

TWELFTH REPORT

# **ESTIMATES COMMITTEE**

(1985-86)

**(EIGHTH LOK SABHA)**

**MINISTRY OF RAILWAYS  
MOVEMENT OF COAL BY RAILWAYS**

Action taken by Government on the Recommendations  
Contained in the seventy-Eighth Report of  
Estimates Committee (seventh Lok Sabha)



Presented to Lok Sabha on 22 August 1985

**LOK SABHA SECRETARIAT  
NEW DELHI**

**1(S)**

July, 29 1985/Sravana, 1907 (saka)

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CORRIGENDA TO TWELFTH REPORT OF ESTIMATES COMMITTEE.

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# ESTIMATES COMMITTEE

(1985-86)

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6. Shri Manoranjan Bhakta
7. Shri M. R. Janardhanan
8. Shri Hannan Mollah
9. Shri B. B. Ramaiah

## INTRODUCTION

I, the Chairman of the Estimates Committee having been authorised by the Committee to submit the Report on their behalf, present this Twelfth Report on action taken by Government on the recommendations contained in the Seventy-eighth Report of the Estimates Committee (Seventh Lok Sabha) on the Ministry of Railways—Movement of Coal by Railways.

2. The Seventy-eighth Report was presented to Lok Sabha on 11-4-1984. Government furnished their replies indicating action taken on the recommendations contained in that Report by 2-3-1985. The replies were examined by Study Group of Estimates Committee on Action Taken Report at their sitting held on 17 July, 1985. The draft Report was adopted by the Committee on 22 July, 1985.

3. The Report has been divided into following Chapters:—

- (i) Report
- (ii) Recommendations|Observations that have been accepted by Government.
- (iii) Recommendations|Observations which the Committee do not desire to pursue in view of Government's replies.
- (iv) Recommendations|Observations in respect of which replies of Government have not been accepted by the Committee.
- (v) Recommendations|Observations in respect of which final replies of Government are still awaited.

4. An analysis of action taken by Government on the recommendations contained in Seventy-eighth Report of Estimates Committee (Seventh Lok Sabha) is given in Appendix. It would be observed that out of 15 recommendations made in the Report 9 recommendations *i.e.* about 60 per cent have been accepted by Government and the Committee do not desire to pursue 1 recommendation *i.e.* about 7 per cent in view of Government's replies. Replies have not been accepted in respect of 5 recommendations *i.e.* about 33 per cent.

NEW DELHI;  
July 29, 1985  
Srivana 7, 1907(S)

CHINTAMANI PANIGRAHI,  
Chairman,  
Estimates Committee.

## CHAPTER I

### REPORT

1.1 This report of the Estimates Committee deals with action taken by Government on the recommendations contained in their 78th Report (7th Lok Sabha) on the Ministry of Railways—Movement of Coal by Railways which was presented to Lok Sabha on 11th April, 1984.

1.2 Action Taken Notes have been received in respect of all the 15 recommendations contained in the Report.

1.3 Action Taken Notes on the recommendations of the Committee have been categorised as follows:—

- (i) Recommendations/Observations which have been accepted by the Government:—

S. Nos. 2, 5, 6, 7, 8, 9, 10, 12, 15.

(Chapter II—Total 9)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of Government replies:—

S. No. 11

(Chapter III—Total 1)

- (iii) Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee:—

S. Nos. 1, 3, 4, 13 and 14,

(Chapter IV—Total 5)

- (iv) Recommendations/Observations in respect of which final replies are still awaited:—

NIL

(Chapter V—NIL)

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

#### *Optimum Utilisation of Railway wagons*

#### **Recommendation (Sl. No. 1, Para 1.13)**

1.5 The Committee had found that during the years 1982-83 and 1983-84 the actual loading and utilisation of wagons was much



less as against the number of wagons made available as per demand. The Committee had, therefore, desired that effective steps should be taken to achieve optimum utilisation of wagons.

1.6 In their reply the Ministry have stated:

“Noted the problem of ‘left behind’ and ‘drawn empty’ wagons is being taken up at the field level with the concerned collieries at the Zonal Railway level with the concerned coal companies and at the Ministry’s level, with the Deptt. of Coal and in the Co-ordination Committee meetings convened by the Secretary (Co-ord.) and the Cabinet Committee on Industrial infrastructure.”

1.7 The problem of underutilisation of wagons due to wagons ‘left behind’ and ‘drawn empty’ must have been affecting adversely the economy of Railways. The Railways should therefore have suo motu paid attention to this problem and devised ways and means to minimise the problem. However, despite the problem being specifically focused by the Committee in their recommendation, the Ministry of Railways have, after a consideration lasting well over 9 months, only to report to the Committee that the problem “is being taken up” at the field level as well as at the Ministry’s level with the authorities/Ministry concerned. The Committee desire that the problem should be given the attention that it deserves and correctives should be applied promptly. If the responsibility for wagons left behind/drawn empty is that of the indentors, then the Railways should charge from the indentors tariff on the basis of wagons made available and not on the basis of wagons loaded. On the other hand, if the problem is on account of any shortcoming or laxity on the part of the Railways themselves, suitable action should be initiated to regularly monitor the size of the problem, identify the reasons, make systems improvements where necessary and fix responsibility for so much of the problem as results from human negligence or laxity.

*Placement of Indents for Coal Loading*

**Recommendation (Sl. No. 3, Para No. 2.10)**

1.8 According to present practice Indents for Coal Loading are placed on day to day basis. Indents if not accepted are treated as lapsed at the end of the day and have to be repeated. Being of the opinion that the procedure is cumbersome, the Committee desired that the system might be reviewed keeping in view difficulties experienced by the consumers and the need of the Railways to Plan the availability of wagons according to demand.

1.9 In their reply the Ministry have stated:

'The present system of Indenting, allotment and leading on day to day basis has been working satisfactorily. The Railways are fully aware of the extent of demands for wagons which remain unsatisfied. Planning is done in advance for anticipated traffic and transport requirements are worked out. If funds are provided for this and other infrastructure as per the requirements of the Railways there will be no unsatisfied demand for loading. Unfortunately the Railways have never got the required funds from the planning commission and the shortfalls have accumulated over the years, resulting in lesser transport capacity being available than required to meet the demands in full'.

**1.10 The contention of the Ministry that the present system of indenting, allotting and loading of wagons on day-to-day basis has been working satisfactorily is not convincing. The Committee still feel that the procedure of repeating the unsatisfied indents every day should be cumbersome for the indentors. Besides, under the existing procedure it would not be possible for the Railways to make an assessment of unsatisfied demand and its intensity over a period of time so as to plan the availability even by re-deployment and diversion of wagons from elsewhere. The Committee therefore, reiterate their recommendation and desire the Ministry of Railways to have a fresh look at the existing system and introduce improvements therein in the interest of both the indentors as well as Railway themselves.**

*Pruning of Coal Loading demands*

**Recommendation (Sl. No. 4, Para 2.11)**

1.11 In the distribution of non-cooking coal, supplies to core sector are determined by priorities and for non-core sector coal loading programme is determined by the Railways in consultation with the collieries. Demands of the various units are determined on the basis of the likely availability of wagons on the Railways side and on the basis of likely loading capacity on the collieries side. The programme so arrived at is then communicated to the sponsoring authorities. As the demands of the sponsoring authorities are always much more than the 'Ceiling limits' fixed by the Ministry of Railways, pruning of demand to bring it within ceiling limits becomes inevitable. Being of the opinion that the system should be reverse of what it is, the Committee recommended its review suggesting that Railways should first collect the sponsored demand and then, in consultation with the collieries, earnestly attempt to meet it.

1.12 Ministry of Railways in their Action Taken reply have *inter-alia* stated that the situation of curtailing the sponsored demand as per the transport availability is due to short fall in allocation of funds and that the present procedure is unavoidable as long as both availability of coal and rail transport remain limited.

1.13. The Committee are unable to appreciate as to why the Ministry of Railways are averse to the system of assessment of demands for wagons for transportation of coal first and then making an attempt to meet the demand by improving availability of wagons either by reducing the turn round time and/or redeployment of existing fleet. The Committee reiterate the procedure recommended by them and hope that it will receive serious consideration from the Ministry of Railways.

*Installation of weighing machines at loading and delivery points*

**Recommendation (Sl. No. 13 & 14. Para No. 2.54 & 2.55)**

1.14 To cut the transit losses which are very high in the case of bulk consumers, the Committee suggested that weighing machines should be installed at the loading points as well as delivery points. However, in view of the Ministry's reluctance to provide machines at the delivery points on the ground that it might result in detention and congestion of wagons, the Committee felt that weighing machines should be provided at places where bulk deliveries of coal were made.

1.15 The Ministry of Railways have in their Action Taken reply stated:

“Railways cannot instal weighbridges at other than goods shed yards and railway sidings. Since coal is loaded at collieries sidings, it is for the collieries to instal their own weigh-bridges at coal loading points. However, as an inducement to the siding owners including collieries to instal weighbridges in their sidings, Railways offer rebate at the rate of 20 paise per tonne of traffic loaded and weighed in respect of weighbridges having a capacity of 90 tonnes and above and at the rate of 10 paise per tonne of traffic loaded and weighed in respect of weighbridges having a capacity of less than 90 tonnes. As stated by Estimates Committee, Coal India Ltd. has programme to instal weighbridges at coal loading points. Moreover, since it is the responsibility of the collieries to load the wagons supplied to them, upto the extent permissible, it

is for them to make arrangements for weighing of wagons to ensure that they are correctly loaded. Railways can test check the weight for charging freight at the weighbridge en-route or at the destination if it is not available at the booking point."

**1.16 The Committee are of the view that if the responsibility for installation of weighbridges at the loading point has been passed on to the collieries, it is only fair that such installations at the delivery point should be the responsibility of the Railways. They consider that installation of weighing machinery at the delivery points should not necessarily lead to the congestion of wagons. Installation of in-motion weigh-bridges could meet the apprehension. The weigh-bridges could be installed either by the Railways themselves or through contractors. Since the serious malady of losses in transit could be remedied by this system, the Committee would like the Ministry to examine the matter de novo with an open mind and take such action as may be appropriate and technically feasible.**

#### *Implementation of Recommendations*

**1.17 The Committee would like to emphasise that they attach the greatest importance to the implementation of the recommendations accepted by Government. They would therefore, urge Government to implement such recommendations expeditiously. In case where it is not possible to implement the recommendation in letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non implementation.**

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

#### **Recommendation (Sl. No. 2, Para No. 1.14)**

In 1984-85 out of an estimated production of 155 million tonnes, Railways are supposed to carry 117 million tonnes of coal. However, the representative of the Ministry has informed the Committee that it will not be possible for them to carry more than 106 or 107 million tonnes with the present infrastructure. The matter is under discussion with Planning Commission to find ways and means to bridge the gap between demand and availability of wagons for coal transportation. Coal being one of the most essential ingredient for the industrialisation of the country, the Committee expect the Ministry of Railways to impress upon the Planning Commission, the urgent need for allocation of more funds to augment the coal carrying capacity of the Railways not only to meet the present needs but also the future needs.

#### **Government's Reply**

The need for allocation of more funds to the Ministry of Railways is being impressed upon the Planning Commission every year. Supplementary demands for funds are also made if and when necessary. Action for 1984-85 on similar lines has been initiated.

[Ministry of Railways O.M. No. 84-BC-EC/VII/78  
dated 18-1-1985]

#### **Recommendation (Sl. No. 5, Para No. 2.12)**

The representative of the Ministry of Railways has confessed before the Committee that there is a need for change in distribution system. He informed the Committee that sometimes the sponsorships by States leave much to be desired and proves to be the breeding ground for malpractices like black-marketing. Cases have been detected where names of industries which have not taken coal at all find a place in sponsorship to the detriment of genuine consumers. Supplementing the views of the representative of the Ministry of Railways, the representative of Department of Coal informed the Committee that cases had come to notice where names of many small scale industries which had been closed down or did not exist were sponsored by States. They get the coal and black-marketed it. To

check such malpractices, Coal India Ltd. has started insisting on the consignees to furnish affidavits giving various details irrespective of the supplies being made through road or rail. Such affidavits have to be supported by certain documentary evidence regarding the genuineness of their coal requirement. Even parties sponsored by State Governments have to give affidavits. Twenty-five per cent of the ghost indentors drop out at this stage. Coal India is considering the verification of the affidavits submitted by private parties through their own agency and for this purpose to utilise the services of their regional offices. In the affidavits, it is made clear that misuse of coal will not only result in stoppage of coal supplies but shall render the culprits liable to prosecution. The Committee desire that it would be ensured that the steps taken are such as would eliminate malpractices in the distribution of coal.

#### **Government's reply**

The observations of the Committee have been noted. The system of consumers furnishing affidavit has been introduced by coal companies to curb such malpractices.

[Ministry of Railways O.M. No. 84-BC-EC|VII|18 dated 2.3.1985]

#### **Recommendation (Sl. No. 6, Para No. 2.20)**

The Committee are surprised that even when the allotment of wagons is sanctioned by the Director Movement (Railways) on the recommendation of the sponsoring authorities and consent of the collieries for loading, this sanction does not have any assurance or guarantee of allotment supply or movement so sanctioned. They are informed that while priority is accorded to movement on account of core sector, the sanctioned allotments of wagons for non-core sector is subject to cuts varying from 25 to 50 per cent. This is highly unsatisfactory state of affairs. The Committee would like the Ministry of Railways to so plan the system of allotment of wagon that once the allotment is sanctioned by the Director Movement (Railways) it is fully honoured and no difficulty is experienced by the non-core sector units in this regard.

#### **Government's reply**

Even after the advance sanction of the demand as per the recommendation of the sponsoring authorities and the consent of the collieries for loading it becomes unavoidable to curtail the allotment due to less offer of coal/wagons on month to month basis. Prior to November 1983, the steam coal consumers in the non-core sector

linked with the Bengal-Bihar coalfields were being allotted wagons at a rate of 25 per cent of their sanctioned demand. With the improvement in the offer of steam coal from November '83 onwards, these consumers were given 100 per cent allotment of their sanctioned demand. Hence it is a question of matching the coal and wagon availability with the demands sanctioned in advance. If all the three are adequate no cuts will be made at the time of allotment.

Keeping this in view the ceiling limits have been reduced for the year 1984 to the level of actual loading targets. This was done to ensure 100 per cent allotment of wagons to the consumers in the non-core sector.

As a result of increased offer of coal by Coal India Ltd. the ceiling limits for steam and slack coal for industrial consumers was revised upward by 25 per cent in February 1984. The ceiling limits were further revised upward in March 1984 for the non-core sector in view of improved offer of steam and slack coal.

It will be clear from the above that the Railways are following the correct distribution policy.

[Ministry of Railways O.M. No. 84-BC-EC/VII/78 dated  
18-1-1985]

### **Recommendation (Sl. No. 7, Para No. 2.26)**

During the evidence of the representatives of Ministry of Railways before the Committee, it transpired that the possibility of diversion of coal wagons cannot be ruled out both for bonafide and malafide reasons. The Committee can understand the deliberate diversions by Railways when a power house or locoshed is in distress. However, the Committee will like to draw the attention of the Ministry to the recommendation contained in para 3.63 of the 17th Report of the Committee on Public Undertaking (1980-81) that "should such diversions become necessary, the consignor should invariably be consulted and the consignee should also be consulted in case payment of the coal has been made."

### **Government's reply**

The matter regarding diversion of coal wagons by the Railways has been reconsidered and fresh instructions issued to the Railways vide Ministry of Railways' letter No. 81-TCIII/57/1 dated 16.8.84 (copy enclosed). Railways have been advised that coal consigned to one party should not be diverted to another party whether in private sector or in public sector, save in very exceptional cases when owing to an accident or breaches or civil commotion or heavy congestion

etc., it is in the overall public interest to resort to such diversions. Also the decision to resort to such diversions will be taken personally by the Chief Operating Superintendent of the concerned Railway. Even in such cases of diversion Railways have been advised that coal consigned to a private party will not be diverted except with the prior written consent of the party concerned.

[Ministry of Railways O.M. No. 84-BC-EC/VII/78 dated  
18-1-1985]

### **Recommendation (Sl. No. 8, Para No. 2.27)**

What really disturbs the Committee is the *malafide* diversions when high quality coal meant for power houses is clandestinely diverted to some private parties. The representative of the Ministry of Railways confessed before the Committee that such *malafide* diversions had recently taken place at Ahmedabad. The Committee are certain that *malafide* diversions cannot take place without the collusion of Railway Staff. They urge the Ministry to streamline the procedures with the aim of plugging the loopholes that enable such diversions. Further, when any such case comes to notice, it should be investigated in all seriousness and those found guilty should be suitably punished.

### **Government's reply**

The cases of *malafide* diversions are always investigated in all seriousness and the Staff found guilty are suitably punished.

[Ministry of Railways O.M. No. 84-BC-EC/VII/78 dated  
.. 18-1-1985]

GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS

**(Railway Board)**

(Copy)

No. 84|BC|III|07|1

New Delhi, dt. 16th Aug. 84.

To

The General Managers,  
All Indian Railways.

Sub: *Coal Wagons-Diversion from one party to another*

The question of diversion of coal consignments has been engaging the attention of this Ministry for some time. Taking all aspects into consideration, the Ministry of Railways has decided that:

- (i) Coal consigned to one party should not be diverted to another party whether in private sector or in public sec-



tor, save in very exceptional cases when owing to an accident or breaches or civil commotion or heavy congestion etc., it is in the over all public interest to resort to such diversions.

- (ii) The decision to resort to such diversions will be taken personally by the COPS, who will order such diversions in writing specifying reasons which led to such diversions.
- (iii) Coal rakes consigned to one Power House should be diverted only to another Power House drawing similar grade of coal.
- (iv) Where such diversions as mentioned in clause (iii) above are not practicable, coal should be diverted from Power House to a Public Sector Undertaking, or *vice-versa*, after obtaining the consent of both parties.
- (v) Coal consigned to a private party will not be diverted except with the prior written consent of the party concerned.
- (vi) Coal consigned to loco-sheds will not be diverted to any private party under any circumstances. The powers to do so will rest with the Railway Board only.
- (vii) The piece-meal wagons detached from a block-rake due to sick marking enroute may be diverted as follows:—
  - (a) Wagons containing steam coal to the nearest steam shed;
  - (b) Wagons of slack coal to the nearest power house.
- (viii) All orders for diversion will be entered in serial order in a Register to be maintained in the Central Control.
- (ix) Diversion orders will be given in writing by a message addressed to all concerned.
- (x) The Commercial Department will scrutinise this Register, connect all messages issued regarding diversion and take the requisite follow-up action to:—
  - (1) recoup the quantity of coal to the party affected by suitable adjustments;
  - (2) settle the claim where recoupment is not possible;
  - (3) Adjust the freight and other dues.

IN ORDERING DIVERSION CARE MUST BE TAKEN TO ENSURE that both the parties are covered by valid programmes and sanctions so that a situation does not arise when a party gets extra coal at the cost of another party.

Suitable instructions to the concerned staff may be issued in light of the above guide-lines and receipt of this letter acknowledged.

This supersedes all previous instructions on the subject.

Sd|-

(M. P. SRIVASTAVA)

Director, Traffic Commercial,  
Railway Board.

Sd|-

(H. BANDOPADHYAY)

Director, Traffic Transportation.,  
Railway Board.

No. 81|TCHI|57|1

New Delhi, dt. 16th Aug' 84.

Copy forwarded for information and necessary action to:

COPSS|CFTS|AC-ME(R)s|CCS|CCOs., ALL INDIAN RAILWAYS

Copy to : ADTT, JDTT-I, JDME (F), RAILWAY BOARD, DM(R), Calcutta.

Sd|-

(M. P. SRIVASTAVA)

Director, Traffic Commercial,  
Railway Board.

Sd|-

(H. BANDOPADHYAY)

Director, Traffic Transportation.,  
Railway Board.

#### **Recommendation (Sl. No. 9, Para No. 2.34)**

The Committee are alarmed at the substantial number of wagons supplied to the collieries being "left behind" or "drawn empty". In 1982-83, out of an average of 12548 wagons per day supplied for loading, the actual loading averaged 11011 wagons per day and the balance of 1537 wagons per day were either left behind or drawn empty for one reason or the other. This wastage of loading capacity is indeed alarming. Obviously, it is due to inadequate coordination between the Railway authorities and the collieries. The Committee desire the Ministry of Railways to maintain better coordination with the collieries to minimise the wastage of loading capacity caused by wagons left behind or drawn empty.

#### **Government's reply**

Close coordination is now being maintained between the coal companies and Railways at the field level, zonal Headquarter level

and inter-ministerial level with a view to maximise despatch of coal by rail and ensure fuller utilisation of wagons supplied. Monitoring is also done by the Cabinet Secretariat (Coordn.) Cell.

[Ministry of Railways O.M. No. 84-BC-EC|VII|78 dated  
2-3-1985]

**Recommendation (Sl. No. 10, Para No. 2.35)**

The programme for large scale mechanisation of loading operations embarked upon by the collieries should elicit immediate attention of the Railways to arrange for a corresponding increase in the availability of open wagons for movement of coal. The Committee trust that the Railways are aware of the likely change in the demand pattern of wagons for movement of coal and have already initiated action to meet it in close coordination with the collieries/Coal India Ltd.

**Government's Reply**

The programme for mechanisation of loading operations embarked upon by the collieries are being kept in view and the provision of open wagons has been made in the Rolling Stock Programmes. Railways in interaction with Deptt. of Coal and user departments like Deptt. of Power, Steel etc. are also earnestly pursuing the designing and production of bottom discharge type dedicated wagons to meet the future bulk coal requirement.

[Ministry of Railways O.M. No. 84-BC-EC|VII|78 dated  
.. 18-1-1985]

**Recommendation (Sl. No. 12, Para No. 2.46)**

Committee's attention has been drawn by a private party to the adulteration of coal by mixing dust, stones and shales. According to the representative of the Ministry of Railways such adulteration could not take place during transit. However, the representative of the Department of Coal admitted that there has been some complaints from time to time, particularly, from power houses of admixture of stones and shales in coal supply." The problem has been traced either to coal loading from the open cast mines where coal handling facilities and picking to segregate stones and shales have not been provided or the mechanised methods of mining and mechanised loading. The Committee were further informed that a crash programme to set up coal handling facilities at open cast mines had been undertaken. While sanctioning new mines, provision is being made for installation of coal handling facilities. The Committee

hope the crash programme of providing coal handling facilities at open cast mines will be pursued vigorously so that the assurance given by the Deptt. of Coal to the Committee that "in a few years, this problem will be totally eliminated" becomes a reality.

### **Government's Reply**

Special attention has been given during the last one year to the improvement of quality of coal supplies and a number of measure have been taken to see that the quality of coal supplied to consumers is improved. Particular emphasis has been laid on creating quality consciousness among the producers of coal by periodical meetings, discussions, inspections and issuing of necessary instructions in this direction.

When the coal mines were nationalised, it was found that there was a wide gap between the actual production and the installed coal handling capacity. Many of the taken over mines did not have coal handling plants. With the increased demand and production of coal, coal companies took up construction of coal handling facilities but this could not keep pace with the requirement due to various reasons. The entire problem has been studied in depth and a phased programme has been chalked out for the construction of coal handling plants in the coal companies. Till the year 1983-84, the coal handling capacity in all the companies was just about 47 per cent of the production. However, towards the end of 1984-85, this capacity would increase to 56 per cent. By the end of 1986-87, 86 per cent of coal produced would be handled by the Coal handling plants. This will further go upto 94 per cent by the end of 1987-88. Towards the end of the Seventh Plan, i.e. 1989-90, it is anticipated that all the coal produced will pass through Coal Handling Plants. Meanwhile several, remedial steps have been taken to control oversized supplies as short term measures such as (i) fragmentation of coal by controlled blasting, (ii) dozing and ramming of coal stock at siding, (iii) maximising loading by manual means wherever possible, and (iv) engaging more pickers at all loading points.

### **Recommendation (Sl. No. 15, Para No. 2.60)**

At present, a lot of transport capacity is wasted due to sharp drop in offers of coal by the collieries during summer and monsoon months (May to October). This is ascribed to various reasons like flooding of mines and pit-heads. To make up this loss of wasted capacity, a lot more strain is put on the Railways during busy season. To overcome this difficulty the Coal India has opened 83 coal dumps at various rail heads where coal is stored for distribution to indentors.

The Committee are of the view that 83 dumps may not be sufficient to meet the demands of the users in full during the lean seasons when due to flooding of pit-heads and mines, the movement of coal by rail is substantially reduced. The Committee recommend that Coal India should open more dumps so that the assurance given to the Committee by the representative of the Department of Coal that "we will use all wagons that the Railways are giving to us for sending coal to dumps" is redeemed in letter and spirit. Such dump will prove to be a boon to the users and industries. However, they feel that while opening a dump, the proximity of the rail-head to the collieries should not be the only criterion. Another criterion should be to set up such dumps at places which are nearest to industrial establishments and well connected by road so that even small consumers in the remote areas are able to take the benefit like Bhiwani in Haryana, Ludhiana in Punjab, Kanpur and Ghaziabad in U.P. In fact, eventually coal dumps should be set up in all the district headquarters and other suitable places in remote areas of the country. The Committee would await the plan in this regard.

#### **Government's Reply**

Loading of coal shows seasonal upward swing during the peak production months mainly in winter, while on the other hand loading capacity of Railways is not fully utilised during the lean months in summer and monsoon.

During the last year, particularly attention has been paid by coal companies to ensure that the offers by the collieries did not drop appreciably during summer and monsoon months. Unlike in the past, production during the period of the year 1984-85 has already surpassed the production achieved during the corresponding period of the previous years. As a result of increased production the offers from coal companies have gone up compared to the same months of the previous year. The average offers made by CIL during May—October '84 were 11081 wagons per day as against the offers of 10622 wagons per day made during the corresponding period of 1983. Similarly the loading from CIL during the same period of 1984 increased to 9900 wagons per day as compared to 9238 wagons per day in the corresponding period of 1983. However, despite this improvement, the available rail transport capacity was not utilised in full during May to October 1984.

The scheme of opening coal stockyards at different consuming centres was conceived so that coal/coke consumers particularly the smaller consumers could obtain their requirements of coal at

reasonable price without difficulty. CIL stockyards have not only served the purpose of shifting as well as dispersing the coal stocks from pithead to consumption points but also achieved the major objectives of ensuring availability of coal to small and medium consumers at a consistent price at points or near the consumption centres. It has always been the programme and endeavour of CIL to expand this net-work of stockyards.

Many stockyards are already under operation which include a stockyard each at Ghaziabad and Hissar. Many more stockyards are in the pipeline. As regards opening of stockyards at all district headquarters the stockyard scheme of CIL envisages opening of stockyards only at major terminal markets/consumption centres in different States having sufficient demand potential in the Command Area so as to match with the infrastructural facilities created by CIL. Further, distribution through districts or sub-divisional dumps can be organised by the State Government concerned.

[Ministry of Railways O.M. No. 84-BC-EC|VII|78 dated  
2-3-1985]

## CHAPTER III

### RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PERSUE IN VIEW OF GOVERNMENT'S REPLY

#### **Recommendation (Sl. No. 11, Para No. 2.41)**

The Railways claim that at present they are moving "more than 70 per cent" of the coal production in the country. As rail transport of coal is comparatively cheaper, there is considerable pressure on the Railways on this account. Some part of the Railways' capacity for movement of coal is tied up in transporting coal in piecemeal for short distances. Thus, bulk consumers at places far distant from the centres of coal production have to compete with small consumers nearer to coalfields. This is not fair as transport of coal by road to distant places would be clearly uneconomical for the consuming units. The Committee would like the Ministry of Railways and the Department of Coal to lay down an agreed policy in regard to movement of coal by rail specifying the distance within which the facility of movement of coal by rail would not be permissible subject to such exceptions as may be considered desirable.

#### **Government's reply**

1. As already clarified during the evidence it is not possible to fix some distance for restricting movement of coal by rail. The bulk consumers can only be served by rail irrespective of the distance. Such consumers at short distance are already being served by conveyor belts or road. The MGR system is also being introduced for some of the super thermal power stations located near the collieries. The movement in piecemeal has been reduced over the years and will be gradually eliminated when the Coal dumps start operating in all the States. The requirement of the piecemeal consumers will be met from these dumps.

2. To meet the requirement of Small consumers who require coal in less than rake loads. Coal India have opened a number of stockyards in different parts of the country to which coal is being moved by rail, where the distance is considerable. In addition to the stockyards which are already under operation, Coal India Ltd. has plan to open 36 more stockyards in various parts of the country.

[Ministry of Railways O.M. No. 84-BC-EC|VII|78 dated  
2-3-1985]

## CHAPTER IV

### RECOMMENDATIONS|OBSERVATIONS IN RESPECT OF WHICH GOVERNMENTS REPLIES HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

#### **Recommendation (Sl. No. 1, Para No. 1.13)**

The projected demand of wagons for transportation of coal is linked with the target of production of coal and the Railways' share in the movement thereof. During 1982-83 against a target loading of 99 million tonnes out of a total production of 130.61 million tonnes of coal and indent for 12404 wagons (in terms of 4-wheelers) per day, Railways supplied 12548 wagons but the actual loading was confined to a little over 11,000 wagons. Similarly in 1983-84, against a target of 147 million tonnes, the actual production of coal is estimated to be 140 million tonnes out of which 102 million tonnes was to be carried by Railways for which a demand of 11822 wagons (in terms of 4-wheelers) per day has been made but upto December, 1983, the average utilisation of wagons has been 11,342 wagons per day. The Committee desire that effective steps should be taken to achieve optimum utilisation of wagons.

#### **Government's reply**

Noted. The problem of 'left behind' and 'drawn empty' wagons is being taken up at the field level with the concerned collieries at the Zonal Railway level with the concerned coal companies and at the Ministry's level with the Deptt. of Coal and in the Co-ordination Committee meetings convened by the Secretary (Co-ord) and the Cabinet Committee on Industrial Infrastructure.

[Ministry of Railways O.M. No. 84-BC-EC|VII|78 dated 18-1-1985]

#### **Recommendation (Sl. No. 3, Para No. 2.10)**

According to the present practice, unlike in the case of general goods traffic, for coal loading the indents are placed on day-to-day basis. Indents not accepted for loading for any reason are treated as lapsed at the end of the day and have to be repeated. This is obviously a very cumbersome procedure. Moreover, under this system it is not possible even for the Railway Administration to assess



as to what part of the demand for wagons remains unsatisfied. The Committee would like the Ministry of Railways to review this system keeping in view the difficulties experienced by the consumers and the need of the Railways to plan the availability of wagons according to demand.

### **Government's reply**

The present system of indenting, allotment and loading on day-to-day basis has been working satisfactorily. The Railways are fully aware of the extent of demands for wagons which remain unsatisfied. Planning is done in advance for anticipated traffic and transport requirements are worked out. If funds are provided for this and other infrastructure as per the requirements of the Railways there will be no unsatisfied demand subject to availability of coal for loading. Unfortunately Railways have never got the required funds from the Planning Commission and the shortfalls have accumulated over the years, resulting in lesser transport capacity being available than required to meet the demands in full.

[Ministry of Railways O.M. No. 84-BC-EC/VII/78 dated  
18-1-1985]

### **Recommendation (Sl. No. 4, Para No. 2.11)**

The Railways at present bear the responsibility for distribution of non-coking coal. Whereas supplies of core sector are determined by priorities, elaborate system has been devised for meeting the demand of non-core sector. The system at present in vogue is that first the coal loading programme is determined by the Railways in consultation with the collieries. This, from the Railway side is on the basis of the likely availability of wagons and on the collieries' side on the basis of the likely loading capacity. The loading programme (ceiling limits) is then communicated to the sponsoring authorities. The sponsoring authorities thereafter sponsor the demand of various units which is, according to the Railways, always much more than the "ceiling limits" fixed by them. This necessitates pruning of demand to bring it within the "ceiling limits". The system is reverse of what it should be. In fact, the Railways should first collect the sponsored demand and then, in consultation with the collieries, earnestly attempt to meet it.

### **Government's reply**

As explained above in 2.10 the situation of curtailing the sponsored demand as per the transport availability is a result of shortfall in allocation of funds. The present procedure is unavoidable as long as

both availability of coal and rail transport remain limited. Once this backlog is cleared and railways start getting funds as per their estimates there will be no need to prune the demand of the consumers subject to availability of coal

[Ministry of Railways O.M. No. 84-BC-EC/VII/78 dated  
18-1-1985]

**Recommendation (Sl. Nos. 13 and 14, Para Nos. 2.54 & 2.55)**

It has been represented to the Committee that most of the coal moved by the Railways is moving at the owners' risk and hence railways are not responsible for transit losses which are very high in the case of most of the bulk consumers in the country. To cut these transit losses, it has been suggested that weighing machines should be installed at the loading points as well as delivery points.

So far as the providing of weighing machines at the loading points is concerned, the Committee learn that Coal India Ltd. will instal them while implementing the project for modernisation of coal handling facilities. However, the Committee find the Ministry of Railways reluctant to provide weighing machines at the delivery points on the ground of detention and congestion of wagons. The Committee appreciate the difficulties of the Ministry of Railways in installing weighing bridges at all points of deliveries. However, they feel that start should be made by the Ministry to provide weighing machines at places where bulk deliveries of the coal are made.

**Government's Reply**

Railways cannot instal weighbridges at other than goods shed yards and railway sidings. Since coal is loaded at collieries sidings, it is for the collieries to instal their own weighbridges at coal loading points. However, as an inducement to the siding owners including collieries to instal weighbridges, in their sidings, Railways offer rebate at the rate of 20 paise per tonne of traffic loaded and weighed in respect of weighbridges having a capacity of 90 tonnes and above and at the rate of 10 paise per tonne of traffic loaded and weighed in respect of weighbridges having a capacity of less than 90 tonnes. As stated by the Estimates Committee, Coal India Ltd. has programme to instal weighbridges at coal loading points. Moreover, since it is the responsibility of the collieries to load the wagons supplied to them, upto the extent permissible, it is for them to make arrangements for weighing of wagons to ensure that they are correctly loaded. Railways can test check the weight for charging freight at the weigh-bridge en-route or at the destination if it is not available at the booking point.

Re-weighment of coal consignments at destination as a matter of course is not permissible. In cases, conditions warrant reweighment of wagons and the Railways consider it justified to reweigh the wagons, such wagons are hauled to the nearest weigh-bridge station for weighing. It is not therefore, considered necessary to instal weigh-bridge at destination points.

[Ministry of Railways O.M. No. 84-BC-EC/VII/78 dated  
18-1-1985]

**CHAPTER V**

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF  
WHICH FINAL REPLIES ARE STILL AWAITED**

—NIL—

NEW DELHI;  
*July 29, 1985*  

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*Śrāvana 7, 1907*

CHINTAMANI PANIGRAHI,  
*Chairman,*  
*Estimates Committee.*

## APPENDIX

(Vide Introduction)

*Analysis of Action taken by Government on the 78th Report of the Estimates Committee  
(Seventh Lok Sabha)*

I.	Total number of Recommendations . . . . .	15
II.	Recommendations/Observations which have been accepted by Government	
	Nos. 2, 5, 6, 7, 8, 9, 10, 12, 15 . . . . .	9
	Percentage to total . . . . .	60%
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government's reply . . . . .	
	No. 11 . . . . .	
	Percentage to total : . . . . .	7%
IV.	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee :	
	Nos. 1, 3, 4, 13 & 14 . . . . .	5
	Percentage to total . . . . .	33%
V.	Recommendations/Observations in respect of which final replies of Government are awaited : . . . . .	
	No. NIL . . . . .	
	Percentage to total : . . . . .	NIL