

[Shri Ram Surat Prasad]

- (6) Minutes of the sittings of the Committee relating to Reports on Action Taken by Government on Reports of the Committee.

COMMITTEE ON ABSENCE OF MEMBERS FROM SITTINGS OF THE HOUSE

TWENTY-SEVENTH REPORT

SHRI S. M. SIDDAYYA (Chamarajanagar): I beg to present the Twenty-seventh Report of the Committee on Absence of Members from the Sittings of the House.

12.14 hrs.

*DEMANDS FOR GRANTS, 1976-77
MINISTRY OF ENERGY—contd.

MR. SPEAKER: Now, we shall take up further discussion on Demands for Grants under the control of the Ministry of Energy.

THE MINISTER OF ENERGY (SHRI K. C. PANT): Sir, the House knows the budget demand for the Ministry of Health was to have followed the Demands for the Ministry of Energy. But, when my friend, Dr. Karan Singh, approached me with a request to reverse this order, I readily agreed for two reasons—firstly, I thought it was logical that Health should precede Energy and secondly, because Dr. Karan Singh has made a very powerful plea in favour of stepping up power generation although in the cause of family planning.

Sir, my colleague, the Deputy Minister, Prof. Siddheshwar Prasad yesterday spoke and so many of the points covered by the hon'ble Members in respect of rural electrification have been covered by him. That has made my load easier although even now I find that a very wide spectrum was covered in the debate and

I shall do my best, as I said yesterday, to cover as many points as possible.

I was rather overwhelmed by the warm and generous references which were made by hon. Members to the efforts of the Ministry of Energy. I can only say that it is the workers, the engineers, the managers—both in the coal and power sectors—who deserve this appreciation of the House and on their behalf I would like to thank the hon. Members who have been so generous.

I hope that this appreciation coming from such an august House will encourage all concerned to put in greater effort in future.

But, Sir, there is always an exception which proves every rule and I find that the hon. Member from the CPI(M), Mr. Modak painted a different picture. But then it has never suited his party to remain in the main-stream whether inside the House or outside and he has been true to form, if I may say so. He did not see any improvement in the power sphere. Now, if he chooses not to see with his eyes open there is nothing I can do about it. I am sure that he remembers 1973-74 and the earlier part of 1975 when many parts of this country were suffering due to shortage of power. Everyday we had references in this House. We had debates and questions all dealing with this shortage and the ill-effects of shortage on production. Particularly now when power goes not only for industries but for agriculture and is basic to development, to creation of employment, the concern of the House is natural; but since July 1975 the picture has changed. And it has changed all over the country and areas which were very badly hit earlier like Northern India and Southern India

*Moved with the recommendation of the President.

or the northern region and the southern region there the improvement has been very marked.

The energy availability in the northern region increased by about 25 per cent in 1975-76 over the previous year. In the southern region it improved by 11 per cent. In the western region it improved by 6 per cent and in the eastern region it improved by 12 per cent. The situation between July 1975 and March 1976 still improved further and it was 20 per cent. On March 12 we achieved an all-time high by producing 261 million units in that one day. Therefore, I think, the improvement does not need to be spelt out. It is there for Shri Modak to see. As against 466 MW new capacity installed in 1973-74 and 1720 MW installed in 1974-75, last year 1800 MW new capacity was installed. The result of these improvements was reflected in the improved situation in each State and in each region. Restrictions on consumption of energy were removed and in the few States where these remained the extent of the cuts was reduced considerably so that today the hardship is very much less. In the northern region where Punjab and Haryana were groaning under the ill-effects of shortage of power, they have had no cuts after July 1975-76—none at all. UP had some cuts, but they were very marginal. Rajasthan had a comfortable position. This is the situation in the northern region.

In the eastern region, DVC generation improved last year to the extent of 12 per cent and, overall, the situation in the eastern region was also satisfactory. Generation in Bengal and Bihar has improved....

SHRI D. BASUMATARI (Kokrajhar): Also Assam.

SHRI K. C. PANT: Also Assam. Assam is in a different region, the north-eastern region.

But in the eastern region, in spite of this improvement, it is true that in Calcutta there are still some cuts, particularly during the peak hours, because the requirement of peak load in Calcutta is very high. We have been trying to persuade the Government, industry and labour there to flatten the load and use energy when it is surplus during the night at night so that during the peak hours the load can be reduced.

In the southern region, the position is satisfactory in all the States except Karnataka. In Karnataka, the Kalinadi Project is going on. We are helping it as much as possible. My hon. friends from Karnataka know what we have done to help that project. But in spite of whatever assistance we have been able to give, I recognise that the position in Karnataka is not easy. They were able to reduce power cuts from 40 per cent to 10 per cent at one stage, but these power cuts have gone up again. There is no immediate remedy I can suggest to them.

In regard to Tamil Nadu where the power-cut at one stage was 60—70 per cent, the House will be glad to know that no cuts were necessary after July 1975-76

In the western region, Gujarat had a comfortable position—during the whole of last year it had a comfortable position. In Maharashtra, there was an increase in thermal generation to the extent of 16 per cent, but in spite of that because of shortage of capacity, there were cuts in Maharashtra. In Madhya Pradesh, which has recorded the best performance in utilisation of capacity, there was a shortage also because there is shortage of capacity. So even if there is improvement in efficiency, with inadequate capacity you cannot meet the demand.

This is the broad situation in the country, and looking to the future, 1976-77, I would say that the position would continue to be satisfactory. An-

[Shri K. C. Pant]

other 2000—2200 MW new capacity will be added this year in the whole country and of this, about 800 MW will come in the first six months if there is normal monsoon . .

SHRI DINESH JOARDER (Malda): The Minister referred to the years 1973-74 and 1974-75. We remember that in those years it was stated in this House that because of drought conditions prevailing for successive years, the hydel power stations were a total failure and no power was coming out from those stations. So in the near future, if there be similar drought conditions prevailing, will a similar condition recur? That question has to be answered, because he referred to 1973-74 and 1974-75 and in those years this was the main problem.

MR SPEAKER First listen to the Minister and then if there is a question, you may ask him.

SHRI DINESH JOARDER I have heard him patiently. He was changing the subject.

SHRI K. C. PANT Your patience is very short-lived. I must say of the 13 per cent all India improvement in energy availability for 1975-76, 19 per cent was due to hydel and 9 per cent due to thermal. There has been improvement in both and because of improvement in hydel perhaps the improvement in thermal was not as much as it could have been. Therefore, we are looking to both hydel and thermal generation and increasing both, not merely hydel generation. Assuming a normal monsoon in 1976-77 energy generation should go up by about 10—12 per cent and there should be no power shortage in most of the states, the only exceptions again being Karnataka, Maharashtra and Madhya Pradesh, where some power shortage is likely to continue for the reasons which I mentioned earlier. This is the general improvement in the situation and we are trying to see that

those states which are still suffering from shortage should be able to get assistance from those states which have surplus power. Therefore, recently I made an appeal to all the states which have surplus power to come to the assistance of states which are still in deficit though the deficit is very much more manageable and will be reduced continuously as new generating capacity comes up. But even with this improved situation there should be no complacency in the field of power. Firstly we have seen very clearly the ill effects, as I said, of power shortage in the last few years and we cannot afford to forget that. Secondly we have to recognise that power projects have long gestation periods and one has to see ahead and plan ahead and plan in such a way that new projects come up continuously to meet the constantly rising demand of power in each state. Finally we have to have a cushion to take care of the kind of problem which my hon. friend mentioned, that is, if there is drought and if hydel generation falls, we should have some cushion on the thermal side to take care of that contingency. Today I know it looks like a far cry but I think in our planning we should approach it from that point of view. And therefore it is essential that we begin work on a number of projects this year to meet the power demand that will arise in the beginning of the Sixth Plan. Unless we take a forward view it will not be possible to plan in a systematic way, in a scientific way in such a way as to avoid periods of shortages in between periods of relative, if not plenty at least, adequacy. But for this it is not enough that the Centre should make an effort, the states must also make an effort and if during the annual plan discussions the states do not set apart sufficient amounts of money for power then I am afraid that all the efforts of the centre would be of no avail because in the present situation the states are primarily responsible for power generation and so they must recognise the importance of the power sector sufficiently when they are allocating funds for the different sectors.

Dr. K. L. Rao who is an eminent engineer, not only an eminent engineer but also an eminent administrator and a public leader, spoke yesterday. He is a master of this subject and his contribution to the development of irrigation and power in this country can never be forgotten. So many projects scattered all over the country and many projects outside have the stamp of his personality and his thinking. I am glad that he participated in this debate yesterday and he made some valuable suggestions. One of those was about fixing long term targets and having a national power policy. As I just now said power projects have long gestation periods and therefore one has to think at least in terms of ten years. Five years is perhaps not enough. In this conceptually I have no difficulty in agreeing with Dr Rao. My only problem is that even though the Fuel Policy Committee and the 9th Power Survey Committee went into this question of projection of power demands upto 1991, when it comes to practical allocation of money and firming up of targets, one has to work within the framework that prevails in the country and that is the Five Year Plan. In other words, firm allocations are today not made even for five years. They are made from year to year and therefore I would be very happy if a ten year perspective could be adopted by us, but under the dispensation today, I would be lucky if I know definitely what I am to get for five years.

SHRI VASANT SATHE (Akola).
Not only for five year, but even next year

SHRI K. C. PANT For the next year, we will get some idea, some communication. But this is the factual position and so, as I said, while conceptually I have no problem with this proposition, in practice I have to work within the system. Mr. D. D. Desai has referred to the need for having 500 megawatt sets as the next stage in the growth of unit size. I do not find him here now. Anyway, we

have adopted 500 megawatt sets at the next stage and I thought I should tell him about it. Many Hon'ble Members referred to nuclear energy and my friend Mr. Modak has made an amazing statement. He said that Tarapur was functioning very badly. Actually Tarapur's performance in 1975-76 has registered a remarkable improvement. If you look at the figures of generation, the total output of energy increased to 2094 million units as against 1458 million units in the previous year. There was a reduction in R.A.P.P. but so far as Tarapur is concerned, it has achieved a much higher generation in the year we are discussing. During 1976-77 the second unit of Rana Pratap Sagar is expected to be commissioned and the Kalpakkam project will come up in 1978. Some Hon'ble Members—Shri Madhukar, Shri Sharma and Shri Desai—referred to Fast Breeder Reactor. They know that at Kalpakkam we are setting up a test fast breeder reactor and at this stage we are putting in all efforts to expedite construction of that reactor. It will enable us ultimately when we set up commercial plants, commercial fast breeder reactor to utilise the large deposit of thorium to which Mr. Madhukar also referred and it is true that India has a very large deposit of thorium and it may be possible for us later on to utilise that thorium for power production. But we will have to await the output of the tests in the fast breeder reactor experimental fast breeder reactor, which we are constructing in Madras in Tamil Nadu. We are keeping an eye on the developments in other countries and we shall benefit also from their experience to the extent that they take us into confidence because this is a field where it is not easy to get to know the facts.

Sir, a reference was made to the supply of fuel for the Tarapur station from the United States. It is a fact that the supply has been held up because of some petitions filed before the United States Nuclear Regulatory Commission. The Government of the United States has reiterated before the Commission their contractual obli-

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gation to supply this fuel as also the adverse consequence of such delays in shipments. The hearings before the Commission are in progress and we are maintaining a close watch on the situation.

S.r. many Hon'ble Members referred to super-thermal stations and Dr. Rao rightly said that he would like to call them large thermal-power stations because they are nothing but large thermal stations of a capacity ranging from 1000 to 2000 megawatts and the 20-point programme envisages the establishment of such super-thermal stations under Central control and our thinking is that they should be located at pit heads. They should benefit the region as a whole and not only a State and that one should be installed in each region to begin with. I would like to be able to tell the House that we will do more but one has to keep in view the resources and so, to begin with, at least our thinking is that one in each region—one super-thermal station in each region—should be established. The cost of a 1000 to 2000 MW station would be in the region of Rs 400 to 800 crores and the House will easily appreciate why we should not be too ambitious in thinking ahead of a very large number of units at this stage. About the sites for the location of these super thermal stations, a committee was appointed to go into it. They made their recommendations. After considering the recommendations we have selected the following sites, which I have stated in the House earlier also: Singrauli in U.P., Korba in M.P., Farakka in West Bengal, Neyveli in Tamilnadu and Ramagundam in Andhra Pradesh. You will notice there are two sites in the southern region. A choice will have to be made, on techno-economic considerations between the two

SHRI NAWAL KISHORE SINHA (Muzaffarpur): What about Tenughat in Bihar?

SHRI K. C. PANT: The coal linkage is not established for a large size unit in Tenughat. We would be happy if the project we have sanctioned for Tenughat would be started by the State Government. As my friend knows, they have not been able to start it. At this stage, Bihar is coming in the eastern region and Farakka would have to take care of the needs of both Bengal and Bihar and other States in the eastern region.

The World Bank had shown some interest in these super thermal stations. We have sent the project reports of these five stations to the World Bank. They sent an appraisal team here in January 76 and made an appraisal of Singrauli. They were required to make a technical review of the Korba project. Negotiations with the Bank are yet to be held to determine the extent of credit and loan assistance which the Bank would give. This is the crux of the matter. Until we have a clearer idea about the phasing of the credit from the World Bank or in the alternative about the rupee availability, I cannot say anything more either about the phasing or about the number of projects we would be able to take up this year.

The House knows that we have set up a National Thermal Power-Corporation to set up and run thermal stations in the central sector and also a National Hydroelectric Power Corporation for central hydel projects. Also, the North Eastern Power Corporation has been incorporated to initially implement the Kopili project. That is being funded by the North Eastern Council.

The Central Electricity Authority will now have full-time members. I am saying all this because members are anxious about the progress made in the reorganisation of the electricity industry and these are some of the points which have come up from time to time. Dr. Rao and some other members said that the Centre should take over power generation entirely. We have considered this suggestion in the

context of our idea to restructure the electricity industry. After discussions in depth and taking all factors into account, we decided that the best approach would be that the Centre should supplement generation in the country. If super thermal stations come up, we would be able to supplement the generation being done by the States in a fair way. I think that would be the best approach at this point of time. We have been getting the full cooperation of the States, which is necessary if we are to make a success of the central projects also.

Mr. Damani referred to the functioning of the State Electricity Boards and said they are inefficient. We have advised the States, not now but a couple of years ago while considering all the aspects of reorganisation of the electricity industry, to strengthen their management capabilities, professionalise and functionalise their boards, introduce modern management practices and so on. Many of the States have implemented many of these suggestions. And some of the Electricity Boards are rather well run. But I would be the first person to admit that there is undoubted scope for improvement in others. So, all I agree to say is that during 75-76 it is expected that there would be further improvement and particularly, the commercial working of the State Electricity Boards would improve further. I do not want to say anything about the capital structure of the Electricity Boards for the simple reason that I would not like to say anything without the concurrence of the States. I have discussed this matter with the Chief Ministers and Power Ministers of the States but they have not agreed to the suggestion of having an equity loan ratio of 1 to 1. Today, the entire amount of capital is in the form of loan by the State Governments, etc. Rather than commenting in the House, I would like to discuss it further with the States. The States are fully involved in the re-structuring of the electricity industry and we are going to make some amendments in the Electricity Supply Act both on the

organisation and management side and financial side. So, these are matters which we have been attending to as also separation of cadres-generation staff and distribution staff. Some of the States have already agreed to this and some of them have implemented this. I only wanted to place this before the House so that you know that we have not lost sight of the importance of the State Electricity Boards and the need to improve their functioning if we want to keep the entire electricity industry running at a satisfactory level of efficiency.

There was some reference to foreign assistance and I think, Shri Damani referred to the loan from the World Bank for transmission, i.e. 150 million dollar loan to which Prof. Siddheswar Prasad referred and so, I would not refer to it. But there is another loan which we got from the Kuwait Development Fund for the Kalinadi Project, which is to the tune of Rs. 46 crores. Besides, Sri-Sailem Project in Andhra Pradesh has been appraised recently by a team of experts from Saudi Arabia. On behalf of Saudi Arabia, it is a German firm which went there. It is because of its importance that we have suggested it to them. And, in fact, I had a chance to see this myself a few months ago. So, we are expecting something to emerge from this. Also from Abu Dhabi, there was some offer of assistance and for this we have suggested the Hardwar-Rishikesh Hydro-electric Project. This is also of some interest to the House and I thought I would tell them about it.

There was a great deal of interest in the field of energy during this discussion and I am very glad that the House has taken so much interest in energy. In the course of the year, we completed our examination, our study of the Fuel Policy Committee Report, which is an important Committee in the field of energy. On the basis of the recommendations of this Report and the developments that have taken place since the Report was written and submitted, proposals for a comprehensive energy policy have been formulated and shortly, we will place it before

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the Cabinet. So, the point of Dr. Rao and Shri Chandrakar that there should be a comprehensive national energy policy, is well taken and we have already moved in the direction of formulating the policy and getting it approved by the Government.

We find that there are many agencies working in the field of energy. This is but natural and this is as it should be, but then it makes it necessary that some one must coordinate the R&D effort in the country and it is also necessary that there should be involvement of the manufacturing industries in this R&D effort so that the R&D effort goes on to the stage of manufacturing of equipment which can be used by the country keeping in mind its cost effectiveness. It is equally important to decide on priorities, to ensure adequate funding, to lay down time-bound programmes and to see that they are implemented. This would be the best way of making use of our resources to the best advantage, and within a clear, overall policy frame. It is with this object in view that a Committee for Energy R&D has been created, and I have been chairing the meetings of this Committee in the course of the last year. Highest priority has been given to research programmes for development of solar energy and to the coal sector. There was such a lot of interest shown yesterday, that almost three fourths of the Members who spoke referred to solar energy; and they wanted to know in detail as to what is being done about it. I would, therefore, seek your indulgence to place the facts briefly before the hon. Members. This Committee has finalized the priorities and the arrangements for ensuring coordination and involvement of the manufacturing industry in the solar energy programme. We have also pin-pointed the areas where we could concentrate to the maximum advantage of the economy as a whole. One area is agricultural usage. Naturally so; and even in agricultural usage, the two areas which we thought were most important were pumping for irrigation,

and drying of agricultural produce. This is one. The other is domestic and industrial usages, based on heating water, space heating and cooling. This has obvious implications for the hill areas; and cooling has implications for the rest of the country, apart from heating water which is required for various purposes for the industry and for home, and finally for the provision of electrical energy for isolated and remote areas for the establishment of generating sets, based on solar energy. One of the basic requirements of any solar energy appliance is a collector system; and therefore, we have accepted that a very high priority should be accorded to research on collector systems. You know that a certain amount of energy can be had per square meter of the earth surface. But the question is how efficiently can you make use of that energy and how do you transmit that energy and what fluid you would use to transmit the energy. So, the collection and the transmission of this energy are the two fields which are basic to all appliances. Therefore, priority has given to R&D effort in this field. In regard to solar pumping system for agricultural usage, this has not only been under active study, but 8 institutions are working on the development of solar pumps right now. The idea is not only to develop pumps upto 5 H.P. immediately, but also to keep in mind the possibility of larger pumps, because as you go down into the earth, you may require larger pumps. Solar pumps may not be able to pull up water from greater depths. Therefore, 8 institutions are now working on the development of solar pumps. I do not think I need to give the names of these 8; but I will give an idea of the extent of effort going on in this country.

SHRI RANABHADUR SINGH (Sidhi): Is it a fact that a pump is running on solar energy at Pondicherry?

SHRI K. C. PANT: Pondicherry is one of the places where work is being done; but I understand that the Birla Institute of Technology has made a laboratory model. BHEL and the BIT

are in the process of developing 3 prototype models. They propose to test them within the next six months. Incidentally, I visited Auroville recently to look at the solar energy programmes there; but I could not see them. It is one of the areas where work is being done in the fields of solar energy. As far as solar heating systems are concerned they are meant not only for domestic use and for application in hostels, hotels, hospitals etc., but also for industrial purposes; and the effort would be to have equipment that can be made commercially. That would be so, because BHEL is closely associated with the solar energy development programme. Once the R&D part is done, they can start manufacturing the equipment on that basis.

The BHEL has installed a solar heating system in one of the workshop sheds in Hardwar. We have been watching the functioning of this particular solar heating system and, I am glad to say, it has worked efficiently during the last winter. While matching the working of this system, BHEL are also examining various coatings on the collectors, and also various fluids for transmission of energy. Here also a lot of basic data is being collected, which will be used for manufacturing the best optimum type of collectors by using the right kind of fluid for transmission of energy. More water heating-cum-space heating appliances are being tried by BHEL for domestic and international use.

Coming to solar power units, research in this area is being planned in a phased manner. We are keeping in close touch with developments in foreign countries also. In the first stage, it is proposed to develop experimental units of 10 to 20 kw. It is planned to build a prototype of a 10 kw solar power station in Madras with West German collaboration, and an agreement for this would be signed shortly. Based on the experience of this prototype, other solar power stations would be designed and constructed.

One hon. Member referred to the direct conversion of solar energy into electricity by the use of photo voltaic cells. This programme has been entrusted to the Central Electronics Limited.

In all these fields the work that is being done by different organisations is being coordinated in a more unified and purposive manner. To give you an idea of the number of agencies in the field, there are 25 principal solar energy research centres in India. Besides, there are 12 projects in the field of solar energy R&D which are supported by industry. There are four solar equipment manufacturers in India, three of whom are producing solar water heaters. Hence, there is need for a more unified and coordinated approach in this field.

The other field which was mentioned was coal. I do not want to go into the details because, as I have often mentioned in this House, we are covering the entire area of coal by R&D. The only point I would like to mention, because there is specific reference by Shri Madhukar, is the need to convert coal to oil. We have set up an expert group to examine the feasibility of conversion of coal into synthetic crude oil. The group is expected to furnish its recommendations by the end of June. Of course, if we are successful in getting more oil from Bombay High and other promising areas, then there will be no necessity even for thinking in terms of this conversion. But we would like to know the technical feasibility and the economics of the process, and that is why we have set up this expert group. There is only one country in which today coal is being converted to oil, and that is South Africa. There are obvious limitations to the amount of information we can get from them.

Shri Madhukar and Shri Chandrakar referred to bio-gas plant. Yesterday, Professor Siddhaswar Prasad dealt with this particular question. On this question I want to say only this that it has a very very large potential in this country. I am told by experts.

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that the manure produced by this particular process can pay for the plant and the bio-gas is really a bi-product, which is obtained free, if you look at it that way.

It needs to be rapidly spread throughout the country. This means a big organisational effort. For instance, in 1974-75 the number of units set up was 10,711. In 1975-76 it increased to 18,228. For 1976-77 our target is to set up 25,000 units. But if we really want to go in a big way, we will have to think of setting up hundreds of thousands of bio-gas plants per year we can also use other waste matter apart from cow dung. So, this is a very promising field, and we in the Ministry of Energy are supporting it wholeheartedly.

SHRI VASANT SATHE: What is the investment plan for it?

SHRI K. C. PANT: I do not have the amount here, that can be easily obtained. My Ministry does not directly deal with bio-gas. We are interested in it from the energy point of view because that has very clear implications when you are looking at the energy policy.

Shri Chandrakar referred to geo-thermal energy. We have such a programme and a UNDP project has been taken up for exploring possibilities in Himachal Pradesh in Manikaran area and also in the west. We are going ahead with it in the Puga valley in Ladakh.

Tidal energy was referred to by Mr. Desai. We had a UN expert here recently. He identified some areas on the west coast and Bay of Bengal, but it is costly energy, and it has to be considered how much money we should put into this research at this moment. And the same applies to windmills where promising areas are really few in this country. The impact would be at best marginal. So, we have to consider how much money we put into this programme also, but I can assure the House that we are going into this

programme and the CPRI, apart from other agencies, is looking into it and is trying to evolve the most cost effective method of producing power from wind energy.

There was a lot of interest in the situation created by production of coal and not sufficient demand being created and stocks being built up. Production has undoubtedly gone up rapidly. During the Fourth Plan, Production stagnated at about 75 to 78 million tonnes, and then it increased from 78 to 88 million tonnes in 1974-75. In 1975-76 it increased from 88 to 99 million tonnes. This is really a remarkable pace of increase of production. So there is no doubt that this is an achievement and I would say it is a very proud achievement for this country. You will be happy to know that we have surpassed West Germany in the production of coal this year. India ranks sixth in the world in coal production.

SHRI M. RAM GOPAL REDDY (Nizamabad): But you are exhausting our coal reserves.

SHRI K. C. PANT: Not even your fertile brain can tell us of a method of producing coal without exhausting the reserves, but I can assure you that there are very large deposits of coal in this country, 80,000 million tonnes.

SHRI M. RAM GOPAL REDDY: It will last for only 400 years.

SHRI K. C. PANT: You need not worry about 400 years.

SHRI DINEN BHATTACHARYYA (Serampore): What is the per capita production.

SHRI K. C. PANT: I do not have the figure, but I am sure theirs must be much higher because our population is much higher. You must have participated in the previous debate to make that point.

Efficiency and productivity have also gone up. I do not want to burden the House with figures, but there has been an improvement in the OMS in all the fields in the eastern, western and central areas of CIL and BCCL and Singareni. Only in the Assam area it has dropped. It is hoped there also it will improve.

Panditji is sitting here and I can say with great satisfaction today that all the problems of wagons etc., have vanished.

13 hrs.

Today, there are enough railway wagons to transport coal. If the despatch has not gone up further, it is because the demand has not grown as much as production has grown. Despatches have grown from 78.96 million tonnes during 1974-75 to 85.78 million tonnes during 1975-76, that is, an increase of 6.82 million tonnes. Shri Modak said that there was a fall in demand. There is no fall in demand. Demand has increased. Despatch has increased. But despatch has not increased as fast as production has increased. That point, I accept. But there is no fall in demand. He was referring to recession and the fall in demand in general. That is not borne out by these facts. Shri Sokhi I do not find him here either, referred to difficulties being experienced by steel plants. Actually, no difficulty is being experienced by steel plants at the moment and they are getting their supply, they have 18 days stock.

SHRI VAYALAR RAVI (Chirayinkil): What about the second phase of the Bokaro?

SHRI K. C. PANT: Even after that, there is enough coal. They are carrying 18 days stock right now. In fact, it was said earlier that Bokaro blast furnace could not be started, coke oven could not be started because of want of coal. Well, a stage came when we said, "Please take the coal and still there was delay in starting the coke oven and the blast furnace." So, one

has to be careful about the reasons advanced by the officers concerned. Sometimes one has to be very critical in examining them. (Interruptions).

SHRI VASANT SATHE: Now do you want electricity instead of coal? Soon electricity will be surplus and then you do not know what to do.

SHRI K. C. PANT: Electricity creates its own demand, I find. (Interruptions). If you have electricity then very soon the demand is created for power also. I would rather have a surplus of energy than a shortage of energy, because when there is shortage of power, you cannot import it, and therefore, you have to have the power. You have seen the ravages it can cause in case there is a great deal of shortage of power.

During 1976-77, the coal industry has production target of 108 million tonnes and this would correspond to the estimated demand and we are taking steps to achieve this target. Shri G. S. Mishra referred to the extension of railway line in the eastern part of Pench coal field. We are exploring these fields. We have started a new coal mine there. Once we have explored the field and found out how much coal reserves are there, that will be the time to consider approaching the Railway Ministry for extending the line, though I do not for a moment suggest that he should not approach the Railway Minister for a line right now.

So far as the stock position is concerned, the stock has grown from about 27 days to about 37 days production this year that is, about 11.97 million tonnes, as against 7.48 million tonnes previously. Now, looking at the overall production, the coal industry as a whole, it may not appear excessive, but for certain types of coal and in certain areas, there has been accumulation of stock. There is no doubt about it. And one of the reasons has been the lower off-take as against

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their targetted demand earlier by power houses, by steel plants and by some other industries. So, we are trying to stimulate consumption by suggesting that all these industries should take larger stock of coal, larger supply by increasing the production of soft coke, by despatches to the brick burning industry and by substitution of oil by coal, wherever it is possible.

Apart from that, CIL is also taking various vigorous steps to streamline its marketing organisation. So far coal has been in short supply and it has been easy to sell it. Now the challenge before the CIL is that there is a marginal surplus. Then they should energise their marketing apparatus so as to be able to sell this coal. For this, they have set up five marketing zones, ranch sale offices, etc. with a view to approaching all their consumers, including smallest consumers to see that off-take is stepped up.

13.05hrs.

[MR. DEPUTY-SPEAKER in the Chair]

In this context, a reference was made to quality. I recognise that after this shortage of coal has been removed the quality has come very much more into focus. Shri Modak, Shri Damani and Shri Damodar Pandey referred to this aspect. Shri Damodar Pandey said, as coal is a natural product, there are some limitations to which you can beneficiate the coal. Nevertheless, the House will be glad to know that the Coal India Ltd. has a comprehensive programme for coal beneficiation. This includes a proposal to install a large number of beneficiation plants. Tenders are being finalised for about a dozen of such plants for jig washing of coal are also being considered for installation. Besides, the CFRI are carrying out research under their R & D programme for solvent extraction of coal.

The coal producing agencies have taken several steps to improve quality

of coal, which includes the introduction of screening and sizing arrangements, joint sampling, setting up of quality control Departments, complaint cells, introduction of contracts with bonus-cum-penalty clauses—I was glad to learn during my recent visit to Umrer colliery that they are making some money on account of bonus-cum-penalty clause—posting of Inspectors at the loading points etc. I am glad to say that as a result of these measures the number of complaints regarding quality which had been coming in have been definitely reduced.

A Committee has been set up under the Chairmanship of the Joint Secretary of Department of Coal with representatives of major consumers, CFRI and the Coal Consumers Association of India to examine comprehensively the problems connected with production and supply of coal of required quality to various consumers. This is important because you cannot suddenly switch over production of coal from one area to another or from one coal mine to another. This has to be carefully planned. So, a deeper view has to be taken of the whole problem of regulating quality to meet the demand and requirement of coal.

In this context I would like to refer to the export of coal and the efforts being made in this direction. Shri Modak said that we are exporting coal at a loss. That is not a fact. We are not exporting coal at a loss. In fact, a little while ago some months ago the international price of coal was very good and there was very good profit in the export of coal. Today the prices have come down. Even so, they are good enough for the exporter to make a profit out of it. But I was surprised to hear that he was against export of coal. He seemed to have opposed the export of coal; he seemed to have opposed the increase in production of coal also. Yet, he said, there are about 40,000 surplus people. If there are 40,000 surplus people, would he like them to be retrenched? Would he like them to be paid without doing any work?

Otherwise, the only alternative is to increase production and to absorb them in the production process. If you increase production and the demand does not go up as fast as that, the obvious answer is to step up exports also. So, the logic should make him accept this position that we are trying to increase exports so that the momentum built up for increasing production does not suffer. Now, there may be a time-lag before the demand catches up. If the economy picks up, the demand is bound to catch up. You can suddenly press a switch and increase coal production. That is not possible. This is a long-term production. We have, therefore a better situation with a marginal surplus of coal rather than a deficit of coal or shortage of coal.

Then, Shri Madhukar referred to retrenchment. There has been no retrenchment in the coal industry. I do not know where from he got the information. At least, our public sector coal companies have not retrenched anybody.

Now during the last year, the export was about 4.5 lakh tonnes and, during the current year, we hope to increase it to 14 lakh tonnes, that is, about three times. Perhaps, we could even go further because amongst the countries which have been earmarked for export are, West European countries—4 lakh tonnes; Japan, Egypt, Hong Kong, Taiwan, Singapore, etc. Therefore we should perhaps have stepped it up further. We sent a team to the EEC countries consisting of an officer of the Department of Coal and representatives of the CIL and the MM-TC, and they have made considerable progress in the matter of coming to some arrangement for the export of coal. A trial shipment would be made pretty soon and, by 1978-79, we hope to achieve an export of 5 million tonnes.

But the problem is that of the ports: this is where the bottleneck comes. Today we have no mechanical loading facilities at the ports and when you

want to export large quantities of coal you have to do it with mechanical loading facilities. Otherwise, bigger ships cannot go and they cannot be got ready in time. In order to avoid that, you must have mechanical loading facilities. Haldia will have mechanical loading facilities for coal and will be able to handle about 3 million tonnes a year, but till Haldia comes up—I hope it will come up towards the end of this year—we do not have any other port where this can be handled. But we hope to use Calcutta as well as Haldia and Paradeep for export purposes and even Vizag if necessary.

So, these are our export programmes and I am keeping in close touch with my colleague in the Shipping Ministry to see how we can get over this problem of the ports.

We have been discussing the question of safety here. I don't want to take up more time of the House but I can assure the hon. Members that so far as the safety of our workers is concerned, we recognise that it is the duty of the public sector coal companies to look after their safety and we have told these companies that it is not necessary for them to wait for legislation or instructions of the Director General of Mines Safety but to take steps which will minimise accidents. Of course, one has to accept a certain number of accidents as a risk that has to be taken when one wants to mine coal: no country in the world has been able to avoid accidents in the coal mines. But to reduce them is our duty and all the public sector coal companies have been advised in this regard. We have set up an Internal Safety Organisation also in the public sector coal companies and a 14 Member Committee was set up after the Chasnala accident to see what more needs to be done in the direction of safety. This Committee is going into all the aspects of the safety question. The Director General of Mines Safety, the Ministry of Labour and the Central

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Mining Research Station are all associated with this Committee.

Regarding workers' welfare, Shri Damodar Pandey made many points yesterday. He is fully aware of what is being done and I don't want to labour the point here. But, certainly, after the nationalisation, many things have been done to achieve improvement in the living conditions of labour in the coal-mine areas. After the National Coal Wage Agreement of December 1974, we certainly brought a lot of satisfaction to the labour in the country. One of the things that have been done is to spend Rs. 5 crores per year on housing as part of this agreement—and this is over and above the houses that are being constructed for the coal-mines labour welfare purposes.

Similarly, in regard to water supply, a large number of schemes have been taken up and, while I don't want to bother the House with details, all I will say is that we are trying to see that we are able to cover almost the entire population in the not so distant future with adequate water supply. As for saying more than that, I don't think the House would like me to give them an assurance.

Similarly, in regard to medical facilities, as I have said, Mr. Damodar Pandey is not here and I don't want to weary the House with details.

Now, a Joint Bi-partite Committee has been set up under the 20-Point programme of the Prime Minister. This was required to be set up for the participation of workers in Management. Not only the apex body but similar committees at the company level, even lower down at the area level and the mines level, have been set up in almost all the companies.

There was a reference to bonus to be paid to workers, and it was suggested that we should pay bonus based on production and productivity. Without going into the details of the suggestion, because what exactly we can

accept will depend later on on the suggestions that come to us from coal India Ltd., after consultation with the apex body, the Joint Bi-partite Committee, which I have referred to, all I can say is that the principle of making *ex-gratia* payment on the basis of production and productivity has been accepted by the Government; that has been decided. So, the main point which Shri Pandey was making has been accepted, but the details of the scheme, I am awaiting from Coal India Ltd ...

SHRI DINEN BHATTACHARYYA: Why *ex-gratia* on production? You are paying bonus on the basis of production. Why *ex-gratia*?

SHRI K. C. PANT: Because bonus comes under the Bonus Act. I do not want any confusion in nomenclature.

Similarly, there was a suggestion about creation.

AN HON. MEMBER: Would coal come under that?

SHRI K. C. PANT: Coal is one of the non-competitive public sector industries and, therefore, for coal, power and such industries, a different system has to be followed, a different arrangement has to be followed; therefore, instead of profit, there is the alternative of relating it to production and productivity.

There was a suggestion about creation of a national fund for social security. This, again, is a question that has been engaging our attention, and it has been decided that, as a part of total social security scheme for the workers, a national fund should be set up for offering adequate compensation and relief in cases of accidents. Here again, so far as the modalities of creating and operating such a Fund are concerned, we are awaiting the suggestions of the Coal India Ltd., who is going to consult the Joint Bipartite Committee on this matter also.

Finally, a word about the Neyveli Lignite Corporation which I visited recently. The production there has increased slightly and not very much, but we had set up a Committee to go into its unsatisfactory performance in the past, and they came up with suggestions to improve the performance and to make a fresh capital investment so as to raise the level of production to a target of 8.5 million tonnes of lignite per year. This is necessary because the power production apparatus is there, the equipment has been set up, but it is not being utilised the capacity utilisation is low; the carbonisation and briquetting plant has been set up, but the capacity utilisation is very low, and in the fertiliser plants we have had to decide to switch over to oil. It is, therefore, necessary to step up lignite production, and for this, two schemes were drawn up, one for Rs. 12 crores and the other for Rs. 87 crores. These schemes have been taken up, and we hope that, with these two schemes, we will be able to achieve the production target of 8.5 million tonnes.

With these words, I would like to thank the hon. Members once again for their very generous appreciation of the work that has been done by this Ministry.

SHRI S. R. DAMANI (Sholapur): It has been mentioned that the overall efficiency of the power projects was 47 per cent. Although there is improvement during the current year, may I know what are the reasons for such

low efficiency and what actions are being taken to improve the efficiency? Will the Minister enlighten us on this?

SHRI K. C. PANT: It is not 47 per cent; it is 52 per cent, increased to 53 per cent.

SHRI VJRBHADRA SINGH (Mandl): What about Nalpa-Jhakri Project? Is there any possibility of its being taken up in the near future?

SHRI K. C. PANT: It is a good project, and one should live on hope.

MR. DEPUTY-SPEAKER: There are a number of Cut Motions moved by Shri Bhogendra Jha and Shri Ram-avatar Shastri. I shall put them all together to the vote of the House.

All the Cut Motions were put and negatived

MR. DEPUTY-SPEAKER: The question is:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1977 in respect of the heads of demands entered in the second column thereof against Demands Nos. 29 to 31 relating to the Ministry of Energy."

The motion was adopted

[The Demands for Grants, 1976-77 in respect of the Ministry of Energy, which were voted by the Lok Sabha, are shown below.—Ed.]

No. of Demand	Name of Demand	Amount of Demand for Grant on account voted by the House on 23-3-1976		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
29.	Ministry of Energy	8,87,000	..	44,35,000	..
30.	Power Development	9,19,81,000	18,20,10,000	45,99,05,000	97,00,50,000
31.	Coal and Lignite	3,72,44,000	45,79,00,000	18,62,20,000	228,95,01,000