMPANY

MACHINERY MERCHANTS

CONTRACTORS TO PRINCIPAL GOVERNMENT DEPARTMENTS

27, Stephen House,
5, Dalhousie Square East,
Calcutta-1 (India).
P.O. Box No. 262.

Ref. : Agency/2478/64 — 24th July, 1964.

Shri R. S. Mathur,
Chief Purchase Officer,
National Coal Development Corporation Ltd.,
Darbhanga House, Ranchi.

Dear Sir,

We thank you for your letter No. CPO/BPM/Banki-Sur/Comp/925-R/Aggar/7271 dated 18/20th July.

We are so sorry to know that two of the four Ganz air compressors supplied by us are not working satisfactorily. We are, therefore, arranging to send a mechanic to the site to find out the exact nature of the trouble experienced, to enable us to rectify the same.

Assuring you of our best attention always, we are.

Yours faithfully,
for : Agarwal Engineering Co.,

Sd/-
(S. K. AGARWAL)

APPENDIX VI

(*Vide* Para 4 of Introduction)

Analysis of action taken by Government on the recommendations contained in the tenth Report of the Committee on Public Undertakings (Fourth Lok Sabha)

I.	Total Number of recommendations made	74
II.	Recommendations that have been accepted by Government (*vide* recommendations at S. Nos. 2, 4, 5, 6, 9, 10, 11, 14, 15, 17, 19, 20, 22, 23, 24, 30, 31, 38, 39, 40, 44, 46, 47, 49, 50, 51, 53, 54, 55, 56, 60, 61, 63, 65, 67, 68, 69, 70, 71, 72, 73, & 74)	42
	Percentage to total	57%
III.	Recommendations which the Committee do not desire to pursue in view of Government's reply (*vide* recommendations at S. Nos. 3, 7, 8, 12, 13, 16, 21, 25, 26, 27, 28, 29, 32, 33, 34, 35, 37, 41, 42, 43, 45, 48, 57, 58, 59, 62 & 66)	27
	Percentage to total	36%
IV.	Recommendations in respect of which replies of Government have not been accepted by the Committee (*vide* recommendations at S. Nos. 1, 18, 36, 52 & 64)	5
	Percentage to total	7%
V.	Recommendations in respect of which final replies of Government are still awaited	Nil

L53LSS/69—1,270—27-4-70—GIPF.

Sl. No.	Name of Agent	Agency No.
	. Book Agency, Connaught Place, New Delhi.	11
.5.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	3
26.	Atma Ram & Sons, Kashmere Gate, Delhi-6.	9
27.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11
28.	The Central News Agency, 23/90, Connaught Place, New Delhi.	15
29.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20
30.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.	23
31.	Bahree Brothers, 188, Lajpatrai Market, Delhi-6.	27
32.	Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi.	66
33.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.	68
34.	People's Publishing House, Rani Jhansi Road, New Delhi.	76
35.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	88
36.	Hind Book House, 82, Janpath, New Delhi.	95
37.	Bookwell, 4, Sant Narankari Colony, Kingsway Camp, Delhi-9.	96
	MANIPUR	
38.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annexe, Imphal.	77
	AGENTS IN FOREIGN COUNTRIES	
39.	The Secretary, Establishment Department, The High Commission of India House, Aldwych, LONDON, W. C.—2.	59

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fifth Edition) and printed by the Manager, Government of India Press, Faridabad.