

RAJYA SABHA

Monday, the 15th July, 1991, Asadha 24, 1913 (Saka)

The House met at eleven of the clock.

Mr. Chairman in the Chair.

INTRODUCTION OF MINISTERS

THE PRIME MINISTER (SHRI P. V. NARASIMHA RAO): Sir, with your permission I would like to introduce the following Members of the Council of Ministers;

Cabinet Ministers

Shri Manmohan Singh
Shri K. Vijaya Bhaskara Reddy

Ministers of State (Independent charge)

Shri Ashok Gehlot
Shri P. Chidambaram

Ministers of State

Shri Dalbir Singh
Shri Rameshwar Thakur
Shri Shantaram Potdukhe

Deputy Minister

Shri Salman Khursheed

ORAL ANSWERS TO QUESTIONS

*21. [The *questioner* (Shri Harvendra Singh) was *absent*. For answer vide col. 32 infra].

Shortfall in the production of Coal

•22. SHRI RAM JETHMALANI
Will the Minister of COAL be pleased to state:

(a) whether Government's attention has been drawn to the news item published in the Financial Express of the 3rd June, 1991 captioned. "Coking Coal imports inevitable as production falls";

(b) if so, what are the reasons for the shortfall in the production of coal in the country;

(c) what was the year-wise production of coal during the last three years along with the quantity of coal imported each year and the price at which it was imported; and

(d) what is the estimated quantity of coal likely to be imported during the current year and the next year, respectively?

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COAL (SHRI P. A. SANGMA): (a) Yes Sir.

(b) - The production of coal has been on the increase from year to year. However production of metallurgical grade coking coal by Coal India Ltd. for supply to steel plants has gone down for the following reasons:—

(i) Insufficient availability of grades of raw coking coal which could be washed to the quality requirements of Steel Authority of India Ltd.

(ii) Inadequate and erratic supply of power to the washeries located in the Eastern Region.

(c) The details are as follows:—

(In million tonnes)

Year	Produc- tion of coking coal	Produc- tion of non- coking	Total	Produc- tion of metallur- gical grade coal by CIL for supply to steel plants
1988-89	42-72	151-88	194-60	20.77
1989-90	44-43	156.46	200 8	20-10
1990-91	44-26	167-47	211 7 3	19-89

The available information about the metallurgical grade coking coal imported for steel production is as follows:—

IMPORTS BY SAIL (including IISCO)

	Quantity in million tonnes	Value [Weighted average] FOB price US \$ per metric tonne
1988-89	3-740	49-18
1989-90	3-748	50-28
1990-91	4-493	52-15

IMPORTS BY
VSI

Year	Quantity in Tonnes	Value (Weighted average) FOB price uss per me- tric tonne
1988-89	47,220	49-80
1989-90		49-80
1990-91	5,08,194	53-90

IMPORTS BY TISCO

1988-89	6,99,000	57-95
1989-90	6,58,000	64-50
1990-91	7,22,000	66-90

(d) The imports of coal during the current year and the next year would depend upon several factors and it may be difficult to make any accurate estimates at present.

SHRI RAM JETHMALANI: Sir, the hon'ble Minister in b(ii) of his reply has assigned as a cause inadequate and erratic supply of power to the washeries located in the eastern region. Sir, all these reports and evidence which are available to us show that, as a matter of fact, the erratic supply of power to the washeries is due to the lack of coal supplies to the electric units in the eastern region and because coal is not being supplied electricity is not being produced and the whole of Calcutta and the eastern region is complaining of lack of coal supplies and that is affecting their supply of electricity to the washeries. This is the manner in which, Sir, the bureaucrats who are responsible for the shortfalls are misleading the Ministers and this mechanical reply is given. I want to ask, first, will the Minister please investigate what the cause is of the erratic supply of power to the washeries? I say that if you investigate properly you will find that you are really mixing up the two things and it is the very shortage of coal which is responsible. Answer this.

The second part of my question is that in 1976-77—and that was the period of emergency when there was some kind of fear under which our bureaucrats operated—SAIL produced the requisite quantity of steel without importing a single ton of coke from outside and now for producing the same 8 million tons of steel SAIL wants to import 4.5 million tons of coke and we are paying about Rs. 5,500/- crores of foreign exchange. Sir, this is an obvious that there is some kind of corruption that is going on and some corrupt people are interested in making imports and earning usual kick-backs. I would suggest that the Minister should give an assurance to this House and I want to ask whether he is prepared to give such an assurance that this kind of corruption which is going on will be investigated. Why is it that in 1976-77 you produced the same quantity of steel without wanting any import and now you require 4.5 million tons of coke?

SHRI P. A. SANGMA: Sir, it is true that the functioning of the power stations is very much connected with the supply of coal. I do not deny that and a lot of improvement is required in this respect. I do agree with the hon'ble Member. Now, the second point is that during the emergency time there was no import of coal. This is precisely what we are trying to achieve. The policy of the Government is to reduce the import of coking coal to the minimum and, that, we are aware, can be done only by improving the efficiency of our companies and, I hope, during the coming next three months, i.e. second quarter of the current year, we will be able to show substantial improvement. As far as the corruption charges are concerned, unless I have specific instances brought to my notice, I will not be able to answer this question. But, by and large we will certainly look into all these aspects.

SHRI RAM JETHMALANI: Reports from all over the mining regions are that in most of the mines at the pit-

heads stocks are rotting away. And yet there is shortage of coal. This is a phenomenon which requires to be investigated as to what is happening to this large-scale stock which is accumulated at the pitheads. Is it being pilfered, is it being misappropriated or is it being sold away? There is great room for investigation into it. The Minister should at least assure us of an investigation. We are prepared to give allowance to the fact that this Government has just taken over the charge and it needs time. But we do expect an assurance from the Minister that this whole thing will be investigated. Here is a can of worms.

SHRI P. A. SANGMA: I will do - that.

SHRIMATI JAYANTHI NATARAJAN: My question does not relate to the coking coal. The first part of my question is about the shortfall in the production of coal in the country. From the Bihar collieries there was supposed to be an assured supply of coal to the Tamil Nadu Electricity Board over the years. But not even what was supposed to be supplied for one week has been supplied for the whole year. The supply of coal from Bihar is so erratic that the Tamil Nadu Electricity Board is facing a serious crisis. My question is in two parts: (a) In view of the serious crisis being faced by the Tamil Nadu Electricity Board will the honourable Minister consider allowing — to tide over the crisis immediately — one-time import of coal for the State of Tamil Nadu for use by the Tamil Nadu State Electricity Board? (b) If this is not possible, what steps is the Minister going to take to make sure that there is at least adequate supply, if not according to the agreement, of coal from the Bihar collieries to the Tamil Nadu Electricity Board?

SHRI P. A. SANGMA: In fact, the production of coal in the country has been steadily increasing. In terms of production there is no shortfall. Of course, this has a relation to the demand. But production as such is go-

ing up. As against 200.89 million tonnes in 1989-90, in 1990-91 211.73 million tonnes were produced. I have just reviewed the performance of the companies in the first quarter in Bihar and I am happy to say that there has been a substantial increase in the production of coal. We hope to improve our performance in the next three years substantially. That is the position. As far as import of coal is concerned, as of now we don't allow import of coal. It is banned. Therefore, I don't see any possibility of allowing Tamil Nadu to import coal. But I will look into the requirements of Tamil Nadu and _____

MR. CHAIRMAN: She wants coal in Tamil Nadu; not imported coal-

SHRI P. A. SANGMA: I will let the honourable Member know the actual position.

SHRI SUKOMAL SEN: This is an extremely important question. We are hearing every year about the balance of payments crisis. Now for importing coal we are spending foreign exchange worth thousands of crores of US dollars every year while according to the reports of geologists we have enough coal reserves in our country. I would like to know from the honourable Minister, at least at the present stage when you are borrowing heavily from the IMF and the World Bank to tide over the crisis, what the Government's thinking is about achieving self-reliance in coal by way of enough production so that we can minimise the import of coal from other countries and save our scarce foreign exchange. This is a matter of national importance. I would like to know what the Government's thinking is about this. Secondly, he talked of coal production being hampered because of weak electricity simply. On the contrary, the thermal power plants and SPC? are commencing that the Government is supplying to them low grade iron and that is hampering the production of iron which is the thermal power plants. Which is correct

SHRI P. A. SANGMA: I have already answered that question. I have said that _____

MR. CHAIRMAN: His question is about the quality of coal that is being supplied.

SHRI P. A. SANGMA: It is precisely because of it. We are very much aware of the BoP situation and the position today. I have said that We are trying our best to limit the import of coking coal to the minimum. I am in touch with the Steel Minister. We had an informal discussion and we have decided to have a formal meeting very soon. As far as the second part of the question is concerned i.e., about the supply of coal to the power stations, I have already stated that it is inter-related. Supply of coal to the power stations does affect the power supply. The Power Minister is here. I am interacting with the Minister on this account. I would like to assure the hon. Member that we will certainly try to improve our performance. As far as the coking coal reserves in this country are concerned, I have been informed by the Geological Survey of India that we have enough reserves. We have about 14 billion tonnes of coal reserves available in the country and we are trying to discover new mines. In the next two to three months time I should be able to finalise it.

DR. YELAMANCHILI SIVAJI: There is inadequate and erratic supply of coal to the Andhra Pradesh State Electricity Board. It appears that there is lack of co-ordination between the coal mines, the electricity departments and the railways. What steps has the Government taken to improve the co-ordination between these three departments? Due to short supply of coal to the Andhra Pradesh Electricity Board, the power supply to the State is erratic. What steps has the Government taken to redress the same? Is there any proposal on this front from the Andhra Pradesh Government?

SHRI P. A. SANGMA: There have been proposals from all the States and being looked into. As far as the co-ordination between the various departments is concerned, it was done at the official level. Now, I have had informal discussions with the Railway Minister. We have decided to have regular meetings at the ministerial level and we are even trying to co-ordinate and monitor at the ministerial level.

SHRI M. VINCENT: Ennore, Tuticorin and Mettur power stations are coal based. We need about 30,000 tonnes of coal to meet our requirements per day. The Ennore Thermal Power Station was getting first-quality coal from Singareni till 1985. From 1985, the linkage has been shifted to Talcher and Rajpura which are far away. Because of this the cost of transportation per ton of coal has gone up by Rs. 351. The quality of this coal is also poor besides delay in getting wagons. It is resulting in a loss of several crores of rupees. I would like to know from the Minister whether it is a fact that the Ennore Thermal Power Station has been delinked from Singareni due to fall in production? If so, will the hon. Minister permit Tamil Nadu to import the required high-quality coal from Australia? The Minister could at least allow a one-time import of 7 lakh tons of coal to create a buffer stock which could reduce expenses to a considerable extent. The hon. Minister could also consider allowing the State Governments like Tamil Nadu to mine in their respective States for their own use to tide over the power crisis.

SHRI P. A. SANGMA: The question relates mainly to the import of coking coal for the steel plants. As I do not have details about the particular plants in question, I may require notice to answer this question. To the second part of the question regarding the import of coal by the State of Tamil Nadu, I have already answered — (Interruptions) ...

SHRI M. VINCENT: Sir, my question has not been answered.

MR. CHAIRMAN: Your question has already been answered while he was replying to the question raised by Smt. Jayanthi Natarajan.

श्री नरेश पुगलिया : सभापति महोदय, मैं आपके माध्यम से मंत्री महोदय से यह जानना चाहूंगा कि क्वेश्चन का जो "सी" पार्ट है उसमें कोल प्रोडक्शन के बारे में जानकारी दी गई है। देश में दिन-दिन कोल प्रोडक्शन बढ़ रहा है। इसकी जानकारी डिपार्टमेंट देश को दे रहा है, जनता को दे रहा है लेकिन कोल कंसल्टेटिव कमेटी की रिपोर्ट के अनुसार और कोल इन्वेंटरी कमेटी ने जो सर्वे किया है, हर साल इसकी रिपोर्टिंग होती है और उसके दो-तीन साल के बाद इसको राइट-अफ़ किया जाता है। तो यह जो ओवर-रिपोर्टिंग के मामले कमेटी ने हमारे सामने रखे हैं, क्या उन अधिकारियों के खिलाफ सरकार उचित कार्यवाही करने जा रही है?

महोदय, मैं यह भी जानना चाहता कि बोगस परमिट होल्डर्स हैं वे नेपाल और पाकिस्तान बार्डर से स्मगलिंग कर रहे हैं तो इनको रोकने के लिए सरकार क्या उचित कदम उठाएगी?

महोदय, मैं मंत्री जी से यह जानना चाहूंगा कि देश में यह जो ओवर-रिपोर्टिंग हो रही है इसको रोकने के लिए सरकार क्या करने जा रही है?

SHRI P. A. SANGMA: Sir, there are allegations of overreporting and there are allegations of underreporting also... (Interruptions)... As the honourable Members know, I have to rely, in this House, on the official figures which are furnished to me and which I have placed before the House a short while ago. But I have also said that there is a lot of room for improvements in very aspect of the functioning of the Coal India companies. I will personally be going to the headquarters of the subsidiary companies. I propose to be most of the time in the field and I will study myself the situation. Maybe that after

a few months I will be able to come up with better and more authentic information.

SHRI AJIT P. K. JOGI: Sir, there are the inventory committee reports also.... *(Interruptions)*

SHRI P. A. SANGMA: I will certainly look into that, Sir.

MR. CHAIRMAN: Question No. 23

Production loss of ONGC

23. SHRIMATI VEENA VERMA:f
SHRI P. UPENDRA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Oil and Natural Gas Commission rated as the seventh largest profit making company in the world till recently has begun to slide, if so, what are the details in this regard;

(b) what is the decline in the profit due to production shortfall and rising operational costs.

(c) what was the target of production of ONGC fixed, by the workin' Group of the Planning Commission for the year 1991-92; and

(d) what is the . number of idle wells causing a daily production loss?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI B. SHANKARANAND): (a) and (b) The profit after tax of ONGC in 1990-91 was 'Rs. 1048 crores against Rs. 1624 crores in 1989-90. The reduction in profit was mainly on account of higher exchange loss, cost of dry wells written off, deprocaution/depletion and operational expenditure.

(c) The production target of ONGC for 1991-92 indicated by the Planning Commission is 32.912 million tonnes.

floor Question was actually asked on tha floor of the House by Smt. Veena Verma..

(d) The number of idle wells as on 1.3.1991 was 470. There are in addition about 673 wells which were not contributing to production due to various reasons.

SHRIMATI VEENA VERMA: Sir, the honourable Minister has, in part (c) of his reply, said that the production target indicated by the Planning Commission for the year 1991-92 is 32.912 million tonnes. Now, I would like to know what the target is to which the ONGC has agreed. I would also like to know whether the ONGC has downgraded it and, if so, what the downgraded target acceptable to the ONGC is and what the reasons are that have been given by the ONGC for this and what the Government's reaction to it is.

Now, I come to part (b) of my supplementary. I would like to know whether any memorandum of understanding has been signed between the ONGC and the Union Government and, if so, for what production target and, if not, what the reasons are for the delay.

SHRI B. SHANKARANAND: Sir, the honourable Member has asked for many statistics. I will give her the details, the statistics, separately . . . *(Interruptions)* ...

SHRI VIREN J. SHAH: Sir, this is related to the question. Without these Agues, how can she put her second supplementary? ... *(Interruptions)* .. . This is the target given by the Planning Commission on the one hand and there is the target of the ONGC on the other. Unless she gets the reply from the Minister, how can she put further questions? ... *(Interruptions)* . . .

SHRI DIPEN GHOSH: Sir, she has asked wherther the ONGS has downgraded the target. Unless she gets the answer she cannot ask further questions... *(Interruptions)* ...

SHRI VIREN J. SHAH: Sir, what is the target of the ONGC? He must give the information and then only we will be able to ask further questions) ... *(Interruptions)*