SIXTY-FOURTH REPORT

PUBLIC ACCOUNTS COMMITTEE (1986-87)

(EIGHTH LOK SABHA)

COAL AND COKE MOVEMENTS

MINISTRY OF RAILWAYS (RAILWAY BOARD)

Presented in Lok Sabha on 27 November, 1986
Laid in Rajya Sabha on 27 November, 1986

LOK SABHA SECRETARIAT
NEW DELHI

November, 1986/Kartika, 1908 (Saka)

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CORRIGENDA TO 64TH REPORT OF THE PUBLIC ACCOUNTS COMMITTEE (1986-87)

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INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this 64th Report of the Committee on Sub-para 1.12(d) of Para 1 of the Advance Report of the Comptroller and Auditor General of India for the year 1982-83, Union Government (Railways) regarding coal and coke movements.

2. The Advance Report of the Comptroller and Auditor General of India for the year 1982-83, Union Government (Railways) was laid on the Table of the House on 24 February, 1984.

3. In this Report the Committee have observed that Railways have taken on hand two-fold programme to ensure uninterrupted movement of coal to the consuming centres. First, action has been taken to improve the line capacity on the important coal carrying routes. For this, works having estimated cost of more than Rs. 400 crores are stated to be in progress. Secondly, Railways have introduced BOXN wagons which are shorter in length but have the same carrying capacity as the BOX wagons, hence more coal can be carried in each rake of standard length. Total investment of BOXN wagons is likely to be Rs. 429 crores. While appreciating these measures the Committee have desired to be informed whether these are adequate to meet the needs of rail transport of coal.

4. The Committee have been given to understand that a test weighment of 1.18 lakh wagons loaded in different coal fields of Eastern and South Eastern Railways, in September 1985, had revealed that only 21.12 per cent of the wagons were correctly loaded whereas 37.49 per cent wagons were overloaded and 41.39 per cent wagons were underloaded. The extent of overloading in respect of BOX wagons ranged from 9 per cent to 27 per cent and in respect of 4 wheelers from 6 per cent to 33 per cent of the carrying capacity. As regards underloading of wagons, there have been complaints from the consumers that there is shortage of coal to the tune of 13 to 16 per cent of the carrying capacity. The fact that only 21.12 per cent wagons were found correctly loaded, in the test check, indicates nothing but failure on the part of the consignors as well as the Railway staff to exercise proper supervision to ensure correct loading operations "To say the least, the supervision needs to be tightened" the Committee have observed.

5. The Committee have pointed out that Coal India Ltd. and Railways have tried to shift the responsibility of proper loading of wagons on each other. According to the Coal India Ltd., the weighment responsibility at the point of loading is that of Railways as RRs are issued by the Railway staff and even the weighbridges owned by the collieries are manned by the Railway staff. On the other hand, the Railways have contended that it is the responsibility of the collieries to load correct quantity of coal. The Committee have pointed out that neither Railways nor Coal India Ltd. can absolve themselves from the responsibility of ensuring proper loading of wagons. Over-loading of wagons is not only a safety hazard but also a leakage of revenue whereas under-loading of wagons is clear malpractice. In any case, it is essential to ensure that the wagons are correctly loaded.

6. The Committee have been informed that in the meetings held on 31 January, 1986 and 15 February, 1986 between the Union Energy Minister and the representatives of Coal India Ltd., State Electricity Board, Departments of Railways, Power and Coal, a decision was taken that Coal India Ltd. should provide weighbridges on a crash programme basis in the identified mines where no weighment is being done at present. The Committee have desired to be apprised whether Coal India Ltd. have now planned a time bound programme in this regard.

7. The Committee have noted from the Paragraph 5 of the Report of the C&AG of India for the year 1980-81, Union Government (Railways) regarding utilisation of weighbridges that there is considerable shortage of weighbridges with the Railways. According to this Audit Para there were 6,685 booking stations on the Indian Railways, but the number of weighbridges available for weighment of wagon load consignments was only 426. The Committee have, therefore, desired that Railways should acquire more weighbridges and instal them at the goods-booking stations yards etc. While appreciating the difficulties experienced by the Railways in operating more static weighbridges, the Committee have desired them to develop and acquire modern in-motion weighbridges permitting weighment of wagons without impeding free slow of traffic.

8. The Committee have considered that apart from underloading at the collieries, the pilferage en-route is the other major cause for shortage of coal at the consumer's end. According to Railways the pilferage en-route is mainly due to the fact that in some regions trains are stopped and the coal from the wagons is looted. The Committee, while depreciating such a situation, have recommended that such

vulnerable zones should be properly guarded and proper law and order situation should be ensured in cooperation with the State Government concerned at the highest level. The Committee have considered increasing pilferage of coal nothing but a serious loss to the Railways and the *bonafide* consumers and they have stressed for the urgent need to eliminate this. Such pilferages could be contained to a large extent if surprise checks are conducted quite often at the marshalling yards, transhipment points and the important junctions and the deterrent action is taken against all those found indulging in it. The Committee have further recommended that coal should be moved as far as possible in block rakes and the transit time for the same should also be minimised by having the minimum possible stoppages. Duration of stoppages wherever necessary should also be minimised. These measures should be enforced more vigorously in Central, Eastern, South Eastern and Western Railways where coal losses are stated to have gone up steeply. Respective State Governments must be closely involved in ensuring the safe transit of coal through their areas.

9. The Committee have found that the total amount of compensation paid on coal traffic has increased gradually from Rs. 1.65 crores in 1977-78 to Rs. 10.24 crores in 1984-85. Likewise the percentage of amount of compensation paid to the coal freight earnings has also increased gradually from 0.57 per cent to 0.95 per cent during the same period. Total amount of compensation claims paid by the Railways mainly account for cases of non-delivery of full wagon loads to the consignees. The approximate number of wagons diverted on seven Zonal Railways (excluding North-Eastern and North-East Frontier) during 1983-84 was 1,01,608 and that during 1984-85 was 1,10,198. In the opinion of the Committee the Railways should make efforts to minimise the diversion of wagons by more stringent planning and coordination with Department of Coal and consumers.

10. The Committee have been informed by the various consumers that the coal wagons contain not only coal but a sizeable quantity of stone, shale, etc. The Committee were unhappy to note that the consumers were made to pay for not only the cost of stones by weight but also for its transportation thousands of kilometres. The Committee, therefore, asked the Department of Coal to mitigate such a situation. They were informed that washing the coal could be the solution of this problem. But it was a costly proposition. This plea does not appear to be appropriate at this stage as the Committee has suggested only preliminary screening to avoid stones etc. The Committee have failed to understand why screening (not washing) of coal could not be done at the collieries to ensure that such extraneous

matters were screened out. The Committee have considered that the cost of screening should not be a matter of dispute between the consumers and the suppliers as the screening of stones etc. has to be done after receipt of the coal at the consuming end. Therefore, screening cost has, in any event, to be incurred. The Committee have desired that some methodology must be evolved at all the collieries to segregate the extraneous matters from the coal before its loading.

11. The Public Accounts Committee (1985-86) examined this paragraph at their sitting held on 30 October, 1986. The Public Accounts Committee (1986-87) considered and finalised this Report at their sitting held on 12 November, 1986. The Minutes of the sittings form Part II* of the Report.

12. For reference, facility and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix to the Report.

13. The Committee would like to express their thanks to the officers of the Ministry of Transport (Department of Railways) and the Department of coal for the cooperation extended by them in giving information to the Committee.

14. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the office of the Comptroller and Auditor General of India.

NEW DELHI;
17 *November*, 1986
26 *Kartika* 1908 (*Saka*)

E. AYYAPU REDDY,
Chairman,
Public Accounts Committee.

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COAL AND COKE MOVEMENTS

Audit Paragraph

The claims paid (Rs. 3.85 erores) in 1981-82 were mainly for non-delivery of full wagon loads of public coal diverted to Power Houses and Railway Locosheds after ascertaining proof of delivery. Owing to the failure of the Operating Department in planning the movement of coal rakes according to the coal linkage programme, number of diversions of public coal wagons increased from 2795 in 1977-78 to 6410 in 1981-82.

2. Transit losses of coal had also been on the increase between 1977-78 and 1981-82 due to failure of the Commercial Department to ensure correct weighment and of the RPF to control theft in Railway yards, locosheds, etc.

3. The transit loss due to pilferage etc., of loco coal (carried for railways own consumption) was assessed by the Railways as 2.33 per cent (2.65 lakh tonnes) in 1977-78 and 4.85 per cent (5.08 lakh tonnes) in 1981-82. The loss of coal in transit carried for public had increased more or less in the same proportion from 16.1 lakh tonnes in 1977-78 to 39.91 lakh tonnes in 1981-82. The extent of this loss to the public needs to be arrested.

[Sub-para 1.12(d) of para 1 of Advance Report of the C&AG of India for the year 1982-83, Union Government (Railways)]

Production of coal

4. Coal is produced by the following companies:

	Production in million tonnes 1984-85 (Provisional)
A. *Public Sector*	
Coal India Ltd.	130·84
Singareni Collieries Co. Ltd.	12·33
Indian Iron and Steel Co. Ltd.	0·55
Damodar Valley Corporation	0·12
B. *Private Sector*	
Tata Iron and Steel Co. Ltd.	3·59
Grand Total	147·43

5. Coal India Ltd. is a holding company, which has following four subsidiary companies producing coal:

1. Eastern Coal fields Ltd. (ECL)
2. Bharat Coking Coal Ltd. (BCCL)
3. Central Coal fields Ltd. (CCL)
4. Western Coal fields Ltd. (WGL)

6. In addition there are a few collieries in the North-Eastern Region which are directly under Coal India Ltd. According to the Deptt. of Coal, the Company-wise coal production of Coal India Ltd. for the years 1981-82 to 1984-85 is as under:

(Figs. in million tonnes)

	CIL	E.C.L.	B.C.C.L.	C.C.I.	W.C.I.	NEC
Coking						
1984-85	32·43	1·50	17·04	13·21	0·68	
1983-84	32·38	1·51	17·51	12·58	0·78	
1 82-83	34·25	1·63	19·64	11·95	1·03	
1981-82	33·11	1·91	18·93	10·85	1·42	
Non-Coking						
1984-85	98·40	21·62	4·30	25·81	45·37	0·80
1983-84	89·03	21·36	4·12	24·17	38·58	0·80
1982-83	80·42	21·05	4·36	21·06	33·24	0·71
1981-82	75·83	21·05	4·09	19·26	30·14	0·70
Total						
1984-85	130·83	23·12	21·84	39·02	46·05	0·80
1983-84	121·41	22·87	21·63	36·75	39·36	0·80
1982-83	114·67	22·68	24·00	33·01	34·27	0·71
1981-82	108·94	23·55	23·02	30·11	31·56	0·70

7. Four major sectors, viz., Steel Plants, Power Houses, Railways and Cement Plants, currently account for about 75 per cent of the total coal consumption in the country, the Power Sector

having a very high growth rate. Balance 25 per cent of the coal is consumed by a large variety of about 20,000 and odd medium and small industries, such as Textiles, Tea, Chemicals, Foundaries, Fertilizers, Glass, Potteries, Refractories, etc., these large and diverse groups of consumers, producing widely varying-products, and having equally widely varying requirements in respect of grade and size of coal that they need. Besides, there are a large number of brick-burners and finally the domestic users of coal in the form of soft coke.

8. As regards the distribution of coal to the various consumers, the Department of Coal have explained the position *inter alia* in a note as under:

"Since 1967, except for coking coal used for metallurgical purposes, there is no statutory control on the distribution of coal. However, as a substantial portion of the coal is despatched to the consumers through the railways the actual supplies continue to be regulated, even after decontrol, under a system of sponsorship in regard to allotment of wagons by the Railways. The coal produced in Singareni is however not distributed under this system. The sponsorship system has been persisted with so that the available transport capacity is utilised equitably, according to certain laid down priorities among the different categories of coal consumers end. Unrestricted sale of coal could not also be resorted to on account of the demand exceeding supply of coal particularly of superior grades from the Raniganj Coalfield.

* * * * * *

The complexity and magnitude of the problem of transportation for coal distribution is reflected by (i) heavy concentration of coal deposits and wide dispersal of consumers, (ii) wide diversity in physical and chemical characteristics of coal, (iii) multiplicity of consumers and wide variety of their products, sizes, processes and burning equipments and (iv) heavy quantity of over 115 million tonnes of coal and coke involved.

Rail transport

Three major elements constitute the core of the system of coal distribution by rail even after lifting of statutory

control on distribution, except for coking coal, *viz.* (a) the system of priorities of industries, (b) the system of sponsorship, and (c) the Rationalisation Rules of the Railways."

(a) *System of priorities of industries*

The system of priorities for different coal consuming industries was evolved in 1945, in terms of which important consumers like Defence, Railways, Steel Plants, Power Houses, Cement Plants, etc., were given a higher priority, while other industries were placed lower down in the list according to their relative importance. The objective was to ensure that in the event of shortage of either coal or rail transport or both the higher priority consumers received their requirements preferentially. Even after lifting of control, all despatches of coal by rail are governed by the Preferential Traffic Schedule issued by the Railways under Section 27(A) of the Indian Railways Act. Under the Preferential Traffic Schedule, the Railways lay down certain commodity quotas from time to time over certain types of coal and|or in accordance with the programmes and movements sponsored by the different Sponsoring Authorities and as accepted by the Railway Administration. After meeting the full recommended requirements of important|high priority consumers, other consumers of lower priority get allotments of wagons on the basis of residual availability.

(b) *System of Sponsorship*

In terms of this system, the requirement of every consumer of coal is required to be sponsored or recommended by the Govt. within ceilings prescribed by the Railways. All the industries have been divided into two categories i.e. (i) Centrally sponsored industries, and (ii) State sponsored industries. The Central and the State Governments have nominated various agencies to sponsor the demands for different groups of industries controlled by them. The industries in the core sector,

e.g. Steel, Power Houses, Defence, Railways and certain other important major industries have been placed under "Central priorities", while the small scale industries, brick burners, domestic consumption, etc. are placed under the "State priorities". Such sponsorships for non-core sector industries are to be made within the upper ceiling limits fixed by the Railways from time to time.

(c) *The Rationalisation Rules of the Railways*

The scheme for rationalisation of rail traffic was formulated and introduced by the *Coal Controller in* 1953 in consultation with the Ministry of Railways. The scheme broadly indicates as to which parts of the country may be served by which coalfields. This scheme of rationalisation took into account the line and junction capacities on different sections of the Railway system, the quantum of production in different coalfields, the level of consumption in different States and the need for optimal utilisation of the available transport facilities. The primary considerations were to avoid cross movements of coal and to minimise the haulage distance as far as possible. Movement in deviation of Rationalisation Rules, is, however, permitted wherever so warranted on grounds of qualitative requirements of the consumers etc. For instance, if a consumer requires Soft Coke, it has to be moved from Bengal/Bihar irrespective of the Rationalisation Rules. Similar is the case with hard coke and coking coal and high volatile, high grade non-coking coal, which are only available in the Bengal/Bihar fields.

The system of sponsorship, the scheme of priorities and the Rationalisation Rules of the Railways thus form the core of the system of distribution of coal under statutory control and all these three features have been retained even when there is no statutory control on distribution of non-coking coal and coke, and thus an element of indirect control on distribution does continue.

Present system of coal distribution

The present system of coal distribution in the case of the major Centrally sponsored industries, *e.g.* Steel Plants, Railways, Power Houses, Cement Plants, Defence, etc. is the simplest and is somewhat different from the smaller industries. The system in case of brick-burning coal and Soft Coke is again somewhat different as the State Government determine the quantities as well as the Agents|Agencies through whom BRK coal and soft coke can be imported to different destinations in the States.

Demand-Linkage

One of the functions of Coal India is to establish broad linkages of consumers to Coalfields/Collieries against their demand, which has now become essential for evolving a rationalised marketing system for effecting regular supplies by different modes of transport to consumers all over the country. This system in the case of major Centrally sponsored industries is detailed below:—

Steel Plants/Washeries: Coking coal is used by the Steel Plants and Washeries, distribution of which is under Statutory Control and the allocations made by the Coal Controller.

Railways: The demand for the Railways is sponsored by the Railways themselves and the monthly programme is drawn up by the Chief Mining Adviser, Railway Board in consultation with the Coal Companies.

Power Houses and Cement Plants: A Standing Linkage Committee set up by the Govt. of India co-ordinates the linkage in terms of quantity, quality and source of supply for Power Stations and Cement Plants.

Defence Department: The requirements of the Defence Deptt. is programmed by the Defence Department itself.

Export: Export of coal is channelled through the Minerals and Metals Trading Corporation of India. Any programme for export of coking coal, however, requires the sanction of the Coal Controller.

Linkage for non-core sector consumers

Each individual coal|coke consuming unit|industry is provided a specific linkage by Coal India for its monthly requirement. The source of supply and mode of transport are both indicated at the time of linkage. The requirements of seasonal industrial consumers, like tea, sugar, etc., is also linked. However, certain group of consumers, like brick-burners, very small and petty individual consumers, depot holders and traders are not provided any linkage. The requirements of these consumers are made out through different State Agencies.

Programmes and Allotments for rail movement: On the basis of their demand sponsored by the Sponsoring Authorities, the consumers obtain consent from the supplying companies for despatch of coal by rail and approach the Railways for sanction of their

programmes for movement by rail. Railways issue sanctions based on Central|State sponsorships. Coal India submits specific day-to-day offers to the Railways for movement of coal in rakes to consumers as well as to the Stockyards of Coal India, opened at important consuming centres of different States. For piecemeal movement of coal, indents are placed by the collieries to the Railways for allotment and supply of wagons. Allotment of wagons in favour of individual consumers is made by the Railways on a day-to-day basis and supply of wagons are made by the Railways. There are usually variations between offers and allotments as also between allotments and supplies."

9. As regards the distribution of coal from Singareni Coal field, the Department of Coal stated in a note as under:

"The distribution of coal produced in the mines of Singareni is not regulated under the sponsorship system. There are of course certain parallels to the distribution under the sponsorship system inasmuch as the coal requirements and linkages for the sectors of power and cement are determined by the Standing Linkage Committee (SLC) as in the case of CIL; and the supplies are programmed by SCCL accordingly for the thermal stations and cement plants. SCCL takes note of recommendations given by certain sponsoring authorities in regard to the requirements of other industrial consumers. Certain small consumers also place their demand directly with SCCL. SCCL has also a system of verifying the demands through its own technical personnel who inspect the units requiring coal. Taking into account the demand of the various consumers and the availability of coal SCCL draws up a monthly bulk programme for meeting the coal requirements of the consumers by rail and road separately. In the case of coal to be despatched by rail, instead of submission of day-to-day indents or offers, a loading programme is drawn up for each loading point for the whole month, date-wise, and transmitted to the Railways. Thus, there are two monthly programmes, tallying with each other, one showing the consumer wise supply programme and the other the loading programme from the different collieries for supply to the consumers. Although day-to-day indents for wagons are not placed by SCCL. SCCL informs Railways of the likely variations which may actually occur, with reference to the date-wise

programme submitted for the month, on account of factors such as lesser availability of coal than anticipated, and the Railways regulate the actual supply of wagons at the sidings accordingly, deviating if necessary from the original programme to the extent feasible.

No consumerwise allotment is done in respect of Singareni coal at the time of supply of wagons. After the wagons have been loaded, they are drawn out and brought to the station where rakes are formed for despatch to different consumers. At this stage the assignment to different consumers is made as per directions given by CFTS, Southern Central Railways, Hyderabad. Since SCCL produces only one grade of coal, this does not create any problem and the coal can be consigned, consumerwise, after rakes had been formed at the stations in accordance with the monthly programme drawn up earlier. In the case of shortfalls in availability to meet the full demand of the consumers, broadly the same order of priorities as in the case of CIL is followed with preference being given to power houses of loco coal and cement plants."

10. Railways constitute by for the most important means of transport of coal currently accounting for about 68 per cent of the movement, as this is the cheapest and easiest mode of transport for this bulk commodity over the long distance involved. Coal constitutes about 40 per cent of the revenue earning tonnage carried by the Railways and about 30 per cent of the total goods earnings.

11. The other means of transportation of coal are road, arial ropeways, conveyors, private railway system. Road movement now constitute about 20 per cent and the balance coal is moved by other means. The transportation of coal marketed by Coal India by different modes of transportation during 1980-81 and 1984-85 (in percentage) is indicated below:

Year	Rail	Road	Other means
1981-82 .	63%	29%	8%
1984-85 . .	68%	20%	12%

12. In terms of National Transport Policy Committee report, movement of coal beyond 300 kms. by road is not economical from

energy consumption angle. When enquired by the Committee about the steps taken to minimise such movements, the Department of Railways (Railway Board) *inter alia* stated in a note as under:

> "The NTPC have observed that 'movement of commodities are generally economical by road for shorter distances upto 300—350 kms., and beyond this range, cost advantage lies with Railways'.
>
> The Railways fully realise the importance of movement of coal and, therefore, attach high priority to its movement by rail. Rail movement of coal increased from about 78 mt. in 1980-81 to about 102 mt. in 1984-85, an increase of over 34 per cent.
>
> In the Seventh Plan, adequate provision has been made for movement of coal by rail. The freight traffic target of 340 mt. for the terminal year of the Seventh Plan includes 152 mt. of coal.
>
> The Railways have already requested Coal India that no long distance, bulk movement of coal should take place by road as Railways can move it without any problem."

13. As regards the steps taken to step up the capacity for movement of coal by rail, the Department of Railways (Railway Board) have explained in a note as under:

> "Since the important routes on which coal carrying trains move are already saturated or are near saturation, the Railways have taken on hand two-fold pogramme to ensure that movement of coal to the consuming centres remain uninterrupted. Firstly, action has been taken to improve the line capacity on the important coal carrying routes. At present, works having a total estimated cost of more than Rs. 400 crores are in progress. Secondly, Railways have introduced BOXN wagons which are a modified and improved version of the earlier BOX wagon. These BOXN wagons are shorter in length, but have the same carrying capacity as the earlier BOX wagons, with the result that more number of BOXN wagons and hence, more coal can be carried in each rake of standard length. Till 1984-85, about 3500 BOXN wagons have been added to the fleet. In 1985-86, another 1800 BOXN wagons have been planned to be acquired. Depending on the Railways financial position, and allocation of more funds from the

Planning Commission, there is likelihood of the acquisition programme of 1985-86 being stepped up by another 2500 BOXN wagons approximately. Each BOX 'N' wagon costs Rs. 5.5 lakhs. Thus total investment of BOX 'N' wagons will roughly come to Rs. 429 crores."

14. When enquired about the question of availability of wagons for movement of coal *vis a vis* demand for wagons by the collieries, the Department of Railways (Railway Board) furnished the following details in this regard:

(In terms of daily average 4 wheelers)

	1982-83	1983-84	1984-85	1985-86 (upto Sept.)
1. Loading Target	11700	1283o	13000	13225
2. Target for offer (+15% of loading target)	13455	14755	14950	15210
3. Actual offer	12404	13383	13671	13862
4. Effective Offer (Less 15% of Actual Offer)	10543	11375	11620	11783
5. Supply	12547	13321	13097	14087
6. Loading	11011	11641	11817	12466
7. Percentage of loading to effective offer (6 to 4)	104·4	102·3	101·7	105·8
8. Percentage of supply to actual offer (5 to 3)	101·2	99·5	95·8	101·6
9. Left Behind	1423	1448	1098	1459
10. Drawn Empty	113	232	182	162

It will be observed from the above that the supply of wagons has been adequate and have progressively improved."

15. A question (USQ No. 3335 answered on 10-12-1985) was asked in Lok Sabha from the Minister of Energy whether the Department of Coal had estimated the possible requirement of railway wagons for the movement of coal during 1985-86 and whether the Department of Railways had agreed to meet the total requirement. In his reply, the Minister of Energy stated as under:

"The sectorwise demand of coal during 1985-86 was assessed by the Planning Commission as 163.80 million tonnes of raw coal and 5.10 million tonnes of washery middlings.

Bases on this demand the rail movement requirement to despatch 124.54 million tonnes of coal including 4.00 million tonnes of middlings, excluding 1.00 million tonnes of imported coal, was estimated at 14945 four wheeler wagons per day. This requirement was communicated to Department of Railways. Railways, however, now agreed to move about 110.0 million tonnes of coal during 1985-86, because of resource constraint."

However, the originating tonnage of Coal traffic actually moved during 1985-86 by the Railways was 101.14 million tonnes.

16. In Para 201 of the 103rd report of Public Accounts Committee (7th Lok Sabha), it was mentioned that "the Khandelwal Committee had recommended in 1973 a series of measures and works to be implemented mutually by the Railways and the steel plants for reducing the detention to wagons inside their yards. According to the Railway Board, while 75 out of 97m recommendations concerning them have been implemented, out of 153 recommendations pertaining to steel plants only 77 have so far been implemented. although the number of recommendations rejected were only 32."

17. The Committe desired to know whether all the recommendations of the Khandelwal Committee had since been implemented. The Department of Steel furnished the following note indicating the latest position in this regard:—

Implementation status of Khandelwal Committee recommendations Summary position:—

(SAIL PLANTS ONLY)

	Total	Implemented	Under implementation	Deferred	Not Feasible/ Unnecessary	Not implemented	Under examination
Bhilai . .	41	27	2	2	6	4	..
Durgapur . .	26	18		1	6		1
Rourkela .	18	11	..	1	6		..
Bokaro	25	12	1	5	7	..	
IISCO .	24	18	1		4	1	..
ASP;	5	5					
Stockyards	3	3	..	..	.	..	..
	142	94	4	9	29	5	1

18. Coal India Ltd. is the major producer of coal in the country. Out of 147.43 million tonnes of coal produced in 1984-85, 130.84 million tonnes was produced by Coal India Ltd., 12.33 million tonnes bySingerani Collieries Co. Ltd. and the rest was contributed by India Iron & Steel Co. Ltd., Damodar Valley Corporation and Tata Iron & Steel Co. Ltd.

19. Four major sectors viz., Steel Plants, Power Houses, Railways and Cement Plants, currently account for about 75 per cent of the total coal consumption in the country. Balance 25 per cent of the coal is consumed by a large variety of 20,000 and odd medium and small industries. The Committee are informed that though there is no control on sale, distribution and movement of non-metallurgical coal since 1967, indirect control through the system of sponsorship, linkage and priorities for rail movements continues. For purpose of distribution industries have been divided into two categories i.e. (i) Centrally sponsored industries, and (ii) State sponsored industries. The industries in the core sector e.g. Steel, Power Houses, Defence, Railways and certain other important major industries have been placed under "Central priorities". Domestic consumers, small industries, brick burners etc. have been placed under the "State priorities". This is to ensure that the available transport capacity is utilised equitably, according to certain laid down priorities among the different categories of coal consumers. The coal produced in Singerani coal fields is, however, not distributed under the system of sponsorship.

20. According to Department of Coal, the present system of coal distribution in the case of the major centrally sponsored industries is somewhat different from the smaller industries. Steel Plants and Washeries use coaking coal, allocation of which is made by the Coal Controller. Railways and Defence Departments programme their requirements themselves whereas a standing linkage committee set up by the Government of India coordinates the linkages in terms of quantity, quality and source of supply, for Power Stations and Cement Plants. In the case of each individual coal/coke consuming unit of non-core sector the specific linkage is provided by Coal India Ltd., for its monthly requirement which indicate both the source of supply and the mode of transport. The system in case of brick burning coal and soft coke is stated to be again somewhat different as the State Governments determine the quantities as well as the agents/agencies through whom BRK (Coal for Brick Industries) Coal and Soft Coke can be imported to different destinations in the States.

21. The Committee note that all rail transport of coal is regulated under Preferential Traffic Schedule issued by the Railways under Section 27(A) of the Indian Railways Act. Under this schedule, the railways have laid down certain quotas for wagon allotments from time to time for coal and programmed movements sponsored by different sponsoring authorities as accepted by the Railway Administration. After meeting the full recommended requirements of important/high priority consumers, other consumers of lower priority get allotments of wagons on the basis of residual availability. The Committee further note that the sector-wise demand of coal during 1985-86 was assessed by Planning Commission as 163.80 million tonnes of raw coal and 5.10 million tonnes of washery middlings. Based on this demand, Railways were asked to transport 124.5 million tonnes of coal but according to the Department of Coal, they agreed to move about 110.0 million tonnes of coal during 1985-86, because of the resource constraints. However, the quantity of coal actually moved by the Railways during 1985-86 was 101.14 million tonnes. It is not known to the Committee whether Planning Commission had accepted the lower target suggested by Railways. The Committee feel that due to inadequate supply of wagons timely distribution of coal was affected. Shortage of coal and/or delayed delivery is likely to be experienced by all the consumers and more by the small consumers mostly under 'State Priorities' who do not enjoy high priority for the supply of wagons. The Committee need hardly stress that shall scale industries and brick kilns, etc. play an important role in the overall economic development of the country and it is, therefore of utmost importance that their genuine requirements are also met so that these industries do not run into difficulties on account of short supply of coal. Concerted efforts should be made to gear up railway transport capacity so that these consumers also receive their due share of coal through rail transport. In this connection, the Committee would also like the Department of Steel and the Department of Railways to ensure early implementation of the remaining recommendations of the Khandelwal Committee which was set up as early as in 1973 to examine inter alia the different methods of reducing the detention time of wagons within the steel plants. Reduced detention of wagons in steel plants should certainly increase the overall availability of wagons for coal movement.

22. The Committee note that 68 per cent of the coal was transported by rail, 20 per cent by road and 12 per cent by other means during 1984-85. The other means of transport of coal which are costlier as compared to rail transport include coastal shipping, aerial ropeways, conveyors, etc. Considering the shortage of the Railway

wagons, the existing overcrowding in the coal carrying rail routes; and having regard to the fact that the movement of coal beyond 300 kms. by road is uneconomic, the Committee recommend that the feasibility of transport of coal by coastal shipping may be examined. The Committee would like the Department of Coal/Coal India Ltd. to take necessary steps in this direction in coordination with the Department of Surface Transport (Shipping Wing) and Department of Railways and apprise them of the same.

23. The Committee are informed that Railways have taken on hand two-fold programme to ensure that movement of coal to the consuming centres remain uninterrupted. First, action has been taken to improve the line capacity on the important coal carrying routes. For this, works having estimated cost of more than Rs. 400 crores and stated to be in progress. Secondly, Railways have introduced BOX-N wagons which are shorter in length but have the same carrying capacity as the BOX wagons, hence more coal can be carried in each rake of standard length. According to the Department of Railways, 3,500 BOX-N wagons have been added to the fleet till 1984-85. Another 4300 such wagons are likely to be acquired in 1985-86 depending upon the financial resources. Total investment in BOX-N wagon is likely to be Rs. 429 crores. While appreciating these measures the Committee would like to be informed whether these are adequate to meet the needs of rail transport of coal.

Shortage of coal at the consumers' end

24. The Committee desired to know the notified carrying capacity of BOX—N wagon for coal. The Department of Railways (Railway Board) stated in a note as under:—

> "The notified minimum weight for charge for coal loaded in BOX-N wagon is the marked carrying capacity of the wagon (which ranges from 58.1 tonnes to 58.5 tonnes depending on the tare-weight of the wagon) except for coal loaded from certain collieries on the South Eastern Railway in respect of which a reduced minimum weight for charge at the level of 55 tonnes or slack coal and 54 tonnes or steam coal has been notified, pending trials."

25. When enquired about the weight of coal which is generally loded by the collieries in the BOX-N wagon, the Department of Railways (Railway Board) stated in a note:

> "The actual weight of coal loaded in an individual BOX-N wagon varied with the density of the coal, but, by and

large, it has been noticed that there is no difficulty in loading coal to the extent of the minimum weight for charge notified, if loading is done properly, and no underloading takes place."

26. As regards the system of weighment of coal, the Department of Coal stated in a note as under:—

"After loading of the consignments the same is weighed mostly at the Railway weigh-bridges and partly in colliery weigh bridge and RRS are issued by the Railways based on such weighment. If for any reason, wagons are not weighed, RRS are issued on carrying capacity basis. At the collieries having their own weigh-bridges, weighment is recorded and RRS are issued by Railway Personnel posted at the weigh-bridge. Where there is no weigh-bridge coal is loaded by the collieries on Volumetric basis *i.e.* as per markings on the wagons and the wagons are subsequently weighed at the Railway weigh-bridges or booked on carrying capacity basis."

27. During their visit to Bombay in October, 1985, the Committee had held discussions with various coal consumers regarding their problems, if any, in connection with receipt of coal from the coal companies. Thereafter the Committee received many representations from other coal consumers from Udaipur, Baroda, Surat etc. also. As regards the short receipt of coal at their end, the coal consumers highlighted the following points:—

"(1) It appears that the loading staff at collieries purposely underload the wagons..... The actual stock at collieries as per their books, and real stock vary considerably very often and hence to tally the actual stock position the underloading is done by the staff concerned. The collieries can do this because large number of collieries have no weigh-bridges and even if weigh-bridge is there it is not properly maintained and is often out of order.

(2) Since couple of years railways have been making increasing use of 'N' Boxes in place of ordinary ones for coal movement. Requisite weigh-bridge for these are not obtainable. The CC weight of 'N' Box wagons have been determined unilaterally by the Railway Administration.

Bulk users at various forums, with supporting data have brought to the fore the incapacity of 'N' Box wagons to carry declared weight.

Railways also seem to have felt not very sure about their judgement of the coal loadability of these wagons which is reflected by the changing basis as under:

CC weight of Box 'N' wagons

57 tonnes prior to 1-12-1983
54 tonnes from 1-12-1983
57 tonnes from 2-3-1985
54 tonnes from 1-5-1985

(3) There is immediate need to correctly assess the carrying capacity of Box-N wagons as what is happening at present is that we are paying freight as well as cost for coal at the rate of 55 MT per Box-N as against its practical c.c. of only 46 to 48 MT resulting into recurring losses of several crores of rupees annually.

(4) The coal consuming industries or the power houses have to suffer huge losses on 3 counts *viz.* losses of coal and thereby payment of coal which is not at all delivered to the consumers, payment of freight for coal which is not received and demurrage charges for handling of more wagons leading to unwarranted detention of wagons and congestion."

28. The Committee's attention is drawn to para 5 of the Advance Report of the Comptroller & Auditor General of India, Union Government (Railways), for the year 1980-81 which *inter alia* reads as under:—

Eastern Railway

"A test weighment of these (unweighed) coal rakes moving from this yard was carried out by the Railway on the Railway weigh-bridge in October 1979, which showed that in about 28 per cent of the wagons booked, loading in excess of permissible capacity was detected to the extent of 3 to 9 tonne per wagon. On the basis of this sample of over-loading detected in October 1979 the loss of freight

to the Railways on 25587 wagons booked without weighment during March 1979 to January 1980 would be Rs. 5.77* lakhs."

South Eastern Railway

"Test weighment by the Railway during July 1981 of coal wagons moving out from Adra and Talcher coal fields disclosed overloaded wagons to the extent of 33 per cent and underloaded wagons to the extent of 36 per cent of the number of coal wagons test weighed, which itself was 6.3 per cent of the number of wagons loaded."

This shows that though the wagons are overloaded near the starting point the consumers at the receiving end are complaining of underloaded wagons. It is indicative of the fact that there is a large scale pilferage of coal *en route*.

29. The Committee desired to know as to why the consumers receive coal upto 46 to 48 MT per wagon although these wagons are claimed to be loaded upto 55 MT or more per wagon. In reply, the Department of Railways (Railway Board) stated in a note:

"Short receipt of coal at the destination, if any, could be due to a number of factors, like, underloading at the originating station, possible loss of weight due to evaporation, pilferage *en route*, etc."

30. When the matter of short receipt of coal by consumers was raised by the Committee during evidence the representative of Coal India Ltd. stated:

"The Coal company sells coal FOR, coal siding basis and not site after it is loaded into a wagon..... As far as weighment at the point of loading is concerned, now primarily, this responsibility is that of the railway; it is being shouldered by the railway, by convention, by practice, and also actually even the weighbridges which are owned by the collieries are manned by the railway staff; and RR is also issued by the railway staff; and RR issued by the colliery staff is not acceptable."

31. Explaining the Railway's view point in this regard, the representative of Department of Railways (Railway Board) stated:

"Whatever we get, we carry..... Initially, it is the responsibility of the collieries to load, to give correct quantity

*Estimated by Audit

of coal, because they are answerable to the consignee for the correct quantity of coal; most of the weighbridges are in the collieries.....

As regards the Goods Clerk, he is only signing the correct quantity of coal loaded so that we give RR for the correct quantity and the consignee knows how much he is getting. If I lose something on the way, I am responsible. But the actual quantity loaded is the responsibility of the Coal India..... We are also getting less coal. Whenever there is a mechanical handling, it is all right, when there is loading manually, there is less loading and that is why we are also getting less coal and the public is also getting less coal..... I escort rakes from the loading point to the destination by my RPF. Even then I am finding shortage."

32. The representative of Coal India Ltd. added in this connection:

"We invite all consumers to come to our colliery sidings and witness the loading themselves. The wagons are supposed to be loaded at a particular height. So, at our end there is a mechanism to ascertain the quantity of coal loaded in the wagon. Secondly, larger number of wagons are weighed, lesser number of wagons are not weighed."

33. The Committee drew the attention of the Department of coal to a news write-up appearing in Economic Times dated 24 February, 1986 wherein it was mentioned that the Energy Minister had, in a meeting with State Electricity Boards, agreed that the weight of coal in a wagon as determined by the thermal power units at their end would be accepted by Coal India Ltd. for payment purposes and desired to know the factual position from them in this regard. The Department of Coal *inter alia*, stated in a note as under:

"Recently the Railways have introduced Box 'N' wagons for transport of coal to power stations. This has created various problems for the consumers and Coal India Limited. One of the problems relates to its weighment. Box 'N' wagons were introduced by the Railways without going into the question as to how they can be weighed. These wagons cannot also be weighed at the existing weighbridges.

As per the usual practice where the wagons are not weighed for any reasons the coal wagons shall be loaded upto loading line determined jointly by the Supplier and the Purchaser for specific mine in relation to the carrying capacity of the wagon specified by the Railways. In the case of Railway Receipt marked said to contain the quantity aspect of coal as determined by applying the jointly agreed weight to volume conversion factor shall also govern the coal price computation.

However, many of the power stations have not accepted this practice and stated that since Box 'N' wagons are coming unweighed and there is substantial shortage in wagons, the weighment as recorded at the power stations should be accepted by CIL for payment purposes.

Energy Minister had held discussions on 31-1-1986 and 15-2-1986 with the representatives of Coal India Limited, State Electricity Boards, Departments of Railways, Power and Coal to discuss the implication in supplying coal to Power Stations on FOR destination basis. It was decided in the meeting that CIL should provide weighbridges on crash programme basis in the identified mine where no weighment is being done at present. In respect of unweighed wagons CIL has agreed to accept the weight of coal as determined at the power stations and, till such time, the weighbridges are installed by CIL. However, this is subject to the State Electricity Boards depositing in advance the value of one month's supply of coal to them by CIL."

34. Whereas the coal consumers complain regarding short supply of coal, there are instances on the other hand also about the overloading of coal wagons and excess supply of coal to the consumers. Para 5.3(a)(i) (page 68) of the Advance Report of the C&AG of India, Union Government (Railways) for the year 1980-81 states that Railways' own test weighment indicated that 28 per cent of the coal wagons on Eastern Railway were over-loaded to the extent of 3 to 9 tonnes.

35. When asked about the present percentage of over-loading of coal wagons, the Department of Railways (Railway Board) stated in a note as under:

"In September, 1985, 1.18 lakh wagons loaded in different coal fields of Eastern and South Eastern Railways were weighed

for a test check. The test weighments revealed the following position:

No. of wagons	Results of weighment	Percentage to total weighed
44,397	Overloaded	37·49
49,011	Underloaded	41·39
25,010	Correctly loaded	21·12
1,18,418		100·00

36. The Committee desired to know the extent of over-loading of these 37 per cent of coal wagons which is passed on to the consignees unchecked. In reply, the Department of Railways (Railway Board) stated in a note:

> "The extent of over-loading in respect of BOX wagons ranged from 9 per cent to 27 per cent and in respect of 4 wheelers from 6 per cent to 33 per cent of the carrying capacity."

37. A representative of Railway Board stated during evidence in this regard:

> "Due to lot of accidents that were taking place because of over-loading, we started weighing them at Ludhiana, and started charging levies for the over-loading from the concerned parties. Then those parties in Punjab filed a writ against us that we cannot charge levies from them. Similarly, we started weighing them at Saharanpur also but they also obtained an order from the court to the effect that we cannot weigh at Saharanpur and charge levies from them."

38. Elaborating the position in this regard, another representative of Railway Board deposed:

> "The coal is loaded from the collieries in the wagons. Instead of carrying in the BOX wagons 55 tonnes, the actual quantity appears to be 65 tonnes. The RR when the wagon is not weighed, is issued only for these 55 tonnes. At Ludhiana the commercial branch weighed it on the weigh bridge. The RR showed 55 tonnes. But the actual was 65 tonnes. The Railway rules provide that when the over-loading is

above 2 tonnes, (here it was 55 plus 10 tonnes), then the penalty charges would be levied. That was the rule. They went to the Court against this penalty charge. They said that this freight cannot be charged because the over-loading was not the fault of the consignee but the fault of the coal India. That is what they said. Therefore, the stay was given that Railways cannot levy the penalty charges. Railways thought, Okay, let us not do it in Punjab. But in the UP yard, they started weighing the wagons there. The RR showed 55 tonnes. The wagon actually showed 65 tonnes. Railways are quite authorised to do it, because, according to the RR we have to deliver, 10 tonnes we unloaded. These people came to know that extra coal was being carried. They got the order from the Court that Railways cannot unload such quantity in the wagons."

39. On being pointed out by the Committee that the Railways Act could be amended so as to empower the Railways to weigh the coal wagons enroute, the witness replied:

"We will keep a note of it."

40. The Committee expressed the view that to avoid underloading as well as overloading it is necessary that the coal wagons are properly loaded and invariably weighed before despatch. To this the representative of Coal India Ltd. stated:

"That is correct, Sir; Coal must be weighed either by Railways or by us."

41. The Representative of Railway Board stated in this connection as under:

"The basic point is, unless weigh bridges are provided in the collieries, to ensure correct weighment at the loading point, it is not possible to know what quantity of coal is loaded. ..... We have to provide weigh bridges at each and every colliery so that when the wagons are loaded the correct quantity is known. In places where mechanical loading equipment is there, automatic load measurement equipment should be there. Where loading is done by paid loaders with shovels or where it is done by manual labour the electronic weigh bridges should be available so that the quantity loaded is known."

42. In this connection, the Department of Railways stated further in a note as under:

> "Weighment done by the Railways is only as a test check to discourage overloading of wagons which is a safety hazard and may result in derailments and accidents. It is thus primarily for collieries to instal electronic weigh bridges in their sidings with a view to determine the weight of coal loaded in the wagon. As a measure of incentive to the siding owners to instal weigh bridges in their sidings, the Railways are granting a rebate of 30 paise per tonne of traffic loaded and weighed on such electronic weigh bridge, the rebate payable during the first four years being subject to a maximum of 25 per cent of the capital cost of the weigh bridge plus the cost of staff provided to operate the weigh bridge and thereafter subject to a maximum of 20 per cent of the capital cost of the weigh bridge plus cost of staff provided to operate the weigh bridge."

43. At the instance of the Committee the Department of Coal have furnished the following details regarding the number of Collieries, loading points, existing weigh bridges, additional weigh bridges required at the Collieries etc. in a note as under:—

1.	Total number of Collieries	421
2.	Number of Railway sidings	305 in Oct. 85
3.	Number of loading points	Do.
4.	Availability of weigh bridges in different Collieries of Coal India Ltd. as on 21-12-1985.	70
5.	Number of weigh bridges working as on 12-12-85.	51
6.	Condition of working of weigh bridges	
	(a) Out of order as on 12-12-85	13
	(b) Awaiting Commissioning as on 12-12-85	6
7.	Number of additional weigh bridges required.	69
8.	Proposals for additional Electronic weigh bridges in the near future to load box 'N' wagons.	19
9.	Expenditure involved for machines and installation of Electronic weigh bridges is between Rs. 12 and Rs. 15 lakhs each and that of mechanical weigh bridges is of the order of Rs. 9 lakhs each."	

44. Audit Para 5 of the Advance Report of the C&AG of India for the year 1980-81, Union Government (Railways) regarding utilisation

of weigh-bridges has highlighted the shortage of weigh-bridges with the Railways as under:

> "There are 6,685 goods booking stations on the Indian Railways, but the number of weigh bridges available for weighment of wagon load consignments was only 426. Of these, 144 weigh bridges were overaged, the maximum number being on Southern Railway (61), followed by South Central Railway (31),"

45. The Committee enquired about the latest type of weigh bridge available in India or abroad. To this the representative of Railway Board stated:

> "The latest weigh bridges are electronic weigh bridges. In that a wagon moves forward on the weigh bridge and the weight is recorded automatically. One does not even have to note down."

46. In this connection, Department of Railways stated in a note:

> "The present policy of the Department of Railways in regard to installation of weigh bridges for use by the Commercial Department is that when an existing Railway weigh bridge is required to be replaced, it should be replaced by electronic weigh bridge and not by mechanical weigh bridge. Further whenever new major loading points involving bulk loading are developed, the yard lay-out must provide for a motion loading over an electronic weigh bridge. It will be more appropriate that the party loading the traffic should instal the weigh bridge as it is for him to satisfy the purchaser about the correct weight."

47. As per para 5 of the Advance Report of the C&AG of India for the year 1980-81, Union Government (Railways), the developmental orders for two electronic weigh bridges were placed by the Railways, one in August 1979, for installation at Ramagundam on South Central Railway and the other, in November 1980, for installation at Hapa on Western Railway. When asked about the latest position in this regard, the Department of Railways (Railway Board) explained in a note submitted to the Committee on 21 April, 1986 as under:

> "Two electronic weigh bridges were planned on the Indian Railways—one at Hapa on the Western Railway and the other at Ramagundam on South Central Railway. The electronic weigh bridge at Hapa could not be commissioned

as the load cells of the weigh bridge failed during pre-commissioning trials. The Railway is trying to get the weigh bridge commissioned by getting the load cells either from the firm which supplied the weigh bridge or from other sources. Weigh bridge at Ramagundam has not yet been commissioned as the calibration work is still not complete."

48. In reply to a query as to whether the electronic weigh bridges are manufactured in India or abroad, the representative of Railway Board replied during evidence:

"It is done here itself, sir."

49. On being asked why more electronic weigh bridges were not installed, the witness explained:

"If the movement of the wagon is at 5 KMH, then only the correct weight can be recorded by the indigenously manufactured ones. The present day diesel or steam or electric locos move at a greater speed and the driver cannot ensure a speed of 5 KMH only because it is a very slow speed and in these engines even the shunting is done at a speed of 10 to 15 KMH. The manufacturers have been asked to develop electronic weigh bridges which could correctly record the weight at a speed of 15 KMH. We have not yet been able to get the weigh bridges with this specification. Unless we decide upon importing some weigh bridges, we may have to wait for some time."

50. In reply to a question as to whether this problem has been studied with reference to Japanese, Russian or U.K. Railways the witness replied:

"We have made these studies. The problem is, the required equipment to build the weigh bridges with the above specifications is not indigenously available at present. But we are confident that we shall succeed in building them."

51. As regards the future plans to have electronic weigh bridges, the Department of Railways have stated in a note as under:

"The places where electronic weigh bridges have to be provided for test checks etc. either on replacement account or on new account have been identified by some of the Railways. Provision of additional electronic weigh bridges at places

so identified will depend on the results of working of two electronic weigh bridges already installed and availability of funds."

52. The Committee desired to know whether any electronic weigh bridge has been set up by Coal India Ltd. In reply the Department of Coal stated in a note:

"So far only three electronic weigh bridges have been installed by Coal India Ltd.·····Coal India Ltd. has a plan to have Electronic Weigh bridges at the Collieries but its full implementation is contingent on final solution to the problems be-setting installation of these weigh bridges."

53. The Committee desired to know whether there were any other constraints in installation of electronic weigh bridges. In a detailed note furnished in this regard, the Department of Coal have stated as under:

"Vis-a-vis mechanical weighbridges, there are no constraints in installation of Electronic Weigh-bridges. Wherever it is possible to instal mechanical weighbridge, an electronic weighbridge can also be installed. There are, of course, constraints at many of our sidings in installing any weigh-bridge at all. These are:—

(i) A large number of sidings do not have any siding space available for rolling of wagons and therefore, weigh-bridge cannot be installed.

(ii) So far no satisfactory technical solution has emerged to the problem of having a weighbridge which can weigh both Box 'N' and Box 'C' type of wagons.

The existing weighbridges at the collieries cannot weigh both Box 'C' and Box 'N' wagons. Some manufacturers of electronic weighbridges had offered designs for the same which can weigh both Box 'C' and Box 'N' wagons, but such weighment can be done axle by axle, i.e. only one axle at a time. So weighment is not possible when the wagon is under the process of loading and hence over-loading or under loading of wagons cannot be controlled.

The in motion electronic weighbridges are also not accurate. The manufacturers have given an accuracy upto 0.5 per

cent for each wagon and 0.2 per cent for the rake, but this is subject to the following conditions:—

(a) The drawer pull is not heavy.

(b) The train moves at a uniform speed, which should not exceed 8 KM per hour.

(c) There should be no acceleration or deceleration.

(d) The track should not have a gradient more than 1/300.

These ideal conditions can hardly be satisfied in actual practice. The Railways also can not have the necessary locomotives to ensure such uniform speed of less than 8 KM per hour.

Installation of electronic weighbridges is costly. Apart from higher cost of the equipment, the equipment needs air-conditioned environment for its control console. As such setting up of such weighbridges at collieries with low production is not economical. Setting up of such weighbridges at Railway Yards requiring to move large number of rakes would be economical. Yet, we are not aware if the Railways have installed any such weighbridges at their yards.

In the circumstances, plans for setting up electronic weighbridges can only be executed after detailed discussions between the Railways and Coal India for sorting out the constraints indicated above."

51. The Committee note that coal wagons are weighed at collieries and the RRs are issued by Railway personnel posted at the weigh-bridges. Where there is no weigh-bridge, coal is loaded by the collieries on volumetric basis i.e. as per marking on the wagons and the wagons are subsequently weighed at the Railway weigh-bridges or booked on carrying capacity basis. However, a test weighment of 1.18 lakh wagons loaded in different coal fields of Eastern and South Eastern Railways, in September 1985, had revealed that 37.49 per cent wagons were overloaded and 41.89 per cent wagons were underloaded. The extent of overloading in respect of BOX wagons ranged from 9 per cent to 27 per cent and in respect of 4 wheelers from 6 per cent to 33 per cent of the carrying capacity. As regards underloading of wagons, there have been complaints from the consumers that there is shortage of coal to the tune of 13 to 16 per cent on the carrying capacity. The fact that only 21.12 per cent

wagons were found correctly loaded, in the test check, indicates nothing but the failure on the part of the consignors as well as the Railway staff issuing the RRs to exercise proper supervision to ensure the correct loading operations. To say the least, the supervision needs to be tightened.

55. The Committee regret to observe that the Coal India Ltd. and Railways have tried to shift the responsibility of proper loading of wagons on each other. According to the Coal India Ltd., the weighment responsibility at the point of loading is that of Railways as RRs are issued by the Railway staff and even the weighbridges owned by the collieries are manned by the Railway staff. On the other hand, the Railways have contended that it is the responsibility of the collieries to load correct quantity of coal. The Committee feel that neither Railways nor Coal India Ltd. can absolve themselves from the responsibility of ensuring proper loading of wagons. Overloading of wagons is not only a safety hazard but also a leakage of revenue whereas under-loading of wagoans is clear mal-practice. In any case, it is essential to ensure that the wagons are correctly loaded. In the Committee's view the chances of irregular loading are more if the wagons are not at all weighed at the collieries. At present all the colieries do not have weigh bridges and even the existing weigh bridges cannot weigh BOXN wagons which are increasingly being used for loading of coal. Very few wagons are, in fact, weighed at the starting point and hence large scale irregular loadings are but natural. If such irregular loadings i.e. under-loading and over-loading of wagons is allowed to cotinue unchecked there would be some more disadvantages in addition to those referred to above. Some consignees would get undue advantage (in case of over-loading) whereas some others would stand to lose (in case of under-loading) as cost of coal and freight is charged on carrying capacity basis. The consignees who lose in the process are bound to make a complaint against Railways as well as coal companies for short supply of coal besides claiming compensation. Special efforts are therefore, necessary on the part of both the organisations to ensure, and particularly in case of wagons remaining unweighed at the collieries/loading points, that they are loaded to their marked carrying capacity.

56. As on 12 December, 1985 there were only 70 weigh bridges in different collieries of Coal India Ltd. which has 305 rail loading points. Out of these only 51 weigh bridges were in working conditions; 13 being out of order and 6 awaiting commissioning. According to the Department of Coal, Coal India Ltd. requires 69 additional weighbridges. There is also a proposal for installing 19 electronic weigh-

bridges in the near future to weigh BOXN wagons at their collieries. The expenditure involved on machines and installation of indigenous electronic weighbridges is stated to be between Rs. 12 and Rs. 15 lakhs each and that on mechanical weighbridges is of the order of Rs. 9 lakhs each. The setting up of electronic weighbridges is however likely to be delayed as the indigenous manufacturers are stated to have been asked to develop the electronic weighbridges according to certain required specifications. The Committee feel that even if all these additional weighbridges are installed, there would still be many coal loading points at the collieries of Coal India Ltd. which will remain without weighbridges. In the absence of weighbridges it is not only difficult to ascertain the exact quantity of coal loaded in the wagons and the cost of coal to be charged from the consumers but also overloading and underloading cannot be controlled. If the Coal India Ltd. had planned installation of weighbridges in a phased manner, thereby spreading the expenditure on them over the years, if would not have been difficult to provide the wighbridges at all the collieries by now. Their task in this regard was also made easier to a certain extent by the incentives provided by Railways in the form of rebates for weighment of coal at their weighbridges plus the cost of staff provided to operate these weighbridges. The Committee have now been informed that in the meetings held on 31 January, 1986 and 15 February, 1986 between the Union Energy Minister and the representatives of Coal India Ltd;, State Electricity Board, Departments of Railways, Power and Coal, a decision was taken that Coal India Ltd. should provide weighbridges on a crash programme basis in the identified mines where no weighment is being done at present. The Committee would like to be apprised whether Coal India Ltd. have chalked out a time bound programme for installation of weighbridges at the remaining collieries. The Committee consider that apart from providing weighbridges at all the collieries it is also necessary to ensure that adequate arrangements are made for repair and maintenance of these weighbridges.

57. The Committee find from the Paragraph 5 of the Report of the C&AG of India for the year 1980-81, Union Government (Railways) regarding utilisation of weighbridges that there is considerable shortage of weighbridges with the Railways. According to this Audit para there were 6,685 booking stations on the Indian Railways, but the number of weighbridges available for weighment of wagon load consignments was only 426. Overloading of wagons is a usual phenomenon and due to shortage of weighbridges the excess weight loaded on the wagons go undetected which leads to considerable loss of revenue to the Railways and Coal India Ltd. apart from resulting in safety hazards. The Committee, therefore, desire that

Railways should acquire more weighbridges and instal them at the goods-booking stations/yards etc. While the Committee appreciate the difficulties experienced by the Railways in operating more static weighbridges, they would like them to develop and acquire modern in-motion weighbridges permitting weighment of wagons without impeding free flow of traffic. While doing so, the Railways may ensure in consultation with Coal India Ltd. that there is no duplication of the arrangements for provision of in-motion/static weighbridges.

58. The Committee note that the Railways, in order to check overloading of wagons, had started weighing them at Ludhiana and started charging levies for the overloading from the concerned parties. The parties filed writs in the High Courts against Railways' levying penalty charges and the Court is stated to have ruled that overloading was not the fault of the consignees but that of the Coal India Ltd. and therefore Railways cannot charge penalty. The Committee recommend that this problem should be re-examined by the Railway Board with a view to amending the Railway Act so as to empower the Railways to recover due freight on over-loaded wagons.

Pilferage

59. According to various coal consumers, the pilferage enroute, apart from underloading of wagons at loading points, constitutes the other major cause for complaint in regard to short receipt of coal at their end. The representations received from them in this regard highlight the following points:—

(i) The pilferage which takes place all along the route is either due to the RPF's indifferent attitude or because of connivance of large number of organised gangs which operate at all important junctions.

(ii) There is abnormal delay in transhipment points where wagons are delayed for days together. This causes lot of pilferage of coal there and unwanted delay and loss in production in the units of the consignees.

(iii) Lot of thefts of coal occur at the railway yards at the destination. This needs to be stopped with immediate effect. Adequate security arrangement should be ensured in transit as well as marshalling yard so that transit losses could be reduced to the minimum.

60. As regards the pilferage enroute, the representative of Railway Board stated during evidence:

> "About the losses in transit as a result of pilferage, we have found that at some places in the Sealdah Division where the coal from Raniganj and other coal-fields passes through some stations, the train is stopped and the complete train is looted. We have gone to this extent that steam locomotives are not sent and only diesels are given to those areas. We are unable to run even some trains for want of engines. Whole village come and loot the steam engines and the coal is lost. It is of course a law and order problem and we have to take suitable steps with the State Government that they should provide suitable law and order machinery to prevent this."

61. When enquired why the Railway Protection Force (RPF), the expenditure on which has increased considerably, was not able to check the pilferage, the witness replied:

> "We are bearing 50 per cent of the expenditure on the RPF with the State Governments. Now, with the new amendment in the RPF Act we have more powers which we did not have earlier, but in the case of mobile crime, where these things happen, the solution lies with the State Government to help the RPF because the RPF cannot function effectively without their help."

62. According to Audit para the transit loss due to pilferage etc., of loco coal (carried for railways own consumption) was assessed by the Railways as 2.33 per cent (2.65 lakh tonnes) in 1977-78 and 4.85 per cent (5.08 lakh tonnes) in 1981-82. The loss of coal in transit carried for public had increased more or less in the same proportion from 16.1 lakh tonnes in 1977-78 to 36.84 lakh tonnes in 1981-82.

63. It is learnt from Audit that the transit loss of loco coal increased further from 4.85 per cent (5.08 lakh tonnes) in 1981-82 to 6.1 per cent (5.67 lakh tonnes) in 1984-85 applying the same proportion of increase the transit loss of public coal could be reasonably estimated to have and increased from 36.84 lakh tonnes in 1981-82 to 55.88 lakh tonnes in 1984-85.

64. The Committee desired to know the norm for transit loss of Railway coal. In reply, the Department of Railways (Railway Board) stated *inter-alia* in a note as under:

> "The norm for the transit loss of Railway coal is 2 per cent.... An analysis has revealed that the loco coal losses have

gone up steeply on Central, Eastern, South Eastern and Western Railway. While the increase on Central, Western and South Eastern Railway has been attributed mainly to the incidence of under loading by the Western coal field collieries, the increase on Eastern Railway is mainly due to the law and order problem in the Eastern Sector. Losses on N.E. and Western Railway are partly due to coal being received after transhipment."

65. At the Committee's instance, the Department of Railways (Railway Board) have furnished a note indicating the following steps that have been taken by them to reduce the transit losses to the minimum:

(i) Escorting of block rakes of coal in theft prone and vulnerable sections is undertaken as far as possible.

(ii) Armed patrolling and posting of armed pickets in the sections|places, at which the trains slow down or where speed restriction has been imposed by the Engineering branch (like steeps, gradients, curves, hilly terrains, culverts and ridges).

(iii) Conducting of surprise checks by joint team at all important collieries, at which loading of coal is done.

(iv) Effective coordination with police authorities of the States, having a jurisdiction over areas|sections vulnerable for coal thefts, is being maintained at the level of IGs|DIGs, Commandants and Asstt. Commandants|RPF.

(v) Crime intelligence staff of the RPF are being detailed to collect intelligence about the activities of coal thieves and their associates, especially among the railway employees, as well as about receivers of the railway coal and on the basis of information so collected frequent raids are organised against them.

(vi) Dog squads are being utilised to patrol vulnerable yards and black spots by surprise.

(vii) RPF staff are posted at Yards and loco sheds to guard coal wagons and coal stocks.

(viii) Special watch is kept at all the transhipment points where the coal is transhipped.

(ix) Monitoring of coal consumption by engine crew to prevent malpractices.

66. Whereas it is important to see that excess coal in the wagons is not passed on to the consignees, it is also necessary to ensure that they get the same quantity of coal for which they are to make payment towards the cost of the coal and the freight therefor. Consumers have complained that quite often there is substantial shortage of coal in the wagons received by them. The Committee consider that apart from underloading at the collieries (discussed in the preceding paragraphs), the pilferage en-route is the other major cause for shortage of coal at the consumer's end. According to Railways the pilferage en-route is mainly due to the fact that in some regions trains are stopped and the coal from the wagons is looted. The Committee deprecate such a situation and would recommend that such vulnerable zones should be properly guarded and proper law and order situation should be ensured in cooperation with the State Government concerned at the highest level. Various steps are stated to have been taken to reduce the transit losses. The Committee, however, find that the transit losses are gradually increasing. This is evident from the fact that percentage of transit loss of loco coal (carried for Railways' own consumption) has increased from 2.33 per cent (2.65 lakhs tonnes) in 1977-78 to 6.1 per cent (5.67 lakh tonnes) in 1984-85 although the norm for the transit loss of Railway Coal is only 2 per cent. Likewise, the loss of coal in transit carried for public could be estimated to have increased more or less in the same proportion from 16.1 lakh tonnes in 1977-78 to 36.84 lakh tonnes in 1981-82 and to 55.88 lakh tonnes in 1984-85.

67. The Committee consider increasing pilferage of coal nothing but a serious loss to the Railways and the bonafide consumers and they cannot but stress the urgent need to eliminate this. In the Committee's view pilferage of coal could be due to various reasons viz PRF's indifferent attitude, connivance of staff with organised gang at all important junctions; theft of coal at the yards and the abnormal delay at the transhipment points. Such pilferage could be contained to a large extent if surprise checks are conducted quite often at the marshalling yards, transhipment points and the important junctions and the deterrent action is taken against all those found indulging in it. The Committee further recommend that coal should be moved as far as possible in block rakes and the transit time for the same should also be minimised by having the minimum possible stoppages. Duration of stoppages wherever necessary should also be minimised. The Railways should also ensure that RPF squad invariably accompany the coal wagons, in particular the full rakes and are

made accountable for any pilferage taking place in transit. These measures should be enforced more vigorously in Central, Eastern, South Eastern and Western Railways where coal losses are stated to have gone up steeply. Respective State Governments must be closely involved in ensuring the safe transit of coal through their areas.

Disposal of compensation claims

68. The Committee desired to know the number of claim cases filed by the consignees, the number of cases accepted and rejected by railways and those settled during the course of each of the years from 1977-78 to 1984-85. The Department of Railways (Railway Board) stated in reply in a note as under:

"Statistics of claims repudiated etc. are not maintained commodity-wise. However, Zonal Railways have compiled this data for the last five years and these are as follows:—

Disposal of claims on coal traffic

Year	No. of Claims paid	No. of claims repudiated	No. of claims settled otherwise (delivery under clear receipt, matching delivery, court cases etc.)	Total disposal
1980-81	3677	2176	20,600	26,453
1981-82	7113	2004	25,214	34,331
1982-83	5137	2176	26,835	34,148
1983-84	6897	1203	20,140	28,240
1984-85	5699	3254	22,287	31,240

(Note: Figures of repudiation and settled otherwise do not include those of N.F. Railway, as not maintained.)"

69. The amount of compensation paid on coal traffic and the percentage of amount paid to earnings from coal traffic during each of the years from 1977-78 to 1984-85 were as under:

Year	Freight earnings from coal traffic (in crores of Rs.)	No. of claims paid	Amount of compensation paid on coal traffic (in crores of Rs.)	Percentage of amount paid to earnings
1977-78	289·28	5062	1·65	0·57%
1978-79	262·79	4298	1·30	0·49%
1979-80	278·48	3594	1·65	0·59%
1980-81	317·05	3677	2·41	0·76%
1981-82	520·52	7113	3·84	0·74%
1982-83	734·36	5137	4·91	0·66%
1983-84	960·95	6897	8·22	0·85%
1984-85	1077·94	5699	10·24	0·95%

70. In this connection the Department of Railways have further stated in a note as under:

"It is relevant to mention here that some coal rakes are diverted in public interest to help power houses in distress and to avoid detention to wagons on account of inability of the consignees to unload in time due to failure of tippler, labour problems and other reasons. While there is a system of granting matching delivery of wagons due with wagons delivered as a result of diversion in each major siding, some balance still remains. This balance is settled by paying claims to original consignees and recovering value from divertees. While claims paid are shown in claims statistics, value recovered from divertees is not credited to claims account but is added to earnings. As a result, figures of gross amount paid indicated in the above table do not reflect the correct position. In the last few years, amount realised from divertees, sale proceeds etc. in respect of all commodities is given below:

1981-82	Rs. 2·06 crores
1982-83	Rs. 2·49 crores
1983-84	Rs. 7·09 crores
1984-85 (Prov.)	Rs. 9·30 crores

"The above figures include all commodities, but the major portion thereof pertains to coal diversions."

71. Audit para points out that the claims paid in 1981-82 were mainly for non-delivery of full wagon loads of public coal diverted to Power Houses and Railway Loco sheds after ascertaining proof of delivery. Owing to the failure of the Operating Department in planning the movement of coal rakes according to the coal linkage programme, number of diversions of public coal wagons increased from 2795 in 1977-78 to 6410 to 1981-82. The Committee desired to know the number of diverted coal wagons during each of the years from 1977-78 to 1984-85. In reply, the Department of Railways (Railway Board) stated in a note as under:

"The approximate No. of diverted wagons on seven Zonal Railways (excluding North Eastern and Northeast Frontier) during the last two years was as under:—

Year	No. of diverted wagons
1983-84 .	101608
1984-85 . .	110198

These diverted wagons will be missing at those stations to which they were originally booked. Complete information prior to 1983-84 is not available."

72. As regards the latest position of diverted wagons, the Department of Railways (Railway Board) stated:

"The position of diverted wagons on six zonal railways as on 31-10-1985 was 39196. The position of balance three railways (Northern, Northeast Frontier and South Eastern) is not readily available."

73. The Committee desired to know whether the Railways entertained claims on account of shortage of coal detected by the consignees at the destination. The Department of Railways (Railway Board) stated in a note:

"There are two rates for booking of coal-owners risk rate and Railways' risk rate. Railways risk rate is 20 per cent higher than the owner's risk rate. Coal is being booked at owners risk rate. According to the Rule 305 of Goods Tariff No. 36 General Rules "Coal and coke booked at owner's risk rate will not be reweighed". However, to mitigate hardships to customers, in exceptional cases

where there is evidence of an apparent heavy shortage and the wagon has suffered an unscheduled detention enroute or was involved in an accident, reweighment is permitted by Divisional Commercial Officers, and depending upon the shortage so verified claim is paid..... Otherwise claims of shortage of coal wagons are not entertained as a matter of course, as coal is booked at owner's risk."

74. According to Department of Railways, the number of claims paid for partial shortage out of the total number of claims paid during the years 1981-82 to 1984-85 was as under:

	No. of claims paid	Amount of claims paid in lakhs of Rs.
1980-81 .	721	22·69
1981-82 . .	550	20·13
1982-83 . .	789	42·80
1983-84 .	783	47·69
1984-85 . .	759	62·35

75. On being pointed out during evidence that the amount of claim paid on Coal traffic had been rising steadily and in fact increased from Rs. 1.65 crores in 1977-78 to Rs. 10.24 crores in 1984-85, the representative of Railway Board replied:

"The increase is mostly because the price of coal has gone up."

76. As regards the delay in settlement of claims the Coal consumers have, in their representations to the Committee, stated as under:

"Many a times wagons do not reach the destination and claims have to be filed with the railways therefor. Claims of non-delivery of wagons are not settled for a long time. Railway takes a very very long time in tracing the where about of missing wagons. This delays settlement."

77. On being enquired whether any time limit had been laid down for recoupment of coal wagons, which are either missing or diverted to the owners, the Department of Railways (Railway Board) explained in a note as under:

"Normally, diversion of public coal rakes is not allowed. However, in public interest in order to meet essential needs

of the community it may sometime become necessary to divert coal consignments to other Public Utility Undertakings like Power Houses, Steel Plants, Fertilizers Plants, Loco Sheds etc., In such cases matching delivery is required to be made by the diverting Railway within 30 days of the diversion.

In case of diversion of piece-meal wagons which may be detached from a block rake the original consignee is not to be recouped with the coal but to be compensated by payment of his claim. However, certificate of non-delivery is required to be issued to him within three months on the basis of which he can ask for booking of coal by Director, Rail Movement, Calcutta, in lieu of the number of wagons diverted which otherwise would have been received by him."

78. When asked about the total number of claim cases, filed by the consigners, which are still to be disposed of, the Department of Railways (Railway Board) stated in a note:

"The total number of claim cases of coal pending disposal as on 30-11-1985 on Indian Railways were 1890. Their age-wise position was:

1.	Upto 3 months old	1025
2.	Between 3 to 6 months old	623
3.	Between 6 months to 1 year old	234
4.	Over 1 year old	80"

78A. In reply to a query the Department of Railways (Railway Board) stated that the number of such claims cases pending in courts on Indian Railways as on 30 November, 1985 were 941.

79. The Coal consumers have further stated in their representations that many a times as Coal Wagons are received with proper label and marking. As a result of this, the railway authorities at the delivery point are not able to identify the parties to whom the Wagons belong. The Committee desired to know the steps taken to ensure that the wagons reached the destination with proper labels and marking. The Department of Coal in a note stated in reply:

"Before despatching coal wagons the loading stations provide seal labels and pocket labels but sometimes miscreants remove/interfere with them while the wagons are passing through various yards and handling points. As a result

identification becomes difficult at the destination stations. It is being ensured that originating stations provide these labels and security staff guard them wherever they are deployed."

80. Para 1455 of the Indian Railway Commercial Manual provides that:

"Transit invoices should normally accompany the consignments. In the case of consignments carried in covered wagons, whether in full wagons or smalls the transit notices should be placed inside the wagons. In the case of open wagons, they should be carried by the guard alongwith the train documents instead of placing inside the wagons."

81. The Committee note that there are two rates for booking of coal-owner's risk rate and railway's risk rate. Railways' risk rate is 20 per cent higher than the owner's risk rate. At present, coal is being booked by Railways at owner's risk rate. According to the rules, the coal and coke booked at owner's risk rate is not reweighed. However, in exceptional cases where there is evidence of apparent heavy shortage, reweighment is permitted by Divisional Commercial Officers and depending upon the shortage so verified the claim is paid. According to the Railways claims of shortage of coal in the wagons are not entertrained as a matter of course as coal is booked at owner's risk rate. However, the Railways do accept claims for non-delivery of coal wagons to the consignees. Non-delivery of wagons is stated to be mainly due to diversion of coal wagons in public interest to other public utility undertakings like Power House, Steel Plants, Fertiliser Plants, Loco sheds, etc. In case where diversion is of a full rake, matching deliveries are made by diverting Railway within 30 days of the diversion and in case where diversion is of piecemeal wagons, the original consignee is not compensated with coal but is given monetary compensation. Thus, total amount of compensation claims paid by the Railways mainly account for cases of non-delivery of full wagon loads to the consignees and the amount of claims paid for the shortage of coal is only marginal. However, the Committee find that the total amount of compensation paid on coal traffic has increased gradually from Rs. 1.65 crores in 1977-78 to Rs. 10.24 crores in 1984-85. Likewise the percentage of amount of compensation paid to the coal freight earnings has also increased gradually from 0.57 per cent to 0.95 per cent during the same period. The approximate number of wagons diverted on seven Zonal Railways (excluding North-Eastern and North-East Frontier) during 1983-84 was 1,01,608 and that during 1984-85 was 1,10,198. In the

opinion of the Committee, the Railways should make efforts to minimise the diversion of wagons by more stringent planning and coordination with Department of Coal and consumers. Diversions not only result in avoidable cases of compensation claims from the consignees but also adversely affect their production schedule due to non-receipt of coal in time.

82. The Committee consider that in case of unavoidable diversion of wagons, the claims filed by the parties should be disposed of at the earliest. In this connection, the Committee find that the total number of claim cases pending disposal as on 30 November, 1985 were 1890. Out of these as many as 937 cases were pending for a period ranging from three months to more than one year. The Committee are of the view that all the cases of compensation claims should be disposed of within a prescribed time limit say, within three months of their filing by the concerned parties. The Committee further find that there were 941 cases of compensation claims in respect of coal pending in the courts as on 30 November, 1985. The Committee desire that the Railways should review the procedure of disposal of compensation claims in respect of coal and take appropriate steps so that the compensation claims could be settled expeditiously and amicably and resorting to legal remedy by the concerned parties or the Railways could be minimised.

83. It has also come to the notice of the Committee that sometimes wagons are not delivered to the parties at the destinations as it becomes difficult to identify the parties to whom it belongs, due to improper labelling and marking on the wagons. The Committee are constrained to note that instructions contained in the manual in this regard are not being observed in letter and spirit. The Committee desire that the concerned staff at the originating stations may be instructed to provide the labels and the marking at the appropriate place on the wagons in such a way that they are not easily removed or tampered with enroute. Further, the vehicle guidance accompanying the rakes/wagons should also contain the consignees' names so that there is no difficulty in identifying the wagons at the destinations even if the label somehow gets detached.

Quantity of Coal

84. During evidence the Committee drew the attention of the witnesses to a general complaint regarding the adulterated an inferior quality of coal received by not only the power house but other

coal consumers also and desired to know their views in this regard. The representative of Coal India Limited stated:

> "The arrangements at the collieries for crushing coal do not exist. We have been progressively trying to make coal handling arrangements facilities at all the collieries. There are a number of places where the coal is not crushed and sized.....Unless we undertake washing of coal, there may be difficulty in practice. If we have some which is 10 ft, thick, then in between there are some points of stone seen within the seam. With the passage of time, there has been an increasing degree of mechanisation, and by mechanisation, this coal is mined; then stone, shale and coal are mined together. Even where arrangement for coal preparation exists, because the quantity of stone is large and it is badly mixed up with coal, so, any process of separation of coal will only remove part of it and some of it remains. We have examined this question with some of the power stations. The programme for overcoming this problem is largely installing coal handling plant.—(1). The size will be brought to the proper size; (2) by having more properly organised picking, a large percentage of stone and shale will be removed from the coal."

85. When asked about the international experience in this regard, the witness stated:

> "There are a number of countries where bulk of the coal is washed; but there are a number of places where only 50 per cent coal is washed. It is a question of comparing economy of washing coal, say, with some effect on efficiency. But we have been having these dialogues in progress with some of power stations whether they would like us to wash their coal which will give greater consistency in quality."

He further stated:

> "By washing abrasiveness also will go down. Ash will also come down. The second part about washing is that a lot of material which is rejected contains a lot of combustible matters; it may contain 50 per cent of the matter which can be burnt. That becomes a bit of a waste. One has to choose a stage at which washing should be done and the level up to which washing has

to be done. In non-coking coal no consumer will agree for washing. But it is used in steel plants after washing. May be in times to come it may be used for other purposes also after washing."

86. The Committee desired to know the cost per tonne of crushing and washing the coal at the collieries. The Department of Coal stated in a note as under:

"The cost of crushing and washing varies widely depending upon the nature of the raw coal to be washed. For a case where an easy coal is washed with the simplest washing. circuit the additional cost is of the order of Rs. 60/- per tonne."

87. When enquired whether the consumers were willing to pay the washing cost of coal at collieries, the Department of Coal stated as under:

"The question of benefication of non-coking coal has been considered many times in the past. There are divergent views on the cost/economies of such benefication. The Central Electricity Authority has held the view that conventional washing is likely to be uneconomic in that the additional cost of washing the coal would not result in comensurate benefits in the form of improved power generation. The first non-coking coal washing was planned for setting up at Bharatpur to meet the needs of power coal for NALCO captive power plant. But NALCO retracted subsequently from the proposal.

Tamil Nadu Electricity Board has also agreed to take beneficated coal for their Ennore and Tuticorin Power Stations expansion projects from Kalinga project of Central Coal fields Ltd., but the terms and conditions of the proposal are yet to be negotiated. There is also a proposal to supply washed coal to Satpura Power Station of MPEB from Nandan Washery."

88. When enquired whether any economic study had been conducted by Coal India Ltd. to evaluate whether it would be better to have the coal crushed and Screened at the collieries rather than transporting the lump coal including stone content etc. and thus utilising

avoidable transport capacity and forcing the consumers to do the needful at their end, the Department of Coal explained the position in a note as under:

> "The policy of CIL is to supply good quality coal without any admixture of stone, shale or other extraneous matter as far as possible.
>
> For superior quality coal, CIL's policy has been to instal crushers and screening plants and subject the steam fraction to picking before despatch. This is possible for superior grade coals as the percentage of stone etc. is small.
>
> In the case of poor quality coals, the mine mostly open cast are of large capacity and in the absence of Coal Handling Plants at many of the loading points when large scale mechanical loading is done, it is not always possible to pick stones and shale effectively. However, strict instructions have been given to remove extraneous matter manusually as far as possible. A programme of having Coal Handling Plants at all the loading points is under implementation. As regard the economy of washing there are certain vital areas where the likely advantage of using higher grade coals cannot be assessed by us unless and until washed coal is used and the benefits are quantified:—
>
> (i) Benefits arising out of reduction in plant outages and reduction of maintenance costs.
>
> (ii) Benefits arising out of consistent quantity and size."

89. During their meeting with the coal consumers from Western and Central region at Bombay, the Committee were informed by the consumers that the coal wagons received by them contained not only coal but a sizeable quantity of stone stale etc. The Committee were unhappy to note that the consumers were made to pay for not only the cost of stones by weight but also for its transportation thousands of kilometres. The Committee therefore, asked the Department of Coal to ensure that such extraneous matters were not supplied along with the coal and transported thousands of kilometres blacking the already scarce transportation capacity. They were informed that washing the coal could be the solution to this problem but it was a costly proposition. The plea of the Department that the washing of the coal would be uneconomical would not appear to be appropriate at this stage as what the Committee has in mind is not washing of the coal but only preliminary screening to avoid stones etc. The Committee fail to understand why screening (not washing) of coal could not be done

at the collieries to ensure that such extraneous matters were screened out. The Committee consider that the cost of screening should not be a matter of dispute between the consumer and the supplier as the screening of stones, etc. has to be done after receipt of the coal at the consuming end. Therefore, screening cost has, in any event, to be incurred. As such, by screening the stones at the loading points considerable cost on transportation of stones couldt be saved and space released for carrying coal in their place. The Committee desire that some methodology must be evolved at all collieries to segregate the extraneous matters from the coal before its loading.

90. The Committee further note that the non-coking coal used by power plants, textile mills etc. is not being supplied after washing by the collieries. The Department of Coal have stated in this connection that the question of Beneficiation of non-coking coal has been considered many times in the past but there are divergent views on the cost/economics of such beneficiation. It has been contended that although the ash and abrasiveness comes down by washing the coal, a lot of material so rejected contains combustible matter which goes waste. Further, the use of washed coal is considered expensive as according to Department of coal the cost of washing the coal with the simplest washing circuit is about Rs. 60 per tonne. The Central Electricity Authority is stated to have held the view that conventional washing is likely to be uneconomic in that the additional cost of washing the coal would not result in commensurate benefit in the form of improved power generation. However, the representative of Coal India Limited informed the Committee during evidence that they had dialogues with some of the power stations whether they would like to use washed coal which would give greater consistency in quality. Offers from some of the State Electricity Boards are stated to have been received for supply of washed coal for a few of their selected power stations. The Committee desire that the Coal India Ltd. should try to provide beneficiated non-coking coal to those consumers who prefer the same.

NEW DELHI;
November 17, 1986
Kartika 26, 1908 (*Saka*)

E. AYYAPU REDDY,
Public Accounts Committee.

APPENDIX

APPENDIX

Statement of observations and Recommendations

Sl. No.	Para No.	Ministry/Deptt.	Observation/Recommendation
1	2	3	4
1	18	Railways/Coal	Coal India Ltd. is the major producer of coal in the country. Out of 147.43 million tonnes of coal produced in 1984-85, 130.84 million tonnes was produced by Coal India Ltd., 12.33 million tonnes by Singerani Collieries Co. Ltd. and the rest was contributed by India Iron & Steel Co. Ltd., Damodar Valley Corporation and Tata Iron & Steel Co. Ltd.
2	19	Railways/Coal	Four major sectors viz., Steel Plants, Power Houses, Railways and Cement Plants, currently account for about 75 per cent of the total coal consumption in the country. Balance 25 per cent of the coal is consumed by a large variety of 20,000 and odd medium and small industries. The Committee are informed that though there is no control on sale, distribution and movement of non-metallurgical coal since 1967, indirect control through the system of sponsorship, linkages and priorities for rail movements continues. For purpose of distribution industries have been divided into two categories i.e. (i) Centrally sponsored industries, and (ii) State sponsored industries. The industries in th ecore section eg. Steel, Power Houses, Defence, Railways

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			and certain important major industries have been placed under "Central priorities". Domestic consumers, small industries, brick burners etc. have been placed under the "State priorities". This is to ensure that the available transport capacity is utilised equitably, according to certain laid down priorities among the different categories of coal consumers. The coal produced in Singerani coal fields is, however, not distributed under the system of sponsorship.
3	20	Railways/Coal	According to Department of Coal, the present system of coal distribution in the case of the major centrally sponsored industries is somewhat different from the smaller industries. Steel Plants and Washeries use coaking coal, allocation of which is made by the Coal Controller. Railways and Defence Departments programme their requirements themselves whereas a standing linkage committee set up by the Government of India coordinates the linkages in terms of quantity, quality and source of supply, for Power Stations and Cement Plants. In the case of each individual coal|coke consuming unit of non-core sector the specific linkage is provided by Coal India Ltd., for its monthly requirement which indicate both the source of supply and the mode of transport. The system in case of brick burning coal and soft coke is stated to be again somewhat different as the State Governments determine the quantities as well as the agents|agencies through whom BRK (Coal for Brick Industries) Coal and Soft Coke can be imported to different destinations in the States.

4	21	Railways/Coal	The Committee note that all rail transport of coal is regulated under Preferential Traffic Schedule issued by the Railways under Section 27(A) of the Indian Railways Act. Under this schedule, the railways have laid down certain quotas for wagon allotments from time to time for coal and programmed movements sponsored by different sponsoring authorities as accepted by the Railway Administration. After meeting the full recommended requirements of important high priority consumers, other consumers of lower priority get allotments of wagons on the basis of residual availability. The Committee further note that the sector-wise demand of coal during 1985-86 was assessed by Planning Commission as 163.80 million tonnes of raw coal and 5.10 million tonnes of washery middlings. Based on this demand, Railways were asked to transport 124.5 million tonnes of coal but according to the Department of Coal, they agreed to move about 110.0 million tonnes of coal during 1985-86, because of the resource constraints. However, the quantity of coal actually moved by the Railway during 1985-86 was 101.14 million tonnes. It is not known to the Committee whether Planning Commission had accepted the lower target suggested by Railways. The Committee feel that due to inadequate supply of wagons, timely distribution of coal was affected. Shortage of coal and/or delayed delivery is likely to be experienced by all the consumers and more by the small consumers mostly under 'State Priorities' who do not enjoy high priority for the supply of wagons. The Committee need hardly stress that small scale industries and brick kilns, etc. play an important role in the overall economic development of the country and it is, therefore of utmost importance that their genuine requirements are also met so that these industries do not run into difficulties

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			on account of short supply of coal. Concerted efforts should be made to gear up railway transport capacity so that these consumers also receive their due share of coal through rail transport. In this connection, the Committee would also like the Department of Steel and the Department of Railways to ensure early implementation of the remaining recommendations of the Khandelwal Committee which was set up as early as in 1973 to examine *inter alia* the different methods of reducing the detention time of wagons within the steel plants. Reduced detention of wagons in steel plants should certainly increase the overall availability of wagons for coal movement.
5	22	Railways/Coal	The Committee note that 68 per cent of the coal was transported by rail, 20 per cent by road and 12 per cent by other means during 1984-85. The other means of transport of coal which are costlier as compared to rail transport include coastal shipping, aerial ropeways conveyors, etc. Considering the shortage of the Railway wagons, the existing over crowding in the coal carrying rail routes; and having regard to the fact that the movement of coal beyond 300 kms. by road is uneconomic, the Committee recommend that the feasibility of transport of coal by coastal shipping may be examined. The Committee would like the Department of Coal/Coal India Ltd. to take necessary steps in this direction in coordination with the Department of Surface Transport (Shipping Wing) and Department of Railways and apprise them of the same.

6	23	Railways	The Committee are informed that Railways have taken on hand two-fold programme to ensure that movement of coal to the consuming centres remain uninterrupted. First, action has been taken to improve the line capacity on the important coal carrying routes. For this, works having estimated cost of more than Rs. 400 crores are stated to be in progress. Secondly, Railways have introduced BOXN wagons which are shorter in length but have the same carrying capacity as the BOX wagons, hence more coal can be carried in each rake of standard length. According to the Department of Railways, 3,500 BOXN wagons have been added to the fleet till 1984-85. Another 4300 such wagons are likely to be acquired in 1985-86 depending upon the financial resources. Total investment in BOXN, wagons is likely to be Rs. 429 crores. While appreciating these measures the Committee like to be informed whether these are adequate to meet the needs of rail transport of coal.
7	54	Railways/Coal	The Committee note that coal wagons are weighed at collieries and the RRs are issued by Railway personnel posted at the weighbridges. Where there is no weighbridge, coal is loaded by the collieries on volumatric basis *i.e.* as per marking on the wagons and the wagons are subsequently weighed at the Railway weighbridges or booked on carrying capacity basis. However, a test weighment of 1.18 lakh wagons loaded in different coal fields of Eastern and South Eastern Railways, in September 1985, had revealed that 37.49 per cent wagons were overloaded and 41.39 per cent wagons were underloaded. The extent of overloading in respect of BOX wagons from 9 per cent to 27 per cent and in respect of 4 wheelers from 6 per cent to 33 per

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			cent of the carrying capacity. As regards under-loading of wagons, there have been complaints from the consumers that there is shortage of coal to the tune of 13 to 16 per cent on the carrying capacity. The fact that only 21.12 per cent wagons were found correctly loaded, in the test check, indicates nothing but the failure on the part of the consignors as well as the Railway staff issuing the RRs to exercise proper supervision to ensure the correct loading operations. To say the least, the supervision needs to be tightened.
8	55	Railways/Coal	The Committee regret to observe that the Coal India Ltd. and Railways have tried to shift the responsibility of proper loading of wagons on each other. According to the Coal India Ltd., the weighment responsibility at the point of loading is that of Railways as RRs are issued by the Railway staff and even the weighbridges owned by the collieries are manned by the Railway staff. On the other hand, the Railways have contended that it is the responsibility of the collieries to load correct quantity of coal. The Committee feel that neither Railways nor Coal India Ltd. can absolve themselves from the responsibility of ensuring proper loading of wagons. Over-loading of wagons is not only a safety hazard but also a leakage of revenue whereas under-loading of wagons is clear mal-practice. In any case, it is essential to ensure that the wagons are correctly loaded. In the Committee's view the chances of irregular loading are more if the wagons are not at all weighed at the collieries. At present all the collieries do not have

weighbridges and even the existing weighbridges cannot weigh BOX wagons which are increasingly being used for loading of coal. Very few wagons are; in fact, weighed at the starting point and hence large scale irregular loadings are but natural. If such irregular loadings *i.e.* under-loading and over-loading of wagons is allowed to continue unchecked there would be some more disadvantages in addition to those referred to above. Some consignees would get undue advantage (in case of over-loading) whereas some others would stand to lose (in case of under-loading) as cost of coal and freight is charged on carrying capacity basis. The consignees who lose in the process are bound to make a complaint against Railways as well as coal companies for short supply of coal besides claiming compensation. Special efforts are therefore, necessary on the part of both the organisations to ensure, and particularly in case of wagons remaining unweighed at the collieries/ loading points, that they are loaded to their marked carrying capacity.

9	56	Railways/Coal	As on 12 December, 1985 there were only 70 weigh bridges in different collieries of Coal India Ltd. which has 305 rail loading points. Out of these only 51 weighbridges were in working conditions; 13 being out of order and 6 awaiting commissioning. According to the Department of Coal, Coal India Ltd. requires 69 additional weighbridges. There is also a proposal for installing 19 electronic weighbridges in the near future to weigh BOXN wagons at their collieries. The expenditure involved on machines and installation of indigenous electronic weighbridges is stated to be between Rs. 12 and Rs. 15 lakhs each and that on mechanical weighbridges is of the order of Rs. 9 lakhs each. The setting up of electronic weighbridges is how-

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			ever likely to be delayed as the indigenous manufacturers are stated to have been asked to develop the electronic weighbridges according to certain required specifications. The Committee feel that even if all these additional weighbridges are installed, there would still be many coal loading points at the collieries of Coal India Ltd. which will remain without weighbridges. In the absence of weighbridges it is not only difficult to ascertain the exact quantity of coal loaded in the wagons and the cost of coal to be charged from the consumers but also onverloading and underloading cannot be controlled. If the Coal India Ltd. had planned installation of weighbridges in a phased manner, thereby spreading the expenditure on them over the vears, it would not have been difficult to provide the weighbridges at all the collieries by now. Their task in this regard was also made easier to a certain extent by the incentives provided by Railways in the form of rebates for weighment of coal at their weighbridges plus the cost of staff provided to operate these weighbridges. The Committee have now been informed that in the meetings held on 31 January, 1986 and 15 February, 1986 between the Union Energy Minister and the representatives of Coal India Ltd., State Electricity Board, Departments of Railways, Power and Coal, a decision was taken that Coal India Ltd. should provide weighbridges on a crash programme basis in the identified mines where no weighment is being done at present. The Committee would like to be apprised whether Coal India Ltd. have chalked out a time bound programme for installation of weighbridges at the

			remaining collieries. The Committee consider that apart from providing weighbridges at all the collieries it is also necessary to ensure that adequate arrangements are made for repair and maintenance of these weighbridges.
10	57	Railways	The Committee find from the Paragraph 5 of the Report of the C&AG of India for the year 1980-81, Union Government (Railways) regarding utilisation of weighbridges that there is considerable shortage of weighbridges with the Railways. According to this Audit para there were 6,685 booking stations on the Indian Railways, but the number of weighbridges available for weighment of wagon load consignments was only 426. Over-loading of wagons is a usual phenomenon and due to shortage of weighbridges the excess weight loaded on the wagons go undetected which leads to considerable loss of revenue to the Railways and Coal India Ltd. apart from resulting in safety hazards. The Committee, therefore, desire that Railways should acquire more weighbridges and instal them at the goods-booking stations/yards etc. While the Committee appreciate the difficulties experienced by the Railways in operating more static weighbridges, they would like them to develop and acquire modern in-motion weighbridges permitting weighment of wagons without impeding free flow of traffic. While doing so, the Railways may ensure in consultation with Coal India Ltd. that there is no duplication of the arrangements for provision of in-motion/static weighbridges.
11	58	Railways	The Committee note that the Railways, in order to check overloading of wagons, had started weighing them at Ludhiana and started charging levies for the overloading from the concerned parties.

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			The parties filed writs in the High Courts against Railways' levying penalty charges and the Court is stated to have ruled that over-loading was not the fault of the consignees but that of the Coal India Ltd. and therefore Railways cannot charge penalty. The Committee recommend that this problem should be re-examined by the Railway Board with a view to amending the Railway Act so as to empower the Railways to recover due freight on over-loaded wagons.
12	66	Railways	Whereas it is important to see that excess coal in the wagons is not passed on to the consignees, it is also necessary to ensure that they get the same quantity of coal for which they are to make payment towards the cost of the coal and the freight therefore. Consumers have complained that quite often there is substantial shortage of coal in the wagons received by them. The Committee consider that apart from underloading at the collieries (discussed in the preceding paragraphs), the pilferage en-route is the other major cause for shortage of coal at the consumer's end. According to Railways the pilferage en-route is mainly due to the fact that in some regions trains are stopped and the coal from the wagons is looted. The Committee deprecate such a situation and would recommend that such vulnerable zones should be properly guarded and proper law and order situation should be ensure in cooperation with the State Government concerned at the highest level. Various steps are stated to have been taken to reduce the transit losses. The Committee, however, find that the transit losses are gradually increasing. This is evident from the fact

that percentage of transit loss of loco coal (carried for Railways' own consumption) has increased from 2.33 per cent (2.65 lakhs tonnes) in 1977-78 to 6.1 per cent (5.67 lakh tonnes) in 1984-85 although the norm for the transit loss of Railway Coal is only 2 per cent. Likewise, the loss of coal in transit carried for public could be estimated to have increased more or less in the same proportion from 16.1 lakh tonnes in 1977-78 to 36.84 lakh tonnes in 1981-82 and to 55.88 lakh tonnes in 1984-85.

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The Committee consider increasing pilferage of coal nothing but a serious loss to the Railways and the bonafide consumers and they cannot but stress the urgent need to eliminate this. In the Committee's view pilferage of coal could be due to various reasons viz. RPF's indifferent attitude; connivance of staff with organised gang at all important junctions; theft of coal at the yards and the abnormal delay at the transhipment points. Such pilferage could be contained to a large extent if surprise checks are conducted quite often at the marshalling yards, transhipment points and the important junctions and the deterrent action is taken against all those found indulging in it. The Committee further recommend that coal should be moved as far as possible in block rakes and the transit time for the same should also be minimised by having the minimum possible stoppages. Duration of stoppages wherever necessary should also be minimised. The Railways should also ensure that RPF squad invariably accompany the coal wagons, in particular the full rakes and are made accountable for any pilferage taking place in transit. These measures should be enforced more vigorously in Central, Eastern, South Eastern

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			and Western Railways where coal losses are stated to have gone up steeply. Respective State Governments must be closely involved in ensuring the safe transit of coal through their areas.
14	81	Railways	The Committee note that there are two rates for booking of coal-owner's risk rate and railway's risk rate. Railways' 'risk rate is 20 per cent higher than the owner's risk rate. At present, coal is being booked by Railways at owner's risk rate. According to the rules, the coal and coke booked at owner's risk rate is not reweighed. However, in exceptional cases where there is evidence of apparent heavy shortage, reweighment is permitted by Divisional Commercial Officers and depending upon the shortage so verified the claim is paid. According to the Railways, claims of shortage of coal in the wagons are not entertained as a matter of course as coal is booked at owner's risk rate. However, the Railways do accept claims for non-delivery of coal wagons to the consignees. Non-delivery of wagons is stated to be mainly due to diversion of coal-wagons in public interest to other public utility undertakings like Power House, Steel Plants, Fertiliser Plants, Loco sheds, etc. In case where diversion is of a full rake, maching deliveries are made by diverting Railway within 30 days of the diversion and in case where diversion is of piecemeal wagons, the original consignees is not compensated with coal but is given monetary compensation. Thus, total amount of compensation claims paid by the Railways mainly account for cases of non-delivery of full wagon loads to the consignees and the amount of claims paid for the short-

age of coal is only marginal. However, the Committee find that the total amount of compensation paid on coal traffic has increased gradually from Rs. 1.65 crores in 1977-78 to Rs. 10.24 crores in 1984-85. Likewise the percentage of amount of compensation paid to the coal freight earnings has also increased gradually from 0.57 per cent to 0.95 per cent during the same period. The approximate number of wagons diverted on seven Zonal Railways (excluding North-Eastern and North-East Frontier) during 1983-84 was 1,01,608 and that during 1984-85 was 1,10,198. In the opinion of the Committee the Railways should make efforts to minimise the diversion of wagons by more stringent planning and coordination with Department of Coal and consumers. Diversions not only result in avoidable cases of compensation claims from the consignees but also adversely affect their production schedule due to non-receipt of coal in time.

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The Committee consider that in case of unavoidable diversion of wagons, the claims filed by the parties should be disposed of at the earliest. In this connection, the Committee find that the total number of claim cases pending disposal as on 30 November, 1985 were 1890. Out of these as many as 937 cases were pending for a period ranging from three months to more than one year. The Committee are of the view that all the cases of compensation claims should be disposed of within a prescribed time limit say, within three months of their filing by the concerned parties. The Committee further find that there were 941 cases of compensation claims in respect of coal pending in the courts as on 30 November, 1985. The Committee desire that the Railways should review the procedure of disposal of compensation

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			claims in respect of coal and take appropriate steps so that the compensation claims could be settled expeditiously and amicably and resorting to legal remedy by the concerned parties or the Railways could be minimised.
16	83	Railways	It has also come to the notice of the Committee that sometimes wagons are not delivered to the parties at the destinations as it becomes difficult to identify the parties to whom it belongs, due to improper labelling and marking on the wagons. The Committee are constrained to note that instructions contained in the manual in this regard are not being observed in letter and spirit. The Committee desire that the concerned staff at the originating stations may be instructed to provide the labels and the marking at the appropriate place on the wagons in such a way that they are not easily removed or tampered with enroute. Further, the vehicle guidance accompanying the rakes/wagons should also contain the consignees' names so that there is no difficulty in identifying the wagons at the destinations even if the label somehow gets detached.
17	89	Coal	During their meeting with the coal consumers from Western and Central region at Bombay, the Committee were informed by the consumers that the coal wagons received by them contained not only coal but a sizeable quantity of stone, shale etc. The Committee were unhappy to note that the consumers were made to pay for not only the cost of stones by weight but also for its transportation thousands

			of kilometres. The Committee, therefore, asked the Department of Coal to ensure that such extraneous matters were not supplied along with the coal and transported thousands of kilometres blocking the already scarce transportation capacity. They were informed that washing the coal could be the solution to this problem but it was a costly proposition. The plea of the Department that the washing of the coal would be uneconomical would not appear to be appropriate at this stage as what the Committee has in mind is not washing of the coal but only preliminary screening to avoid stones etc. The Committee fail to understand why screening (not washing) of coal could not be done at the collieries to ensure that such extraneous matters were screened out. The Committee consider that the cost of screening should not be a matter of dispute between the consumer and the supplier as the screening of stones, etc. has to be done after receipt of the coal at the consuming end. Therefore, screening cost has, in any event, to be incurred. As such, by screening the stones at the loading points considerable cost on transportation of stones could be saved and space released for carrying coal in their place. The Committee desire that some methodology must be evolved at all the collieries to segregate the extraneous matters from the coal before its loading.
18	90	Coal	The Committee further note that the non-coking coal used by power plants, textiles mills etc. is not being supplied after washing by the collieries. The Department of Coal have stated in this connection

that the question of beneficiation of non-coking coal has been considered many times in the past but there are divergent views on the cost economies of such beneficiation. It has been contended that although the ash and abrasiveness comes down by washing the coal, a lot of material so rejected contains combustible matter which goes waste. Further, the use of washed coal is considered expensive as according to Department of coal the cost of washing the coal with the simplest washing circuit is about Rs. 60 per tonne. The Central Electricity Authority is stated to have held the view that conventional washing is likely to be uneconomic in that the additional cost of washing the coal would not result in commensurate benefit in the form of improved power generation. However, the representative of Coal India Limited informed the Committee during evidence that they had dialogues with some of the power stations whether they would like to use washed coal which would give greater consistency in quality. Offers from some of the State Electricity Boards are stated to have been received for supply of washed coal for a few of their selected power stations. The Committee desire that the Coal India Ltd. should try to provide beneficiated non-coking coal to those consumers who prefer the same.