

**THIRD REPORT**  
**COMMITTEE ON PUBLIC**  
**UNDERTAKINGS**  
**(1985-86)**

(EIGHTH LOK SABHA)

**CENTRAL COAL WASHERIES ORGANISATION**  
**(MINISTRY OF STEEL, MINES AND COAL—**  
**DEPARTMENT OF COAL)**

[Action taken by Government on the Recommendations contained in the 87th Report of the Committee on Public Undertakings (Seventh Lok Sabha)]



सममेव वयते

Presented to Lok Sabha on ..... 1985

Laid in Rajya Sabha on ..... 1985

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

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CORRIGENDA TO ~~THIRD~~ REPORT OF THE COMMITTEE  
ON PUBLIC UNDERTAKINGS (EIGHTH LOK SABHA).

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(1985-86)

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**1985-86**

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8. Shri S. M. Bhattam
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## INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this Third Report on Action Taken by Government on the recommendations contained in the 87th Report of the Committee on Public Undertakings (Seventh Lok Sabha) on Central Coal Washeries Organisation.

2. The 87th Report of the Committee on Public Undertakings 1983-84 was presented to Lok Sabha on 25 April, 1984. Replies of Government to all the recommendations contained in the Report were received by 20 March, 1985. The replies of Government were considered by the Action Taken Sub-Committee of the Committee on Public Undertakings (1985-86) on 6 August, 1985. The Committee considered and adopted this Report at their sitting held on 8 August, 1985.

3. An analysis of the action taken by Government on the recommendations contained in the 87th Report (1983-84) of the Committee is given in Appendix II.

NEW DELHI;  
August 12, 1985  
Shravana 24, 1907 (Saka)

K. RAMAMURTHY,  
Chairman,  
Committee on Public Undertakings.

## CHAPTER—I

### REPORT

The Report of the Committee deals with the action taken by Government on the recommendations contained in the Eighty-Seventh Report (Seventh Lok Sabha) of the Committee on Public Undertakings on Central Coal Washeries Organisation which was presented to Lok Sabha on 25 April, 1984.

2. Action Taken Notes have been received from Government in respect of all the 29 recommendations contained in the Report. These have been categorised as follows:—

(i) *Recommendations/observations that have been accepted by Government*

S. Nos. 1--15, 18, 20, 22, 23 and 26--29.

(ii) *Recommendations/observations which the Committee do not desire to pursue in view of Government's replies*

S. Nos. 17 and 19

(iii) *Recommendations/observations in respect of which reply of Government have not been accepted by the Committee*

-Nil-

(iv) *Recommendations/observations in respect of which final replies of Government are still awaited*

S. Nos. 16, 21, 24 and 25.

3. The Committee desire that the final replies in respect of recommendations for which only interim replies have been given by Government should be furnished to the Committee expeditiously.

The Committee will now deal with the action taken by Government on some of their recommendations.

A. *Committees appointed to examine various aspects of working of CCWO*

S. No. 4 (Paragraph 2.20), S. No. 5 (Paragraph 2.21), S. No. 11 (Paragraph 2.53), S. No. 15 (Paragraph 2.57), S. No. 16. (Paragraph

2.78), S No. 21 (Paragraph 2.87) and S. No. 24 (Paragraph 4.14).

4. In pursuance of the Committee's recommendations, a number of Committees have been appointed to go into various aspects of the working of CCWO. For example, a Committee has been set up to investigate into the reasons for low capacity utilisation in Dugda I & II washeries. A Committee has also been set up consisting of experts from coal and steel industries to review the existing linkages of raw coal to washeries and to suggest optimum linkages for raw coal as well as washed coal. Another Committee has been appointed to investigate into the circumstances under which there has been huge accumulation of middlings. Yet another Committee has been appointed to investigate into the working of weigh-bridges at CCWO washeries. Similarly, one more Committee has been appointed to identify the surplus inventories.

5. The Committee would like to emphasise that all these Committees should function under time-bound programmes and submit their Reports/findings by specified dates so that necessary steps are taken by the Government/Company to arrive at proper decisions for implementation at the earliest. The Committee would also emphasise that the progress made in the work of these Committees may be suitably monitored. Further there should be some coordination at an appropriate level to ensure that there is no duplication of effort by these Committees and contradictory recommendations on the same or allied issues by different Committees are avoided.

6. The Committee would also be interested to be apprised in due course about the recommendations made by these Committees and the action taken in pursuance of those recommendations.

#### *B. Performance of the Washeries*

S. No. 6 (Paragraph No. 2.22)

7. Dealing with the question of capacity utilisation of CCWO, washeries, the Committee had observed that the constraints which inhibited the utilisation of the installed capacity had not been eliminated and allowed to persist even after the lapse of a long period of more than 10 years. The Committee had expressed their disappointment at the lack of efforts on the part of authorities to set right the deficiencies affecting the performance of the washeries.

8. In their reply, the Government have stated that long term plans had been drawn by CCWO/BCCL for improving the performance of the washeries. These plans were in various stages of implementation.



It has been also stated that the five long-term projects undertaken in this connection were expected to be completed latest by March, 1985.

**9. The Committee would like to be informed whether these projects have since been completed and in case they have not been completed, so far, the expected date of their completion may be indicated. The reasons for slippages, if any, may be explained.**

*C. Utilisation of the available resources of Coal in the country*

*Recommendation S. No. 15 (Paragraph 2.57)*

10. In the context of available resources of prime coking coal and the washing facilities available in the country, the Committee had pointed out that there was need for introduction changes and modifications not only in the collieries and washeries but also in the steel plants and thermal power plants so that they could be run with the quality of coal available in the country.

11. In their reply Government have stated that there was continuous coordination between the Department of Steel and Department of Coal in so far as supply of coking coal to steel plants was concerned. In the case of thermal plants, it has been stated that even at the pre-investment stage, the quality of coal likely to be supplied to these plants is made known to them to enable them to design their boilers accordingly.

12. It is heartening to note that coordination is maintained between the Department of Coal and Department of Steel in the matter of supply of Coking Coal to Steel plants and close coordination also exists between various agencies in the Coal and Power sectors in regard to thermal plants. However, what needs to be emphasised is that new technologies should be adopted with a view to ensure that the steel plants and thermal power plants are designed or modified in such a manner that they can be efficiently run with the type of the coal available in the country. The Committee would be interested to know the concrete steps so far taken by the Department of Steel or the Ministry of Energy in the matter of designing/modifying steel plants and thermal power stations to match the quality of coking coal available for feed stocks.

## CHAPTER II

### RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation (Sl. No. 1, Paragraph 1.27)

The Committee note that in June, 1972, a proposal mooted by Bharat Coking Coal Ltd. for transfer to it of the four washeries of CCWO, which had been set up by the erstwhile Hindustan Steel Ltd. (now SAIL), was agreed to in principle by HSL on the consideration that it would ensure better coordination between production of prime coking coal and supply of washed coal to the Steel Plants. In April, 1973, the management of the CCWO washeries was entrusted to BCCL under the extraordinary device of a Power of Attorney issued in favour of the CMD, BCCL which enabled him to manage these washeries pending the de jure transfer of the ownership to BCCL. The peculiar feature of this Power of Attorney was that this vested power of management on the CMD of BCCL and not on BCCL as Company with the result that it was not the Board of BCCL which decided matters about washeries but the Board of SAIL. This created responsibility without authority. Under this arrangement the Department of Coal provided BCCL with the funds for capital requirements of the Washerries, while SAIL continued to pay for all the operational charges for CCWO as well as cost of raw materials to BCCL. This was a very anomalous position and very unsatisfactory state of affairs posing intricate problems of accounting and auditing. Under these circumstances there could not be effective control over management and operations of washeries either of SAIL or of BCCL. Although, in the beginning this arrangement which led to dual control, was made as an interim measure pending formal transfer of CCWO to BCCL, it has continued for more than 10 years affecting adversely the efficient and smooth functioning of the washeries.

#### Reply of Government

The ownership of the four coal washeries of CCWO held by Steel Authority of India (SAIL) has been transferred to Bharat Coking

Coal Limited with effect from 1-10-1983. The Transfer by registered instrument is, however, still to be done and the necessary formalities are being worked out by B.C.C.L. and SAIL.\*

[Ministry of Energy, Department of Coal O.M. No. 43011/7/83-CRC Dated 28-11-84]

### Recommendation (Sl. No. 2, Paragraph 1.28)

The Committee are surprised to find that the question of transfer of Ownership of CCWO washeries to BCCL was hanging fire for a period of 10 years as the *modus operandi* for the transfer of the assets and liabilities of one Government Company to another Government Company could not be mutually agreed upon for such a long time. This appears all the more strange particularly because the rationale behind the transfer of CCWO from SAIL to BCCL was never in doubt and the proposal had also been specifically cleared not once but twice, by the Cabinet first in 1976 and again in 1977, it is also pertinent to recall that the Committee on Public Undertakings (1980-81) who "having been convinced of the advantage of these washeries ownership resting with the coal company" had recommended that the ownership be transferred by SAIL to BCCL forthwith. Despite all these, it was only in September, 1983 that it was mutually agreed upon to effect the transfer w.e.f. 1st October, 1983. This is a typical case of inordinate delay in implementing a policy decision of the Cabinet by the civil servants. It seems fairly clear that the authorities concerned had shown less than ordinary interest in setting the matter, which cannot but be deprecated by the Committee. In view of the importance of the matter and the neglect that it has suffered so far, the Committee would like Government to ensure that all formalities are completed without further delay.

### Reply of the Government

In pursuance of the transfer of the four Coal Washeries of the CCWO from SAIL to BCCL w.e.f. 1-10-83, steps were taken to evaluate the compensation payable by BCCL to SAIL. The valuation of fixed assets has been completed. In regard to valuation of current assets, it has been decided that accumulated stocks of middlings and rejects as on 30-9-83 would continue to belong to SAIL. It would

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At the time of factual verification, Ministry of Steel, Mines and Coal (Department of Coal) informed that draft agreement for transfer of Central Coal Washeries Organisation from Steel Authority of India Ltd. to Bharat Coking Coal Ltd. has been sent to SAIL in August, 1984 and is pending finalisation.

(Ministry of Steel, Mines and Coal, Department of Coal, O.M. No. 43011/7/83-CRC (Vol. II) dated 25-7-1985).

be the responsibility of SAIL to sell these and take the realisation. In regard to dues payable by IISCO to SAIL, it has been decided that these may be kept out of the settlement of assets and liabilities as between the SAIL and BCCL.

It may be seen therefrom that several steps have already been taken to complete the formalities regarding the transfer of coal washeries from SAIL to BCCL. SAIL and BCCL are taking further necessary action to complete the legal formalities, early.

[Ministry of Energy, Department of Coal O.M. No. 43011/7/83-CRC dated 28-11-1984]

### **Recommendation (Serial No. 3, Paragraph 1.29)**

The interim arrangement, under which BCCL managed the washeries of CCWO but SAIL, as owner of the washeries, paid for all the operational charges as well as cost of raw materials was admittedly not satisfactory. It led to dual control on the activities of the CCWO which was not at all conducive to efficient functioning of the organisation. Further not only the objectives envisaged in transferring the ownership of CCWO to BCCL had not been realised, the continued dual control has had adverse repercussions on long term investments and improvements in the working of the washeries. The Committee recommended that since the dual control has now ended and ownership has been transferred to BCCL, all necessary measures, short term and long term, may be taken to remove the bottlenecks for improved and efficient functioning of the washeries.

### **Reply of the Government**

The following short-term|long-term action plans for improvements in the capacity utilisation and to improve the quality of washed coal have been drawn|envisaged and action has already been initiated:—

#### *Dugda-I*

- (i) Froth flotation for beneficiation of the coal.
- ii) Replacement of old jigs by modern jigs.
- iii) Installation of a stand-by tippler.
- iv) Replacement of all the 4 baths.
- v) Conversion of multiple-point loading to single. point loading for faster loading of washed coal rakes.
- vi) Replacement of the old bunker with an overhead one with better reclamation facilities.

*Dugda-II*

- i) Froth flotation for beneficiation of the coal.
- ii) Replacement of ROM screens by rubber lined screens for smooth operation with expected reduction in downtime.
- iii) Replacement of the existing reclaimer by a modern one.
- iv) Installation of a 120 tph crusher for crushing of oversize coal obtained from the recycling plant.
- v) Installation of de-shaling jig.

*Bhojudih*

- i) Replacement of existing jigs with a modern one is under consideration.

*Patherdih*

- i) Modernisation of the washery in collaboration with USSR is under consideration.\*

[Ministry of Energy, Department of Coal O.M. No. 43011/7/83-CRC dated 26-12-1984].

**Recommendation (Sl. No. 4, Paragraph 2.20)**

The Committee find that a high powered Committee constituted in 1970-71 to go into the problem of washeries, had after considering the past performance and present deficiencies of the washeries, recommended lower operating capacities as compared to high initial installed capacities. However, a review of the actual performance of washeries during the last 3 years reveals that except for Bhojudih Washery none of the washeries could attain even the derated capacity in any of the three years. The capacity utilisation has been particularly low in the case of Dugda-I and Dugda-II washeries during the year 1982-83. The reasons for very low capacity utilisation in these two washeries need to be investigated with a view to taking necessary remedial measures.

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\*At the time of factual verification, Ministry of Steel, Mines and Coal (Department of Coal) informed that the long term/short-term plans are at various stages of implementation.

(Ministry of Steel, Mines and Coal, Department of Coal, O.M. No 43011/7//83-CRC (Vol. II) dated 25-7-1985).

### Reply of the Government

A Committee to investigate the reasons for low capacity utilisation in Dugda-I and Dugda-II Washeries has been constituted on 3-12-1984 by the CMD|BCCL as suggested by COPU.\*

[Ministry of Energy, Department of Coal O.M. No. 43011|7|83-CRC dated 26-12-1984].

### Comments of the Committee

Please see Paras 5 and 6 of Chapter I of the Report.

#### .... Recommendation (Sl. No. 5 Paragraph 2.21)

In Bhojudih although the capacity utilisation during the last 3 years has been less than the rated capacity as per project report, it

was able to achieve a utilisation level which was more than the derated capacity in each of the 3 years. The Committee would be interested to know whether the Bhojudih Washery was free from the constraints which affected the capacity utilisation in other washeries. The Committee need hardly point out that such inter-se comparisons in the matter of capacity utilisation in different washeries under CCWO can, besides providing reliable measures for judging the performance efficiency of each washery, give an insight into constraints in capacity utilisation to the managements and prove useful in finding remedies for short-comings. They would urge that steps may be taken to maximise the capacity utilisation in each washery.

### Reply of the Government

A committee to investigate the reasons for low capacity utilisation in Dugda-I and Dugda-II Washeries has been constituted on 31-12-1984 by the CMD, BCCL:\*

[Ministry of Energy, Department of Coal O.M. No. 43011|7|83-CRC dated 26-12-1984].

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\*At the time of factual verification, Ministry of Steel, Mines & Coal (Department of Coal) informed that the Committee set up to examine the issue has submitted its Report which is under examination in BCCL.

(Ministry of Steel, Mines and Coal, Department of Coal, O.M. No. 43011/7/83-CRC (Vol. II) dated 25-7-1985).

### Comments of the Committee

Please see Paras 5 and 6 of Chapter I of the Report.

#### Recommendation (Sl. No. 6, Paragraph 2.22)

The Committee also find that the reasons given for lower capacity utilisation in CCWO washeries are more or less the same as were adduced in 1971 for denoting their installed capacities. These include deterioration in the quality of raw coal, irregular supply of wagons; irregular off-take of middlings etc. The two additional factors now coming in the way of capacity utilisation are stated to be power shortage and the plant maintenance. Thus, the constraints which inhibited the utilisation of the installed capacity had not been eliminated and allowed to persist even after the lapse of a long period of more than 10 years. The Committee are disappointed at the lack of efforts on the part of authorities to set right the deficiencies affecting the performance of the washeries.

#### Reply of the Government

The following long term plans were drawn by CCWO/BCCL and are in the various stages of implementation. The details are as follow:—

Sl No.	Project	Sanctioned investment (Rs. in lakhs)	Date of award of work	Expected date of completion
1.	Upgradation of small coal, Dugda-I	402.31	31-3-76	Feb./March 85
2.	Upgradation of sinks Dugda-II	331.69	31-3-76	Feb./-March 85
3.	Installation of Box wagon tippler, Dugda-I	107.0	15-1-80	March '85
4.	Beneficiation of fine coal, Dugda-I	350.0	18-6-81	Jan. 1985
5.	Beneficiation of fine coal, Dugda-II		18-6-81	March '85

The other actions envisaged for improving the performance of the Washerries are covered in reply to the recommendation No. 3.

[Ministry of Energy, Department of Coal O.M. No. 43011/7/83-CRC dated 26-12-1984].

#### Comments of the Committee

Please see Para 9 of Chapter I of the Report.

**Recommendation (Sl. No. 7, Paragraph 2.23)**

From the data furnished to the Committee it is seen that the loss in capacity utilisation in the year 1982-83 was as high as 9.10 per cent in Dugda I & II, 17.5 per cent in Bhogudih and 5.5 per cent in Patherdih Coal Washeries only on account of shortages of railway wagons for loading of washed coal and for supplies of raw coal from collieries to washeries. This is a disturbing state of affairs contrary to the impressions that is given from time to time that there was no dearth of wagons for movement of coal. The Committee desire that the matter regarding adequate supply of wagons of requisite type for the washeries should be sorted out at the level of Government.

**Reply of the Government**

By and large, now there is not much of scarcity of wagon supplies to the washeries in general. However, at time due to some problems faced by washeries like power failure, breakdowns etc. Railways withdraw wagons from the closed circuit movement and put them into open one to avoid wagon detention and it takes a few days to restore the wagon balance in the disturbed close circuit. However, the report with railway authorities is regularly maintained both at Headquarters level and Divisional level through periodic meeting and reviews.

[Ministry of Energy, Department of Coal O.M. No. 43011/7/83-CRC (Vol. II), dated the 20th November, 1984].

**Recommendation (Sl. No. 8, Paragraph 2.24)**

The rated input capacity of the washeries can be achieved within 4,000 effective working hours per annum. However, the actuals as regards the effective operating hours on load were always less than the norms because of increased downtime/shutdown of the plants for various reasons such as power failures, raw coal shortages, plants breakdowns and operational problems. The total shut down periods due to various reasons ranged between 16 and 28 per cent of the available hours during the last 3 years in all the washeries. Corrective measures to ensure fuller utilisation of available hours are reported to have been taken. These *inter alia* include provision of captive power supply for Patherdih Washery, review of preventive maintenance schedules of plants, taking up of coal upgradation schemes in Dugda-I & Dugda-II whsheries. The Committee would watch with



interest the impact of the remedial measures on the capacity utilisation of the washeries.

### **Reply of the Government**

As has been observed by the Committee, the Company has taken all necessary steps and measures to improve upon the capacity utilisation. As far as the upgradation scheme is concerned, it is expected to be put into commercial operation by February-March, 1985.\*

[Ministry of Energy, Department of Coal O.M. No. 43011|7|83-CRC (Vol. II), dated the 28th November, 1984].

### **Recommendation (Sl. No. 9, Paragraph 2.25)**

Plant shut-down account of breakdowns of machinery and operational troubles seem to occur frequently. In some of the washeries as much as 13 to 14 per cent of the total shut-downs were on these counts. This is clearly indicative of the fact that plants and machinery are quite old. The Committee, are, therefore, of the view that maintenance and replacement of plant and machinery must receive due priority.

### **Reply of the Government**

Utmost attention is given to attend to all break-downs of machinery and operational troubles etc. Similarly, the maintenance and replacement of plant and machinery also receive priority.

[Ministry of Energy, Department of Coal O.M. No. 43011|7|83-CRC dated 26-12-1984].

### **Recommendation (Sl. No. 10, Paragraph 2.52)**

For maintaining the efficiency of blast furnace and avoiding deleterious effect on steel making furnaces, coal with ash content not exceeding 17 per cent+0.5% is required to be used in the steel plants. During the years 1980-81 to 1982-83, as against the projected norms of 15 to 17 per cent ash content in the clean coal,

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\*At the time of factual verification, Ministry of Steel, Mines & Coal, (Department of Coal) informed that the Polish experts are to visit the site for setting up of figs enabling the upgradation plant to be commissioned. BCCL has taken up the matter with EPIL for arranging visit of Polish experts.

[Ministry of Steel, Mines & Coal, Department of Coal, O.M. No. 430 11/7/83-CRC (Vol. II) dated 25-7-1985].

the ash content in the clean coal produced by CCWO washeries ranged between 18.8 and 22.8 per cent. Admittedly there have been complaints from steel plants about high ash content of washed coal. According to BCCL the main reason for high ash content in the clean coal was that the raw coal fed in the washeries was coming from lower and deeper seams, which were inherently of poor quality having more of ash content. The problem had also aggravated because the overall availability of good quality prime coking coal had been considerably depleted with the result that prime coking coal of lower seams with relatively inferior washability characteristics has been supplied to the washeries. The solution to the problem lay only in increasing the production of good primary coking coal by identifying potential areas in the various existing mines. The Committee has been informed that for this purpose the work regarding reconstruction of the entire Jharia Coalfields had been undertaken. The scheme is expected to cost about Rs. 5,000 crores and was likely to take a period of 20 years to complete. This is obviously a long term plant. But to cope with the immediate requirements of coking coal of requisite quality for steel plants there is need for taking short-term and result-oriented measures.

### **Reply of the Government**

The following short-term programmes have been taken by BCCL to augment production from higher seam i.e. from X and above. All these programmes are from existing mines which are at relatively lower depth (a) Lodhna (b) Burragarh (c) Bhadrachak (d) Loyabad (e) Hurriladh (f) Madhuband (g) Bagdigi.

The augmented production of better quality coal from the above sources will result in additional coal availability by 0.15 million tonnes in the year 1985-86 to 1.2 million tonnes in the year 1989-90. All these coal will be coming from upper seams (X seam and above) resulting in better feed-mix of coal to the washeries.

[Ministry of Energy, Department of Coal O.M. No. 43011/7/83-CRC Vol. II), dated 26-12-1984].

### **Recommendation (Sl. No. 11, Paragraph 2.53)**

One of the objectives envisaged in transporting the ownership of CCWO to BCCL was that with re-organisation/reconstruction of Jharia Coalfields the command areas of the Washeries would be so rationalised as to give coal of the requisite quality depending upon

the technique of the washing in the respective Washeries. The Department of Steel feel that there is no judicious distribution of available raw coal to various coal washeries. The Secretary Coal had in a meeting held on 23rd September, 1983, also expressed similar feelings when he observed that "there appeared to be no proper procedure for selection of mines for supply of raw coal to Washeries". The Committee cannot but emphasise that immediate steps need to be taken to ensure that as far as possible raw coal suitable for washing in respective washeries should be supplied from the already identified collieries and seams.

### Reply of the Government

With the planned growth in production envisaged in re-organisation/reconstruction of Jharia Coalfield, adequate quantity of raw coal of suitable quality would be available for the existing as well as new washeries which would come up. With this increase in production it would be possible to plan judiciously linkage of raw coal to the various washeries taking into account the design aspect of the washeries. Due to number of constraints, for example, acquisition of land for the projects, availability of power, delay in procurement of plant and machinery, the Reconstruction Plan has not gone as per schedule. It must, however, be emphasised that a beginning only has been made with the reconstruction plan and it is premature at this stage to judge whether the objective envisaged in transferring the ownership of CCWO washeries to BCCL in so far as rationalisation of washery command areas is concerned, has been fulfilled.

With the older mines getting exhausted, it is necessary to continuously review the feed of raw coal to all the washeries. This is done periodically to ensure that the quality of raw coal fed to any particular washery is by and large consistent. A Committee has been set up consisting of experts from the coal and steel industries to examine the existing linkages and to suggest optimum linkages for the 7th Five Year Plan. The detailed terms of reference of the Committee are as under

1. To go into the entire linkage of coking coal supply to steel plants, including the demand of coking coal derived from hot metal production and the availability and thereby to update the findings of the Chattopadhyay Committee.
2. To identify new sources for supply of coal of quality acceptable to the washeries and to the steel plants so as

to ensure maintenance of the quality of the coking coal charged to the ovens.

3. To review the existing linkages for supply of raw coal feed to washeries and the linkages for direct feed supply to the steel plants and to recommend revision of such linkages wherever necessary.
4. To review linkages for new washeries which are under construction.
5. To recommend measures needed for meeting the gap, if any, anticipated between availability of raw coal in the existing mines and under development and the requirement of existing and new steel plants.
6. To go into the question of interim supplies to Visakapatnam Steel Plant in view of the possible slippage of the linked washeries in relation to the commissioning of the VSP.

[Ministry of Energy, Department of Coal O.M. No. 43011/7/83-CRC dated the 28th November, 1984].

#### **Comments of the Committee**

Please see Paras 5 and 6 of Chapter I of the Report.

#### **Recommendation (Sl. No. 12, Paragraph 2.54)**

Another step that can be taken to minimise the problem of poor quality feed stock for washeries is coal produced by different collieries of BCCL may be so scientifically blended as to ensure suitable feed for the washeries.

#### **Reply of the Government**

The Committee's recommendation is noted. The feasibility of improvement in the existing blending facilities in washeries will be examined.\*

[Ministry of Energy, Department of Coal O.M. No. 43011/7/83-CRC (Vol. II), dated 16th December, 1984].

\*At the time of factual verification, Ministry of Steel, Mines and Coal (Department of Coal) informed that the matter has been taken up by BCCL with CEMPDIL for preparing the feasibility report. CEMPDIL experts have visited the site for preliminary survey.

[Ministry of Steel, Mines & Coal, Department of Coal, O.M. No. 43011/7/83-CRC (Vol. II) dated 25-7-1985].

### **Recommendation (Sl. No. 13, Paragraph 2.55)**

The existing washeries which were originally designed to process raw coals of certain ash content are not able to bring down the ash to the level desired by the steel plants because of increase in the degree of ash content in raw coal. In order to tackle this problem some modifications are stated to have already been made in Dugda-I, Dugda-II and Patherdih Washeries. The Committee desire that it may be considered if further modifications can be carried out in the existing plants and equipments with a view to ensure that washed coal with requisite ash content may be obtained from the available feed stock.

### **Reply of the Government**

The steps which are being taken to improve the quality of washed coal have been enumerated in replies to Recommendation No. 3.

[Ministry of Energy, Department of Coal O.M. No. 43011|7|83-CRC dated 26-12-1984].

### **Recommendation (Sl. No. 14, Paragraph 2.56)**

The Committee have been informed that R & D division of BCCL was doing a lot of work, with the help of the Central Fuel Research Institute, on the question of reducing ash contents of the washed coal. Some processes like 'Oil Agglomeration', 'demineralisation' and 'bleaching' have been developed and are being tested. The Committee feel that more concerted efforts are required to be put in because ultimately only R&D will help us in upgrading the technology for utilising the abundantly available stocks of raw coal with high ash content.

### **Reply of the Government**

Under the R&D programme of BCCL, a 2 TPH pilot Plant using oil agglomeration technique for beneficiation of fine coal slurry, has already been installed at its Lodna Washery. Trials have already been conducted and data and information collected in respect of this technique for upgrading raw coal slurry, crushed middlings fines and coal from lower seams of Jharia coalfield.

As per decision in the high power meeting with Director General, CSIR with CFRI Scientists and BCCL representatives, CFRI have conducted tests at their 100 kg/hr. bench scale plant to rectify some engineering problems at 2 TPH plant at Lodna. Based on the results

of experiments, CFRI has suggested some modification/instrumentation in Feb., '84 which are currently being implemented and it is expected that 2 TPH plant will be given trial after procurement of different equipment in November, 1984.

The data obtained in experiments so far conducted in 2TPH plant at Lodna have been used for scaling up the process from 2 tonnes to a 10-tonne per hour demonstration plant which is to be installed at Patherdih Coal Washery for indepth study of the process and engineering aspects for further scaling up alongwith the commercial availability of the process.\*

[Ministry of Energy, Department of Coal O.M. No. 43011/7/83-CRC (Vol. II), dated 28-11-1984].

### **Recommendation (Sl. No. 15, Paragraph 2.57)**

In the context of the available resources of prime coking coal and the washing facilities in the country, the Secretary Coal painted a very bleak picture by stating that the country can never become self-sufficient in the matter of coking coal of requisite quality and some quantity of coking coal will always have to be imported to meet the total requirements of the steel plants. In order to overcome this constraint in regard to steel production in the country, the Committee feel there is need for introducing changes and modifications not only in the washeries and collieries but also in the steel plants. The designing of the new steel plants, and for that matter designing of Thermal Plants as well, should be done in future in a manner that they are able to run with the quality of coal available in the country. The Committee need hardly emphasise that there should be complete and close co-ordination between the Department of Coal, Steel and mines so that there is an integrated approach in ensuring self-reliance in regard to supply of coking coal for steel production.

### **Reply of the Government**

It is a fact that the resources of prime coking coal in the country is limited. As per the latest assessment available with us, prime coking coal forms only 33 per cent of the total coking coal reserves. There is thus, an obvious imbalance in the resource availability of prime coking coal in relation to its actual use at the steel plants.

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\*At the time of final verification, Ministry of Steel, Mines & Coal (Department of Coal) informed that erection of 10 t.p.h. Oil agglomeration plant is in progress. The civil engineering activities have been completed. !!!

[Ministry of Steel, Mines & Coal, Department of Coal, O.M. No. 43011/7/83-CRC (Vol. II) dated 25-7-1985].

An analysis of the demand and availability picture of coking coal for the steel plants for the year 1984-85 has revealed that there would be shortfall of 0.663 million tonnes in the availability of prime coking coal. This gap obviously will have to be closed by import. During the 7th plan period also there is likely to be a gap between the demand and availability for the steel plants. The actual position is currently being assessed by a Working Group appointed by the Department of Coal and the final picture will be known after publication of the report.

There is continuous coordination between the Department of Steel and Department of Coal in so far as supply of coking coal to steel plants is concerned. A committee has been set up consisting of experts from coal and steel industries to review the existing linkages of raw coal to washeries and to suggest optimum linkages for raw coal as well as washed coal. This Committee has the following terms of reference:—

1. To go into the entire linkage of coking coal supply to steel plants, including the demand of coking coal derived from hot metal production and the availability and thereby to update the findings of the Chattopadhyaya Committee.
2. To identify new sources for supply of coal quality acceptable to the washeries and to the steel plants so as to ensure maintenance of the quality of the coking coal charged to the ovens.
3. To review the existing linkages for supply of raw coal feed to washeries and the linkages for direct feed supply to the steel plants and to recommend revision of such linkages, wherever necessary.
4. To review linkages for new washeries which are under construction.
5. To recommend measures needed for meeting the gap, if any, anticipated between availability of raw coal in the existing mines and mines under development and the requirement of the existing and new steel plants.
6. To go into the question of interim supplies to VSP in view of the possible slippage of the linked washeries in relation to the commissioning of the VSP.

The report of this Committee would form the basis of the 7th Plan programme for production and supply of coking coal.

In so far as thermal plants are concerned, there already exists close coordination between various agencies in the power and the coal sectors. The quality of coal likely to be produced from the mines linked to the power stations is informed to the thermal power stations even at the *preinvestment* stage, to enable them to design their boilers to suit the type of coal likely to be supplied.

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/83-CRC dated 28-11-1984].

### Comments of the Committee

Please see Paras 5, 6 and 12 of Chapter I of the Report.

### Recommendations (Sl. No. 18, Paragraph 2.80)

The Committee note that the main users of the middlings are the thermal power stations. In terms of a policy laid down by Government in January, 1971, the thermal power stations located near the coal washeries are required to utilise the washery middlings having an ash content upto 45 per cent. Each of the 4 Washerries of CCWO has been linked to particular thermal power station for disposal of middlings. However, the off-take of the middlings by the concerned thermal power stations has not been commensurate with the total arisings because the ash content of the middlings was more than the desirable limits. This called for action either to upgrade the middlings or to modify the thermal plants so that they could consume middlings with higher ash contents. The Committee have been informed that Dugda-II washery which is presently a 2-product washery is being converted into a 3-product Washery. Middlings produced by this washery after conversion will be suitable for the power houses. The Committee trust that efforts will be made to complete the conversion work without further loss of time.

### Reply of the Government

The erection works of Dugda-II Upgradation Plant making it from a two product washery to three product one have since been completed. Commercial operation of the plant is yet to be commissioned fully. As such the exact benefit in terms of ash percentage are not ascertainable.\*

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/83-CRC dated 28-11-1984].

\*At the time of final verification, Ministry of Steel, Mines & Coal, (Department of Coal) informed that the Polish experts are to visit the site for setting up of figs enabling the upgradation plant to be commissioned. BCCL has taken up the matter with EPII for arranging visit of Polish experts.

[Ministry of Steel, Mines & Coal, Department of Coal, O.M. No. 43011/7/83-CRL (Vol. II) dated 25-7-1985].



**Recommendation (Sl. No. 20, Paragraph 2.82)**

The Committee were informed that new technologies had been developed which made it possible to use the middlings with ash contents ranging from 43 to 53 per cent for power generation in thermal stations. One such power plant was reportedly using such middlings. BHEL was also reported to be working on the design of a boiler which can use middlings with higher ash contents. These are the steps in the right direction and the Committee wish to stress that concerted efforts should be made to enable large arising of middlings with higher ash contents being put to economic use.

**Reply of the Government**

A major quantity of middlings is already linked to the functioning thermal power stations. For burning poorer qualities of middlings as well as combustible rejects tests have already been carried out at the BHEL pilot plant at Tiruchy. This fluidised bed combustion process is expected to be used for power generation at an appropriate location in the coalfields and will use washery middlings and rejects to the extent possible.

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/83-CRC Vol. II), dated 28-11-84].

**Recommendation (Sl. No. 22, Paragraph 3.9)**

The Committee find that there has been steep increase in the actual cost of production of washed coal during the years 1979-80 to 1981-82. In Dugda-I and Dugda-II washeries the actual cost of production per tonne increase from Rs. 274.07 in 1979-80 to Rs. 390.32 in 1981-82, in Bhojudih Washery the actual cost of production per tonne increased from Rs. 196.33 in 1978-80 to Rs. 284.57 in 1981-82 and similarly in case of Patherdih Washery the actual cost of production per tonne increased from Rs. 229.94 in 1979-80 to Rs. 336.40 in 1981-82. The actual cost of production of the main product (Washed Coal) was also higher than the target cost in all the Washeries except Bhojudih during all these years. This is indicative of laxity in cost control. The Committee desire that proper cost control measures may be introduced and strictly followed.

**Reply of the Government**

The cost of production will vary from period to period due to changing price levels of various inputs. The Company has however taken all steps to contain the cost of production within the target costs. There has been some appreciable improvement in this regard. The

variation between the target cost and the actual cost has come down quite substantially as can be evident from the following table:

Washery	1981-82	1983-84
<b>1. Dugda I and II</b>		
(i) Target cost	Rs. 355.20	Rs. 496.94
(ii) Actual cost . . . . .	Rs. 390.32	Rs. 514.52
(iii) % of variation	9.9	3.5
<b>2. Bhoujudih</b>		
(i) Target cost.	Rs. 295.32	Rs. 381.91
(ii) Actual cost . . . . .	Rs. 284.57	Rs. 389.09
(iii) % of variation	(-) 3.7	1.9
<b>3. Patherdih</b>		
(i) Target cost . . . . .	Rs. 302.60	Rs. 413.63
(ii) Actual cost . . . . .	Rs. 336.40	Rs. 423.15
(iii) % of variation	Rs. 11.1	2.3

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/84  
CRC dated 28-11-1984].

### Recommendation (Sl. No. 23, Paragraph 3.10)

The operating cost in all the washeries has also been gone up in the last 10 years from a level of about Rs. 21/- per tonne in a level of about Rs. 73/- per tonne in the case of Dugda-I and II, from Rs. 12/- to Rs. 39/- in the case of Bhoujudih and from Rs. 18/- to Rs. 64/- in the case of Patherdih. The current level of operating cost in the CCL Washerries at Kargali, Kathara, Swang and Gidi is stated to be hardly 60 per cent of the above figures. Another index of efficiency of operation of washery is consumption of magnetite. The consumption of magnetite in all the washeries except Bhoujudih has increased from 1.7 Kg. per tonne to over 3 Kg. per tonne during the last 10 years in Dugda-I, and in case of Dugda-II from 1.86 Kg. to over 4 Kg. per tonne and in case of Patherdih from 1.30 Kg. to 2 Kg. per tonne. The Committee recommend that factors leading to higher operating costs and those resulting in higher consumption of magnetite may be identified with a view to taking remedial measures.

### Reply of the Government

- (i) The operating cost in CCWO Washeries as compared to CCL Washeries is higher because of (i) Extra handling of materials including middlings and slurry as compared to CCWO Washeries; (ii) Freight—It is not normally paid in case of pit-head washery where the transport is generally to a short distance.

The increase in operating cost in 1983-84 over 1982-83 has been mainly due to:

- (i) Decrease in yield
  - (ii) Increase in stores cost
  - (iii) Increase in wages
  - (iv) Increase in power cost.
- (ii) The increase in consumption of magnetite have been mainly due to:—
- (I) drainage and overflows in the system caused by frequent power interruptions.
  - (II) Poor magnetic content of magnetite ore supplies from the captive magnetite mine of BCCL (Gore Mines) in Daltanganj and the mines belonging to Bihar State Mineral Development Corporation.

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/84  
CRC dated 28-11-1984].

### Recommendation (Sl. No. 26, Paragraph 4.16)

Now that the question of ownership has been settled the Committee recommend that the position regarding inventory of stores and spares may be thoroughly reviewed by the Deptt. of Coal with a view to identify the surplus stores. The slow moving stores and spares may be segregated and earnest efforts may be made to dispose of the surplus stocks. The committee would like to be apprised of the outcome of the efforts made in this behalf. There is also need for laying down proper norms for inventory holdings. While doing so the inventory holdings of the other washeries of the BCCL may be kept in view.

### Reply of the Government

TA Action for identification of surplus slow-moving stores and spares  
10 have already been initiated by constituting departmental committee.

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After the surplus stores are identified slow moving stores and spares will be segregated and action for their disposal taken.

For laying down proper norms for inventory holdings National Productivity Council will be engaged who have already been assigned the task of manpower assessment and O.T. incidence studies. While laying the norms, NPC will be advised to keep in view inventory holdings in other washeries of BCCL.\*

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/84  
CRC dated 28-11-1984].

### **Recommendation (Sl. No. 27, Paragraph 5.11)**

The Committee find that considering the main responsibilities of the washeries the standard force for all the washeries had been fixed in July, 1972. However, the actual staff strength during the years 1980-81 and 1982-83 has been much more than the standard strength. The Committee was also informed that according to an O & M study conducted in the washeries standard force had been fixed at 3071 against which the actual strength was 3003. The Committee feel that for a realistic appraisal of the manpower requirements the National Productivity Council may be entrusted with a manpower study as agreed to by the CMD, BCCL.

### **Reply of the Government**

National Productivity Council has been assigned to take up the study:\*\*

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/84  
CRC dated 28-11-1984].

### **Recommendation (Sl. No. 28, Paragraph 5.12)**

From the data made available to them, the Committee find that incidence of overtime in CCWO Washeries has increased from a level of about 12.14 per cent of the wages in 1972-73 to a level of 42.50 per cent of the wages in 1982-83. Interestingly it has been brought to Committee's notice that on account of over-time payments made in the year 1979-80, two of the non executives of the Washeries had to

\*At the time of factual verification, the Ministry of Steel, Mines & Coal (Department of Coal) informed that the departmental Committee set up by BCCL has submitted its Report to BCCL. The spares worth Rs.104 lakh (approx.) have been identified and declared as non-moving/surplus. Action has been initiated by BCCL for its disposal

[Ministry of Steel, Mines & Coal, Department of Coal, O.M. No. 43011/7/83-CRC (Vol. II) dated 25-7-1985]

\*\*At the time of factual verification, Ministry of Steel, Mines & Coal (Department of Coal) informed that National Productivity Council has already started the job.

[Ministry of Steel, Mines & Coal, Department of Coal, O.M. No. 43011/83-CRC (Vol. II) dated 25-7-1985].

be listed in the published accounts alongwith other officers, who were earning above Rs. 36,000/- per annum. This discloses the extraordinary heavy payment of overtime pay allowance in the Organisation. The Committee would urge that justification for such high incidence of overtime payment should be gone into and the remedial steps taken to ensure that the payments of wages and overtime allowance are commensurate with the level of production and productivity achieved in each washery. The Committee would commend this aspect of these study also being entrusted to the NPC.

### Reply of the Government

National Productivity of Council has been assigned to take up the study.\*

[Ministry of Energy (Department of Coal) O.M. No. 43011/784  
CRC dated 28-11-1984].

### Recommendation (Sl. No. 29, Paragraph 6.5)

The Committee find that against the total investment of Rs. 40.36 crores made in the CCWO Washeries, the cumulative profit reportedly earned by the washeries comes to Rs. 22.90 crores at the end of 1982-83. This figure is clearly misleading in as much as it also includes the assessed value of accumulated middlings. Though the assessed value of the middlings at the end of the year 1982-83 has been shown in the accounts at Rs. 29.14 crores, this is only a national figures because at one time BCCL felt that accumulated stocks of middlings are worth nothing. Obviously, therefore, if no value is assigned to the middlings; the figures of cumulative profit will get transformed into one of cumulative losses. The Committee thus find that the marketability of middlings is crucial to the profitability of the Organisation. They would await the attempts made to dispose of the accumulated middlings and the value realised. For the future the Committee suggest that on the basis of the experience gained the inventory of middlings should be realistically valued in order that the accounts may depict the true picture of financial results of the working of the organisation.

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\*At the time of factual verification, Ministry of Steel, Mines and Coal (Department of Coal) informed that National Productivity Council has already started the job.

TAA [Ministry of Steel, Mines & Coal, Department of Coal, O.M. No. 43011/783-CRC (Vol. II) dated 25-7-1985].

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**Reply of the Government**

The recommendations of the Committee in regard to the need to value the inventory of middlings on a realistic basis is accepted. However, we would like to state that the cumulative profit of Rs. 22.90 crores appearing in the accounts of CCWO represents the profit made in the sale of washed coal to TISCO and IISCO and it is independent of the valuation of the middlings because of the washed coal despatched to the SAIL Steel Plants was being priced on the basis of actual expenditure. Had there been no despatches to TISCO and IISCO there would not have any profit or loss in the accounts of CCWO as entire washed coal despatches could have been priced and transferred to the SAIL Steel Plants on the cost of production. The profit of Rs. 22.90 crores is, therefore not related to or arising from the valuation of middlings.

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/84  
CRC dated 28-11-1984].

### CHAPTER III

#### RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

##### **Recommendation (Sl. No. 17 Paragraph 2.79)**

Now that the question of ownership of CCWO Washeries seems to have been finally settled, the Committee can only express the hope that all out efforts will be made to dispose of the accumulated stocks of the middlings and nation's resources will not be allowed to go waste. The Committee would like to be apprised of the precise action taken in the matter. The Committee would also be interested to know at what value the middlings and rejects have been transferred to BCCL at the time of transfer of ownership of these washeries.

##### **Reply of the Government**

In a meeting taken by Secretary (Expenditure) on 20-3-84, which was attended among others by Secretary (C), Secretary (Steel), DG (BPE), Chairman (SAIL) etc., it was decided that whatever accumulated stocks of middlings are there, as on 30-9-83, they would continue to belong to SAIL and it is the responsibility SAIL to sell these and take the realisation would work out, in conjunction with CIL the modalities of the disposal so that there were no competition between the organisations for disposal of middlings.

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/83-  
CRC Dated 28-11-84]

##### **Recommendation (Sl. No. 19 Paragraph 2.81)**

Similarly, a scheme for upgradation of the sinks of Bhojudih washery was stated to be under implementation. The Committee would like to be informed of the actual progress made in this project.

##### **Reply of the Government**

In order to upgrade the sinks of Bhojudih Washery, the plant was modified in 1977. However, the scheme could not be put into operation due to various operational constraints which arose as a consequence of market deterioration in the quality characteristics of the sinks which was not envisaged at the time of taking up the upgradation work

based on washability and quality characteristics of washery sinks towards its upgradation. The Coal characteristics and the corresponding sinks quality started deteriorating. The deterioration affected not only the quality characteristics of the sinks meant for upgradation but also the quality and yield of washed coal, the prime-product of the Washery.

Meanwhile, considering the deterioration in the quality characteristics of the feed stock and difficulties faced for upgrading the same, certain further modifications were carried out to separate out true middlings from the Baum Jig circuits of the plant, washing 25 mm-C size fraction of the raw coal feed. This alternative scheme has been functioning since 1979 and the middlings thus produced are linked to thermal power station.

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/83-  
CRC Dated 28-11-84]



**CHAPTER IV**

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

**—NIL—**

## CHAPTER V

### RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

#### **Recommendation (Sl. No. 16, Paragraph 2.78)**

A serious problem in the satisfactory functioning of the CCWO Washeries has been the poor off-take of the middlings, which is a necessary by-product of a coal washery. By the end of the year 1982-83 the four washeries had accumulated huge stocks of middlings, whose value was assessed at Rs. 29.14 crores. The Committee was dismayed to learn that the valuation of middlings has been a bone of contention between the SAIL and the BCCL and was a vital factor leading to delay in finalisation of modalities for transfer of ownership of the washeries. This incidentally provides a cue to the lack of efforts on the part of BCCL to dispose of the accumulated stocks of middlings. After having taken a position that the middlings should be passed on by SAIL to BCCL at nil value, the BCCL did not obviously put in any efforts to dispose of middlings lest they were proved wrong. Otherwise there can be no justification for BCCL to consider that middlings were not marketable when middlings washery sinks of similar quality of the other washeries of Coal India Ltd., were selling in large quantities. Further in view of the overall shortage of coal supply in the country it is inconceivable that there is no taker for the middlings. The Committee, therefore, desire the circumstances under which there was huge accumulation should be investigated for appropriate action.

#### **Reply of the Government**

A Committee has been constituted on 1-10-1984 by CMD/BCCL to investigate into the circumstances under which there has been huge accumulation of middlings. The points raised by Central Vigilance Commission in the matter has also been covered under the terms of references of the Committee. The Committee is already on the job and will be submitting its report shortly.\*

(Ministry of Steel, Mines & Coal Department of Coal O.M.  
No. 43011/7/84-CRC Dated 20-3-1985)

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\*At the time of factual verification, Ministry of Steel, Mines & Coal (Department of Coal) informed that the Committee set up to examine the issue has submitted its Report which is under examination in BCCL.

[Ministry of Steel, Mines & Coal, Department of Coal, O.M. No. 43011/7/84-CRC (Vol. II) dated 25-7-1985].

### Comments of the Committee

Please see Paras 5 and 6 of Chapter I of the Report.

#### Recommendation (Sl. No. 21, Paragraph 2.87)

In their report under Section 619(3) of the Companies Act, 1956 on the accounts of CCWO for the year 1981-82 the statutory auditors have brought out that proper records of receipt and despatch of coal from washeries have not been maintained. This is due to the fact that washery weigh bridges have remained out of order for months together. The Committee also note from the evidence of the undertakings that weigh-bridge have not only remained out of order for long period, their repair has also taken very long time. The Committee would like the Government to investigate such past cases with a view to pin point responsibility for failure in proper maintenance etc. The Government should also assess the amount of losses suffered by the Organisation due to weigh-bridges being out of commission for long periods. The Committee feel concerned about the lack of care in maintaining the weigh-bridge and would like to stress that proper attention should be paid to ensure that the weigh bridges remain in working order all the time. Wherever necessary the old weigh-bridges may be replaced by new ones in a phased manner.

#### Reply of the Government

A Committee has been constituted on 30-11-84 by CMD|BCCL to investigate into the working of weigh-bridges at CCWO Washeries.\*

(Ministry of Energy, Department of Coal O.M. No. 43011/7|83-CRC Dated 26-12-84)

### Comments of the Committee

Please see Paras 5 and 6 of Chapter I of the Report.

#### Recommendation (Sl. No. 24, Paragraph 4.14)

As on 31st March, 1983 the CCWO Washeries and inventory holdings, comprising of finished, semifinished products, raw materials and stores and spares, of the order of Rs. 45 crores. Apart from the accumulated stocks of middlings which accounted for inventory worth

At the time of factual verification, Ministry of Steel, Mines & Coal (Department of TAMIL informed that the Committee set up to examine issues have submitted their which is under examination in BCCL,

10. The [Ministry of Steel, Mines & Coal, Department of Coal, O.M. No. 43011/7| M.M. 13-CRC (Vol. II) dated 25-7-1985].

Rs. 29.14 crores stores and spare constituted the other major components of the inventory holdings. At the end of 1982-83, the inventory holdings on account of stores and spares stood at Rs. 10.13 crores. This represented 29 months consumptions of stores and spares. It is interesting to note that in 1970-71 one of the reasons given by a High Powered Committee for recommending lower operating capacities for washeries was the non-availability of spares in time. Since then it appears the stores and spares have been acquired at a faster pace without taking into account their actual requirement. The CMD, BCCL was frank enough to admit that there had been an over estimation as the purchases were in excess of the real requirement. The Committee suggest that the over-provisioning be investigated with a view to fixing responsibility.

### **Reply of the Government**

A Committee has been constituted to identify the surplus inventories. Further necessary action in the matter will be taken after receipt of the report, which is awaited.\*

(Ministry of Steel, Mines & Coal Department of Coal O.M.  
No. 43011/7/83-CRC Dt. 20-3-85)

### **Comments of the Committee**

Please see Paras 5 and 6 of Chapter I of the Report.

### **Recommendation (Sl. No. 25, Paragraph 4.15)**

It has been stated that since the washeries were owned by SAIL upto 31-9-1983 and not by BCCL, the Department of Coal had not looked into the problem of inventories. The Committee would like to know how the Department of Steel failed to review the position. In this connection they would also like to know whether there was periodic performance review of CCWO at the Government level since 1972.

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\*At the time of factual verification, Ministry of Steel, Mines & Coal (Department of Coal) informed that the Committee set up to examine the issue has submitted its Report which is under examination in BCCL.

(Ministry of Steel, Mines & Coal, Department of Coal, O.M. No. 43011/83-CRC (Vol. II) dated 25-7-1985).

**Reply of the Government**

The action taken report in this regard is being obtained from the Department of Steel and will be sent separately.

[Ministry of Energy (Department of Coal) O.M. No. 43011/7/83-  
CRC (Vol. II) Dated: 28-11-84]

K. RAMAMURTHY,

Chairman,

Committee on Public Undertakings

NEW DELHI;

August 12, 1985

Sravana 24, 1907 (Saka)

## APPENDIX I

*Minutes of the Fifth sitting of Committee on Public Undertakings  
held on 8-8-1985*

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The Committee sat from 15.30 hrs. to 16.10 hrs.

### PRESENT

Shri K. Ramamurthy—*Chairman*

### MEMBERS

2. Shri S. M. Bhattam
3. Shri Satyagopal Misra
4. Shri Brajamohan Mohanty
5. Shrimati Geeta Mukherjee
6. Shri D. K. Naikar
7. Shri Ram Bhagat Paswan
8. Shri V. S. Vijayaraghavan
9. Shri Ashwani Kumar
10. Shri Nand Kishore Bhatt
11. Dr. Shanti G. Patel

### SECRETARIAT

1. Shri M. K. Mathur—*Chief Financial Committee Officer.*
2. Shri G. S. Bhasin—*Senior Financial Committee Officer.*
3. Shri Rup Chand—*Senior Financial Committee Officer.*

### OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

1. Shri K. N. Row—*Chairman, Audit Board and Ex-Officio  
Additional Deputy Comptroller & Auditor  
General (Commercial).*

2. Shri K. Lakshmana Rao—*Secretary, Audit Board.*

The Committee considered the following Action Taken Reports, as approved by the Action Taken Sub-Committee and adopted the same:—

- (i) Action Taken Report on 87th Report of CPU (1983-84) on Central Coal Washeries Organisation.

\* \* \* \*

The Committee authorised the Chairman to finalise the Reports on the basis of factual verification by the Ministries/Undertakings concerned and Audit and present the same to Parliament.

\* \* \* \*

## APPENDIX II

(Vide para 3 of introduction)

*Analysis of action taken by Government on the recommendations contained in the Eighty-seventh Report of the Committee on Public Undertakings. (Seventh Lok Sabha)*

I.	Total number of recommendations made . . . . .	29
II.	Recommendations that have been accepted by the Government (Vide recommendations at S.Nos. 1—15, 18, 20, 22, 23 and 26-29) . . . . .	23
	Percentage to total . . . . .	79.30
III.	Recommendations which the Committee do not desire to pursue in view of Government's reply (Vide recommendations at S.Nos. 17 and 19). . . . .	2
	Percentage to total . . . . .	6.9
IV.	Recommendations in respect of which replies of Government have not been accepted by the Committee . . . . .	NIL
	Percentage to total . . . . .	NIL
V.	Recommendations in respect of which final replies of Government are still awaited (Vide recommendations at S.Nos. 16, 21, 24 and 25) . . . . .	4
	Percentage to total . . . . .	13.80



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