

LOK SABHA

Wednesday, December 14, 1977 / *Agrahayana* 23, 1899 (Saka)

The Lok Sabha met at Eleven of the Clock

[Mr. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Loss incurred by Coal India Limited

*406. SHRI K. LAKKAPPA:

SHRI SUKHDEO PRASAD
VERMA:

Will the Minister of ENERGY be pleased to state:

(a) whether Coal India Limited, a State undertaking, controlling nearly 95 per cent of the reserves in the country, had incurred an accumulated loss of Rs. 80 crores during the last two years;

(b) if so, the main reasons for the same; and

(c) the steps Government propose to take in the matter?

THE MINISTER OF ENERGY (SHRI P. RAMACHANDRAN): (a) According to the provisional accounts available, Coal India Limited is estimated to have incurred a loss of over Rs. 80 crores during the last two years.

(b) The main reasons for the loss are as follows:—

(i) The national coal wage agreement resulting in substantial increase in the wage bill of the company was

effective from 1st January, 1975 but the price of coal was revised from 1st July, 1975;

(ii) While revising the price of coal from 1st July, 1975, the Government allowed a price increase of Rs. 17.50 per tonne only, even though the Inter-Ministerial Committee which went into the question had recommended an increase of Rs. 21.80 per tonne on the basis of the cost of production.

(iii) During 1976-77, the cost of production went up on account of payment of ex-gratia amount in lieu of bonus and rise in the cost of stores, power machinery and other inputs.

(c) In view of the impact of any rise in the price of a basic fuel like coal, Government has decided not to revise the price of coal at present. Steps are, however, being taken to effect economies, improve efficiency and reduce the cost of production.

SHRI K. LAKKAPPA: Coal India Ltd. is controlling 90 per cent of the Coal reserves of the country and recently the Chairman of the company Mr. Garewal made a statement that the company has accumulated a loss of Rs. 80 crores for the last two years. He has also stated the various reasons for that. And in another statement, he has said that inspite of an accumulated loss of Rs. 80 crores, they are going to invest Rs. 43 crores further for construction of palatial houses and buildings instead of adopting austeri measures in the company. He has also made a definite charge against the present government that the Government of India has failed to implement certain suggestions made. I do not know what the suggestions are and whether they are good or bad. He made

a charge against the present government and its attitude in respect of certain requirements and he pointed out that these requirements have not been fulfilled by the Government of India. Unrealistic approaches have been adopted in regard to recruitment, promotions and so on. The organisation was compelled to absorb in employment manpower not required by the company at all. So these accumulated losses are increasing and within 2 years it has come to Rs. 80 crores. with respect to the suggestion made by the Company Chairman, what are the reactions of the government to streamline the entire system?

SHRI P. RAMACHANDRAN: Losses were due to a variety of reasons as I said. Government has appointed a committee to go into the question and effect economies wherever possible. The report is expected within the next 3 months. There are guidelines existing to effect economies in various things. There are restrictions in power of recruitment of non-technical and non-operational staff and guidelines on the office expenses, T.A., contingencies etc. These guidelines are being followed and we expect certain economies to be effected. Also the cost of production has gone up. Wages of workers have gone up. There are increased costs of stores, inventories and other things. Even so, we are trying to see that economies are effected and we expect the Coal India will break even very soon.

SHRI K. LAKKAPPA: He has given the usual stereotyped reply. Necessary austerity measures were not taken up by the management. Regarding employment, promotion, etc. unrealistic methods were followed and discrimination was practised. There was another committee, called the Chakravarty committee, which was appointed. All sorts of committees have been swallowed by the management. Faulty planning has resulted in huge losses. The tax-payers' money is involved. So, my question is this: Will the Minister agree to constitute an Expert committee to go into the matter with a

time-bound programme given, to submit its report, so that we can set right matters?

SHRI P. RAMACHANDRAN: As I said, losses are due to certain measures taken after nationalisation. There was the wage agreement between labour and management which has escalated the cost of production.

SHRI K. LAKKAPPA: He should answer my question so that I need not have to ask him anything.

MR. SPEAKER: Are you going to appoint an expert Committee?

SHRI K. LAKKAPPA: The expert Committee has to report back to this House within three months and then he must take action accordingly.

SHRI P. RAMACHANDRAN: I have explained already, a Committee has been appointed and we have asked them to submit the report within three months and as soon as they submit the report we shall take necessary steps.

श्री कचरूलाल हेमराज जैन : अध्यक्ष महोदय, मैं माननीय मंत्री महोदय से पूछना चाहता हूँ कि कोल इंडिया लिमिटेड के घाटे के मुख्य कारण क्या हैं तथा हिन्दुस्तान में कोयले के राष्ट्रीयकरण से पूर्व क्या भाव थे और आज कोयले के क्या भाव हैं? क्या जो इस कम्पनी में इतना बड़ा घाटा हो रहा है उसकी जांच करायी गयी है? क्या इस कम्पनी में सरकारी अधिकारियों द्वारा जो पैसे का अव्यय किया जाता है, उसकी जांच करायेंगे? क्या कोयले के भाव बढ़ने का कारण इसमें जो अनियमितताएं बरती गयी हैं वह नहीं है? क्या मंत्री जी इन सब की जांच करा कर जानकारी देंगे?

MR. SPEAKER: Most of the questions have been answered in the written answer. I do not think you have seen the answers. Anyway you

SHRI P. RAMACHANDRAN: If irregularities are brought to our notice, we shall take action definitely. With regard to the price, before the coal agreement was entered into, that was before 15-11-73, the basic pay of a coal worker was Rs. 130/-, D.A. Rs. 77 and the total he was earning amounted to Rs. 222/-. From December, 1977, the total emolument of a coal worker will come to Rs. 407/-. That means the price of coal, the cost of production, has gradually increased from 1973.

Out of the total cost of production the salaries and wages will cost about Rs. 45.53 for every tonne of coal. That is why the prices have gone up. It is only in that connection that an inter-ministerial Committee has recommended the increase in price of coal. But, the Government has not increased as per the recommendations because the increase in price of coal which is the main thing in the other industries will have an adverse impact in other industries. That is why Government has decided not to increase the price of coal. At the same time Government will try to effect economy in administration.

SHRI V. ARUNACHALAM: Sir, the hon. Minister replied that comprehensive measures have been taken by Government. But, still, there is a loss. I would like to know from him whether Government has seen any sign of reduction in the losses after the introduction of the comprehensive measures.

SHRI P. RAMACHANDRAN: Yes, Sir. Already comprehensive measures taken to effect economy have shown some results. I think that, in the course of the next three or four months, we will try to see that some economies are effected.

SHRI M. S. SANJEEVI RAO: Mr. Speaker, Sir, I understand from reliable quarters that one of the reasons for these heavy losses are due to the private sectors operating in these areas. These private sectors in collusion with Government officials of Bihar and

Bengal are deliberately pilfering a part of the coal. This is one of the major reasons that we are incurring heavy losses. What steps is the Government going to take to check the activities of these private sectors from this illegal mining?

SHRI P. RAMACHANDRAN: With regard to the illegal mining, for a few months because of certain stay orders granted by the court, there was some illegal mining. We appealed to the Court and got the stay order modified. After this, almost practically the illegal mining has been stopped. If there are any malpractices and, if they are brought to our notice definitely we shall take action. We have written to the Chief Ministers of both Bihar and Bengal to treat this as a law and order problem and take whatever steps are necessary in this regard. Illegal mining had been stopped after that.

श्री लालनो भाई: मैं मंत्री महोदय से जानना चाहता हूँ कि 1974 से 1976 तक वर्षवार कितना घाटा हुआ है कोल इंडिया लिमिटेड को? अगर बढ़ता हुआ घाटा है तो इस बात को आप टाल नहीं सकते, और कोई कारण नहीं बता सकते क्योंकि वहाँ के अधिकारियों की गलती है इसलिये उन अधिकारियों के खिलाफ आप क्या कार्यवाही करने जा रहे हैं? और इस बात को यह कह कर नहीं टाला जा सकता कि जांच हो रही है उसकी रिपोर्ट आने पर आप बाद में कोई कदम उठायेंगे। यह कम्पनी घाटे में पड़ चुकी है। इसलिये कि और अधिक घाटा न बढ़े इस बारे में आप क्या कर रहे हैं, और उन अधिकारियों के खिलाफ क्या कार्यवाही करने जा रहे हैं। और जो आपने कहा कि रिपोर्ट आने पर कार्यवाही की जायेगी तो वह रिपोर्ट कब तक आयेगी, सरकार के सामने?

SHRI P. RAMACHANDRAN: About the charges levelled against some officers, if any specific case is brought,

[Shri P. Ramachandran] definitely we shall take action. The other point he wants to know is about the losses. As I mentioned earlier, there are losses: during 1976-77 and 1975-76 the losses were about Rs. 42 crores and Rs. 45 crores. During 1977-78 they are estimated to be about 78 crores. There are losses because the cost of production had gone up and the prices are not commensurate with the cost of production. About the other malpractices, if any specific case is brought to our notice definitely we shall take severe action.

कोरबा तापीय बिजलीघर में कोयले की कमी

* 407. श्री गोविन्द राम मिरी : क्या ऊर्जा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या कोरबा तापीय बिजली घर को कोयले की भारी कमी का सामना करना पड़ रहा है; और

(ख) मध्य प्रदेश में कोयला खानों के मुहानों के पास स्थित ऐसे तापीय बिजली घरों को कोयले की सप्लाई के मामले में प्राथमिकता न देने के क्या कारण हैं ?

THE MINISTER OF ENERGY (SHRI P. RAMACHANDRAN): (a) No, Sir.

(b) Priority has been given in the supply of coal to meet the requirements of the pit-head power stations in Madhya Pradesh, located at Korba, Amarkantak and Satpura.

Since the commissioning of the new 120 MW unit at Korba, it has been considered expedient to supplement the supplies of coal from the Korba mines by some supplies from the Sohagpur coal fields to make up for any shortfall. There have been some operational problems in the transportation of coal from Sohagpur coal fields to Korba and they are being looked into. However, generation at Korba has not been affected for want of coal.

श्री गोविन्द राम मिरी : मध्यप्रदेश महोदय, कोरबा में कोयले की कई खदानें हैं और वहां पर कोयले के विपुल भंडार हैं, इससे बाद भी वहां के जो बिजली घर हैं उनको कोयला पर्याप्त मात्रा में न देकर कोयला बाहर के राज्यों को भेजा जाता है और वहां हाल में बुढ़ार खदानों के कोयले से पूर्ति की गई है जिससे न केवल परिवहन व्यय बढ़ा है बल्कि उसका प्रभाव विद्युतमंडल पर पड़ा है, और उद्योगों, उत्पादन और रोजगार पर भी प्रभाव पड़ता है। मैं मंत्री महोदय से जानना चाहता हूँ अन्य राज्यों के कोयले की पूर्ति सिंगरौली से कर सकते हैं जिससे भाड़े में भी कमी होगी और कोरबा की कोयला खदानों की खपत पहले कोरबा में स्थित विद्युत बेन्द्रों के लिये सुरक्षित रखी जाय, ऐसी कोई व्यवस्था मंत्री महोदय कर रहे हैं? यदि हां, तो कब तक ?

SHRI P. RAMACHANDRAN: The Korba power station is not suffering for want of any coal so far. They have got adequate stocks. With regard to mines that are there near about the power stations before the new power stations were commissioned, some part of the coal has been linked to some other power stations in other part. That does not mean that the power stations in M.P. will be allowed to suffer. If there is any shortfall, it will be met by bringing coal from different places. About the future all the power stations in Madhya Pradesh will be linked to various mines which will supply coal adequately to all the power stations.

MR. SPEAKER: He said that transport cost will increase if you take it from other places. Why not supply coal from the nearest mines?

SHRI P. RAMACHANDRAN: They are being supplied from the nearest places. At the moment the difficulty is on account of operational difficulties and working of the new mines.