23

STANDING COMMITTEE ON COAL AND STEEL (2006-2007)

FOURTEENTH LOK SABHA

MINISTRY OF COAL

DEMANDS FOR GRANTS (2007-08)

TWENTY THIRD REPORT

सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2007/*Vaisakha*, 1929 (*Saka*)

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Presented to Lok Sabha on 27.4.2007
Laid in Rajya Sabha on 27.4.2007

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3. Shri D.K. Audikesavulu
4. Shri Hiten Barman
5. Shri Bansagopal Choudhury
6. Shri Chandra Shekhar Dubey
7. Shri Chandrakant B. Khaire
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1. Shri S.K. Sharma	—	*Additional Secretary*
2. Shri P.K. Bhandari	—	*Joint Secretary*
3. Shri A.K. Singh	—	*Director*
4. Shri Shiv Singh	—	*Deputy Secretary*
5. Shri B.D. Dhyani	—	*Sr. Committee Assistant*

INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this 23rd Report (Fourteenth Lok Sabha) on Demands for Grants (2007-08) relating to the Ministry of Coal.

2. The Committee took evidence of the representatives of the Ministry of Coal on 26th March, 2007.

3. The Committee wish to thank the representatives of the Ministry of Coal who appeared before the Committee and placed their considered views. They also wish to thank the Ministry of Coal for furnishing the replies on the points raised by the Committee.

4. The Report was considered and adopted by the Committee at their sitting held on 26th April, 2007.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

NEW DELHI;
26 *April*, 2007
6 *Vaisakha*, 1929 *(Saka)*

DR. SATYANARAYAN JATIYA,
Chairman,
Standing Committee on Coal and Steel.

PART I

CHAPTER I

REPORT

Introductory

India is one of the biggest coal producers in the world with an annual production of over 400 million tonne. Coal meets about two-third of India's commercial energy needs and accounts for about 75% of national power production. More than two-third of coal production is used for generating thermal power. The remaining is consumed by industries like cement, steel, fertilizers, chemical, paper, transport sector and the households. The Ministry of Coal is, therefore, engaged in developing coal resources of the country in a manner so that requirements of coal of above consuming sectors are met in full and their dependence on oil/imported coal is minimised.

1.2 The main subjects allocated to the Ministry under the Government of India (Allocation of Business) Rules, 1961, as amended from time to time, are exploitation and development of coking coal and non-coking coal and lignite deposits in India; all matters pertaining to production, supply, distribution and pricing of coal; development and operation of coal washeries; low temperature carbonisation of coal and production of synthetic oil from coal; Administration of Coal Mines (Conservation and Development) Act, 1974, Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, Coal Bearing Areas (Acquisition and Development) Act, 1957, Mines and Minerals (Regulation and Development) Act, 1957, the Coal Mines Providing Fund Organisation, and administration of Public Sector Enterprisers dealing with coal and lignite.

1.3 The Ministry of Coal has, under its direct administrative control, the following two Public Sector Undertakings:—

(i) Coal India Ltd. (CIL), and

(ii) Neyveli Lignite Corporation Ltd. (NLC)

1.4 Coal India Litd., having headquarters at Kolkata, is the holding Company with seven producing subsidiaries and one planning and design subsidiary, *viz*:—

(i) Eastern Coalfields Limited (ECL), Sanctoria (West Bengal)

(ii) Bharat Coking Coal Limited (BCCL), Dhanbad (Jharkhand)

(iii) Central Coalfields Limited (CCL), Ranchi (Jharkhand)

(iv) Northern Coalfields Limited (NCL), Singrauli (Madhya Pradesh)

(v) Western Coalfields Limited (WCL), Nagpur (Maharashtra)

(vi) South Eastern Coalfields Limited (SECL), Bilaspur (Chhattisgarh)

(vii) Mahanadi Coalfields Limited (MCL), Sambalpur (Orissa)

(viii) Central Mines Planning & Design Institute Ltd. (CMPDIL), Ranchi, (Jharkhand)

1.5 The Ministry of Coal has also under its administrative control the Neyveli Lignite Corporation Ltd., with headquarters at Neyveli in Tamil Nadu. This Company is primarily engaged in the exploitation of lignite deposits in Tamil Nadu and generation of power from lignite based power projects.

1.6 The Singareni Collieries Company Limited, (SCCL) incorporated as a public limited Company in 1920, became a Government Company in 1956 with headquarters at Kothagudem in Andhra Pradesh. The Company is a joint undertaking of Government of Andhra Pradesh and Government of India. The share capital of this Company is held by the Government of Andhra Pradesh and Government of India in the ratio of 51:49 respectively. This Company is engaged in the exploitation of coal reserves in the State of Andhra Pradesh.

Coal Controller's Organisation, Kolkata

1.7 The statutory functions performed by Coal Controller's Organisation, a subordinate office, are checking of quality of coal including settlement of complaints *vis-a-vis* grading and quality of coal despatches, adjudicating claims on grade; regulatory authority to grant permission for opening and reopening of seams and mines; distribution of coking as well as non-coking coal; disposal of objections received under the Coal Bearing Areas (Acquisition & Development) Act, 1957 and collection and publication of statistical information on coal and lignite in pursuance to Statistics Act, 1955.

Commissioner of Payments, Kolkata

1.8 There were two offices of Commissioner of Payments, one for determining compensation, etc., for nationalized coking coal mines, with headquarters at Dhanbad and another for determining compensation, etc. for nationalized non-coking coal mines with headquarters at Kolkata. As the work of Dhanbad office had been disposed of substantially, this office was wound up and the residual work has been transferred to the office of the Commissioner of Payments (non-coking), Kolkata. At present, Coal Controller is functioning as Commissioner of Payments.

Coal Mines Provident Fund Organisation (CMPFO), Dhanbad

1.9 Coal Mines Provident Fund Organisation (CMPFO) is an autonomous body set up under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948. CMPFO administers the Coal Mines Provident Fund Scheme, 1948, the Coal Mines Deposit Linked Insurance Scheme, 1976 and Coal Mines Pension Scheme, 1998. All these schemes have been formulated under the provision of the Act of 1948.

CHAPTER II

STATUS OF IMPLEMENTATION OF RECOMMENDATIONS CONTAINED IN THE FIFTEENTH REPORT OF THE STANDING COMMITTEE ON COAL AND STEEL ON DEMANDS FOR GRANTS (2006-07) OF THE MINISTRY OF COAL

The Parliamentary Standing Committee on Coal and Steel presented their Fifteenth Report on Demands for Grants (2006-07) of the Ministry of Coal on 23.05.2006. The Committee presented their Twentieth Report on Action Taken by the Government on the Recommendations contained in the Fifteenth Report of the Committee on Demands for Grants (2006-07) of the Ministry of Coal on 19.12.2006. Out of 12 recommendations given by the Committee in their Fifteenth Report, 9 recommendations (Nos. 1,2,3,4,5, 7, 8, 9 and 10) were accepted by the Government. The Committee did not desire to pursue one recommendation (No. 11) in view of the Government's reply. In respect of two recommendations (Nos. 6 and 12), the replies of the Government were not accepted by the Committee.

2.2 The Committee hope that the Ministry of Coal will implement the recommendations in a time bound manner which the Committee commented upon in their Action Taken Report. The Committee would like to be apprised of the Action Taken in respect of the recommendations not accepted by the Committee.

CHAPTER III

ANALYSIS OF THE DEMANDS FOR GRANTS (2007-08)
OF THE MINISTRY OF COAL

A. Plan and Non-Plan Outlays

The details of the Budget Estimates which relate to Plan and Non-Plan Outlays of the Ministry of Coal for the year 2006-07 and 2007-08 are as under:—

(Rs. in crores)

Major Head	BE 2006-07			RE 2006-07			BE 2007-08		
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
Revenue	168.71	37.00	205.71	300.00	37.50	337.50	250.00	38.00	288.00
Capital	—	—	—	—	—	—	—	—	—
Total	68.71	37.00	205.71	300.00	37.50	337.50	250.00	38.00	288.00

Plan Outlay

3.2 In the Plan Outlay 2007-08, provision has been made for— (i) Regional Exploration (Rs. 63.59 crore), Environmental Measures and Subsidence Control (EMSC) (Rs. 31.12 crore), Research and Development (S&T) (Rs. 22.54 crore) and Detailed Drilling (Rs. 104.50 crore). Provision of Rs. 3.00 crore has been made for Information Technology. It is proposed to provide more IT equipments especially to cater the need for digital imaging solutions so that more and more work is assigned through IT. The budget provision will also be utilized for further strengthening the IT infrastructure of the Ministry for creating more online working environment. The amount of Rs. 25.00 crore being 10% of the Plan Outlay has been kept, as per mandatory requirement, for development of NE Region.

3.3 In addition to above, a token provision of Rs. 1.00 lakh each has been kept for the two schemes, namely 'Conservation and Safety in Coal Mines' and 'Development of Transport Infrastructure in Coalfield Areas'.

3.4 Both the above schemes are statutory in nature and are being operated as per provisions of the Coal Mines (Conservation and Development) Act, 1974 which provides for collection of stowing excise duty and release of such funds collected for these activities as specified in the Act. These two schemes were earlier operated under Non Plan Head. However, on the directions of Ministry of Finance, they are being operated as Plan Schemes from the year 2005-06 and supplementary grants were provided in the RE 2005-06 and 2006-07 to fund the scheme. However, the Planning Commission has again requested Ministry of Coal to take it up with Ministry of Finance so that the schemes are brought again under Non-Plan Head and agreed only for a line entry with token provision in the BE 2007-08.

3.5 The provisions made for the various schemes under Plan Outlays for the years 2006-07 and 2007-08 are given as under:—

(Rs. in crore)

Schemes	2006-07 (BE)	2006-07 (RE)	2007-08 (BE)
Regional Exploration	60.00	40.00	63.59
EMSC	55.90	8.00	31.12
Information Technology	3.00	1.00	3.00
Research & Development (S&T)	21.09	6.00	22.54
Detailed Drilling	11.61	20.99	104.50
Coal Controller	0.22	0.20	0.23
Lump sum provision for NE Region	16.87	30.00	25.00
Conservation and Safety in Coal Mines	0.01	180.00	0.01
Development of Transport Infrastructure in Coalfields	0.01	13.81	0.01
Total	168.71	300.00	250.00

Non-Plan Outlays

3.6 The Non-Plan Outlay (2007-08) of Rs. 38.00 crores mainly comprises of Secretariat (Economic Services), Coal Controller's Organisation, Commissioner of Payments, payment of Government contributions statutorily required under Coal Mines Pension Scheme, 1998 and Coal Mines Deposit Linked Insurance Scheme, 1976 framed under Coal Mines Provident Fund and Misc. Provisions Act, 1948. Further, an amount of Rs. 30.00 crores have been kept for payment of compensation for acquisition of coal bearing areas under Coal Bearing Areas (Acquisition and Development) Act, 1957. This amount is paid back to Coal India Ltd. after the same is deposited by it with Government in advance for release to the land oustees by the subsidiary Company. It does not entail any cash outgo. The Non-Plan Outlay can not be linked to deliverable output.

3.7 In the Plan Outlay 2006-07, a provision of Rs. 11.61 crore was made for detailed drilling which was increased to Rs. 20.99 crore at the RE stage. Now for the year 2007-08, it has been increased to Rs. 104.50 crore. When enquired about this substantial increase, the Ministry of Coal has stated as under:—

> "Government has placed high priority for the development of coal sector in the country. This requires manifold increase in exploration inputs. Hon'ble Finance Minister, in his Budget Speech of 2006-07, had also indicated that the capacity of CMPDI to prove reserves would be expanded substantially. To achieve such requirements of exploration, the proposed drilling meterage in 11th plan have been increased to 13.50 lakh metre as compared to 2.83 lakh metre in 10th plan in the scheme of Detailed Drilling in Non-CIL Blocks. This requires substantial increase in budget and total of Rs. 894.19 crore have been demanded for the purpose.
>
> Out of it, a sum of Rs. 104.15 crores has been proposed for BE 2007-08 for undertaking 1.86 lakh metre of detailed drilling in non-CIL/Captive Mining blocks."

3.8 When asked about the reasons for increase in the Plan outlay for the year 2006-07 at RE stage, the Ministry of Coal stated as under:-

> "There are two schemes namely; (i) Conservation and Safety in Coal Mines; and (ii) Development of Transport Infrastructure in Coalfields Areas, which were operated as non-plan schemes for the last 30 years. The Department of Expenditure, Ministry of Finance transferred there two schemes from Non Plan to Plan in the Financial year 2005-06 at the RE stage and provided additional funds as Supplementary Grants. As a result, against a Non-Plan

provision of Rs. 1.00 lakh each, provision of Rs. 66.11 crore and Rs. 50.00 crore respectively were made under the Plan side in the RE 2005-06. This has raised the BE Plan provision of Rs. 152.05 crore to Rs. 255.00 crore at the RE stage. However, Planning Commission has not agreed to this and consequently agreed for only a token provision of Rs. 1.00 lakh each in the BE of 2006-07 by making a line entry. But in the RE 2006-07 stage, Department of Expenditure, Ministry of Finance insisted that the schemes should be under Plan Head and provided fund accordingly through Supplementary Grants. Both these schemes are operated and funded as reimbursement to the Coal Mine Operators as per the statutory provisions under the Coal Mines (Conservation and Development) Act, 1974. The principal objective of the Act is to collect excise duty on coal which is later disbursed to the coal mine operators for conservation and development related works including infrastructure. As a result, the Plan outlay for the year 2006-07 was enhanced from the BE figure of Rs. 167.71 crore to Rs. 300.00 crore at the RE stage."

3.9 On the point of reducing the plan outlays for the year 2007-08 as compared to RE 2006-07, the Ministry of Coal in a written reply stated as under:—

"In the BE 2007-08, the Ministry of Coal proposed a provision of Rs. 456.07 crore as Plan outlay which included Rs. 135.00 crore for *Conservation and Safety in Coal Mines* and Rs. 75.00 crore for *Development of Transport Infrastructure in Coalfields areas*. Both these schemes are in the nature of reimbursement to coal mine operators under the Coal Mines (Conservation and Development) Act, 1974 and rules made thereunder. However, the Planning Commission in the meeting held on 08.02.2007 has not agreed to provide funds for these two schemes as Plan schemes and suggested that these should be treated as Non Plan schemes and advised that the matter may be taken up again with Ministry of Finance. But at the instance of Ministry of Coal, the Planning Commission agreed to make a token provision of Rs. 1.00 lakh each for these two schemes and accordingly a total Plan outlay of Rs. 250.00 crore has been agreed to by the Planning Commission in BE 2007-08. The issue will be taken up with Ministry of Finance to sort out the matter in the financial year 2007-08."

3.10 The Ministry furnished the following details of the Plan and Non-Plan outlays made at BE, RE stages and actual utilization of the same during the Tenth Plan Period:—

(Rs. in crore)

Year	Plan			Non Plan		
	BE	RE	Actual	BE	RE	Actual
2002-03	327.00	207.01	170.03	236.52	147.25	146.48
2003-04	285.90	150.00	79.20	177.00	176.66	175.00
2004-05	223.32	210.00	188.93	225.00	225.00	217.20
2005-06	152.05	255.00	228.49	65.02	104.64	102.48
2006-07	168.71	300.00	183.85*	67.00*	67.50*	59.62*
Total	1156.71	1122.01	850.50	770.54	721.05	541.02

*As on 20.03.2007

3.11 As regards reasons for variations in the RE and the actual spending during 2006-07, the Ministry of Coal has informed the Committee that out of the RE 2006-07 amounting to Rs. 300.00 crore, an amount of Rs. 183.85 crore has already been released as on 20.03.2007. Further, a sum of Rs. 85.11 crore is anticipated to be released after receipt of approval of Ministry of Finance on the proposal of the Ministry of Coal for re-appropriation of funds from the savings under other heads. The lump-sum provision for Development of North Eastern Region to the tune of Rs. 30.00 crore is to be transferred to the Non-Lapsable pool of Central Government, since at present there are no schemes for Development of North Eastern Region under the Ministry of Coal. Thus the budget is likely to be spent in full excepting some minor savings in some of the Administrative Heads.

3.12 The Committee note that the total Budget Estimate (BE) of the Ministry for the year 2006-07 was Rs. 205.71 crore which was revised to Rs. 337.50 crore at RE stage. The Ministry, however, could utilize only Rs. 183.85 crore upto 20.3.2007. The Committee are unhappy to note that the Ministry failed to utilize even the full outlay given to it at BE stage. The Committee feel that scarce resources of the Government were unnecessarily blocked which could have been gainfully utilized elsewhere. The Committee desire that immediate corrective steps should be taken in the matter so that it does not recur.

3.13 The Committee are equally unhappy to note that the performance of the coal companies in utilizing the allocations made for the centrally sponsored schemes during the entire 10th Plan Period has also not been satisfactory. Out of a total allocations of Rs. 1156.71 crore made during the Tenth Plan, the actual utilization has been only Rs. 850.50 crore. The Committee are not averse to increase the budgetary allocations for accomplishing the various centrally sponsored schemes under Plan head with an ultimate aim to boost coal production provided the same are utilized optimally. The Committee hope that the allocations made for the year 2007-08 will be fully utilized particularly additional funds earmarked for Detailed Drilling. At the same time, the Committee desire the Ministry of Coal to streamline the budget making process in the Ministry so that realistic budget estimates are prepared and also remove the bottlenecks which were responsible for lesser utilization of funds. The Committee would like to know the details of the schemes which could not be implemented due to under utilization of funds and steps taken to complete the pending works.

3.14 The Committee note that the two schemes viz. 'Conservation & Safety in Coal Mines' and 'Development of Transport Infrastructure in Coalfield Areas' which were being operated as Non-Plan schemes for the last 30 years were transferred by Department of Expenditure, Ministry of Finance as Plan schemes at RE stage during financial year 2005-06. However, the Planning Commission disagreeing with the decision of the Ministry of Finance directed that these two schemes should be operated as Non-Plan schemes with only a token provision of Rs. 1.00 lakh each at BE stager in the next year. The Committee are, however, surprised that again in 2006-07, Ministry of Finance insisted that the schemes should be under Plan Head and provided funds through supplementary grants. The Committee are astonished to observe similar situation occurring once again in the year 2007-08 when the proposal of the Ministry of Coal for a provision of Rs. 135.00 crore for Conservation and Safety in Coal Mines and Rs. 75.00 crore for Development of Transport Infrastructure in Coalfield Areas under Plan Head was not agreed to by the Planning Commission and, therefore, again a token provision of Rs. 1.00 lakh each for the two schemes has been made. The Committee are extremely constrained to observe an ironical situation repeated thrice in the years 2005-06, 2006-07 and 2007-08 which the Ministry of Coal, Finance and Planning Commission have failed to resolve whether the funds for these schemes should be provided under Plan or Non-Plan Head. The Committee deprecate this unprecedented state of affairs and recommend the Ministry of Coal

to take up the matter with the Ministry of Finance in consultation with the Planning Commission for resolving the issue once for all.

3.15 The Committee are equally concerned to note the poor implementation of two schemes of 'Conservation and Safety in Coal Mines' and 'Development of Transport Infrastructure in Coalfield Areas' for which a token provision of Rs. 1.00 lakh each had been kept. In fact, the Government collect stowing excise duty and release such funds for the activities specified in the Coal Mines (Conservation & Development) Act, 1974. The Committee would like to have the details of the amount collected as excise duty by the Coal India Ltd. (CIL), subsidiary-wise, during the last three years, the targets fixed and achieved under the two schemes for the same period and the total amount spent. The Committee desire that the Coal India should draw up detailed programmes for both the schemes during 11th Plan. The Committee should be kept informed of the Action Taken in the matter.

3.16 The Ministry of Coal informed the Committee about the reasons for variation in the BE provision *vis-a-vis* the RE provision in respect of the four Plan schemes as under:

Regional Exploration

The cyclic process of billing due to multiple agencies and working in wide command areas of CIL, SCCL and NLC requires many clearances and is, therefore, time consuming. Apart from it, the shortfall in expenditure during the current year is also on account of unprecedented rains in Rajasthan, difficult formations encountered in SCCL are and delay in taking up of work in Gujarat.

Detailed Drilling

No variations. An additional amount of Rs. 9.38 crore for this activity is under process in Ministry of Finance for re-appropriation to meet the additional drilling targets.

(i) Environmental Measures and Subsidence Control (EMSC)

3.17 The budgetary allocations of Rs. 55.90 crore provided for the year 2006-07 wre reduced to Rs. 8.00 crore at RE stage and for the year 2007-08, a provision of Rs. 31.12 crore has been made. The Ministry of Coal has furnished the following reasons for reduction in the Budget Estimates at RE stage:

- Frequent stoppage of work by villagers.
- Revision in some of the schemes.

- Land dispute case in Dhanbad Court.
- Non-acceptability of approved R&R package.

3.18 The Committee have been informed that total amount approved in 10th plan for Environmental Measures and Subsidence Control (EMSC) schemes is Rs. 163.00 crores which was revised to Rs. 150.52 crores during mid-term appraisal. Rs. 52.41 crores has been utilised in these schemes till 15th March 2007. Company wise details of utilisation are given below:

(Rs. in Crores)

10th Plan Period	BCCL	ECL	CCL	Co-ordination (CMPDI)	Total
2002-03	10.36	1.02	0.55	0.25	12.18
2003-04	0.00	0.00	0.00	0.30	0.30
2004-05	3.67	2.95	0.00	0.30	6.92
2005-06	10.33	14.60	0.00	0.30	25.23
2006-07	0.09	7.45	0.00	0.24	7.78
Total	24.45	26.02	0.55	1.39	52.41

3.19 The Committee are perturbed to note the sluggish pace at which different schemes under Environmental Measures & Subsidence Control (EMSC) are being implemented resulting in under utilization of budgeted amount. The budget estimate amounting to Rs. 55.90 crore for the year 2006-07 for EMSC schemes was drastically reduced to Rs. 8.00 crore at RE stage but the coal PSUs could barely utilize Rs. 7.78 crore for the different schemes under EMSC. The Committee are anguished to note that the utilization of funds EMSC schemes has also been quite dismal during the entire 10th Five Year Plan as is evident from the fact that CIL could spend only Rs. 52.41 crore of Rs. 163.00 crore approved by Planning Commission. The reasons adduced for slow progress for these schemes such as frequent stoppage of work by villagers, revision in some of the schemes, land dispute cases in Dhanbad Court and non-acceptability of approved R&R package etc. are reflection on the administrative efficiency of the Ministry of Coal/ CIL. The Committee are of the view that there have been serious deficiencies in the implementation of EMSC schemes. The Committee,

therefore, desire that Government should review the schemes, prioritise them and prepare a comprehensive plan for their implementation without further loss of time so that the allocated funds provided for the purpose could be utilized optimally.

(ii) Research and Development

3.20 Total amount approved in 10th Plan for S&T Projects under S&T Grant of Ministry of Coal was Rs. 100.00 crore which was revised to Rs. 72.93 crore during mid-term appraisal. Out of which, Rs. 50.94 crore has been utilized under the grant till 20.03.2007. The details of fund utilisation during 10th Plan are given in Table below:—

(Rs. in crore)

Year	BE	RE	Expenditure
2002-2003	7.55	9.50	6.04
2003-2004	22.48	10.04	9.82
2004-2005	9.88	12.43	12.73
2005-2006	20.08	14.84	14.74
2006-2007 (Upto 20.03.2007)	21.09	6.00	7.61
Total	81.08	52.81	50.94

3.21 The reasons for variation between BE & RE (S&T Grant of Ministry of Coal) during the year 2006-07 are due to delay in implementation of the following S&T Projects:—

(i) Project title *"Installation of modular demonstration plant at Swang Washery CCL with column floatation for upgradation of fine coal and horizontal travelling belt filter for its better recovery"*

The budget provision of Rs. 7.00 crore was kept in BE 2006-07 could not be spent due to re-tendering for installation of pilot plant in Swang Washery, Central Coalfields Ltd. (CCL). A revised tender was floated once again in May 2006. Only one party submitted their offer but could not qualify due to non-compliance of various clauses of Tender Specifications. Therefore, Tender Committee recommended for re-tendering. Accordingly, another tender has been floated but no response has so far been received. In the month of February 2007 e-mails have been sent to five identified firms/suppliers. Their reply is still awaited.

The total expenditure is Rs. 1.28 lakh against Rs. 7.00 crore in BE 2006-07.

(ii) Project title *"Characterization of rock and explosive parameters for optimal explosive energy utilization in opencast blasting"*

There has been delay in procurement of imported equipment 3D laser profiler, digital recorder, etc. Therefore, the BE provision of Rs. 1.0 crore could not be spent except a meagre expenditure amounting to Rs. 3.51 lakh. The project is now expected to run without further delay.

(iii) Project title *"Fly ash characterization for mine void reclamation"*

The provision of Rs. 0.65 crore was kept in BE 2006-07 and the same could not be spent during 2006-07 due to delay in procurement of specialised equipment like Inductively Coupled Plasma Spectro-photometer. However, orders have been placed for other equipment namely; Microwave Digester, Microprocessor based Photometer and Mercury Analyser in December, 2006. Uninterrupted progress of the project is expected once the test set-up is in place. No expenditure incurred during 2006-07.

(iv) Project title *"Coal Bed Methane (CBM) recovery and its commercial utilization"*

The budget provision of Rs. 4.5 crore was kept in BE 2006-07, out of which only Rs. 1.0 crore was advanced to CBM project due to delay in procurement of equipment.

This is a state-of-the-art technology and the equipment required was to be sourced from different countries. There was some delay in the procurement process by UNIDO in procuring equipment from international market. Tendering was done 4/5 times for procuring drilling machines and other related equipment. Steering tool is yet to be procured as the technology is new and requires DGMS approval for safety certification which is yet to be settled resulting in delay to start underground drilling. There has been repeated tendering for Geophysical Logging and perforation services, which requires specialized services.

(v) Project title *"Development of suitable biological waste water treatment technology through construction of wetlands for treatment of acid mine drainage from coal projects"*

The provision of Rs. 0.5 crore kept in BE 2006-07 could not be fully utilised except a meagre amount of Rs. 0.08 lakh due to delay in testing of water samples by outside agency. The design of the treatment system, preparation of tender document of award of work is in progress.

(vi) Project title *"Development of emission factors for various machineries and operations in opencast coal mines"*

Initially the procurement of equipment under the project got delayed resulted in delay of other project activities. Therefore, the provisions of Rs. 0.3 Crore kept in BE 2006-07 could not be fully utilised except a meagre amount of Rs. 0.12 lakh. The project is now expected to run without further delay.

(vii) Project title *"Application of Vorsyl Separator for recovery of clean coal from middlings and rejects"*

The project activities were got delayed due to finalisation of size of Vorsyl Separator which has led to low utilisation of BE 2006-07 provision kept as Rs. 0.35 Crore out of which a meagre amount of Rs. 6.68 lakh could only be utilised against Rs. 0.25 Crore in BE 2006-07.

(viii) Project title *"Development of process/technique for potential utilisation of less matured non-coking coal for making hard coke by utilising stamp charging"*

Delay in procurement of automatic stamp charging machine by CFRI, Dhanbad led to delay in other project activities. No funds were released to CFRI against BE provision of Rs. 0.25 lakh in BE 2006-07.

3.22 The Committee have been informed that during 10th Plan, 47 S&T Projects were sanctioned out of which, 15 projects were completed and one project was terminated. The remaining 31 projects will continue in 11th Plan. The details of 10th Plan projects are given in Annexure-I.

3.23 The Committee note that the Budget Estimates (BE) for Research and Development (R&D) activities under Science & Technology (S&T) grant of Ministry of Coal amounting to Rs. 21.09 crore for the year 2006-07 were reduced drastically to Rs. 6.00 crore at the RE stage and actual utilization is only Rs. 7.61 crore. The fund utilization by the coal companies for the R&D activities during the entire 10th Plan Period has also not been upto the mark. Out of a total of Rs. 81.08 crore provided during the 10th Five Year Plan for R&D activities, the coal PSUs could utilize Rs. 50.94 crore which comes to 62.82%. As far as implementation of the R&D projects is

concerned, out of 47 projects sanctioned during 10th Plan, the coal PSUs could complete only 15 projects, 1 project was terminated and rest of the 31 projects have spilled over to the 11th Plan Period. The reasons advanced by the Ministry of Coal for the lower allocations and even lesser utilization of funds generally pertained to delay in procurement of imported equipments, delay in award of contracts, etc.

The Committee are dismayed to note that the R&D projects, which do have a direct and immediate impact on the growth of coal industry, has been a neglected area. Not only the budgetary allocations for R&D activities has been very low as compared to the total turn over of the industry but also the utilization of the same has been very poor resulting in non-completion of the projects within the scheduled time. The Committee do not approve of the delays for the simple fact that barely 1/3rd of the projects sanctioned during 10th Plan could be completed. The Committee feel that Central Mine Planning and Design Institute (CMPDI), which is the nodal agency for coordination and monitoring of coal S&T projects funded by the Ministry of Coal and also projects funded by CIL, has failed in delivering the targeted results. The Committee, therefore, impress upon the Ministry of Coal to have an adequate control and supervision over the agencies responsible for the implementation of the various R&D projects to avoid time and cost overrun and ensure full utilization of funds. The Committee further desire that the Ministry of Coal should introduce a stringent system of accountability and responsibility in dealing with Coal S&T projects by the various research and academic institutes who have been assigned research work.

3.24 The Committee note that for the 10th Plan Period, the Planning Commission had approved Rs. 100.00 crore for the R&D activities under S&T grants of the Ministry of Coal. The Committee desire that more funds should be provided for the various R&D projects during the 11th Plan to ensure that the fund constraints may not adversely effect the R&D activities.

3.25 The Committee note that the major areas of R&D in Coal Sector pertain to production, productivity and safety, coal beneficiation and coal utilization, environment and ecology. The Committee recognize the importance of R&D for sustainable growth of the Coal Sector and, therefore, recommend that more and more quality and innovative R&D projects should be taken up during 11th Plan for the betterment of the industry.

B. **Investments in Public Sector Undertakings (PSUs)**

(i) Tenth Five Year Plan—Targets and Achievements

The total plan outlay for the three coal producing Public Sector Undertakings (PSUs) as assessed by the Working Group on Coal and Lignite for 10th Five Year Plan which was finalized by the Planning Commission and revised during the Mid-Term Appraisal (MTA) were as under:-

(Rs. in crores)

Name of Company	Allocation projected by Working Group	Allocation originally assessed by the Planning Commission	Revised during MTA by the Planning Commission
Coal India Ltd. (CIL)	14,310.00	14,310.00	10,975.13
Singareni Collieries Co. Ltd. (SCCL)	2,113.00	2,113.00	1,550.00
Neyveli Lignite Corpn. Ltd. (NLC)	9,145.00	14,133.48	5,123.17

4.2 Out of above allocations, the coal PSUs could actually utilize the funds during the 10th Plan Period as under:-

(Rs. in crores)

Year	CIL			SCCL			NLC		
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
2002-03	2190.00	1700.00	1192.18	405.00	227.00	139.49	584.95	617.60	434.83
2003-04	2240.00	1846.00	1156.82	340.00	205.00	163.42	455.40	314.25	158.04
2004-05	2310.00	1877.35	1188.31	325.00	275.00	274.87	480.70	267.00	219.01
2005-06	2814.35	2224.00	1611.23	395.00	395;00	424.18	640.00	368.00	379.68
2006-07	3063.70	2420.00	1796.07*	577.09	577.09	294.93#	990.00	945.86	662.87#
Total	10598.05	7367.35	6944.61	1682.09	1682.09	1146.89	3151.05	2512.71	1855.00

*Upto February, 2007

#Upto December, 2006

Coal Demand

4.3 At the time of formulation of 10th Five Year Plan, the Planning Commission assessed the All India coal demand at 460.50 Mt. (plus 5.24 Mt. Middling) and projected an indigenous coal production of 405.00 million tonnes (Coal India Ltd. = 350.00 Mt, SCCL = 36.13 MT, and Others = 18.87 MT including Meghalaya coal) for the same period. However, during the Mid Term Appraisal, All India Coal demand has been revised to 473.18 MT and indigenous coal production has been assessed at 431.50 MT by the Planning Commission.

4.4 All India Coal demand for 2006-07 was further revised to 474.18 MT and indigenous coal production was projected at 432.50 MT (Re).

Coal Production

4.5 Against the above projected demand of coal during 10th Plan Period, the coal production target (Re) and actual production of coal by Coal India Ltd. upto the month of December 2006 was as under:

(in million tonnes)

Company	2002-03		2003-04		2004-05		2005-06		2006-07	
	Target (R.E.)	Actual	Target (R.E.)	Actual (R.E.)	Target	Actual (R.E.)	Target	Actual (R.E.)	Target	Actual
CIL	286.30	290.69	299.50	306.38	323.18	323.57	345.81	343.39	363.80	285.70
SCCL	32.50	33.16	33.50	33.85	35.00	35.30	36.00	36.14	37.50	26.10
Others	17.00	17.39	19.30	20.83	20.98	22.97	26.38	27.48	31.20	18.98
Total	335.80	341.24	352.30	361.06	379.16	381.84	418.19	407.01	432.50	330.78

*upto December, 2006.

4.6 During the terminal year 2006-07 of the Tenth Plan, a plan outlay of Rs. 3067.70 crores was envisaged for **Coal India Ltd**. which was reduced to Rs. 2420.00 crore. When enquired about the reasons for reducing BE at RE stage, the Ministry of Coal has stated as under:

"In RE stage, the progress of the activities for which capital assessment was made in BE is reviewed and RE is arrived that considering the activities or part thereof which can be completed within the financial year. RE is assessed after one year of assessment of BE and during this period, some of the activities are part thereof, do not materialize as foreseen at BE stage.

The reduction in RE stage takes place due to the following reasons:-

- delay in acquisition of land
- delay in rehabilitation
- delay in forestry and EMP clearances
- delay in finalization of tender for procurement of equipment.

4.7 As regards bottlenecks being faced by the coal companies in the completion of the projects and the measures being taken in this regard, the Ministry stated that:-

"Out of 13 projects of Coal India Limited sanctioned during the above period, 5 projects have already started production and are expected to achieve their targeted production.

Implementation of balance 8 projects are also as per schedule and these are expected to achieve their targeted production/completion within schedule date of completion as indicated in Annexure II.

The reasons/bottlenecks pertaining to SCCL are:

(i) Forest land diversion is being delayed due to non-availability of compensatory Afforestation land in time.

(ii) Projects located near to the villages are getting delayed as the villagers are opposing the upcoming of the project due to social issues.

The process of clearances shall be streamlined with time schedules."

4.8 The Ministry of Coal has further informed that CIL and SCCL are funding the projects entirely through their internal resources and there is no budgetary support from Govt. of India. Hence, no scheme/project has been affected/could not be completed due to reduction in BE in Central Plan Outlay.

Eleventh Five Year Plan

4.9 The Working Group for Coal and Lignite for formulation of 11th Plan, has assessed a coal demand of 731.10 million tonne (mt) by terminal year of 11th Plan i.e. 2011-12. The annualised growth rate of coal demand is expected to be about 9% over X Plan terminal year demand (BE) of 474.18 mt. The all India coal demand for the year 2007-08 has been assessed at 492.50 mt.

4.10 The indigenous coal supply projection in the terminal year of 11th Plan is projected to be 680.00 mt. the supplies from CIL and SCCL sources are expected to be 520.50 mt. and 40.80 mt respectively. Other producers comprising of PSUs, State Enterprises and captive producers are anticipated to increase to a level of 118.70 mt. The demand-supply gap emerging from these projects would be 51.10 mt. which will be met by imports of 40.85 mt. of coking coal and 10.25 mt. of non-coking coal.

4.11 To achieve the supply potential as indicated above by CIL and SCCL and growth Plan envisaged by NLC, the PSU coal companies have proposed, as assessed by the Working Group on Coal and Lignite for formulation of 11th Five Year Plan, a capital outlay of Rs. 34,258.96 crores during the 11th Plan period. The PSU-wise details of the same are as under:-

(Rs. in crores)

PSU/Scheme	Assessed by W.G. (2007-12)	Proposed by MOC	2007-08 (BE)
CIL	15,874.96	17,390.07	2,472.14
SCCL	3,340.30	3,340.30	570.58
NLC	15,044.00	15,044.00	2,006.97
Total	3,4259.26	35,774.37	5049.69

4.12 When enquired as to what are the factors considered for fixing the IEBR targets, the Ministry has stated as under:-

"Fixing of IEBR targets for coal PSUs is an annual exercise, which is done at PSU level and incorporated in the Annual Plan document. While estimating IEBR, various activities like mining and non-mining are taken into consideration. So far estimates for mining projects are concerned, mine-wise requirement of capital in different categories viz. completed projects, on-going projects, existing projects, new projects are taken into consideration. Each mine is assessed for requirement of capital. So far future projects are concerned, all likely new projects which are envisaged to be complemented in that Annual Plan period are critically examined for investment assessment.

The cases of non-mining projects, washery activities, exploration & PAD activities and other non-mining activities are also considered for estimating investment in these activities. The total requirement of investment is the summation of all the above mentioned proposed investments in a particular Annual Plan Period. CIL has been funding such investment from its own internal resources generated during the particular year. The receipts out of coal sale and revenue expenditures for achieving the production target are considered for arriving at resource generation. In case of any shortfall for meeting the envisaged investment, borrowing is resorted to. The total surplus available for meeting the expenditure inclusive of borrowing, if any, is considered as total of IEBR. Out of such generation, the assessed investment are met. Available surplus after meeting all revenue and capital expenditures is carried forward. While estimating IEBR, dividend payment to Government of India and corporate tax liability are also taken into consideration.

Annual plan document, which includes the details of IEBR is placed before Planning Commission through Ministry of coal for approval. The 11th Plan document, which has already been submitted is awaiting approval of Planning Commission."

4.13 The fund utilization for procurement of Heavy Earth Moving Machines (HEMM) in CIL, during the first three years of the 10th Plan has been less than 50% as may be seen from the following table:

(Rs. in crores)

Year	BE	Actual	%age
2002-03	1045.73	477.23	45.63
2003-04	1127.92	464.15	41.15
2004-05	1093.94	456.81	41.75
2005-06	1266.25	838.08	66.18

4.14 When enquired about the poor utilization of funds for the above purpose, the Ministry of Coal has informed the Committee as under:

"A High Level Committee with Secretary, Ministry of Coal has been formed to oversee fund utilization. While some measures have been taken to increase budget utilization as mentioned above in reply to Question No. 18, some more steps have been suggested in this regard:

(a) To speed up the process of land acquisition including physical possession, rehabilitation, a Task Force may be constituted at the concerned States.

(b) A common R&R Policy is to be in place to mitigate discrepancies in the R&R policies of States and that of CIL.

(c) For timely implementation of projects, the issues of EMP and Forestry clearances should be addressed as under:

(i) EMP Clearance: To process EMP clearance simultaneously with the proposal for forestry clearance so that EMP clearance can be obtained within a period of one and a half year and before final forestry clearance is obtained.

(ii) Forest Land: Forestry clearance is to be expedited by MoEF through single stage clearance."

4.15 The Committee observe that Rs. 14,310.00 crore was allocated by Planning Commission to Coal India Ltd. CIL) for Tenth Plan Period. However, this was revised to Rs. 10,975.13 crore at the time of mid-term appraisal. The Committee are perturbed to note that CIL could expend approximately Rs. 6944.61 crore which comes to 49% of the approved outlays and 64% of the revised outlays for the 10th Plan. The fund utilization performance of CIL during the terminal years i.e. 2006-07 of Tenth Plan has also not improved. Out of Rs. 3067.70 crore, allocated for 2006-07 which was later on reduced to Rs. 2420.00 crore, CIL could utilize only Rs. 1796.07 crore. The reasons furnished by Coal India Ltd. for under-utilization of funds viz. delay in acquisition of land, delay in rehabilitation, delay in forestry EMP clearances and delay in finalization of tender for procurement of equipments. The Committee note that these are the reasons which have come up for delays in projects implementation time and again. But the Ministry have not come out with any permanent solutions to these problems. The Committee desire that these problems should be analysed in depth and some lasting solutions should be found. The Committee should be informed of the Action Taken in the matter.

4.16 The Committee, however, note that during this period of Tenth Plan, CIL has been able to achieve its physical targets of coal production. From a production level of 279.56 million tonne(mt) during the terminal year i.e. 2001-02 of Ninth Plan, CIL produced about 360.00 mt during the terminal year of Tenth Plan. Though CIL had been able to achieve 100% coal production targets, yet there remained a wide gap of about 41.79 mt between All India coal demand and supply during the terminal year of Tenth Plan. The Committee feel that the progress of implementation of the various projects under the jurisdiction of CIL for development and

exploitation of coal resources has been far from satisfactory. The Committee are pained to find that CIL had been facing various procedural problems since the beginning of the 10th Plan and the same could not be overcome by the end of the Plan by the Ministry/ CIL. Had CIL chalked out a plan to settle the various issues relating to implementation of coal projects, the gap between the demand and supply would have been abridged to a great extent. The Committee are anguished to note that though a High Level Monitoring Committee, under the Chairmanship of Secretary, Coal exists in the Ministry, no significant improvement has been noticed in the projects development. The Committee, therefore, recommend the Ministry of Coal to chalk out a time frame for settling the various bottlenecks which are adversely affecting the timely development and implementation of coal projects so that the funds allocated for the various projects are utilized optimally.

(ii) Emergency Coal Production Plan

4.17 The Ministry of Coal has informed the Committee that in view of increase in demand of coal, CIL has prepared an Emergency Coal Production Plan. Salient features of this plan are given below:

- 16 opencast projects/mines have been identified (4 in MCL, 3 in SECL, 3 in CCL and 6 in NCL) where production from the existing mines/projects can be enhanced at a higher level yielding additional production of 71.30 Mt.
- The identified projects/mines have adequate reserves, mine capacity and mine geometry for enhancement of production.
- The investment for the increased production is about Rs. 3073 crores (as per present estimate).

4.18 The built up of incremental production will be 18 mt for the 1st year and progressively reaching to 71.30 mt in 8th year. The increased coal production and overburden removal have been envisaged to be effected through departmental equipment as well as by outsourcing at different projects depending on present operating conditions. So far 12 projects have been approved by Government for floating and approval of Tender for outsourcing of Coal/OB/ Construction of CHP. Out of remaining 4 projects three projects have been approved by Company Board as per present delegation of power. EPR of 7 projects has been received and under consideration for PIB approval.

4.19 The Ministry of Coal further informed the Committee that:

"Working Group on Coal & Lignite has assessed coal demand at 731 Mt by 2011-12, the terminal year of 11th Plan, for all the coal consuming sectors. This estimate satisfies more than that required for country's target GDP growth of 9%.

Against this coal demand, indigenous availability is estimated as 680 Mt out of which CIL's share is 520.50 Mt. This results in a gap of 51 Mt out of about 41 Mt is for coking coal which is to imported and balance 10 Mt is for non-coking coal which may be imported or be made available by increasing production from coal blocks allotted/to be allotted.

To meet the ever growing demand for coal, SCCL will take up construction of 7 underground and 11 opencast projects with a capacity of 25.939 MT at an outlay of Rs. 2614.84 crores during 2006-07 (terminal year of 10th plan) and 11th plan period. The production projected is 37.5 MT and 40.8 MT during the terminal years of 10th and 11th plans respectively.

The additional capacity created is meant for taking care of loss of production from the mines getting closed due to exhaustion of reserves and also to meet with the ever growing demand. Even with the enhanced production levels also, there would be some gap between demand and supply."

4.20 The Committee note that in view of increase in demand of coal, CIL has prepared an 'Emergency Coal Production Plan' to boost the coal production in the country. For this purpose, 16 opencast projects/mines involving an investment of Rs. 3073 crores have been identified, which have adequate reserves, where production from the existing mines/projects can be enhanced at a higher level yielding additional production of 71.30 mt. The build-up of incremental production will be 18 mt. for the 1st year and progressively reaching to 71.30 mt in 8th year. The increased coal production and overburden removal would be carried out through departmental equipment as well as by outsourcing at different projects depending on present operating conditions. Although the emergency coal production plan envisaged by CIL looks quite ambitious and rosy, it is, however, to be seen how far the plan is able to boost coal production keeping in view the perennial problems being faced by it in the timely completion of coal projects. With a view to meet increasing demand of coal in the country of various consuming sectors, the Committee desire that the Ministry of Coal to identify various difficulties which

check coal production and prepare a contingency plan to find out quick solution to these problems.

C. Allotment of Captive Coal Blocks

Under the Coal Mines (Nationalisation) Act, 1973 coal mining was mostly reserved for the public sector. By an amendment to the Act in 1976, two exceptions to policy were introduced *viz*., (i) captive mining by private companies engaged in production of iron and steel and (ii) sub-lease for coal mining to private parties in isolated small pockets not amenable to economic development and not requiring rail transport.

5.2 The Coal Mines (Nationalisation) Act, 1973 was amended with effect from 9th June, 1993 to allow coal mining for captive consumption for generation of power, washing of coal obtained from a mine and other end uses to be notified by Government from time to time, in addition to the existing provision for captive coal mining for production of iron and steel.

5.3 The eligibility to do coal mining in the country has been laid down in the provisions in Section 3 (3) of the Coal Mines (Nationalisation) Act, 1973. The parties eligible to do coal mining in India without the restriction of captive consumption are:

(i) The Central Government, a Government company (including a State government company), a Corporation owned, managed and controlled by the Central Government.

(ii) A person to whom a sub-lease has been granted by the above mentioned Government company or corporation having a coal mining lease, subject to the conditions that the coal reserves covered by the sub-lease are in isolated small pockets or are not sufficient for scientific and economic development in a coordinated manner and that the coal produced by the sub-lessee will not be required to be transported by rail.

5.4 As per the provisions of Section 3 (3) (a) (iii) of the Coal Mines (Nationalisation) Act, 1973, a company engaged in the following activities can do coal mining in India only for captive consumption:

(i) production of iron and steel

(ii) generation of power

(iii) washing of coal obtained from a mine, or

(iv) such other end use as the Central Government may, by notification, specify.

5.5 Under the powers vested with the Central Government by virtue of Section 3 (3)(a) (iii)(4) of the Coal Mines (Nationalisation) Act, 1973, a Gazette Notification was issued on 15.03.1996 to provide cement production as an approved end-use for the purpose of captive mining of coal. Therefore, the cement producing companies are now eligible for undertaking coal mining for captive consumption.

5.6 Government had framed the guidelines for allocation of coal blocks for the use of the Screening Committee and guidance to the applicants. It has been changed from time to time since then based on experience gained and views of the Screening Committee. The same are displayed on the website of the Ministry of Coal. These guidelines for allocation have been further amended for allocation of identified 81 coal blocks, in line with the decisions taken by the Energy Coordination Committee, recommendations of the Expert committee and the opinion given by the Learned Attorney General of India.

5.7 As on date, the following dispensations are permitted for mining of coal from captive blocks:

(i) Any of the companies engaged in any of the approved end-uses can itself mine coal from a captive coal block; or

(ii) A company engaged in approved end-uses can mine coal from a captive coal block through a mining company supplying the coal on an exclusive basis from the captive coal block to the end-user company or to its subsidiary company, provided the end-user company has firm tie up with mining company for supply of coal, supported by legally binding and enforceable contract/agreement.

(iii) An independent coal/lignite mining company can also be allocated a captive block on the condition that the entire coal/lignite so mined would be transferred to an end user company(ies) for their captive consumption in the specified end uses:

Provided that the said mining company has firm back-to-back tie up with the specified end user company(ies), supported by legally binding and enforceable supply contract/agreement.

5.8 The allocation of coal blocks to public as well as private parties for captive mining purpose is done through the mechanism of an inter-Ministerial inter-Governmental body called the Screening Committee. The Screening Committee is chaired by the Secretary (Coal) and has representations from the Ministry of Steel, the Ministry of

Power, the Ministry of Industry and Commerce, the Ministry of Railways, the Ministry of Environment & Forests, Coal India Limited, CMPDIL and the concerned State Governments where the block is located. The application is received from the applicant in the Ministry of Coal along with its enclosures and is then sent to the concerned administrative Ministries, State Government and CIL/CMPDIL for their scrutiny and recommendations. In the Screening Committee, the applicant is given an opportunity to present his case. The recommendation regarding allocation of coal blocks is decided on relative merits through consultation/discussions in the Screening Committee.

5.9 The Govt. had laid down a policy on involvement of State PSU, in coal mining in 1979. This was reviewed and a more liberal framework was laid down in December, 2001. As per the policy in December, 2001, a State Government undertaking, which is authorized by its Memorandum & Articles of Association to do mining of coal, can do commercial mining of coal anywhere in the country without the earlier restrictions of working by non-coking coal reserves through open cast methods only in respect of the small and isolated coal deposits placed by the mining policy of 1979.

5.10 The coal blocks are allotted to a company subject to payment of exploration costs to the coal company concerned (wherever exploration had been done in respect of the allotted block by CIL) and further subject to compliance with various legal/commercial requirements such as obtaining of mining lease, tying up transportation with the Ministry of Railways, etc. for the purpose of mining coal. The party is also required to prepare a mining plan by a person who is competent for the purpose, and to obtain Central Government's approval to the mining plan. The party is also required to follow other statutory provisions regarding obtaining of forestry clearance, Environment Management Plan (EMP) clearance from MoEF, Pollution Control Board, etc. The general terms and conditions, *inter-alia*, under which coal mining is to be done by captive a block allocatees are as follows:

5.11 The mining plan prepared by a recognized person is submitted to the Standing Committee set up in the Ministry under the provisions of the MMDR Act for scrutiny and approval. Recognition has been given to persons qualified for a period of ten years unlinked to any specified block. Thus, an allocatee can get his mining plan prepared by any of such recognized persons. The party has, thereafter, to approach the State Government for grant of mining lease. The State

Government grants mining lease only after obtaining previous approval of the Central Government to this effect under the MMDR Act, 1957. Completion of all these formalities is time consuming. Development of coal blocks involve a gestation of 3 to 5 years for reaching production stage and another two to three years for reaching optimal production capacity.

5.12 Allocatees have been allowed to develop the mines in synchronization with the end use plants such that when the plant is commissioned the mine would have reached its rated capacity and meet the requirement of the plant. The production of coal during the development phase can be handed over to the local CIL subsidiary at an administratively determined transfer price. No direct disposal of coal by the allocatee would be permitted. A bank guarantee is taken from the allocatee and amounts deducted from it if the end use project or the mine development is delayed with respect to an agreed schedule and on exhaustion of the Bank Guarantee, the block, may be de-allocated and the mining lease cancelled. Applicants with smaller requirements are proposed to be allowed to take up undertake mining by forming consortiums and mining in a legally tenable format. This would be in the interest of conservation and scientific mining, the alternative to which is small scale and possibly rat hole mining and wastages.

5.13 There are 229 (148 old coal blocks and 81 newly identified blocks) coal blocks identified for captive mining. So far, 130 coal blocks have been allotted to eligible Govt. as well as private companies. So far permission for opening of mine has been given in 13 blocks. Out of these blocks, production has commenced in 11 blocks. During the financial year 2005-06, only 8 coal blocks were in production and their total production was 13.36 million tonnes. Production from 11 blocks, during current financial year upto October, 2006 was 9.71 million tonnes.

5.14 Sector-wise allocation of 130 coal blocks allocated to the Govt. Company/private companies is given blow:

Sector	No. of blocks	Geological Reserves (MT)
1	2	3
A. Public Sector Undertakings		
I Power		
(a) Captive Dispensation	30	3530.48
(b) Govt. dispensation	10	8294.00

1	2	3
(c) Ultra Mega Power Project	6	1635.00
Sub-total	46	13459.48
II. Commercial Mining	22	4818.08
III. Iron and Steel	2	1383.50
Total	70	19661.06
B. Private Companies		
(a) Power	11	1094.61
(b) Iron and Steel	46	6604.15
(c) Small and Isolated	2	9.34
(d) Cement	1	7.00
Sub-total	60	7715.10
Grand total	130	277376.16

Sector-wise allocation of Coal Blocks

Sector	Total	PSU	Private	G.R. (MT)
Power	57	46	11	14554.09
Iron & Steel	48	02	46	7987.65
Cement	01	—	01	7.00
Small & Isolated	02	—	02	9.34
Commercial	22	22	0	4818.08
Total	130	70	60	27376.16

5.15 In addition to coal blocks, 28 lignite blocks with 1860.22 MT of geological reserves have been allocated to eligible companies for generation of power. A list indicating 28 lignite blocks allocated to different companies is attached as Annexure-III. Out of these 28 lignite blocks, 6 blocks were allocated against blocks advertised for allocation during September, 2005.

5.16 When enquired whether there is any proposal to amend the very definition of captive consumption to allow coal mining by producers with "firm supply contracts with steel, cement and power companies", the Ministry of Coal has informed as under:—

> "There is no proposal to amend the definition of captive consumption. However, the guidelines for allocation of coal blocks have been amended from time to time keeping in view the experience of development of captive blocks. Guidelines were last revised for allocation of identified 81 coal blocks. The provision relating to allocation of blocks for independent mining company is as below:—
>
> An independent coal/lignite mining company can also be allocated a captive block on the condition that the entire coal lignite so mined would be transferred to an end user company(ies) for their captive consumption in the specified end users;
>
> Provided that the said mining company has firm back-to-back tie up with the specified end user company(ies), supported by legally binding and enforceable supply contract/agreement.
>
> This is in conformity with the provisions of the statue, as per the advice of the learned Attorney General of India."

5.17 In respect of allotment of captive coal blocks during 11th Plan, the Ministry of Coal has informed that in addition to 148 coal blocks, 81 new coal blocks with reserves of about 20.02 billion tonnes were identified by the Ministry for allocation to Government companies/private companies for permissible end users. Out of these 41 blocks, with reserves of about 15.7 billion tonnes, are earmarked for the power sector. The blocks earmarked for the power sector, in consultation with the Power Ministry, have been further categorised in 3 separate list on the basis of method of allocation as follows:

Sl.No.	Method of Allocation	No. of blocks	Total Reserves (MT)
(i)	Government company dispensation route	10	6072.15
(ii)	Screening Committee route	15	3622.44
(iii)	Tariff based bidding as per Ministry of Power guidelines	16	6015.30
	Sub-total	41	15709.89

The remaining 40 blocks would be considered for allocation for the non-power sector as follows:—

Sl.No.	Method of Allocation	No. of blocks	Total Reserves (MT)
(i)	Government company dispensation route	17	1847.75
(ii)	Screening Committee route	23	2464.23
	Sub-total	40	4311.98
	Total	81	20021.87

5.18 The Ministry had issued an advertisement for inviting applications for 38 coal blocks through the Screening Committee route on 6.11.2006 and the applications were to be filed by 12th January 2007. In response to the advertisement, more than 1400 applications have been received. These have been forwarded to the State Governments and Administrative Ministries concerned for their views/ recommendations.

5.19 As regards the coal blocks to be allocated under the Government company dispensation route, this Ministry had sent a letter to the Central Ministries and all State Governments on 7th November, 2006 inviting applications for allocation of 27 coal blocks proposed to be allocated under the Government company dispensation route. In response to this Ministry's letter dated 7th November, 2006, more than 200 applications have been received. The matter is being submitted for approval of the Government.

5.20 The Ministry of Power has also been requested to take further action for the remaining 16 coal blocks earmarked for power projects to be set up on the basis of tariff based competitive bidding system. Out of 16 coal blocks, 3 blocks have already been allocated on the request of the Ministry of Power to the proposed Ultra Mega Power Projects to be set up in Orissa.

5.21 Ministry of Power propose to set up four Ultra Mega Power Projects with capacity of 4000 MW each through tariff based competitive bidding route. Two of these are proposed to be based at coal pithead, namely, Singrauli Coalfields at Sasan in Madhya Pradesh and in Orissa. The Ministry of Coal has allocated coal blocks for the proposed two

Ultra Mega Power Projects. Details of allocated coal blocks for UMPP is as follows:

Sl.No.	UMPP	Block	GR (MT)
1.	**Sasan**		
	I.	Moher,	402
	II.	Moher-Amolori Extension	198
	III.	Chhatrasal	150
		Total	750
2.	**Orissa**		
	I.	Meenakshi	285.24
	II.	Meenakshi-B	250
	III.	Dip side of Meenakshi	350
		Total	885.24

5.22 As on date no specific lignite blocks have been identified for allocation in near future.

5.23 No specific target has been fixed for allocation of coal/lignite blocks during the 11th Plan. However, coal production target of 104.08 MT has been fixed for XI Plan to be obtained from coal blocks allotted to Government/Private companies.

5.24 So far as failure to undertake coal mining in the coal and lignite blocks by the allocates is concerned, the Ministry of Coal has stated that initially due to various reasons, progress of development of the blocks was slow. To a large extent, this was an account of lack of core competence, expertise and experience in coal mining among the allocates. It also takes time to obtain requisite statutory clearance. However, out of 19 coal blocks allotted upto 2002, 11 coal blocks have already come into production, and 6 more are expected to commence production during 2007.

5.25 The Ministry has further stated that the following measures have been initiated to speed up the process of development of coal blocks:

(i) During the 23rd meeting of the screening committee held on 29.11.2004, it was decided to provide normative time limit to start coal production from the explored blocks within 36 months (42 months in case the area is in forest land) of the date of issue of letter of allocation in opencast mines and within 48 months (54 months in case the area is in forest land) of the date of issue of letter of allocation in underground mines. Further 2 years are given for completing exploration and preparation of GR in case of unexplored blocks.

(ii) A system of submission of Bank Guarantee by the private sector allocatee was introduced from 2005. Under this, procedure the allocattee is to submit a Bank guarantee equivalent to one year's royalty payable based on the average grade and the rated production capacity of the mine. Loss of royalty to the exchequer due to delay in achieving the rated yearly production level as per the approved mine plan is deductible from the Bank Guarantee. Upon exhaustion of the Bank Guarantee amount the block becomes liable for deallocation/cancellation of mining lease.

(iii) Systematic monitoring of the progress was started from 2005 by a committee under the chairmanship of Addl. Secretary (Coal). Genuine problems of the allocattees are highlighted during this meeting and efforts are made to sort them out. Since State Govt. representatives are also present during these meetings they are also requested to provide all possible help in expediting the process.

(iv) Decision has been taken to further strengthen the monitoring process by reviewing the delays on yearly basis in achievement of the various milestones *vis-a-vis* normative time schedule fixed for them. A system of calculating the overall yearly slippage in project development based on slippage of the individual milestones is being worked out so that equivalent amount could be deducted from the Bank Guarantee submitted by the allocatee.

(v) In case of really non-serious allocatees, notices are being issued and after due consideration of their response, process of deallocation is initiated.

(vi) Monitoring of progress of allocated coal blocks was earlier done in the review meeting of the Screening Committee. A need was felt to review the progress on continuous basis and to carry out monitoring, the office of the Coal Controller has been mandated to check the progress in the allocated captive coal mining blocks and the associated end-use project on six monthly basis in detail. Necessary formats have been designed for detailed monitoring. Indicative monitoring charts have been standardized for monitoring the progress. Review Report of the Coal Controller is submitted twice a year to the Ministry of Coal. A quarterly review meeting is taken at the level of Additional Secretary (Coal) along with the members of the Screening Committee.

5.26 Due to unsatisfactory progress and reluctance in some cases in developing the end-use plants and coal blocks, the following coal blocks have been de-allocated:—

	Name of the company	Name of the coal blocks
(i)	M/s Kalinga Power Corporation Ltd	Utkal-A
(ii)	M/s Talcher Mining Pvt Ltd.	Utkal-BI
(iii)	M/s Lloyd Metals and Engineers Ltd.	Takli-Jena-Belora North
(iv)	M/s Garuda Clays Ltd.	West of Umeria
(v)	Shree Radhe Industries	Panchbahani

5.27 As regards Terms and Conditions, the Ministry of Coal has stated that Coal and lignite blocks are allotted to public/private limited companies subject to the following conditions:

a. Allotment of Coal/lignite block is made to meet the requirement of identified end use plant in case of captive allocation and for both specific end use and commercial mining in case of allocation through Govt. dispensation.

b. Coal/lignite production from the captive block shall commence within 36 months (42 months in case the area is in forestland) in opencast mines and 48 months (54 months in case the area falls under forest land) in case of UG mines from the date of allotment of the block.

c. The geological report of the block should be procured from the exploration agency within 6 months from the date of allotment.

d. The allocatee shall submit a bank guarantee (equal to one year's royalty amount based on weighted average royalty for one year).

e. The company shall submit a mining plan for approval by the competent authority under the Central Government within six months from the date of allocation.

f. The progress of the mine will be monitored annually with respect to the approved mining plan, which will mention the zero date. In case of any lag in the production of coal/lignite, a percentage of the bank guarantee amount will be deducted for the year. This percentage will be equal to the percentage of deficit in production for the year with respect to the rated/peak capacity of the mine, *e.g.,* if rated/peak capacity is 100, production as per the approved mining plan for the relevant year is 50 and actual production is 35, then (50-35)/100x100 = 15% will lead to production of 15% of the original bank guarantee amount for that year. Upon exhaustion of the Bank Guarantee amount, the block shall be liable for de-allocation/cancellation of mining lease.

g. In case of allocation for captive mining, no coal/lignite shall be sold, delivered, transferred or disposed of expect for the stated captive mining purposes except with the previous approval of the Central Government.

h. Mining of coal/lignite from the allocated captive lignite block shall be carried out in accordance with the applicable Statutes/Rules/Orders/Directives governing the mining of coal/lignite in the country.

i. Those of the above conditions relevant at the time of grant of mining lease shall be included as additional conditions in the mining lease, in addition to any further conditions imposed by or agreed to by the Central Govt.

j. The State Government at the time of seeking previous approval for the grant of mining lease shall submit a draft of the mining lease containing the above relevant conditions for vetting by the Central Govt. The final mining lease shall be as vetted/modified by the Central Govt. Any deviation from the vetted/modified draft shall render the mining lease deed *ab-initio* null and void and without effect.

k. Allocation/mining lease of the coal/lignite block may be cancelled, *inter-alia*, on the following grounds:—

   (i) Unsatisfactory progress of implementation of their end use power plant.

(ii) Unsatisfactory progress in the development of lignite mining project.

(iii) For breach of any of the conditions of allocation mentioned above.

l. The de-allocation/cancellation of mining lease shall be without any liability to the Government or its agencies, whatsoever. Any expenses incurred by the allocatee or any right or liability arising on the allocate out of the measures taken by him shall solely be on his account and in no way be transferred to or borne by the Government or its agencies.

m. The company may approach State Government authorities concerned for the necessary permissions/clearances etc. for obtaining mining rights and related matters. The arrangement to transport lignite will have to be worked out by the company.

5.28 The Committee observe that under the Coal Mines (Nationalisation) Act, 1973, as amended from time to time, the coal blocks for captive mining are allocated to public and private companies engaged in the production of iron and steel, generation of power, washing of coal obtained from a mine and such other end use as the Central Government may, by notification, specify. The allottees are required to prepare a mining plan which is thereafter submitted to the Standing Committee set up in the Ministry under the provisions of the Mines & Minerals (Development and Regulation) Act for scrutiny and approval. They are allowed to develop the mines in synchronization with the end use plants so that when the plant is commissioned, the mine would have reached its rated capacity and meet the requirement of the plant.

The Committee have been informed that 229 coal blocks have been identified for captive mining. Out of these 229 blocks, 130 coal blocks have so far been allotted to eligible Government as well as private companies. The Committee are dismayed to note that some of the coal blocks allotted as back as 1998 to 2000 have still not been developed and only 8 coal blocks have started producing coal.

Keeping in view the non-development of captive coal blocks by a large number of allottees even after the lapse of a considerable time, the Committee in their 8th Report, had desired that further allotment of captive coal blocks should be put on hold and new allotments considered only after the system is fine-tuned. The Committee are sad to note that the Ministry of Coal had completely

ignored their recommendations and made allotment of about 65 coal blocks thereafter.

The Committee note that the procedure laid down for allotment of coal blocks is very cumbersome and needs to be simplified *e.g.* the allottee has to get the mining plan prepared and then approach the State Government concerned for grant of mining lease and the State Government grants mining lease only after obtaining previous approval of the Central Government which in fact initiate the whole exercise. This leads to wastage of lot of time. The Committee, therefore, desire that the whole process should be re-examined and simplified.

5.29 The Committee are perturbed to note the lackadaisical approach of the Ministry of monitoring the progress of captive coal blocks allotted to different parties. The Committee have been informed that monitoring of progress of allocated coal blocks was done in the review meeting of the Screening Committee. As a need was felt to review the progress on continuous basis and to carry out monitoring, the Office of the Coal Controller has been mandated to check the progress in the allocated captive coal mining blocks and the associated end-use projects on six monthly basis. Keeping this in view, the Committee desire that the Coal Controller's Office should be strengthened adequately so that they could monitor the progress as provided under the rules and take corrective steps.

5.30 The Committee feel that the main objective of exploration and extraction of coal from the captive coal blocks has still remained a dream as most of the coal blocks are yet to be developed for coal production. The Committee, therefore, desire that in the case of coal blocks where the coal production has not been started even after the lapse of normative time limit which ranges from 36 to 54 months, whether public or private company, should be issued a final notice asking them to develop the coal blocks within a stipulated time otherwise the coal blocks allotted to them would be de-allocated.

D. Coal Gasification

Coal gasification is the process of converting coal through reactions with gasifying media like air, oxygen, steam or mixture of these into a gaseous product. The gaseous product is the mixture of CO_2, CO, N_2, H_2, CH_4, C_nH_n (Unsaturated Hydrocarbons) etc. with associated Gross Calorific Value (Energy content). The composition of the gas mixture and its calorific values depend on the type of coal/solid fuel, gasifying media and operating parameters of the gasifiers.

Coal gasification products can be classified according to their energy content per unit volume as low/lean, medium and high/rich Btu or calorific gas. Gases having following range of calorific values are customarily termed as:

Rich Gas	:	>4000 kcal/Nm3
Lean Gas	:	<1500 kcal/Nm3
Medium calorific	:	1500-4000 kcal/Nm3

Hydrocarbon gases & Coal gas/Town gas are examples of Rich gas; whereas Blast Furnace Gas and Producer gas are examples of lean gas. Water gas is known as Medium calorific gas.

Carbonization of coal may be considered as a partial gasification process yielding solid (coke), liquid (coal tar) and gaseous product (Coke oven gas).

6.2 Gasification of coal is possible both at surface and underground. The gasification carried out in underground is known as Underground Coal Gasification (UCG) or Insitu coal gasification.

Objective of gasification:

6.3 All gasification processes use coal, oxygen, steam as input. In some of the processes, steam is replaced by water in form of slurry for coal feeding. Oxygen can be replaced by air in many of the processes. On the output side, all gasifiers produce a raw gas containing carbon monoxide, hydrogen, methane, carbon dioxide and water vapour. If air is used in stead of oxygen, the raw gas contains nitrogen also. The composition of raw gas is typical of each process. The calorific value of raw gas is dependent on the composition of raw gas and therefore, varies from process to process. Ash is removed in dry form or as agglomerates or as molten slag depending upon the process.

The gaseous product on coal gasification may be utilized:

(i) As an industrial/domestic fuel;

(ii) In Integrated Gasification Combined Cycle (IGCC) Power generation;

(iii) As a raw material for making Fertilizers and Chemicals like Methanol, Ammonium Nitrate, etc.;

(iv) As a raw material for making liquid fuels like petrol, Diesel oil, etc.; &

(v) As a raw material for making other gaseous fuels like SNG (Substitute Natural Gas)

Different Gasification Technologies

6.4 Different processes have been developed globally in various advanced countries according to size and type of coal, gasifying media, operating conditions and mode of ash removal from the gas generators. These are broadly classified as:

(i)	Fixed-Bed	:	LURGI Process
(ii)	Fluidized Bed	:	Winkler Process
(iii)	Entrained Bed	:	Koppers-Totzek Process, Texaco Process

Economics

6.5 For ascertaining the economic viability of coal gasification (Overground), study has to be carried out on case to case basis keeping in view the purpose of gasification.

Underground Coal Gasification (UCG)

6.6 UCG is a physico-chemical process by which coal is converted *in-situ* to a combustible gas that can be used as a fuel or chemical feed stock in the manufacture of Methanol/Fertilizer. The produce gas is a syn gas, which is a mixture of hydrogen, carbon monoxide, methane, carbon dioxide & higher hydrocarbons having calorific value in the range of 850 to 1100 K. Cal.m3 for air injection.

6.7 The UCG offers a potential economic means of extracting energy from deep seated deposits which are not amenable to conventional physical extraction economically.

6.8 The UCG process involves drilling of two adjacent boreholes, one for ignition and another for production. The underground linkages are established between the boreholes either through naturally occurring fractures or through directional drilling. Coal seam is then ignited by injecting gasifying agents and the resulting gas is gathered from production well.

6.9 In India, UCG was taken up as a national project in early 80's. Initially 13 coal/lignite blocks were identified for UCG. However only 3 blocks were selected by the Soviet experts for generation of additional data. Data were generated by CMPDI in view bocks selected by Soviet experts for pilot studies for evaluating techno-economic viability of the process under the Science & Technology (S&T) grant of Ministry of Coal. Merta Lignite deposit was found to be technologically feasible for pilot project studies for techno-economic evaluation, but keeping in view the chances of contamination of aquifers lying above and below the lignite seam, the S&T project recommended that it should not be pursued further as the entire population of the area is dependent on the ground water. As such the project was not pursued further.

Recent Developments

6.10 CIL has entered into a MOU with ONGC to jointly pursue UCG. ONGC has entered into a MoU with Skiochinsky Institute of Mining (SIM), Russia for providing technical consultancy in this field.

6.11 CIL/CMPDI has identified 5 blocks and data packages were prepared for these blocks based on the formats supplied by ONGC/SIM. The data supplied were examined by the Soviet experts and only one block namely Kasta in Raniganj coalfield was selected for generation of additional data for considering its suitability for taking up Pilot Scale studies. Actions have been taken to generate the requisite data.

Guidelines for UCG

6.12 Ministry of Coal has constituted a committee comprising members from CMPDI, NLC, DGH, ONGC, MECL where DGMS was later co-opted as member for framing the regulatory framework to govern UCG in India. A recommendation in this regard was made by this committee in August 2006, which is under examination by Ministry of Coal. The brief of the recommendation is furnished below:

6.13 Under the above background, the Committee examined the entire issue mentioned in their terms of reference in its meetings held on 22.10.05. 28.12.05 and 28.7.06. The Committee examined the existing rules in vogue for coal/other mineral mining and after deliberations suggested proposed regulatory frame work for Indian UCG programme, applicability of the present statues and changes required in it, to facilitate development of UCG.

6.14 Salient features of the recommendation made by the committee are given below:

- The UCG operations essentially mean wining of coal & lignite in the form of synthetic gas and therefore, this will be a subject under Ministry of Coal.

- The regulatory framework proposed will be valid for initial period of 5-7 years to cover development stage of technology and would subject to revision thereafter, as and when more data are available through experiences.
- For development of UCG, the Govt. may issue notification under section 3(3)(a)(iii)(4) of Coal Mines Nationalisation (Amendment) Act, 1973, amended in 1993, allowing captive mining of coal for production of syn gas as an end use.
- The blocks for UCG would be allotted by MoC as is vogue in case of captive mining blocks.
- The grant of prospecting license, mining lease and approval of mine plan for underground coal gasification (UCG) would be governed by the Mines and Minerals (Development and Regulation) Act, 1957 and the Mineral Concession Rules, 1960.
- Since UCG operations comprise diverse and mixed nature of technology of coal and oil mining, the Coal Mines Regulations, 1957 and Oil Mines Regulation, 1984 shall not be applicable and therefore, separate set of bye-laws is to be framed under Section—61 of Mines Act, 1952.
- To encourage investment, royalty on coal used for production of gas will be exempted during the developmental period of UCG operations for at least initial 7 (seven) years.
- In order to give further impetus to investments incentives as are being given under CBM policy may be applicable for UCG for 7 years
- The UCG operation will have to abide the environmental acts presently in vogue, but would not be restricted to these only, as need for further environmental measures may arise in course of time.

6.15 As regards signing of MoUs with ONGC, GAIL or any other private company to convert underground coal into gases or oil, the Ministry of Coal has informed that:—

"CIL has signed one MoU with ONGC for *In-situ i.e.* underground coal gasification.

SCCL entered into MoU with ONGC on 15.04.2006 to Co-operate in the Development and Research related to Underground Coal Gasification, Surface Coal Gasification & Coal Bed Methane.

SCCL has also entered into MoU with Carbon Energy, Australia on 15.11.2006 for investigation of the potential for Underground Coal Gasification in SCCL command areas.

NLC has signed MoU with ONGC on 24th September, 2005 intending to cooperate in the service, operation, process development and research related to Underground Coal Gasification (UCG) in coal/lignite bearing States of India."

6.16 The Ministry of Coal, in respect of a Pilot Project for recovery of coal bed methane for its commercial utilization, has stated as follows:—

"A demonstration project named Coal bed Methane Recovery & Commercial Utilization has been taken up by Government of India in collaboration with United Nations Development Programme (UNDP)/Global Environment Facility (GEF) at Moonidih and Sudamdih Mines of Bharat Coking Coal Ltd. in Jharia Coalfield, District—Dhanbad.

The project was sanctioned by Government of India *vide* letter No. 34012/15/96-CRC dated 15 September 1999 with the project duration of 5 years. Ministry of Coal approved the Revised Cost Estimate (REC) in June 2004 for Rs. 92.427 crore with the completion schedule December, 2007.

Source of Fund:

The total cost of project and contribution from different collaborators as per RCE June 2004 are given below:—

Collaborators	Amount in Rs. Crore
A. GEF	44.437
B. UNDP	5.451
C. ONGC Co-sharing	12.157
D. GoI	
(i) Cash	18.058
(ii) Kind	6.994
Part of the revenue cost met out of the income generated from the project on account of utilization of exploited CBM in the initial time period.	8.033
Grand Total	92.427

Central Mine Planning & Design Institute (CMPDI) and Bharat Coking Coal Ltd. (BCCL), both subsidiaries of CIL, are the implementing agencies.

Objective of the Project:

(i) To harness methane to minimize safety risks in mines, to utilize potential energy source and to mitigate damage to atmosphere.

(ii) To bring to the country state-of-art methodology for resource assessment and recovery techniques for coal bed methane with due regard to the Indian conditions.

(iii) To demonstrate utilization of the exploited methane.

Present Status:

Surface drilling has been taken up and one well has since been drilled while drilling in second well is under progress. The drilling from underground is to be taken up."

6.17 As far as CIL is concerned, a total of 5 probable sites were initially identified for UCG, which are as follows:—

- Kasta, Raniganj coalfield
- Lapanga, South Karanpura coalfield
- Wani Mandar, Wardha valley coalfield
- Bharatwara-Dahegaon, Kampti coalfield
- Hingna Bazar, Katol basin.

6.18 The data packages for above was submitted to ONGC for scrutiny by Skochinsky Institute of Mining (ISM), Russia. Out of above 5 blocks, 4 blocks were not found to be technologically suitable and only Kasta block was selected in January 2006 to generate additional data for evaluation of suitability of the block for pilot scale studies for UCG. The additional data will be available by December 2008.

6.19 In SCCL, 3 blocks have been identified for gasification whose details are as follows:—

Block	Area (Sq.Km.)	Reserves (m.t.)	No. of Coal seams	Total average coal thickness (m)
Manzoornagar Warangal Dt.	2.75	46.98	7	11
Indaram Shaft Block	16.00	310.09	9	13
Manuguru Shaft Block-II, Khammam Dt.	8.38	90.65	4	7

The following lignite blocks have been identified for undertaking UCG studies by NLC:—

State/District	Block name	Area in Sq.kms.	Geological Reserves in Million tonnes
Rajasthan/Barmer	Part of Sindhari west	15.00	200.00
	Hodu	13.66	165.57
	Kurla East	45.00	500.00
Rajasthan/Bikaner	Raneri	15.00	33.92
Gujarat/Surat	Tadkeshwar (Promotional)	14.40	123.10

6.20 A UCG Project has been sanctioned by Govt. of India to be implemented by NLC in a suitable lignite block in Rajasthan under funding from Ministry of Coal, Department of Science & Technology and Neyveli Lignite Corporation Ltd. (NLC). The total estimated cost of the Project is Rs. 1125 lakhs.

6.21 The Committee have further been informed that economic viability of UCG is yet to be assessed by CIL. The assessment of economic viability of UCG can be made only after generation of data from pilot scale study.

6.22 For the project under Coal S&T Grant of Ministry of Coal for Underground Coal Gasification and its utilisation for power generation, studies in Lignite Deposits of Rajasthan are being implemented by NLC for which an amount of Rs. 412.50 lakhs has been proposed for the 11th Plan.

6.23 The Committee have been informed that coal gasification is the process of converting coal through reactions with gasifying media like air, oxygen, steam or mixture of these into a gaseous product. The gasification of coal is possible both at surface and underground. The underground coal gasification offers a potential economic means of extracting energy from deep seated deposits which are not amenable to conventional physical extraction economically. The Committee find that a pilot project at Merta lignite deposit found to be technologically feasible for studies for techno-economic evaluation, was taken up but later on suspended in view of the chances of contamination of aquifers lying above and below of the lignite seam. The Committee are dismayed to note that another project taken up in collaboration with United Nations Development Programme

(UNDP)/Global Environment Facility at Moonidih and Sudamdih mines of Bharat Coking Coal Ltd. in Jharia Coalfields, sanctioned on 15 September, 1999 with the project duration of 5 years, is still under development. The Committee note that recently CIL has entered into MoUs with Oil & Natural Gas Corporation (ONGC) and Gas Authority of India Ltd. (GAIL) to jointly pursue the underground coal gasification and recovery of Coal Bed Methane (CBM). The Committee are unhappy to note that the underground coal gasification and recovery of CBM for its commercial utilization was taken up as a National Project in early 80's but even after the lapse of about 25 years, no significant achievement has been made. A number of projects taken up by the Government to recover CBM, are still at data generation stage and no appreciable achievements have been made. The Committee have been further informed that economic viability of UCG is yet to be assessed by CIL which can be made after generation of data from the pilot study. The Committee are constrained to note that even the regulatory framework for underground coal gasification programme has still not been put in place. In view of above, the Committee desire the Ministry of Coal to expedite its efforts to complete the pilot projects within the scheduled time so that the valuable coal reserves at deep seams which are not amenable to conventional physical extraction economically, are exploited by converting them into gases.

6.24 The Committee also recommend the Ministry and coal/lignite producing companies to prepare an action plan for the early execution of MoUs entered into with ONGC, GAIL and other organisations to achieve the abode objectives.

E. Safety in Coal Mines

Safety in all coal mines of India is governed by the Mines Act, 1952 and rules, regulations, bye-laws and orders framed there under. The Directorate General of Mines Safety (DGMS) under the Ministry of Labour is empowered to administer these safety statutes. Officials of the DGMS conduct inspections of mines from time to time. Also information is furnished to the DGMS as notices, returns, plans, as laid down in the statues. The DGMS officials inform the mine operators and management in case of any deficiencies observed by them. Action is taken to rectify the same at the earliest.

7.2 The statutory framework for safety in coal mines is the same for all coal mines including those of Coal India Limited (CIL). CIL accords the highest priority to safety in operations and this is embodied in the Mission of CIL as given below:—

> "The Mission of Coal India Limited is to produce the planned quantity of coal, efficiently and economically, with due regard to Safety, Conservation and Quality."

7.3 In line with the above Mission CIL has laid down a Safety Policy. CIL has a structured multi-disciplinary Internal Safety Organisation (ISO) to assist and advise the Owners, Agents and Managers in safety matters. Also CIL has a detailed system of workmen's participation in safety at all levels; from mine level to the area level, subsidiary company level and apex CIL holding company level.

7.4 Every effort is made to implement all statutory safety measures. Action is taken to rectify any deficiencies observed during inspection by DGMS officials, ISO and other bodies.

CIL

Some of the major constraints with which CIL has to work are as follows:—

1. CIL inherited numerous small underground mines with numerous excavations in various coal seams at various horizons, made since the beginning of coal mining operations particularly in Jharia and Ranigunj coalfields. Sometimes the locations of these old excavations, which are likely to be waterlogged, are not accurately known. Old pits/shafts are often not locatable at surface and the old plans are doubtful. These situations lead to danger of inrush of water.
2. The Jharia and Ranigunj Coalfield, as well as the Karanpura coalfield have numerous coal seams. Extensive areas of coal seams have been developed and are standing on pillars and these cannot be extracted and Sealed till all the seams have been developed. Maintenance of such extensive developed workings, particularly from the point of view of prevention of spontaneous heating/fire, water accumulation leading to danger of water-inrush, stability of workings, is an immense challenge.
3. The numerous small underground mines inherited by CIL, wherein a large section of the work-force is deployed. cannot

be re-organised and the desired level of mechanization of operations, from both the safety as well as productivity point of view, is not possible due to geo-technical reasons. Redeployment of the work-force in other mines has not yet been possible due to socio-political reasons. Yet these mines with a large deployment of manpower, attended with dangers of water-inrush, gas and fire have to be continued with due to socio-political reasons.

SCCL

- The Internal Safety Organisation (ISO) at the Corporate office headed by Chief G.M (Safety)., assisted by the officers of Mining, E&M Engineering & Survey disciplines and is reportable to Director (P&P). At the area level, Area safety officers constitute the ISO and are administratively under the control of Area General Managers. At mine level, Safety officer assist the Managers under statute.
- With a view to build up team work, senior officers are regularly participating in the Pit Safety Committee meetings held once in a month at every mine. Monitoring is being done by the Regional General Managers (safety) in respect of implementation of the recommendations of the Mine Safety Committee. The minutes of the Mines Safety Committee are also circulated to the union representatives.
- The workmen Inspectors are required under Rule 29Q(3) of the Mines Rules, 1955 to inspect the working places twice a week as representatives of workmen. On the other four days they have to perform their normal duties.
- To serve the very purpose of their inspection and to strengthen their role, it is planned to organise their inspections systematically with the help of check lists. Accordingly, check lists were prepared in local language i.e., Telugu on the following subjects. 1. Shot firing 2. Supports 3. Coal Filling. 4. Haulage.
- This will facilitate to identify the deviations or violations at an early stage & timely corrective action.
- **Additional measures being taken:**

  (a) Seeking the co-operation of recognised and representative unions in voluntarily implementing the mine safety laws and practices.

(b) Half yearly review of the safety aspects in the tripartite and bi-partite safety review meetings and also quarterly review at Company Board level as also Company level joint consultative Committee which includes union representatives.

(c) Safety audit inspection by special teams.

(d) General Inspections of Mines by ISO as per the recommendations of the Bagdigi Court of Inquiry.

(e) Senior Officers from ISO are being deputed for preparation of Risk Management plans at accident prone mines and other mines. These plans have been submitted to DGMS authorities also.

(f) Implementation of suggestions made by Unions during Tripartite, Bipartite, Regional Safety Committee and Mines Committee meetings.

(g) Conducting awareness Programmes for Ventilation Officers, Safety Officers and Supervisors. At times Union representatives have also participated in specific safety related programmes.

- At the Mine level, Mines Safety Committee is functioning. The committee members are constituted in consultation with unions. Regular meetings are held once in a month and their suggestions are well taken and corrective measures are taken in true spirit and rectified. Minutes of the meeting are circulated to all the members of the Committee. Every member of the Committee and workmen inspector have been given suitable training.

- Mines are worked round the clock in 3 shifts of 8 hours duration. In mechanized mines, overlap of shifts are arranged to facilitate maintenance work. For such over lap, approval will be obtained from the concerned authorities.

- Various steps being taken for the purpose of safety in Mines do not differ from DGMS requirements as also various statutes.

NLC

Safety and Health Policy

7.5 To provide safe and healthy working environment to the employees by appropriate technology, safe work procedure, adequate training and developing safety consciousness among the employees to achieve the objective of zero accident.

Safety Norms:

7.6 As far as NLC is concerned, the following safety norms are being followed as per statute.

- Providing safe working environment.
- Adoption of Safe Work Procedures/Practices.
- Imparting of Adequate/Need based training.
- Safety Awareness/Safety Consciousness—through regular monitoring activities/safety inspections etc.
- Periodical safety audits.
- Quarterly Safety Assessments as per statute.
- Quarterly safety performance appraisal to NLC Board.
- Conducting regular Mock Exercises/Drills.
- Emergency preparedness plans—reviewed and revised every year.
- Accident Analysis/Counselling of near miss/serious accident victims.
- Area-wise responsibility with priority to safety is being enforced at all levels (Executives/Supervisors/Employees) to improve upon safety standards, ensuring specific site supervision for every critical operation.
- NLC is adopting a well defined 'Safety Management System' with clear commitment and greater sense of responsibility at all levels (Management/Executives/Supervisors/Workmen) in the continuous drive to improve upon safety standards with an ultimate objective of achieving 'Accident Free Performance' every year with an aim for 'ZAP' (Zero Accident Potentials)

Safety Norms—Implementation

Safety Norms are implemented/effected through the following activities:

- Safe Working Environment—Adopting regular preventive maintenance in the Machineries/Equipments, maintaining good house keeping etc. with appropriate latest Technology
- Safe Work Procedure—Adopting Code of Practices/Work Permit System/Issue of Safety Circulars/Safety checklist etc.

- Adequate Training
  - Induction/Refresher/need based special trainings with updated new.
  - Training modules for all Regular/Contract Employees as per Statute.
- Safety Awareness/Consciousness—Regular Inspection by Unit Level Safety officials. Overall Safety monitoring by Corporate Level Safety officials and Surprise Inspection by Senior Board Level Officials.
- Various participation forum: Safety committees/Inspectors—provide appropriate reporting procedures to take up corrective Actions.
- Accident Analysis/counselling of Accident victims—to avert recurrence of accidents.
- Road/Fire Safety Week/National Safety Day/Safety Week Celebrations—to improve safety consciousness.
- Mock drills at regular intervals-to familiarize employees to take care of any emergent situation.

NLC has obtained certification for all the Mines and the stipulated norms of certification are being maintained.

- Quality Management System (ISO 9001 : 2000)
- Environment Management System (ISO 14001 : 2004)
- Occupational Health and Safety Management System (OSHAS 18001 : 1999)

7.7 As far as NLC is concerned, various Safety Committees have been constituted as per statutory requirement.

- Sectional/Departmental Safety Committee—Mine-wise.
- Pit Safety Committee—Mine-wise.
- Central Safety Council at Corporate Level.
- Bi-partite committee.
- Tri-partite committee.

7.8 The above various participative forums provide appropriate reporting procedures through interactive sessions for taking up necessary corrective actions and the suggestions in the above meetings are implemented in letter and sprit, with due attention to take up remedial measures without any delay by the management.

7.9 All-important operations/maintenance of the Specialized Mining Equipments have formulated/modelled/codified practices approved by DGMS. The employees observe and follow various practices/instructions etc. in letter and sprit. The specialized Mining Equipments are customized and modified and 'Safety features' are incorporated through 'Fail Safe System'.

7.10 The Mining Equipments/machineries/Tools/Safety gadgets etc. are purchased with ISI specification and also norms fixed by DGMS for ensuring Safety/Robust/Reliable and capable of working safely under hazardous environment and checked periodically for its worthiness before its use.

All the statuary provisions under the Ministry of Coal are complied with.

7.11 As regards provision of funds and its utilization during the 10th Plan Period is concerned, the Ministry of Coal has stated as follows:

CIL

Details of safety budget and its utilization year-wise and subsidiary-wise during the 10th Plan Period are given below:

(Figures in Rs. Lakhs)

Budget & Expenditure During X-th Plan for Safety in CIL

Company	2002-03		2003-04		2004-05		2005-06		2006-07	
	Budget	Expn	Budget	Expn	Budget	Expn	Budget	Expn	Budget	Expn
ECL	11988.96	9900.00	12578.00	9435.81	12974.00	9241.56	12588.00	10001.00	13055.55	5018.69
BCCL	16604.48	12678.72	17118.05	15692.87	14283.87	13417.51	16017.43	15526.37	17159.37	8229.00
CCL	1487.93	1447.76	1715.64	170396	2252.21	2161.50	2483.91	1992.00	2407.97	509.00
NCL	602.00	602.00	864.00	769.00	4960.00	4102.97	4998.00	4113.00	4108	1800.85
WCL	7044.28	5319.75	7413.18	6634.53	6950.00	6798.67	7474.80	7159.67	7475.76	3783.4
SECL	8870.00	8810.00	9988.26	9938.93	10025.75	10020.45	10799.45	10349.45	11219.5	814.66
MCL	2198.02	4124.22	4516.00	4180.73	5054.48	4700.65	5293.00	4167.96	5658.39	2026.61
NEC	459.93	420.72	500.00	369.00	274.00	244.10	404.00	288.50	640.93	269.1
CIL	49255.60	43303.17	54693.13	48724.83	56774.31	50687.41	60058.59	53597.95	61725.47	22451.31
Total										

*Figures are upto September, 2006

7.12 The details of safety expenditure in SCCL during the last 3 years are as under:

(Figures in Rs. crores)

Year	Capital		Revenue	
	Budget	Actual Exp.	Budget	Actual Exp.
2002-03	—	—	246.95	182.55
2003-04	—	—	200.80	213.05
2004-05	5.65	8.08	231.95	244.07
2005-06	6.00	2.70	273.36	287.72
2006-07	9.76	6.04 (Upto Dec. 06 provisional)	330.88	223.16 (Upto Dec. 06 provisional)

Note: Separate capital budget for safety is being maintained from the year 2004-05.

•As per the Company policy there is no shortage of safety budget.

•Additional Safety funds are sanctioned as and when required.

NLC

7.13 As far as NLC is concerned; separate safety budget provision is made available when annual plan is drawn up. There is no financial constraint so far at NLC to meet out the requirements on 'Safety Related Activities and the Safety Budget is being fully utilized.

(Rs. in lakhs)

Year	Capital		Revenue	
	Budget	Actual Expr.	Budget	Actual Expr.
2002-03	28.15	26.15	300.00	240.00
2003-04	179.20	56.43	400.00	298.52
2004-05	346.56	314.27	416.12	282.86
2005-06	244.30	205.78	429.40	358.76
2006-07	365.50	280.00 (provl.)	400.00	340.00 (provl.)

7.14 The major reasons for shortfall in expenditure in Safety Budget are as follows:

- Delay in procurement of equipment.
- The poor utilization may be attributed to in excess provisioning.

7.15 When enquired about conducting Safety Audit uniformly by the subsidiaries of the Coal India Ltd., the Ministry of Coal informed as under:

"Safety Audits are conducted in all subsidiary companies.

Effort is made to conduct safety audits of all coal mines of each subsidiary once at least in two years, except for NCL, which has a lesser number of mines with lesser complexities, when safety audits are to be conducted once every year.

Safety audit is conducted for each and every of the 465 mines of CIL. The mines are audited especially from the view of the dangers of accidents with a potential for a large number of casualties, like inrush of water, fire, gas, roof fall, etc. For opencast mines recommendations relate to precautions against accidents due to use of Heavy Earth Moving Machinery, transport machinery, etc. Recommendations of each of these audits are specific to the conditions obtained in each mine.

The status of implementation of recommendations of each Safety Audit is reviewed by the subsequent safety audit. Status of implementation of recommendations of the Safety Audit of each subsidiary company s monitored by the Director-in-Charge of Safety and the Chief of ISO. Some of the recommendations that are time taking, like construction of embankments, sectionalisation of underground workings, etc., are under implementation."

7.16 On the point of potentially dangerous areas identified by ISO during 10th Plan Period and the follow up action taken in this regard, the Ministry of Coal informed the Committee as under:

"Identification of potential dangers during inspections by the ISO is a continuous process. Whenever any potentially dangerous area is identified by ISO, reports are submitted to the Chief of ISO as well as the appropriate line management functionary for appropriate action.

Precautions appropriate to the situation as laid down in the Coal Mines Regulations are taken in regard to highly gassy and fiery mines. The precautions in regard to highly gassy and fiery mines, relate to monitoring of ventilation, monitoring the presence of inflammable or noxious gases by gas detecting instruments and analysis of environmental conditions at Air Sampling Laboratories, making isolation/fire-stoppings leak-proof by cement plastering/application of sealant, surface blanketing, effecting changes in the ventilation parameters like pressure difference between inside and outside of fire/isolation stoppings through construction of pressure balancing chambers, or changing the Main Mechanical Ventilator from exhaust to forcing fan, installation and maintenance of Stone Dust Barriers, removal of fallen coal from underground to surface, Stone Dusting, Inspection old workings/isolation stoppings, idle day inspection of working districts, etc.

Computerised Environmental Telemonitoring Systems have been installed in 13 identified gassy and fiery mines. Installation of more such systems are in the pipe-line."

7.17 As regards suggestions by Directorate General of Mines Safety (DGMS) to eliminate/reduce mining hazards during 10th Plan, the Ministry of Coal, in a written reply informed the Committee that DGMS officials make inspections of mines and point out deficiencies observed in the course of their inspections which are acted upon at the earliest. This is a continuous process. Some of the major common observations of the DGMS in recent times relate to the following:

CIL

Sl.No.	Observations of DGMS	Action Taken
1	2	3
1.	*Stowing lag:* One of the main causes of stowing lag in the mine is that contracts for supply of stand are not foolproof.	Being examined. Directives have been issued that no district should be operated with stowing lag beyond the permitted level
2.	DGMS desired thrust on Back Shift Inspections by senior executives.	Thrust being continued to be maintained.
3.	Methanometers were not being calibrated regularly as per requirement. Most of methanometers were under breakdown.	The situation arose as the major supplier of Methanometers & spares of Methanometers was blacklisted and it took time to set up alternative

1	2	3
		arrangements. However, the charges for calibration/repair of Methanometers undertaken by Govt. test houses and CMRI are comparable to that of cost of a new methanometer. To overcome the situation CIL has established repair/calibration facilities in-house and intends to set up more such facilities.
4.	DGMS recommended that us of Filter Type Self Rescuers be replaced by Oxygen Type Self Rescuers	DGMS has framed protocol for use and maintenance of O2 type of self rescuers in consultation with the all coal producing companies. BIS is also finalizing the specifications of O2 type self rescuers in Indian conditions.
5.	Area level gas analysis laboratories are not maintaining properly. Gas Chromatographs may be provided in each subsidiary company.	Corrective Action has been taken. Gas chromatographs have been procured in WCL and MCL in BCCL and other companies these are in the process of procurement.
6.	Safety norms should be incorporated while awarding work order for out-sourcing jobs. Contractor's workers should be trained and personal protective equipment must be provided.	Safety clauses are incorporated. Personal protective equipment is being provided. Training is imparted to contractor's workers. However, action is in progress. for improvement in this regard.
7.	Greater instrumentation should be used for monitoring roof-behaviour.	Reputed academic institutions have been approached for taking up R&D in this regard.
8.	Man Riding System may be providing in all the UG mines of CIL requiring long and travel to reach the work site.	Man-riding systems are in existence in 4 mines in CIL and 23 more mines have been identified for installation of man-riding systems in the 2007-08. CIL proposes to set up man-riding systems in all remaining belowground mines wherever: • Gradient of the seam is more than 1 in 4 and traveling distance is more than

1	2	3
		1.5 km. Where gradient is less than 1 in 4 and travelling distance is more than 3 km.
9.	Authority of Mine Managers to be enhanced.	This is under consideration at the highest levels.

SCCL

(a) Suggestion to concrete Nala floor bed In SMG-1.

(b) Reduction of fan water gauge at GDK-6A.

(c) Extraction of pillars by sand stowing to prevent subsidence and to protect surface features.

(d) Strengthening of Isolation stoppings to prevent leakage.

(e) To extract standing pillars from dip most workings.

(f) To remove loose coal from unused/old workings particularly return roadways.

(g) Extraction of pillars by Wide Stall method.

(h) To prepare 2/5 years safety management plans *vis-a-vis* production projections.

(i) To carry out special haulage drive to reduce haulage accidents/incidents.

(j) Examine the feasibility to re-organize electrical layouts.

All the above suggestions made by DGMS authorities have been implemented.

NLC

7.18 In NLC, Violations/deficiencies pointed out with the suggestions/remedial measures to reduce/eliminate Mining Hazards during DGMS inspections are given due attention by way of remedial measures without undue delay by the Mine Management.

7.19 NLC operates highly mechanized Open Cast Mines and the mechanization with improved technology of the maximum use so as to restrict work-men's exposure to mining hazards.

7.20 When enquired about updating of maps from time to time as required under the Statute and the periodicity to do so, the Ministry of Coal informed the Committee that:

"CIL

Survey facilities are not in a rudimentary state. Mine plans are prepared and updated as required under the statute using proper survey equipment by Mine Surveyors possessing Mine Surveyor's Certificate issued by DGMS. Modern instruments, like Total Stations, Electronic Distance Measurement instruments (EDMs), Electronic Theodolites have been introduced and are being used for conducting surveys.

As per the CMR, in general mine plans are required to be updated quarterly. This is also examined in the course of inspection by DGMS, ISO and Workmen's representatives of various forums. Wherever any deficiency is observed action is taken to correct the same immediately.

SCCL

In the field of Mine Surveying, modern surveying instruments like Electronic Total Stations and Global Positioning System (GPS) are being used to acquire the survey date and processed through the computers and plans are being generated through Auto CAD software at all mines and all Area survey offices. Hard copies are being taken from the "A0/42" size inkjet Plotters.

Microoptic Theodolites are being used for underground surveying and Autoset levels for levelling networks. On trial basis, 5 Total Stations are provided for large underground mines to take up survey in underground.

NLC

NLC is using modern survey instruments like total survey station, GPS etc. for maintaining Plans and Mine maps and updated as and when required under the statute using modern technologies/ techniques. Statutorily qualified Managers/Surveyors ensure the correctness of Mine Maps and Plans. Check and re-check surveys are also undertaken. Digitization of maps is being done in phased manner."

7.21 The Committee have further been informed that under the Coal Mines Regulations (CMR) upon opening of a mine, a notice is to be served to DGMS under Form I of the CMR accompanied by a plan showing the boundaries of the mine and the shaft or openings of the mine, trijunction or revenue pillars and other prominent and permanent surface features. Under the CMR, DGMS approval is required only in specific cases, like multi-section/contiguous seam workings, workings below roads, railways, etc., depillaring operations, extraction of coal by methods other than Board and Pillar system, working below or within 15 meter of any surface water body, or working within 60 meter of any excavation likely to contain water, etc. Work is done as required by the CMR.

7.22 As regards correctness of the mine plans, the Ministry of Coal informed the Committee that the same is ensured by-

(a) Periodical Check Survey

(b) Correlation of Survey with adjoining mines

(c) Close Traverse of all survey work

(d) Boring/drilling to connect with exact location

CIL

Extensive check surveys have been conducted by teams of surveyors from other collieries within the Area to ensure correctness of mine plans. Re-check surveys have been conducted wherever there was doubt by external agencies like the CMPDIL/ISM/MECL.

The scale of the work involved may be gauged from the example of BCCL. In BCCL Check Survey of workings has been conducted in 67 Pits in 70 horizons in 42 mines by CMPDIL using modern instruments like Gyro Theodolite to check the correlated position of the underground and surface features as well as to establish the base station of belowground. Modern survey equipment like 25 nos. of theodolites, 77 nos. of auto-levels, 7 nos. EDMS, 7 nos. total Stations with plotters have been procured and distributed in 2003-04. 29 nos. of theodolites have procured and distributed in 2004-05.

SCCL

To ensure the correctness of the mine plans, the following measures are being taken up—

a. Check survey of all underground mine workings in relation to surface and neighboring mines has been taken up as a special drive by constituting independent check survey teams during 2004 & 2005.

b. Check list is being used to verify the mine plans periodically to ensure the accuracy of plans prepared under different Regulations of CMR 1957.

c. It is being ensured that all the survey and levelling networks are closed to ascertain the accuracy.

7.23 On 16th June, 2005, an accident occurred in Central Saunda Colliery in Hazaribagh under CCL where 14 miners died due to water gushed in and the roof collapsed. Again on 6th September, 2006. 43 workers died in Dhanbad due to inhalation of carbon monoxide following an explosion in an underground mine under BCCL.

7.24 When asked about the prima facie causes of the above accidents, the Ministry of Coal informed the Committee that the causes of the accidents as per the Court of Inquiry into the accident at Central Saunda Colliery and the Departmental Enquiry Committee into the Bhatdee accident constituted by CMD, BCCL with the approval of Chairman, CIL are given below:

Central Saunda Accident

As per the Court of Inquiry into the accident constituted by the Ministry of Labour & Employment the cause of the accident was inrush of water.

Bhatdee Colliery Accident

As per the Departmental Enquiry Committee into the accident constituted is of the opinion that the accident took place due to fire-damp explosion within Panel-18. A Court of Inquiry into the accident has been constituted by the Ministry of Labour & Employment. The proceedings of the Court are in progress.

Recommendations of the Court of Inquiry

The recommendations of the Court of Inquiry into the Central Saunda accident and that of the Departmental Committee into Bhatdee Colliery are as under:

Sl.No.	Recommendations
1	2
9.1	The present system of inspection of mines by the officers of DGMS depends heavily on subjective evaluation of

1	2
	status of safety. This, sometimes, may lead to errors in judgement. In order to avoid such situation, DGMS should device a comprehensive, scientific system of inspections so that subjective evaluation, as far as possible, is eliminated.
9.2	Most of the accidents take place essentially due to human failure in complying with the provisions of statue. Recurrence of such failures from time to time is disturbing. Therefore, it is felt that proper and regular training of officers and supervisory staff is urgently needed to inculcate awareness among them regarding statutory provisions *vis-a-vis* their duties.
9.3	Enforcement of the provisions of the Mines Act, 1952 and its sub-ordinate legislation is one of the primary functions of DGMS. Considering the volume and complexity of the issues involved, the strength of officers and staff in DGMS appears to be grossly inadequate. Immediate steps need to be initiated by the Government to strengthen this organization so that DGMS can do justice to its mandate.
9.4	During the hearing sessions of this Court, the issue of shortage of statutory manpower in mines came in to focus time and again. Supervision of work in mines has a direct bearing on safety of workers and hence it must be ensured that a clear policy of regular recruitment of statutory manpower be framed and implemented by the mine management.
9.5	Representatives of trade unions represented during proceedings of the Court that compensation paid to the families of the victims was too inadequate. Their demand appears to be genuine. The Government may consider enhancing the quantum of compensation to family members of victims of accidents.
9.6	In a company consisting of large number of mines, it becomes very difficult for one person to pay proper attention to safety aspects in all mines. Therefore, the

1	2
	Court is of the opinion that in such companies nomination of ownership may be shared by two or three directors. This will enable them to deal with safety matters in mines more effectively.
9.7	Role of Internal Safety Organization (ISO);
	Arising out of the recommendations of the 5th conference on Safety in Mines, most of mining companies have since formulated their safety policy and created ISO to translate the principle of self regulation in to practice. The Court feels that though ISO was existing, it had not been very effective. Their role could be more purposeful if—
	(a) Work in a new district is commenced only after clearance from ISO
	(b) the head of ISO should either be on the Board of the company or he should report to the Director not directly connected with production.

7.25 The Ministry of Coal, in respect of response time of the Rescue Team, further informed the Committee that in the case of Central Saunda, the incident occurred at around 7.30 am on 15.6.2005. The Resource Station was informed at about 8.40 am and rescue Team reached belowground at 11 am. In Bhatdee Colliery, the accident took place at about 7.30 pm. in the second shift on 6th September 2006. The first rescue team entered the mine at 9.30 pm. All rescue teams were fully equipped.

7.26 When asked that the monitoring mechanism of CIL and its subsidiaries had failed to see the potential dangers in the case of above two accidents, the Ministry of Coal has stated as under:—

> "No Sir. Safety in mining operations is monitored at different levels from Mining Sirdar to the 'Owner' of the company. In addition to this CIL has in place workmen's participation at various levels. There is considerable reduction in number of accidents, both fatal (from 177 accidents in 1975 to 49 accidents in 2006) and serious (1456 accidents in 1975 to 291 accidents in 2006) and CIL is sincere about providing safe and healthy working environment to its workmen. CIL shall continue its endeavour to review and improve its monitoring and mitigating mechanisms."

7.27 The Ministry of Coal has furnished the nos. of fatal and serious accidents in the Coal India Ltd. during the 10th Plan Period as under:

Fatal Accidents & Fatalities

Company	Fatal Accidents					Fatalities				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
ECL	9	13	16	15	8	12	13	17	16	13
BCCL	10	12	11	12	11	11	13	12	17	60
CCL	11	6	10	8	4	11	6	10	22	4
NCL	1	2	3	3	4	1	2	4	3	5
WCL	15	9	13	11	13	15	12	13	12	13
SECL	13	11	7	14	7	16	11	8	15	7
MCL	3	7	4	9	2	3	7	4	9	2
NEC	0	0	2	1	0	0	0	2	1	0
CIL	62	60	66	73	49	69	64	70	94	104

Note: Accidents statistics are maintained calendar year-wise in conformity with DGMS and figures for 2005 & 2006 are subjected reconciliation with DGMS.

Serious Accidents & Injuries

Company	Serious Accidents					Serious Injuries				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
ECL	191	171	186	123	92	192	179	190	125	94
BCCL	68	60	77	71	45	81	63	79	76	47
CCL	26	27	27	24	14	28	29	32	24	14
NCL	9	18	9	18	15	9	18	10	19	15
WCL	60	67	66	47	56	63	70	70	48	59
SECL	111	92	108	93	66	119	96	109	98	69
MCL	17	12	17	13	10	17	12	17	13	17
NEC	0	0	1	2	1	0	0	1	2	1
CIL	482	447	49	391	299	509	467	508	405	316

Note: Accidents statistics are maintained calendar year-wise in conformity with DGMS and figures for 2005 & 2006 are subjected reconciliation with DGMS.

7.28 The Ministry further informed that remedial steps taken to avert accidents cover the entire gamut of activities of CIL towards safety, beginning with compliance with the statutory provisions. Some of the major steps being taken are as follows:

1. For avoiding accidents with a potential for a large number of casualties safety audit is being conducted and recommendations of the safety audits are being implemented.

2. Towards avoidance of accidents due to inundation the following measures are being taken:—

   a. Taking the required preventive measures against danger of inundation after assessment of danger from underground and surface sources of water in each mine prior to every monsoon.

   b. Conducting of check surveys by company's surveyors as well as cross-checking the same in some cases by external agencies like ISM & CMPDIL.

3. Thrust on measures for reduction of roof and side fall accidents in belowground mines are being continued by—

   a. Drawing up of Support Plans based on RMR and implementation of the same.

   b. Greater use of Roof Bolting/Stitching methods of roof support by quick setting cement capsules.

   c. Introduction of mechanized drilling by roof bolting machines thereby—

      (i) improving quality of roof bolting as well as

      (ii) reducing exposure of roof-bolting crew to hazard of roof fall

   d. Introduction of Resin grouted roof bolts in watery seams.

   e. Training of Support Personnel and Supervisors.

   f. Reducing exposure of workmen by increasing mechanization of operations in underground mines through the use of SDLs/LHDs, PSLW & Continuous Miners.

4. Measures for reduction of accidents in Opencast mines are being pursued through—

   a. Implementation of various Codes of Practices for operation and maintenance of HEMM, for Drilling and Blasting, for transmission, distribution supply and use of electricity, for deployment of Contractor's workers, for working in heights, etc., Traffic Rules, checking of contractor's vehicles/equipment by company's engineers.

   b. Training of Heavy Earth Moving Machinery operators and contractor's workers.

5. Avoidance of accidents due to Haulages, Winding, Conveyors, through enhancing awareness of safety measures to be taken through publicity and propaganda.

6. Avoidance of electrical accidents through awareness of importance of adhering to proper shut-down procedures while working in O/h lines and use of protective gadgets.

7. Avoidance of explosives accidents by increasing awareness of proper work practices.

8. By emphasising on the need for use of protective equipment and correct work practices.

9. Thrust is being maintained on preparedness for emergencies through—

   a. Reviewing Emergency Action Plans for each and every working district in underground mines.

   b. Demarcating escape routes on plans, as well as in working areas belowground.

   c. Conducting mock rehearsals and monitoring failure points for further improvement.

10. Thrust on inspections of mines by senior officials, ISO and back-shift inspections.

11. Enhancement of safety awareness through publicity and propaganda, safety drives, safety weeks etc.

12. Thrust on training of employees through—

   a. 58 standardised video films covering all aspects of mining operations in all 56 Vocational training Centres.

   b. Special training of HEMM operations, maintenance in Central Excavation Training Institutes.

   c. On-site training of contractor's workers.

   d. Training by external experts for new technology.

13. Risk Assessment & Management, as a tool for enhancement of safety, has been introduced and is being conducted in each subsidiary company of CIL.

7.29 In SCCL, the total number of accidents that took place in the last 5 years are as under:

Fatal Accidents

Year	B. Number of	
	Fatal Accidents	Persons Died
2002	14	23
2003	19	44
2004	11	14
2005	12	12
2006	16	19

Serious Accidents

Year	Number of	
	Serious Accidents	Persons Seriously Injured
2002	117	120
2003	72	73
2004	161	163
2005	787*	789*
2006	618*	622*

*Inclusive of low energy serious injuries such as fracture of phalanges/toes which are being reported now as per the decision taken during the 30th Tripartite Safety Review meeting held on 29.1.2005.

7.30 The Committee note that safety in all coal mines of the India is governed by the Mines Act, 1952 and rules, regulations, bye-laws and orders framed thereunder. The Directorate General of Mines Safety (DGMS), under the Ministry of Labour, is empowered to administer these safety statutes. In the light of the statutory framework for safety in coal mines, Coal India Ltd. has laid down a Safety Policy for implementation in all its subsidiaries and for this purpose, has formed a structured multi-disciplinary Internal Safety Organisation (ISO).

The Committee note that as per the findings of various Court of Inquiries appointed from time to time to go into the coal mine

accidents, most of the accidents take place essentially due to human failure in complying with the statutory provisions. Over the years, after the nationalisation of coal mines in 1971 and 1973, CIL has not been able to change this scenario. The suggestions made by DGMS from time to time, on safety measures, are not implemented properly and timely. There have been instances where the delay in implementing the suggestions are attributed to delay in procuring imported equipments. The Committee take these issues very seriously as they pertain to the safety and security of all those engaged in the coal mining and, therefore, desire that CIL should take all corrective measures where they are lagging behind to improve the safety standards in coal mines and special attention should be given to the procurement of equipments, both indigenous and imported, so that the same are introduced without any loss of time.

7.31 The Committee have been informed that identification of potential dangers during inspections by the ISO is a continuous process and whenever any potentially dangerous are is identified, reports are submitted to appropriate authorities for taking corrective measures. The Committee have further been informed that as regards highly gassy and fiery mines, precautions appropriate to the situation as laid down in the coal Mines Regulations are taken. The precautions in regard to highly gassy and fiery mines relate to monitoring of ventilation, monitoring the presence of inflammable or noxious gases, analysis of environmental conditions, surface blanking, effecting changes in the ventilation parameters, etc. The Committee are of the firm opinion that had the appropriate precautions been taken by the CIL, the lives of a large number of workers who died in the coal mine accidents occurred in the past including Bhatdee colliery accident in Dhanbad, due to fire-damp explosion on 6 September, 2006 could have been saved. The accident in Central Saunda on 15th June, 2005 where 14 miners died due to sudden inrush of water is no different from the Bhatdee colliery accident. There too, ISO of CIL and the subsidiary concerned miserably failed to detect the presence of water in the nearby area. The Committee desire that safety audits and inspections should be conducted regularly and all precautions are taken for identification of potential dangers from gases, fire, inundation, roof/side fall, etc. as per the recommendations of these audits.

7.32 The Committee desire that deterrent punitive action should be taken against the officials from ISO and DGMS responsible for carrying out last inspection before the accident so as to make the inspections more meaningful to check the accidents in coal mines. Any Court of Inquiry constituted after any mine accident should invariably consider the role of these inspecting organizations responsible for safety and sees whether they had correctly assessed the situation in their last inspections before the accidents. If not, then suitable punitive actions should be taken.

7.33 The Committee are constrained to note that Coal India Ltd. (CIL) and Neyveli Lignite Corporation (NLC) have been unable to utilize their budgetary allocations on safety related activities. During the last five years of 10th Plan, out of the total budgetary allocations of Rs. 282.50 crore, CIL could utilize 77 per cent of it i.e. Rs. 218.76 crore. Similarly, NLC out of Rs. 3.11 crore provided under the Capital and Revenue Heads for the safety related activities could utilize only Rs. 2.40 crore. The major reasons for shortfall in expenditure have been attributed to delay in procurement of equipment. The Committee have further been informed that there has been excess provisioning of safety budget during the Tenth Plan Period. The Committee are surprised to note that coal companies consider the funds provided for safety related activities in excess of their requirement. The Committee strongly deprecate such approach of coal companies and disapprove the reasons advanced by them for under-utilization of the budget knowing fully well that it concerns the safe working of the mines and invaluable human lives. The Committee feel that the rigmaroles hampering the procurement of imported and indigenous equipments could have been overcome with simplification of the procurement procedures. The Committee, therefore, impress upon the Ministry and Coal India Ltd. to take measures for full utilization of budget by the management so that the very purpose of safety budget is not defeated.

7.34 CIL has brought to the notice of this Committee some of the major constraints in safety areas like numerous small underground mines whose locations are not accurately known as old plans are doubtful; development of extensive areas of coal seams in Jharia, Raniganj and Karanpura coalfields making maintenance of these working difficult and numerous small underground mines inherited by CIl which cannot be reorganised due to geo-technical reasons and workforce from there cannot be redeployed due to socio-political reasons.

The Committee are very unhappy to note that even after 35 years of nationalization of coal mines, CIL has not been able to update their mining maps, check the developments of extensive areas of coal seams making their maintenance difficult and have failed to re-deployed the access manpower in other areas due to socio-political reasons. The Committee desire that immediate corrective steps should be taken on the points mentioned above so that safety and security of the miners is not affected adversely. The Committee should be informed of the action taken in the matter within 6 months of this report.

NEW DELHI;
26 *April,* 2007
6 *Vaisakha,* 1929 *(Saka)*

DR. SATYANARAYAN JATIYA,
Chairman,
Standing Committee on Coal and Steel.

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS OF THE STANDING COMMITTEE ON COAL AND STEEL CONTAINED IN THE REPORT

Sl.No.	Reference Para No. of the Report	Observations/Recommendations
1	2	3
1.	2.2	The Committee hope that the Ministry of Coal will implement the recommendations in a time bound manner which the Committee commented upon in their Action Taken Report. The Committee would like to be apprised of the Action Taken in respect of the recommendations not accepted by the Committee.
2.	3.12	The Committee note that the total Budget Estimate (BE) of the Ministry for the year 2006-07 was Rs. 205.71 crore which was revised to Rs. 337.50 crore at RE stage. The Ministry, however, could utilize only Rs. 183.85 crore upto 20.3.2007. The Committee are unhappy to note that the Ministry failed to utilize even the full outlay given to it at BE stage. The Committee feel that the scarce resources of the Government were unnecessarily blocked which could have been gainfully utilized elsewhere. The Committee desire that immediate corrective steps should be taken in the matter so that it does not recur.
3.	3.13	The Committee are equally unhappy to note that the performance of the coal companies in utilizing the allocations made for the Centrally sponsored schemes during the entire 10th Plan Period has also not been satisfactory. Out of a

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		total allocations of Rs. 1156.71 crore made during the Tenth Plan, the actual utilization has been only Rs. 850.50 crore. The Committee are not averse to increase the budgetary allocations for accomplishing the various Centrally sponsored schemes under Plan head with an ultimate aim to boost coal production provided the same are utilized optimally. The Committee hope that the allocations made for the year 2007-08 will be fully utilized particularly additional funds earmarked for Detailed Drilling. At the same time, the Committee desire the Ministry of Coal to streamline the budget making process in the Ministry so that realistic budget estimates are prepared and also remove the bottlenecks which were responsible for lesser utilization of funds. The Committee would like to know the details of the schemes which could not be implemented due to under utilization of funds and steps taken to complete the pending works.
4.	3.14	The Committee note that the two schemes *viz*. 'Conservation & Safety in Coal Mines' and 'Development of Transport Infrastructure in coalfield Areas' which were being operated as Non-Plan schemes for the last 30 years were transferred by Department of Expenditure, Ministry of Finance as Plan schemes at RE stage during financial year 2005-06. However, the Planning Commission disagreeing with the decision of the Ministry of Finance directed that these two schemes should be operated as Non-Plan schemes with only a token provision of Rs. 1.00 lakh each at BE stage in the next year. The Committee are, however, surprised that again in 2006-07, Ministry of Finance insisted that the schemes should be under Plan Head and provided funds through supplementary grants. The Committee are astonished to observe similar situation occurring once again

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		in the year 2007-08 when the proposal of the Ministry of Coal for a provision of Rs. 135.00 crore for Conservation and Safety in Coal Mines and Rs. 75.00 crore for Development of Transport Infrastructure in Coalfield Areas under Plan Head was not agreed to by the Planning Commission and, therefore, again a token provision of Rs. 1.00 lakh each for the two schemes has been made. The Committee are extremely constrained to observe an ironical situation repeated thrice in the years 2005-06, 2006-07 and 2007-08 which Ministry of Coal, Finance and Planning Commission have failed to resolve whether the funds for these schemes should be provided under Plan or Non-Plan Head. The Committee deprecate this unprecedented state of affairs and recommend the Ministry of Coal to take up the matter with the Ministry of Finance in consultation with the Planning Commission for resolving the issue once for all.
5.	3.15	The Committee are equally concerned to note the poor implementation of two schemes of 'Conservation and Safety in Coal Mines' and 'Development of Transport Infrastructure in Coalfield Areas' for which a token provision of Rs. 1.00 lakh each had been kept. In fact, the Government collect stowing excise duty and release such funds for the activities specified in the Coal Mines (Conservation & Development) Act, 1974. The Committee would like to have the details of the amount collected as excise duty by the Coal India Ltd. (CIL), subsidiary-wise, during the last three years, the targets fixed and achieved under the two schemes for the same period and the total amount spent. The Committee desire that the Coal India should draw up detailed programmes for both the schemes during 11th

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		Plan. The Committee should be kept informed of the Action Taken in the matter.
6.	3.19	The Committee are perturbed to note the sluggish pace at which different schemes under Environmental Measures & Subsidence Control (EMSC) are being implemented resulting in under utilization of budgeted amount. The budget estimate amounting to Rs. 55.90 crore for the year 2006-07 for EMSC schemes was drastically reduced to Rs. 8.00 crore at RE stage but the coal PSUs could barely utilize Rs. 7.78 crore for the different schemes under EMSC. The Committee are anguished to note that the utilization of funds for EMSC. schemes has also been quite dismal during the entire 10th Five Year Plan as is evident from the fact that CIL could spend only Rs. 52.41 crore of Rs. 163.00 crore approved by Planning Commission. The reasons adduced for slow progress for these schemes such as frequent stoppage of work by villagers, revision in some of the schemes, land dispute cases in Dhanbad Court and non-acceptability of approved R&R package etc. are reflection on the administrative efficiency of the Ministry of Coal/CIL. The Committee are of the view that there have been serious deficiencies in the implementation of EMSC schemes. The Committee, therefore, desire that Government should review the schemes, prioritize them and prepare a comprehensive plan for their implementation without further loss of time so that the allocated funds provided for the purpose could be utilized optimally.
7.	3.23	The Committee note that the Budget Estimates (BE) for Research and Development (R&D) activities under Science & Technology (S&T) grant of Ministry of Coal amounting to Rs. 21.09 crore for the year 2006-07 were

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		reduced drastically to Rs. 6.00 crore at the RE stage and actual utilization is only Rs. 7.61 crore. The fund utilization by the coal companies for the R&D activities during the entire 10th Plan Period has also not been upto the mark. Out of a total of Rs. 81.08 crore provided during the 10th Five Year Plan for R&D activities, the coal PSUs could utilize Rs. 50.94 crore which comes to 62.82%. As far as implementation of the R&D projects is concerned, out of 47 projects sanctioned during 10th Plan, the coal PSUs could complete only 15 projects, 1 project was terminated and rest of the 31 projects have spilled over to the 11th Plan Period. The reasons advanced by the Ministry of Coal for the lower allocations and even lesser utilization of funds generally pertained to delay in procurement of imported equipments, delay in award of contracts, etc.
		The Committee are dismayed to note that the R&D projects, which do have a direct and immediate impact on the growth of coal industry, has been a neglected area. Not only the budgetary allocations for R&D activities has been very low as compared to the total turn over of the industry but also the utilization of the same has been very poor resulting in non-completion of the projects within the scheduled time. The Committee do not approve of the delays for the simple fact that barely 1/3rd of the projects sanctioned during 10th Plan could be completed. The Committee feel that Central Mine Planning and Design Institute (CMPDI), which is the nodal agency for coordination and monitoring of coal S&T projects funded by the Ministry of Coal and also projects funded by CIL, has failed in delivering the targeted results. The Committee, therefore, impress upon the Ministry of Coal to have an adequate control

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		and supervision over the agencies responsible for the implementation of the various R&D projects to avoid time and cost overrun and ensure full utilization of funds. The Committee further desire that the Ministry of Coal should introduce a stringent system of accountability and responsibility in dealing with Coal S&T projects by the various research and academic institutes who have been assigned research work.
8.	3.24	The Committee note that for the 10th Plan Period, the Planning Commission had approved Rs. 100.00 crore for the R&D activities under S&T grants of the Ministry of Coal. The Committee desire that more funds should be provided for the various R&D projects during the 11th Plan to ensure that the fund constraints may not adversely affect the R&D activities.
9.	3.25	The Committee note that the major areas of R&D in Coal Sector pertain to production, productivity and safety, coal beneficiation and coal utilization, environment and ecology. The Committee recognize the importance of R&D for sustainable growth of the Coal Sector and, therefore, recommend that more and more quality and innovative R&D projects should be taken up during 11th Plan for the betterment of the industry.
10.	4.15	The Committee observe that Rs. 14,310.00 crore was allocated by Planning Commission to Coal India Ltd. CIL) for Tenth Plan Period. However, this was revised to Rs. 10,975.13 crore at the time of mid-term appraisal. The Committee are perturbed to note that CIL could expend approximately Rs. 6944.61 crore which comes to 49% of the approved outlays and 64% of the revised outlays for the 10th Plan. The fund utilization performance of CIL during the

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		terminal year *i.e.* 2006-07 of Tenth Plan has not improved. Out of Rs. 3067.70 crore, allocated for 2006-07 which was later on reduced to Rs. 2420.00 crore, CIL could utilize only Rs. 1796.07 crore. The reasons furnished by Coal India Ltd. for under-utilization of funds *viz*. delay in acquisition of land, delay in rehabilitation, delay in forestry EMP Clearances and delay in finalization of tender for procurement of equipments. The Committee note that these are the reasons which have come up for delays in project implementation time and again. But the Ministry have not come out with any permanent solutions to these problems. The Committee desire that these problems should be analysed in depth and some lasting solutions should be found. The Committee should be informed of the Action Taken in the matter.
11.	4.16	The Committee, however, note that during this period of Tenth Plan, CIL has been able to achieve its physical targets of coal production. From a production level of 279.56 million tonne (mt) during the terminal year *i.e.* 2001-02 of Ninth Plan, CIL produced about 360.00 mt during the terminal year of Tenth Plan. Though CIL had been able to achieve 100% coal production targets, yet there remained a wide gap of about 41.79 mt between All India coal demand and supply during the terminal year of Tenth Plan. The Committee feel that the progress of implementation of the various projects under the jurisdiction of CIL for development and exploitation of coal resources has been far from satisfactory. The Committee are pained to find that CIL had been facing various procedural problems since the beginning of the 10th Plan and the same could not be overcome by the end of the Plan by the Ministry/CIL. Had CIL chalked out a plan to

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		settle the various issues relating to implementation of coal projects, the gap between the demand and supply would have been abridged to a great extent. The Committee are anguished to note that though a High Level Monitoring Committee, under the Chairmanship of Secretary, Coal exists in the Ministry, no significant improvement has been noticed in the projects development. The Committee, therefore, recommend the Ministry of Coal to chalk out a time frame for settling the various bottlenecks which are adversely affecting the timely development and implementation of coal projects so that the funds allocated for the various projects are utilized optimally.
12.	4.20	The Committee note that in view of increase in demand of coal, CIL has prepared an 'Emergency Coal Production Plan' to boost the coal production in the country. For this purpose, 16 opencast projects/mines involving an investment of Rs. 3073 crores have been identified, which have adequate reserves, where production from the existing mines/projects can be enhanced at a higher level yielding additional production of 71.30 mt. The built-up of incremental production will be 18 mt for the 1st year and progressively reaching to 71.30 mt in 8th year. The increased coal production and overburden removal would be carried out through departmental equipment as well as by outsourcing at different projects depending on present operating conditions. Although the emergency coal production plan envisaged by CIL looks quite ambitious and rosy, it is, however, to be seen how far the plan is able to boost coal production keeping in view the perennial problems being faced by it in the timely completion of coal projects. With a view to meet increasing demand of coal in

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		the country of various consuming sectors, the Committee desire that the Ministry of Coal to identify various difficulties which check coal production and prepare a contingency plan to find out quick solution to these problems.
13.	5.28	The Committee observe that under the Coal Mines (Nationalisation) act, 1973, as amended from time to time, the coal blocks for captive mining are allocated to public and private companies engaged in the production of iron and steel, generation of power, washing of coal obtained from a mine and such other end use as the Central Government may, by notification, specify. The allottees are required to prepare a mining plan which is thereafter submitted to the Standing Committee set up in the Ministry under the provisions of the Mines & Minerals (Development and Regulation) act for scrutiny and approval. They are allowed to develop the mines in synchronization with the end use plants so that when the plant is commissioned, the mine would have reached its rated capacity and meet the requirement of the plant.
		The Committee have been informed that 229 coal blocks have been identified for captive mining. Out of these 229 blocks, 130 coal blocks have so far been allotted to eligible Government as well as private companies. The Committee are dismayed to note that some of the coal blocks allotted as back as 1998 to 2000 have still not been developed and only 8 coal blocks have started producing coal.
		Keeping in view the non-development of captive coal blocks by a large number of allottees even after lapse of a considerable time, the Committee in their 8th Report, had desired that further allotment of captive coal blocks should be put on hold and new allotments

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		considered only after the system is fine-tuned. The Committee are sad to note that the Ministry of Coal had completely ignored their recommendations and made allotment of about 65 coal blocks thereafter.
		The Committee note that the procedure laid down for allotment of coal blocks is very cumbersome and needs to be simplified e.g. the allottee has to get the mining plan prepared and then approach the State Government concerned for grant of mining lease and the State Government grants mining lease only after obtaining previous approval of the Central Government which in fact initiate the whole exercise. This leads to wastage of lot of time. The Committee, therefore, desire that the whole process should be re-examined and simplified.
14.	5.29	The Committee are perturbed to note the lackadaisical approach of the Ministry of monitoring the progress of captive coal blocks allotted to different parties. The Committee have been informed that monitoring of progress of allocated coal blocks was done in the review meeting of the Screening Committee. As a need was felt to review the progress on continuous basis and to carry out monitoring, the Office of the Coal Controller has been mandated to check the progress in the allocated captive coal mining blocks and the associated end-use projects on six monthly basis. Keeping this in view, the Committee desire that the Coal Controller's Office should be strengthened adequately so that they could monitor the progress as provided under the rules and take corrective steps.
15.	5.30	The Committee feel that the main objective of exploration and extraction of coal from the captive coal blocks has still remained a dream

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		as most of the coal blocks are yet to be developed for coal production. The Committee, therefore, desire that in the case of coal blocks where the coal production has not been started even after the lapse of normative time limit which ranges from 36 to 54 months, whether public or private company, should be issued a final notice asking them to develop the coal blocks within a stipulated time otherwise the coal blocks allotted to them would be de-allocated.
16.	6.23	The Committee have been informed that coal gasification is the process of converting coal through reactions with gasifying media like air, oxygen, steam or mixture of these into a gaseous product. The gasification of coal is possible both at surface and underground. The underground coal gasification offers a potential economic means of extracting energy from deep seated deposits which are not amenable to conventional physical extraction economically. The Committee find that a pilot project at Merta lignite deposit found to be technologically feasible for studies for techno-economic evaluation was taken up but later on suspended in view of the chances of contamination of aquifers lying above and below of the lignite seam. The Committee are dismayed to note that another project taken up in collaboration with United Nations Development Programme (UNDP)/Global Environment Facility at Moonidih and Sudamdih mines of Bharat Coking Coal Ltd. in Jharia Coalfields, sanctioned on 15 September, 1999 with the project duration of 5 years, is still under development. The Committee note that recently CIL has entered into MoUs with Oil & Natural Gas Corporation (ONGC) and Gas Authority of India Ltd. (GAIL) to jointly pursue the underground coal gasification and recovery of

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		Coal Bed Methane (CBM). The Committee are unhappy to note that the underground coal gasification and recovery of CBM for its commercial utilization was taken up as a National Project in early 80's but even after the lapse of about 25 years, no significant achievement has been made. A number of projects taken up by the Government to recovery CBM, are still at data generation stage and no appreciable achievements have been made. The Committee have been further informed that economic viability of UCG is yet to be assessed by CIL which can be made after generation of data from the pilot study. The Committee are constrained to note that even the regulatory framework for underground coal gasification programme has still not been put in place. In view of above, the Committee desire the Ministry of Coal to expedite its efforts to complete the pilot projects within the scheduled time so that the valuable coal reserves at deep seams which are not amenable to conventional physical extraction economically, are exploited by converting them into gases.
17.	6.24	The Committee also recommend the Ministry and coal/lignite producing companies to prepare an action plan for the early execution of MoUs entered into with ONGC, GAIL and other organisations to achieve the above objectives.
18.	7.30	The Committee note that safety in all coal mines of the India is governed by the Mines Act, 1952 and rules, regulations, bye-laws and orders framed thereunder. The Directorate General of Mines Safety (DGMS), under the Ministry of Labour, is empowered to administer

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		these safety statutes. In the light of the statutory framework for safety in coal mines, Coal India Ltd. has laid down a Safety Policy for implementation in all its subsidiaries and for this purpose, has formed a structured multi-disciplinary Internal Safety Organisation (ISO). The Committee note that as per the findings of various Court of Inquiries appointed from time to time go into the coal mine accidents, most of the accidents take place essentially due to human failure in complying with the statutory provisions. Over the years, after the nationalisation of coal mines in 1971 and 1973, CIL has not been able to change this scenario. The suggestions made by DGMS from time to time, on safety measures, are not implemented properly and timely. There have been instances where the delay in implementing the suggestions are attributed to delay in procuring imported equipments. The Committee take these issues very seriously as they pertain to the safety and security of all those engaged in the coal mining and, therefore, desire that CIL should take all corrective measures where they are lagging behind to improve the safety standards in coal mines and special attention should be given to the procurement of equipments, both indigenous and imported, so that the same are introduced without any loss of time.
19.	7.31	The Committee have been informed that identification of potential dangers during inspections by the ISO is a continuous process and whenever any potentially dangerous are is identified, reports are submitted to appropriate authorities for taking corrective measures. The Committee have further been informed that as regards highly gassy and fiery mines, precautions appropriate to the situation as laid

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		down in the coal Mines Regulations are taken. The precautions in regard to highly gassy and fiery mines relate to monitoring of ventilation, monitoring the presence of inflammable or noxious gases, analysis of environmental conditions, surface blanking, effecting changes in the ventilation parameters, etc. The Committee are of the firm opinion that had the appropriate precautions been taken by the CIL, the lives of a large number of workers who died in the coal mine accidents occurred in the past including Bhatdee colliery accident in Dhanbad, due to fire-damp explosion on 6 September, 2006 could have been saved. The accident in Central Saunda on 15th June, 2005 where 14 miners died due to sudden inrush of water is no different from the Bhatdee colliery accident. There too, ISO of CIL and the subsidiary concerned miserably failed to detect the presence of water in the nearby area. The Committee desire that safety audits and inspections should be conducted regularly and all precautions are taken for identification of potential dangers from gases, fire, inundation, roof/side fall, etc. as per the recommendations of these audits.
20.	7.32	The Committee desire that deterrent punitive action should be taken against the officials from ISO and DGMS responsible for carrying out last inspection before the accident so as to make the inspections more meaningful to check the accidents in coal mines. Any Court of Inquiry constituted after any mine accident should invariably consider the role of these inspecting organizations responsible for safety and sees whether they had correctly assessed the situation in their last inspections before the accidents. If not, then suitable punitive actions should be taken.

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21.	7.33	The Committee are constrained to note that Coal India Ltd. (CIL) and Neyveli Lignite Corporation (NLC) have been unable to utilize their budgetary allocations on safety related activities. During the last five years of 10th Plan, out of the total budgetary allocations of Rs. 282.50 crore, CIL could utilize 77 per cent of it *i.e.* Rs. 218.76 crore. Similarly, NLC out of Rs. 3.11 crore provided under the Capital and Revenue Heads for the safety related activities could utilize only Rs. 2.40 crore. The major reasons for shortfall in expenditure have been attributed to delay in procurement of equipment. The Committee have further been informed that there has been excess provisioning of safety budget during the Tenth Plan Period. The Committee are surprised to note that coal companies consider the funds provided for safety related activities in excess of their requirement. The Committee strongly deprecate such approach of coal companies and disapprove the reasons advanced by them for under-utilization of the budget knowing fully well that it concerns the safe working of the mines and invaluable human lives. The Committee feel that the rigmaroles hampering the procurement of imported and indigenous equipments could have been overcome with simplification of the procurement procedures. The Committee, therefore, impress upon the Ministry and Coal India Ltd. To take measures for full utilization of budget by the management so that the very purpose of safety budget is not defeated.
22.	7.34	CIL has brought to the notice of this Committee some of the major constraints in safety areas like numerous small underground mines whose locations are not accurately known as old plans are doubtful; development of extensive areas of coal seams in Jharia, Raniganj and Karanpura

1	2	3
		coalfields making maintenance of these working difficult and numerous small underground mines inherited by CII which cannot be reorganise due to geo-technical reasons and workforce from there cannot be redeployed due to socio-political reasons. The Committee are very unhappy to note that even after 35 years of nationalization of coal mines, CIL has not been able to update their mining maps, check the developments of extensive areas of coal seams making their maintenance difficult and have failed to re-deployed the access manpower in other areas due to socio-political reasons. The Committee desire that immediate corrective steps should be taken on the points mentioned above so that safety and security of the miners is not affected adversely. The Committee should be informed of the action taken in the matter within 6 months of this report.

ANNEXURE I

LIST OF SANCTIONED COAL S&T PROJECTS DURING X PLAN AND THEIR STATUS

(Rs. in lakh)

Sl.No.	Name of the Project	Agency	Financial Outlay	Rev./Sch. Date of compl.	Status
1	2	3	4	5	6
1.	Study on enhancement of recharge potential in the recharge area to the Neyveli deep seated aquifers. MT/128	NLC & IIT Madras	115.541 For NLC-72.537 for IIT Madras-39.186 Cont NLC-3.818	Apr. 2006	Completed
2.	Effect of production blasts on ground water and geo technical properties on pit-wall and dump stability in Open pit coal mines-MT/129	CMRI	36.24	Feb. 2007	Will spill over to XI Plan
3.	Studies on the advance detection of fires in coal mines with special reference to SCCL-MT/130	Andhra Univ. & SCCL	166.5088	Aug. 207	Will spill over to XI Plan
4.	Standardisation of blast vibration damage threshold for the residential structures in mining areas-MT/131	CMRI, CMPDI & ECL	32.50 For CMRI-28.47 For CMPDI-4.03	Aug. 2006	Completed
5.	Application of high pressure water injection for hard roof management at Churcha West Colliery, SECL MT/132	CMRI & SECL	58.8 MoC-55.90 Cont. SECL-2.90	Jun. 2007	Will spill over to XI Plan

1	2	3	4	5	6
6.	Study into extent of abatement loading trend and design of advance support during pillar extraction by stowing in a coal mines-MT/133	SCCL & NIRM	35.79	Aug. 2005	Completed
7.	stability of parting between coal pillars workings in level contiguous seams during depillaring-MT/137	CMRI	50.54	Sep. 2008	Will spill over to XI Plan
8.	A study on effect of underground blasting on surface structures *vis-a-vis* standardisation of blast vibration damage threshold-MT/138	CMRI	30.388	Sep. 2006	Completed
9.	Efficacy of rock bolt in underground fire zones and water bearing excavations-MT/139	Anna Univ.	88.205	Oct. 2008	Will spill over to XI Plan
10.	Development of high strength corrosion resistant roof bolts and guidelines for selection of bolts and accessories-MT/140	RDCIS & CMPDI	72.912 For RDCIS-70.212 For CMPDIL-2.70	Apr. 2006	Completed
11.	Development of a mining method for final extraction of a critically thick coal seam standing on pillars and the the development made along the roof horizon-MT/141	CMRI & SCCL	24.3 MoC-21.87 Cont SCCL-2.43	Oct. 2006	Terminated
12.	Development of integrated mine operation management system for a large opencast coal mine-MT/142	Anna. Univ	35.7029 MoC-32.1329 Cont SCCL-3.57	Nov. 2006	Completed
13.	Indigenous development of prototype longwall supports (Chock-shield)-MT/143	SCCL MOC-117.50	148.00 Cont SCCL-30.50	Dec. 2006	Will spill over to XI Plan

1	2	3	4	5	6
14.	Feasibility study for the application of radar technique for detection and mapping of geological faults and water bodies in UG coal mines-MT/144	IIT Kharagpur & CMPDI	20.445 For IIT (K)-16.445 For CMPDIL-4.00	June 2006	completed
15.	Development of micro-seismic monitoring system for stability analysis of UG mine working under Difficult to cave roof conditions-MT/145	CMRI & ECL	47.849	Sep. 2007	Will spill over to XI Plan
16.	Characterisation of rock and explosive parameters for optimal explosive energy utilisation in opencast blasting-MT/146	CMPDI & CMRI	270.37 For CMPDI-206.15 For CMRI-64.22	Mar. 2008	Will spill over to XI Plan
17.	Model studies on the efficiency of gravity blind back filling method and evaluation of a pre-jamming indication parameters-MT/147	IIT Kharagpur	14.766	Mar. 2007	Will spill over to XI Plan
18.	Development of an experimental subterranean robot (SR) for feasibility study of robotic application in underground coal mines-MT/148	CMERI, Durgapur CMPDI & CMRI	89.168 For CMERI-85.168 For CMPDI-2.00 For CMRI-2.00	Apr. 2007	Will spill over to XI Plan
19.	Establishment of standard method for assessment of incendivity of 32mm dia permitted explosive-MT/149	CMRI	41.19	Apr. 2008	Will spill over to XI Plan
20.	Underground coal gasification and its utilisation for power generation studies in lignite deposit of Rajasthan (Phase-I)-MT/150	NLC	1125.00 MoC-562.50 Cont. DST-375.00 Cont. NLC-187.50	Aug. 2009	Will spill over to XI Plan

1	2	3	4	5	6
21.	Investigation of cavability of overlying strata and development of guidelines of support capacity for longwall faces-MT/151	CMRI, NIRM, ISM, CMPDI SECL, SCCL, ECL & BCCL	455.566 For CMRI-200.142 For NIRM-187.91 For ISM-57.514 For CMPDI-10.00	Oct. 2008	Will spill over to XI Plan
22.	Development of room temperature sensors for methane using carbon nanotubes and nanofibres-MT/152	Jadavpur University & ISM	76.94 For Jadavpur-63.78 For ISM-13.16	Oct. 2008	Will spill over to XI Plan
23.	Separation of marcasite from pulverised lignite using fluidised bed-CP/40	NLC & IIT Madras	17.56 MoC-15.60 For NLC-2.50 For IIT, Madras-13.10 Cont. NLC-1.96	Mar. 2006	Completed
24.	Application of Vorsyl separator for recovery of clean coal from middlings and rejects-CP/42	RRL (Bhopal) & CMPDI	125.40 For RRL (B)-85.40 S&T part-54.765 Cont. DST-30.365 For CMPDI-40.00	Mar. 2008	Will spill over to XI Plan
25.	Development of user friendly models for design and operation of jigs and heavy media cyclones for treatment of different coals-CP/43	RRL, Bhopal ISM & CMPDI	61.14 For RRL (B)-34.22 For ISM-14.22 For CMPDI-12.70	Aug. 2007	Will spill over to XI Plan

1	2	3	4	5	6
26.	Evaluation of Combustion behaviour of coal at different ash levels-CU/44	CFRI	194.8	Mar. 2006	completed
27.	Development of process for potential utilisation of natural coke (Jhama) in Industrial Application-CU/45	CFRI	40.00	Dec. 2006	Will spill over to XI Plan
28.	Development of cheap, energy efficient by product coke over for production of hard coke for steel/metallurgical Use-CU/46	CFRI & CMPDI	286.67 For CFRI-240.60 For CMPDI-46.07	Nov. 2007	Will spill over to XI Plan
29.	Development of process/technique for potential utilisation of less matured non-coking coal for making hard coke by utilising stamp charging-CU/47	CFRI & CMPDI	98.88 For CFRI-92.80 For CMPDI-6.08	June 2007	Will spill over to XI Plan
30.	Agglomeration formation in reducing condition in pressurised fluidised bed gasification (PFBG) with Low rank high ash coals-CU/48	CFRI, CET, Osmania Univ. & CMPDI, Ranchi	338.58 For CFRI-283.48 For CET-42.71 For CMPDI-12.39	Mar. 2008	Will spill over to XI Plan
31.	Development of a process for the production of activated carbon from Neyveli Lignite-CU/49	NLC & RRL Trivandrum	98.6 For NLC-22.70 For RRL (T)-75.90	Mar. 2007	Completed
32.	R&D leading to gainful industrial utilisation of heat affected Jharia Coals-CU/50	CFRI	52.87	Oct. 2006	Will spill over to XI Plan
33.	Direct sourcing of coal for value added chemicals-CU/51	CFRI & IICT, Hyderabad	70.3 For CFRI-32.30 For IICT-38.00	Oct. 2007	Will spill over to XI Plan

1	2	3	4	5	6
34.	Development of emission factors for various mining machineries and operations in opencast coal mines-EE/27	CMPDI	78.01	Mar. 2008	Will spill over to XI Plan
35.	Environmental impact of subsidence movements caused due to caving on ground water and forest cover in Godavari Valley Coalfields-EE/28	CMRI & SCCL	72.03 MoC-60.83 Cont. SCCL-11.20	Sep. 2007	Will spill over to XI Plan
36.	Studies on the impact of atmospheric biotic/abiotic particulates on the environment of Jharia Coalfield and their abatement strategies-EE/29	CFRI	33.90	Apr. 2007	Will spill over to XI Plan
37.	Fly ash characterisation for mine void reclamation-EE/30	CMPDI	287.684	Oct. 2008	Will spill over to XI Plan
38.	Development of suitable biological waste water treatment technology through constructed wetlands for treatment of acid mine drainage from coal projects-EE/31	CMPDI	78.62	Jul. 2007	Will spill over to XI Plan
39.	Studies on the use of bottom slag in crop production-EE/32	NLC & TNAU	92.3244 For NLC-31.35 For TNAU-51.9744 Cont. NLC-9.00	Oct. 2007	Will spill over to XI Plan
40.	Environmental clean up and remediation of coal mining overburden sites of Tirap Collieries Assam-EE/33	RRL, Jorhat	18.90	Oct. 2008	Will spill over to XI Plan
41.	Investigation into low cost linear for disposal of coal ash in abandoned opencast mine-EE/34	CMRI	39.00	Sep. 2009	Will spill over to XI Plan

1	2	3	4	5	6
42.	Study on blasting dust management system in an opencast coal mine—EE/35	NIRM, MCL & NCL	48.33	Sep. 2009	Will spill over to XI Plan
43.	To study the role of blast design parameter on ground vibration and correlation of vibration level to blasting damage to surface structures—MT/134	NIRM, SCCL & WCL	37.6	Sep. 2005	Completed
44.	Optimisation of production from underground coal mines by achieving longer pull—MT/135	CMRI & SCCL	13.67	Oct. 2004	Completed
45.	Design and development of wireless multi-media monitoring for system for coal mines—MT/136	IISc. Bangalore	12.985	Apr. 2004	Completed
46.	All pollution resistance and filtering capacities in trees and shrubs of surrounding opencast coal mines areas—EE/26	Vinobha Bhave Univ.	9.45	Apr. 2005	Completed
47.	Development of a process for clarification of inlet water and waste water on coal washery by using magnetic particle technology—CP/41	RRL, Bhub. & CMPDI	10.20	Oct. 2005	Completed

STATUS OF PROJECTS (COSTING RS. 100 CRORES & ABOVE) APPROVED DURING 2005 & 2006

Co.	Projects	Types	Sanc. Capacity (Mty)	Sanc. Capital (Rs. crs)	Date of Sanction	Schedule Date of Compln.	Production BE/RE 2006-07 (Mte)	Production Till Jan.-07 (Mte)	Expenditure Prog. Dec.-06 (Rs. crs.)	Present Status
1	2	3	4	5	6	7	8	9	10	11
ECL	1. Jhanjra LW (PH-II)	UG	1.70	287.17	Nov.-06	Mar.-10	0.00	0.00	0.00	Global tender invited on 07.02.06 with an objective to achieve a minimum production of 9.40 Mte of coal within a period of six years with an annual average production guarantee of at least 1.70 Mt. Through application and implementation of Powered Support Longwall Technology at Jhanjra R-VI Seam of ECL. Only one party M/s. China Coal Overseas Development Co. Ltd. of

1	2	3	4	5	6	7	8	9	10	11
										China has submitted the bid. The date of submission & opening of tender (Part-I) was again rescheduled on 20.12.06. On 20.12.06, no other party submitted the bid. The bid of M/s. China Coal Overseas Development Co. Ltd. was opened and it is under scrutiny.
CCL	2. Ashoka Expn	OC	6.50	471.66	Apr.-06	Mar.-11	6.05	4.61	69.65	All efforts are being made to achieve 6.50 Mty during 2006-07. In all probability the project will achieve the desired production.
CCL	3. Magadh	OC	12.00	469.78	Jul.-06	Mar.-13	0.00	0.00	1.94	PR sanction with Coal & OB outsourcing option. Application for 10.82 Ha. Forest land submitted in April-04. NOC issued in Nov.-05. Proposal sent to RCCF in Feb.-07. EMP clearance obtained in Jan.-06.

1	2	3	4	5	6	7	8	9	10	11
NCL	4. Amlohri Expn	OC	10.00	1352.04	May-06	Mar.-14	0.00	3.78	0.00	NIT for OB outsourcing work published. Part-1 opened in July-06 and price bid opened in Jan.-07. NCL Board has directed for re-tendering.
NCL	5. Bina Extn. Oc	OC	6.00	168.97	Nov.-06	Mar.-14	0.00	0.00	30.36	Stage-II forestry clearance for 379 Ha. (MP side) awaited. EMP cleared in Aug.-06. NIT for OB outsourcing work published. Part-I opened in Aug.-06 and Part-II opened in Dec.-06. LOA issued in Jan.-07 for a quantity of 3 Mcum for one year and work started. EMP cleared in Aug.-06.
NCL	6. Block-B	OC	3.50	746.04	Jul.-06	Mar.-12	0.00	0.00	62.47	Stage-II clearance accorded in Sept.-06. EMP cleared in May-05. NIT for OB outsourcing work published. Part-I opened in Nov.-06, Part-II opened in Dec.-06. LOA issued in Jan-07.

1	2	3	4	5	6	7	8	9	10	11
NCL	7. Krishnasila	OC	4.00	789.88	May-06	Mar.-10	0.00	0.00	32.80	Stage-II clearance accorded in July-06. EMP cleared in Feb.-06. MIT for OB outsourcing work published. Part-I opened in Jul.-06 and Part II opened in Nov.-06. LOA issued in Jan.-07.
SECL	8. Dipka Expn (Phase-II)	OC	10.00	856.59	Jul.-05	Mar.-10	8.20	7.68	26.34	No additional forest land involved. EMP approved in Oct.-04. Project has already started production.
SECL	9. Gevra Expn (Phase-II)	OC	13.00	1339.69	Jul.-05	Mar.-10	14.20	11.61	5.48	Stage-I forestry clearance received in Oct.-06 Final clearance awaited. EMP approved in Oct.-04. Project has already started production.
SECL	10. Kusmunda Expn.	OC	4.00	360.25	Jun.-06	Mar.-11	2.80	2.85	3.17	Application for revenue forest land has been forwarded to Secy. (Forest), CG Govt., Raipur. EMP cleared in Feb.-06. Project has already started production.

1	2	3	4	5	6	7	8	9	10	11
MCL	11. Bhubaneswari	OC	10.00	336.68	Jan-05	Mar-12	0.00	0.00	11.71	Stage-II forestry clearance received in Dec.-04. EMP cleared in June-03. Draft NIT for Global tendering for 10 years is ready. Pre-NIT meeting held in Jan-07. NIT is to be vetted by CRISIL.
MCL	12. Kulda	OC	10.00	302.96	Jan-05	Mar-10	0.00	0.00	40.20	Stage-II Forestry clearance awaited. EMP cleared in Dec-02. NIT for outsourcing of 49 Lakh Cum. of OB for two years floated in May-06. Bid received. Estimate prepared and under process of approval.
MCL	13. Bharatpur Expn. (PH-III)	OC	9.00	131.39	Feb-07	Mar-10	0.00	0.00	0.00	Action initiated for floating of tender for Coal and OB outsourcing.
			99.700	7613.100			31.25	30.52	284.12	

ANNEXURE III

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON COAL & STEEL (2006-07) HELD ON 26.3.2007 IN COMMITTEE ROOM 'C', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee met from 1000 hours to 1215 hours.

PRESENT

Dr. Satyanarayan Jatiya—*Chairman*

MEMBERS

Lok Sabha

2. Shri Hansraj G. Ahir
3. Shri Hiten Barman
4. Shri Chandra Shekhar Dubey
5. Shri Chandrakant B. Khaire
6. Shri Faggan Singh Kulaste
7. Shri Raghuraj Singh Shakya

Rajya Sabha

8. Shri Surendra Lath
9. Shri Jesudas Seelam
10. Shri Bashistha Narain Singh
11. Shri Jai Narain Prasad Singh

SECRETARIAT

1. Shri P.K. Bhandari — *Joint Secretary*
2. Shri A.K. Singh — *Director*
3. Shri Shiv Singh — *Deputy Secretary*

WITNESSES

Ministry of Coal

1. Shri H.C. Gupta,	Secretary
2. Dr. S.P. Seth,	Addl. Secretary
3. Shri Rajiv Sharma,	Addl. Secretary

4. Shri K.S. Kropha,	Joint Secretary
5. Shri Sanjiv Mittal	JS&FA
6. Shri P.R. Mandal	Adv. (Project)
7. Shri P.S. Bhattacharya	CMD, Coal India Ltd. (CIL)
8. Shri A.K. Paul	CMD, Bharat Coking Coal Ltd. (BCCL)
9. Shri B.K. Sinha	CMD, South Eastern Coal Fields Ltd. (SECL)
10. Shri G.S. Chug	CMD, Western Coalfields Ltd. (WCL)
11. Shri Abhiram Sharma	CMD, Mahanadi Coalfields Ltd. (MCL)
12. Shri V.K. Singh	CMD, Northern Coalfields Ltd. (NCL)
13. Shri R.P. Ritolia	CMD, Central Coalfields Ltd. (CCL)
14. Shri S. Choudhuri	CMD, Central Mine Planning & Design Institute (CMPDI)
15. Shri S. Jayaraman	CMD, Neyveli Lignite Corporation Ltd. (NLC)
16. Shri N.C. Jha	Director (Tech.), Coal India Ltd. (CIL)
17. Shri S. Bhattarcharya	Director (F) -do-
18. Md. Salimmudin	Director (P&IR) -do-
19. Shri K. Ranganath	Dir. (Marketing), -do-
20. Shri J.N. Prasanna Kumar	Dir. (Fin), Neyveli Lignite Corporation (NLC)
21. Shri U.S. Upadhyay	Director (Tech), Eastern Coalfields Ltd. (ECL)

2. At the outset, the Chairman, Standing Committee on Coal & Steel welcomed the Members and Officers of the Ministry of Coal to the sitting of the Committee. Thereafter, the Secretary, Ministry of Coal briefed the Committee on the Demands for Grants for the year 2007-08 of his Ministry. The following important points were discussed by the Committee:-

(i) Plan and Non-Plan Outlays for the years 2006-07 and 2007-08 made for the centrally sponsored schemes;

(ii) Investment in the Public Sector Coal Companies during 10th Plan Period and provision of funds made for the 11th Plan;

(iii) Generation of Internal and Extra Budgetary Resources (IEBR) by the Coal Companies during the terminal year of 10th Plan and targets fixed for the same during the first year of 11th Plan;

(iv) Physical and financial achievements during the 10th Plan Period;

(v) allotment of captive coal blocks and status of the coal blocks allotted earlier;

(vi) Rampant theft of coal;

(vii) Irregularities and corruption by the Officers of Coal India Ltd. in supply and transportation of coal;

(viii) Coal gasification and liquefaction;

(ix) Safety in Coal mines; and

(x) Physical and financial performance of North Eastern Coalfields and its future programmes/schemes for taking up new coal mining projects in the States of Meghalaya and Arunachal Pradesh to increase coal production from the present level of 1.10 million tonne to 3-4 million tonne by the terminal year of 11th Plan.

3. A copy of the verbatim proceedings of the sitting of the Committee has been kept for record.

The Committee then adjourned.

ANNEXURE IV

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL (2006-07) HELD ON 26 APRIL, 2007 IN COMMITTEE ROOM NO. '139', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee met from 1500 hrs. to 1530 hrs. to consider and adopt the Reports on Demands for Grants (2007-08) pertaining to the Ministries of Coal, Mines and Steel.

PRESENT

Dr. Satyanarayan Jatiya—*Chairman*

MEMBERS

2. Shri Hansraj G. Ahir
3. Shri Bansa Gopal Choudhury
4. Shri Chandrakant B. Khaire
5. Dr. Rameshwar Oraon
6. Shri Dalpat Singh Paraste
7. Smt. Ranjeet Ranjan
8. Shri Tarachand Sahu
9. Shri Sugrib Singh
10. Shri Ali Anwar
11. Shri Ramadhar Kashyap
12. Shri Ajay Maroo
13. Shri Jai Narain Prasad Nishad

SECRETARIAT

1. Shri P.K. Bhandari — *Joint Secretary*
2. Shri A.K. Singh — *Director*
3. Shri Shiv Singh — *Deputy Secretary*

2. At the outset, the Chairman, Standing Committee on Coal and Steel welcomed the Members to the sitting of the Committee.

3. The Committee then consider and adopted the following Draft Reports with some additions/deletions/modifications:

(i) Report on Demands for Grants (2007-08) of the Ministry of Coal.

(ii) ** ** ** **

(iii) ** ** ** **

4. The Committee authorized the Chairman to finalise the Reports after making consequential changes arising out of factual verification by the concerned Ministries and to present these Reports to both the Houses of Parliament during the current Session.

The Committee then adjourned.

**Does not pertain to this Report.