

1

**STANDING COMMITTEE ON  
COAL AND STEEL  
(2009-2010)**

**FIFTEENTH LOK SABHA**

**MINISTRY OF COAL**

**DEMANDS FOR GRANTS  
(2009-2010)**

**FIRST REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*December, 2009 / Agrahayana, 1931 (Saka)*

FIRST REPORT  
STANDING COMMITTEE ON  
COAL AND STEEL  
(2009-2010)

(FIFTEENTH LOK SABHA)

MINISTRY OF COAL

DEMANDS FOR GRANTS  
(2009-2010)

*Presented to Lok Sabha on 18.12.2009  
Laid in Rajya Sabha on 18.12.2009*



LOK SABHA SECRETARIAT  
NEW DELHI

*December, 2009/Agrahayana, 1931 (Saka)*

CC&S No. 40

*Price : Rs. 85.00*

© 2009 By LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Thirteenth Edition) and printed by Jainco Art India, New Delhi-110 005.

## CONTENTS

	PAGE
COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL.....	(iii)
INTRODUCTION .....	(v)
<b>PART I</b>	
CHAPTER I      Introductory .....	1
CHAPTER II     Status of Implementation of the recommendations contained in the 31st Report of the Standing Committee on Coal and Steel (14th Lok Sabha) on Demands for Grants (2008-09) of the Ministry of Coal .....	4
CHAPTER III    Analysis of the Demands for Grants (2009-10) of the Ministry of Coal .....	5
CHAPTER IV    XIth Plan—A Review .....	15
CHAPTER V     Investment in Public Sector Undertakings .....	20
CHAPTER VI    Master Plan for Jharia and Raniganj Coalfields .....	37
CHAPTER VII   Mine Closure Policy .....	42
CHAPTER VIII   Coal Vision-2025 .....	45
CHAPTER IX    Captive Coal Blocks .....	47
Statement of observations/recommendations of the Standing Committee on Coal and Steel contained in the Report .....	49
ANNEXURES	
I. Statement showing Projects where land acquisition has been delayed .....	65
II. Statement showing environmental clearances Projects which are awaited.....	69
III. Minutes of the sitting of the Standing Committee on Coal and Steel held on 29.09.2009 .....	72
IV. Minutes of the sitting of the Standing Committee on Coal and Steel held on 21.10.09 .....	75
V. Minutes of the sitting of the Standing Committee on Coal and Steel held on 14.12.09 .....	77
	(i)

COMPOSITION OF THE STANDING COMMITTEE  
ON COAL AND STEEL (2009-10)

Shri Kalyan Banerjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Adhi Sankar
3. Shri Hansraj G. Ahir
4. Shri Sanjay Bhoi
5. Shri Abu Hasem Khan Choudhury
6. Shri Ismail Hussain
7. Shri Chandrakant B. Khaire
8. Shri Yashbant Laguri
9. Sardar Sukhdev Singh Libra
10. Shri Narahari Mahato
11. Shri Babu Lal Marandi
12. Shri Govind Prasad Mishra
13. Kumari Saroj Pandey
14. Shri Ramesh Rathod
15. Shri Rakesh Sachan
16. Shri Pashupati Nath Singh
17. Smt. Rajesh Nandini Singh
18. Shri Rajiv Ranjan Singh *alias* Lalan Singh
19. Shri Shibu Soren
20. Dr. G. Vivekanand
21. Vacant#

---

#Shri Jaywant G. Awale ceased to be Member of the Committee *w.e.f.* 19.10.2009.

*Rajya Sabha*

22. Ms. Mabel Rebello
23. Shri Dhiraj Prasad Sahu
24. Dr. Dasari Narayana Rao
25. Shri Jai Prakash Narayan Singh
26. Shri Nand Kumar Sai
27. Shri A. Vijayaraghavan
28. Shri Ali Anwar Ansari
29. Shri R.C. Singh
30. Shri Kishore Kumar Mohanty
31. Shri Swapan Sadhan Bose

SECRETARIAT

1. Shri Ashok Sarin — *Joint Secretary*
2. Shri Shiv Singh — *Director*

## INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this First Report (Fifteenth Lok Sabha) on Demands for Grants (2009-10) relating to the Ministry of Coal.

2. The Demands for Grants of the Ministry of Coal were laid on the Table of the House on 8th July 2009. Under rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal and Steel are required to consider the Demands for Grants of Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament. Thereafter the Demands are considered by the House in the light of the Report of the Committee. However, this year the Demands for Grants (2009-10) of Ministry of Coal were passed by Lok Sabha on 23.07.2009, prior to their consideration by the Standing Committee on Coal and Steel. Nonetheless, in pursuance of the observations made by the Chair, the Committee examined Demands for Grants (2009-10) of the Ministry of Coal and issues arising therefrom.

3. The Committee took evidence of the representatives of the Ministry of Coal on 29th September and 21st October, 2009.

4. The Report was considered and adopted by the Committee at their sitting held on 14th December, 2009.

5. The Committee wish to express their thanks to the officials of the Ministry of Coal for the cooperation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

6. 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;  
14 December, 2009  
23 Agrahayana, 1930 (Saka)

KALYAN BANERJEE,  
Chairman,  
Standing Committee on Coal and Steel.

## REPORT

### CHAPTER I

#### INTRODUCTORY

Coal is the dominating sources of commercial energy in India. Around 70% of the country's energy need is met by this solid fuel in a relatively inexpensive manner. Coal continues to be the major source of primary commercial energy worldwide. Considering the limited reserve potentiality of petroleum and natural gas, eco-conservation restriction on hydel projects and geo-political perception of nuclear power, coal will continue to occupy the centre stage of India's energy scenario.

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 exploration 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 carbonization 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; the Coal Mines Provident Fund Organization; and administration of Public Sector Enterprises 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)

Coal India Ltd., having headquarters of 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)

1.4 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**

1.5 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.

#### **Coal Mines Provident Fund Organisation (CMPFO), Dhanbad**

1.6 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.

1.7 The Ministry in Outcome Budget (2009-10), while detailing the Budget Estimates and the Plan Outlay of the Ministry of Coal and Coal PSUs also brings out the quantifiable deliverables and

physical outputs along with the timelines for both the Plan and Non-Plan schemes operated in the Ministry of Coal. The new initiatives and policy measures on the new coal distribution policy, fresh, E-auction scheme, revision in the Coal Royalty Rate, the formation of Coal Ventures International (Special Purpose Vehicle of the Central Public Sector Undertakings including Coal India Limited) etc. are also brought out in the Outcome Budget 2009-10. In addition, the Outcome Budget also addresses the issues relating to measures to increase coal production through Emergency Coal Production Plan and Captive Coal Block allocation.

**1.8 The detailed Demands for Grants (2009-10) of the Ministry of Coal were presented to the Lok Sabha on 8.7.2009.** The demand shows a budgetary provision of Gross Budgetary Support of Rs. 349.00 crore with a provision of Rs. 5374.41 crore to be generated by coal and lignite companies from the own Internal & Extra Budgetary Resources (I&EBR). The Committee have examined in-depth the detailed Demands for Grants of the Ministry of Coal for the year 2009-10. The Committee endorse the Demands presented by the Government, subject to their observations/recommendations which are contained in the succeeding chapters. The Committee expect the Ministry to take necessary steps for proper and timely utilization of the funds so as to complete the various plans/projects in a time-bound programme.

## CHAPTER II

### STATUS OF IMPLEMENTATION OF RECOMMENDATIONS CONTAINED IN THE FIFTEENTH REPORT OF THE STANDING COMMITTEE ON COAL AND STEEL ON DEMANDS FOR GRANTS (2008-09) OF THE MINISTRY OF COAL

The Parliamentary Committee on Coal and Steel presented their 31st Report (14th Lok Sabha) on Demands for Grants (2008-09) of the Ministry of Coal on 16th April, 2008. The Committee presented their 36th Report on Action Taken by the Government on the recommendations/observations contained in the 31st Report of the Committee on Demands for Grants 2008-09 of the Ministry of Coal on 12.12.2008. Out of nine recommendations given by the Committee in their 31st Report, six recommendations (Sl. Nos. 1, 2, 5, 6, 7 and 8) were accepted by the Government, one recommendation (Sl. No. 3 had not been accepted by the Committee) and replies of two recommendations (Sl. Nos. 4 and 9) were awaited from the Government.

**2.2 The Minister of Coal made a statement in Parliament on the status of implementation of recommendations contained in the 31st Report of the Committee on 22nd December, 2008. Consequent upon the examination of Minister's Statement in Parliament, it is noticed that six recommendations have been accepted and implemented by the Government, whereas the implementation of three recommendations is still under process. The Committee hope that the Ministry of Coal will implement the remaining three recommendations also at the earliest.**

## CHAPTER III

### ANALYSIS OF DEMANDS FOR GRANTS (2009-10)

#### Plan and Non-Plan Outlay

The Demands for Grants of the Ministry of Coal can be broadly categorized into two kinds, the one category relating to the schemes/programmes supported by the Gross Budgetary Support from Government of India and other category of schemes / projects being implemented by PSUs from their own Internal and Extra Budgetary Resources (I&EBR).

3.2 The budgetary allocations (BE & RE) of the Ministry of Coal for the financial year 2008-09 and BE for 2009-10 under the capital and revenue heads are as under:—

Major Head	BE 2008-09			RE 2008-09			BE 2009-10		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
	Revenue	300.00	45.50	345.50	210.00	46.00	256.00	300.00	49.00
Capital	—	—	—	—	—	—	—	—	—
Total	300.00	45.50	345.50	210.00	46.00	256.00	300.00	49.00	349.00

There are six Central Sector Schemes under implementation. These are:

- (i) Promotional/Regional Exploration
- (ii) Research & Development
- (iii) Detailed Drilling in Non-CIL Blocks
- (iv) Environmental Measures & Subsidence Control (EMSC)
- (v) Conservation and Safety in Coal Mines
- (vi) Development of Transport Infrastructure in Coalfields

3.3 Out of the above six Schemes, the first four schemes are being operated under the Plan Head for the last several Plan Periods. However, the remaining two schemes have been brought under Plan

Head during the year 2005-06 onwards as directed by the Ministry of Finance. The status of the Budget provision and the expenditure for these six schemes are given below.

3.4 Ministry of Coal has been sanctioned gross budgetary support for the departmental schemes. The PSUs under the administrative control of this Ministry CIL, SCCL and NLC have not been granted any gross budgetary support.

3.5 The Plan outlay for the Central Sector schemes of Ministry of Coal is furnished in the table below:

**Research & Development Projects**

(Rs. in Crore)

Actual 2006-07	Actual 2007-08	RE 2008-09	Actual 2008-09	BE 2009-10
6.00	12.86	10.0	10.00	20.0

**Promotional (Regional) Exploration in Coal & Lignite**

(Rs. in Crore)

Actual 2006-07	Actual 2007-08	RE 2008-09	Actual 2008-09	BE 2009-10
40.00	34.99	34.70	30.00	30.39

**Detailed Drilling in non-CIL/Captive Mining Blocks**

(Rs. in Crore)

Actual 2006-07	Actual 2007-08	RE 2008-09	Actual 2008-09	BE 2009-10
20.98	40.00	15.00	15.00	60.00

**Environmental Measures and Subsidence Control**

(Rs. in Crore)

Actual 2006-07	Actual 2007-08	RE 2008-09	Actual 2008-09	BE 2009-10
7.94	17.99	10.00	9.90	15

**Conservation and safety in coal mines**

(Figures in Crore)

Actual 2006-07	Actual 2007-08	RE 2008-09	Actual 2008-09	BE 2009-10
18.00	150.38	132.00	132.00	135.00

## Development of Transport Infrastructure in Coalfields

(Figures in Crore)

Actual 2006-07	Actual 2007-08	RE 2008-09	Actual 2008-09	BE 2009-10
13.81	23.58	0.01	0.0	22.00

3.6 The Non-Plan Budget (2009-10) of Rs. 49.00 crore mainly comprises of Secretariat (Economic Services), Coal Controller's Organisation, 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 crore 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 Limited 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 Budget can not be linked to deliverable output.

(A) The following schemes/programmes are being implemented with Gross Budgetary Support:—

### Details of Budget Estimates

(Rs. in crore)

	2008-09 (Budget)			2008-09 (Revised)			2009-10 (Budget)		
	Plan	Non -	Total	Plan	Non -	Total	Plan	Non -	Total
		□	□Plan	□	□	□Plan	□	□	□Plan
	1	2	3	4	5	6	7	8	9
□ Total	300.00	45.50	345.50	210.00	46.00	256.00	300.00	49.00	349.00
1. Secretariat - Economic Services	3.00	8.49	11.49	0.23	10.43	10.66	3.00	12.73	15.73
□ LABOUR AND EMPLOYMENT				□		□			
□ COAL MINES LABOUR WELFARE				□		□			
2. Contribution to Coal Mines Pension Scheme/ Deposit Link Insurance Scheme	0.00	33.52	33.52	0.00	31.02	31.02	0.00	30.52	30.52

	1	2	3	4	5	6	7	8	9
<b>□ COAL AND LIGNITE</b>									
3.	Conservation and Safety in Coal Mines (met out of cess collections)	135.00	0.00	135.00	132.00	0.00	132.00	135.00	0.00 135.00
4.	Development of Transportation Infrastructure in coalfields areas (Met out of cess collections)	21.80	0.00	21.80	0.01	0.00	0.01	22.00	0.00 22.00
5.	Research & Development Programme	10.00	0.00	10.00	10.00	0.00	10.00	20.00	0.00 20.00
6.	Regional Exploration	30.00	0.00	30.00	34.70	0.00	34.70	30.39	0.00 30.39
7.	Detailed Drilling	60.00	0.00	60.00	15.00	0.00	15.00	60.00	0.00 60.00
8.	Environmental Measures and Subsidence Control	10.00	0.00	10.00	10.00	0.00	10.00	15.00	0.00 15.00
9.	Coal Controller	0.20	3.49	3.69	0.26	4.55	4.81	0.31	5.75 6.06
<b>□ Total Coal and Lignite</b>		<b>267.00</b>	<b>3.49</b>	<b>270.49</b>	<b>201.97</b>	<b>4.55</b>	<b>206.52</b>	<b>282.70</b>	<b>5.75 288.45</b>
<b>□ EXPENDITURE MET FROM C.B.A.</b>									
10.	<b>ACQUISITION FUND</b>								
<b>□ 10.01 Acquisition of Coal Bearing Areas</b>									
<b>□ 10.02 Deduct Expenditure met from C.B.A. Acquisition Fund</b>									

	1	2	3	4	5	6	7	8	9
11. Lumpsum provision for North Eastern Areas	30.00	0.00	30.00	7.80	0.00	7.80	14.30	0.00	14.30
Grand Total	300.00	45.50	345.50	210.00	46.00	256.00	300.00	49.00	349.00

**(B)** The following schemes/programmes/projects of PSUs are being implemented through I&EBR:

	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
<b>INVESTMENT IN PUBLIC ENTERPRISES</b>									
13. Coal India Limited	0.00	3214.70	3214.70	0.00	2755.00	2755.00	0.00	2900.00	2900.00
14. Singareni Collieries Company Ltd.	0.00	665.30	665.30	0.00	665.30	665.30	0.00	580.57	580.57
15. Neyveli Lignite Corporation Limited (Mines)	0.00	772.00	772.00	0.00	506.79	506.79	0.00	524.09	524.09
Neyveli Lignite Corporation Limited (Power)	0.00	1945.00	1945.00	0.00	1388.55	1388.55	0.00	1369.75	1369.75
Neyveli Lignite Corporation Limited (Total)	0.00	2717.00	2717.00	0.00	1895.34	1895.34	0.00	1893.84	1893.84
Total	0.00	6597.00	6597.00	0.00	5315.64	5315.64	0.00	5374.41	5374.41
<b>Plan Outlay</b>									
16. Power	0.00	1945.00	1945.00	0.00	1388.55	1388.85	0.00	1369.75	1369.75
17. Coal and Lignite	0.00	4652.00	4652.00	0.00	3927.09	3927.09	0.00	4004.66	4004.66
Total Plan Outlay (MOC)	300.00	6597.00	6897.00	210.00	5315.64	5525.64	300.00	5374.41	5674.41

3.7 In the Plan outlay 2009-10, provision has been made for (i) Regional Exploration (Rs. 30.39 crore), EMSC (Rs. 15.00 crore), Research and Development (S&T) (Rs. 20.00 crore), Detailed Drilling (Rs. 60.00 crore), Conservation and Safety in Coal Mines (Rs. 135.00 crore) and Development of Transport Infrastructure in Coalfield Areas (Rs. 22.00 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 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. 14.30 crore being 10% of the Plan outlay, has been kept as per mandatory requirement for development of NE Region.

3.8 When asked about the reasons for decrease in the plan outlay for the year 2008-09 at RE stage, the Ministry of Coal stated as under:—

“There has been pronounced reduction in Plan Outlays of two schemes only at RE 2008-09 stage namely (i) Detailed Drilling in Non-CIL Blocks, and (ii) Development of Transport Infrastructure in Coalfield Areas. Reasons for variation are indicated as hereunder.

#### **A. Detailed Drilling in Non-CIL Blocks**

(Rs. in crore)		
Year	BE (Ex-NE)	RE (Ex-NE)
2008-09	60.00	15.00

The plan outlay for Detailed Drilling in Non-CIL blocks has decreased at RE stage. In BE 2008-09, 1.08 lakh m of detailed drilling in non-CIL blocks (CMPDI departmental 0.49 lakh m, outsourcing 0.59 lakh m) was programmed. Although departmental drilling was carried out as per programme, outsourced work could not progress satisfactorily. After lengthy tendering processes, five blocks were awarded for exploration in July 2008 through 1st phase of tendering (National) by CMPDI and five more blocks were awarded through 3rd phase of Tendering (Global) in January 2009. Drilling in three of the five blocks awarded in July 2008 could not be taken up due to non-availability of permission to explore in

forest area from State Governments/Ministry of Environment and Forests. The award of work through Global Tendering was also delayed due to poor response and bid submission date was extended three times. Even then, the exploration work of 3 non-CIL blocks could not be outsourced. The targets (Physical & Financial) were revised at RE stage on account of the above reasons and 0.743 lakh m of drilling (Departmental 0.60, Outsourcing 0.143) achieved in 2008-09 against the RE targets of 0.662 lakh m (Departmental 0.49, Outsourcing 0.172). A total of 1.17 lakh meter of detailed drilling in non-CIL/Captive Coal Blocks have been targeted in Annual Plan of Ministry of Coal 2009-10 BE at a proposed grant of Rs. 60 crore.

The Ministry of Coal in his written reply have stated that reasons for shortfall in achieving drilling targets have been non-availability of forest clearance which has affected drilling in 3 outsourced blocks.

#### **B. Development of Transport Infrastructure in Coalfield Areas**

(Figures in Crores)

RE 2008-09	Actual 2008-09	BE 2009-10
0.01	0.0	22.00

This scheme was transferred from Non-Plan side to Plan side and the EFC clearance for the implementation of scheme as a Plan scheme could not be obtained and accordingly the provision had to be reduced at RE stage from Rs. 21.80 crore to Rs. 0.01 crore."

3.9 The Committee have been informed that funds could not be made available as the scheme is yet to be approved by the Government for inclusion in the XIth Plan for which in principle approval is awaited from Planning Commission. During 2008-2009 while exemption for incurring expenditure for the scheme mentioned at Sl.No. 5 was accorded by Ministry of Finance the incurring of expenditure for this scheme may await approval of EFC.

3.10 The plan outlay in BE 2009-10 of Ministry of Coal for the central sector schemes is more or less same as in BE 2008-09 excepting the provisions for scheme of Research and Development in which there is an increase from Rs. 10.00 crore to Rs. 20.00 crore for the reason explained here under.

### **Research and Development Programme:**

3.11 Originally Rs. 11.00 crore. was proposed in the Annual Plan 2009-10, however the BE Provision was increased to Rs. 20.00 crore during discussions in Planning Commission since, there are seven (7) new S&T projects which have been recommended by the Technical Sub-Committee of Standing Scientific Research Committee (SSRC) and are now being placed for approval of SSRC. The 1st year provision in these projects is around Rs. 8.75 crore out of the total estimated cost of Rs. 12.30 crore (approx.) with project duration of 2/3 years. Apart from this, projects spilled over from 10th Plan also will be taken up. Thus the provision of Rs. 20.00 crore is justified.

3.12 Gross budgetary support is being provided for implementation of Central Sector Schemes and meeting expenditure for various other activities *viz.* Secretariat (Economic Services), Coal Controller's Organisation, 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, the expenditure for the schemes/projects being implemented by the Coal Public Sector Undertakings is being met from their own external and Internal Extra Budgetary Resources (I&EBR).

The Committee note that the budgetary allocation of the Ministry of Coal for the year 2008-09 was Rs. 345.90 crore and the same was drastically reduced to Rs. 256.00 crore at RE stage. Even this amount could not be fully utilized as the actual utilization during 2008-09 was only Rs. 243.14 crore. The Ministry have attributed this reduction for two schemes, namely, Detailed Drilling in Non-CIL Blocks and Development of Transport Infrastructure in Coalfield Areas. According to the Ministry, there was unsatisfactory progress of drilling work due to non-availability of permission from State Governments/Ministry of Environment & Forest being done through outsourcing and non-availability of fund for the implementation of Development of Transport Infrastructure in Coalfield Areas. While the Ministry have tried to explain reduction of Rs. 66.81 crore on these two schemes, the reasons for the reduction of the remaining funds (about Rs. 23 crore) have not been furnished. The fact that budgetary provisions had to be drastically reduced indicate that the Ministry had not done proper planning before finalizing the budgetary proposals and could not perform their jobs as expected to be done. The Committee do not approve lackadaisical working system. The Committee cannot but over-emphasis the need for proper

estimation of the funds required and for timely utilization of the allocation made for specific purpose.

For the year 2009-10 Rs. 349 crore have been provided at BE stage for implementation of various Central schemes. The Committee hope that this budgetary allocation would be fully utilized and the problems, if any, faced in the implementation of Central schemes would be timely resolved. The Committee urge upon the Ministry to relook the matter and assess the utilization of budgetary allocation.

3.13 The Committee are surprised to find that out of Rs. 21.80 crore earmarked at BE stage during 2008-09 for Development of Transport Infrastructure in Coalfields, no funds were made available to the Ministry on the plea that the scheme is yet to be approved by the Government for inclusion in the XIth Plan for which in principle approval is awaited from Planning Commission. This scheme is stated to have been transferred from non-Plan side to plan side and the clearance for the implementation of the scheme as a plan scheme could not be obtained. The Committee regret to observe that due to non-inclusion of this scheme in XIth Plan by the Planning Commission, it has remained a non-starter in coalfield areas during 2008-09. The Committee would like to be informed as to why this scheme has not been included in the XIth Plan so far. The Committee feel that the scheme on Development of Transport Infrastructure in Coalfield areas needs utmost attention of the Ministry and EFC Clearance for the implementation of scheme as plan scheme should be accorded at the earliest.

3.14 It is pertinent to note that whereas the outlay for detailed drilling in non-CIL/captive blocks was reduced from Rs. 60 crore to Rs. 15 crore during 2008-09, a similar amount (Rs. 60 crore) has been earmarked for this purpose at BE stage for 2009-10. The main reason is stated to be non-availability of the forest clearance in three outsourced blocks earmarked for drilling during 2008-09. According to the Ministry, while Central Mine Planning and Design Institute(CMPDI) will be carrying out drilling in CIL blocks, half of the detailed drilling has to be outsourced in 2009-10 since it would be beyond the existing capacity of Central Mine Planning and Design Institute to execute the work. The Committee desire that the funds earmarked for this year should be optimally utilized to achieve 1.17 lakh meter of detailed drilling. The Committee at the same time would urge upon the Government to accelerate the exploration in potential areas so as to bring the reserves into proved category and to achieve the envisaged target. The capacity of Central Mine

Planning and Design Institute also needs to be strengthened in terms of infrastructure and manpower to make it a premier sustainable institute for implementing R&D in the coal sector. The Committee feel that the Ministry of Coal/Coal India Limited should offer a helping hand to the companies who are taking up the drilling work on behalf of Central Mine Planning and Design Institute to overcome procedural requirements before taking up projects for drilling.

3.15 The Committee note that a provision of Rs. 20.00 crore has been made for implementing Research and Development Projects during 2009-10 as against Rs. 10 crore in BE & RE 2008-09 for taking up seven new projects which had been recommended by Technical Sub-Committee of Standing Scientific Research Committee (SSRC) and projects that spilled over from Xth Plan. Keeping in view the rising demand of coal from different utilities particularly from the power sector, it is imperative that major thrust is given to R&D activities to explore untapped coal reserves. The Committee regret to observe that the Ministry of Coal could utilize only Rs. 22.86 crore during first two years of XIth Plan on R&D projects against Rs. 75.35 crore approved by the Planning Commission. The Committee recommend that the Ministry should take necessary measures to ensure full utilization of the allotted funds for R&D Projects and periodical assessment must be made as regards full utilization of the allotted funds for R&D Projects. In such case, Ministry should give responsibility to a very senior officer of the Ministry to oversee that allotted funds for R&D Projects are utilized. No one is unmindful of the fact that coal industry is not in a position to cope up with the necessary demand of coal.

3.16 The Committee in their earlier Reports had been observing that, there has been persistent shortfall in the utilization of budget allocation by the Ministry. Despite the corrective measures claimed to have taken by the Ministry, there has been instances of mismatch between expenditure and budget allocation, thereby resulting in sizeable cut of funds at RE stage. The Committee are inclined to conclude that the budgetary exercise in the Ministry needs to be re-oriented and rationalised to keep a proper balance between expenditure and budgetary allocation.

## CHAPTER IV

### XIth PLAN—A REVIEW

To achieve the projected coal production in XIth Plan, Working Group in Coal & Lignite for XIth Plan has estimated a total Plan outlay of Rs. 34259 crore for CIL, SCCL and NLC. Capital outlay for the departmental schemes of the Ministry of Coal has been estimated at Rs. 7702 crore. Thus the total Capital Outlay works out to Rs. 41961 crore. However, the Ministry of Coal has proposed a total Capital Outlay of Rs. 43476.37 crore. The Planning Commission has approved total capital outlay of Rs. 37,100.00 crs. The details of Capital Outlay. The total XIth plan period is as under:—

Company	XIth FYP Proposed by MoC	Approved by Planning Commission
1	2	3
Coal India Limited	17390.07	17390.00
SCCL	3340.30	3340.00
NLC		
Mines	2826.00	2826.00
Power	12218.00	12218.00
Total NLC	15044.00	15044.00
Sub-Total (Coal PSUs)	35774.37	35774.00
Departmental Schemes		
• Science & Technology (S&T)	100.00	75.35
• Regional Exploration	383.50	164.02
• Detailed Drilling	893.89	472.94
• Env. Mgmt. & Subsidence Control	4642.88	155.34
• Conservation & Safety in Coal Mines	692.95	170.67
• Development of transport infrastructure in coalfield areas	972.65	277.63

1	2	3
• Coal Controller's Office	1.13	1.22
• Information Technology	15.00	8,84
• North-Eastern Region	0.00	0.00
Sub-Total (Departmental Schemes)	7702.00	1326.00
Grand Total - MoC	43476.37	37100.00

Financial targets set out for coal PSUs during the last two years are as under:—

Company	2007-08 (RE)	2007-08 (Actual )	2008-09 (BE)	2008-09 (RE)	2008-09 Actual
1	2	3	4	5	6
Coal India Limited	2066.97	2033.51	3214.70	2755.00	2289.06
SCCL	520.00	573.97	665.30	665.30	499.33
NLC					
Mines	696.72	578.54	772.00	506.79	400.05
Power	1233.28	1188.17	1945.00	1388.55	1159.10
Total NLC	1930.00	1766.71	2717.00	1895.34	1559.15
<b>Sub-Total (Coal PSUs)</b>	<b>4516.97</b>	<b>4374.19</b>	<b>6597.00</b>	<b>5315.64</b>	<b>4347.54</b>
Departmental Schemes					
• Science & Technology (S&T)	12.86	12.86	10.00	10.00	10.00
• Regional Exploration	65.85	34.99	30.00	65.98	30.00
• Detailed Drilling	43.84	40.00	60.00	40.27	15.00
• Env. Mgmt. & Subsidence Control	28.22	17.99	10.00	10.20	9.90
• Conservation & Safety in coal mines	165.00	150.38	135.00	135.00	132.00
• Development of transport infrastructure in coalfield areas	45.00	23.58	21.80	21.80	0.00

1	2	3	4	5	6
• Coal Controller's Office	0.22	0.19	0.20	0.20	0.21
• Information Technology	1.00	0.03	3.00	3.00	0.00
• North-Eastern Region	15.20	0.00	30.00	0.00	0.00
<b>Sub-Total (Departmental Schemes)</b>	<b>377.19</b>	<b>280.02</b>	<b>300.00</b>	<b>286.45</b>	<b>197.11</b>
<b>Grand Total — MoC</b>	<b>4894.16</b>	<b>4654.21</b>	<b>6897.00</b>	<b>5602.09</b>	<b>4544.65</b>

4.2 The Ministry of Coal proposes a total capital outlay of Rs. 43476.37 Crs. during the XIth Plan period. Details are as under:

PSU/Schemes	Proposal (Rs. in Crs.)
<b>Total (Coal PSUs)</b>	<b>35774.37</b>
CIL	17390.07
Departmental Schemes	
S&T	100.00
Regional Exploration	383.50
Detailed Drilling	893.89
EMSC	4642.88
Conservation & Safety in Coal Mines	692.95
Development of Transport Infrastructure in coalfield areas	972.65
Coal Controller	1.13
Information Technology	15.00
<b>Sub Total</b>	<b>7702.00</b>
<b>Grand—Total</b>	<b>43476.37</b>

4.3 From the above, it has been observed that the coal and lignite companies were able to utilize of Rs. 9198.86 crore during the first two years of XIth Plan as against the approved capital outlay of Rs. 37100.00 crore which comes to only 24.79% of the approved outlay of the plan.

4.4 The reasons for not achieving the targets during the first two years of XIth Plan are as follows:

- (i) Delay in land acquisition and forestry clearance.
- (ii) Frequent stoppage by villagers demanding R and R benefit beyond norms.
- (iii) Delay in providing required land for rehabilitation of PAFs by State Govts. causing non-shifting of village though employment and compensation given to PAPs.

#### **Reasons for not achieving the target**

4.5 There is some delay in implementation of ongoing projects namely TPS II Expansion, Mine-II expansion and Barsingsar Mines and Thermal.

4.6 There was some land acquisition problems which caused delay in implementation of Mine-II expansion project. The main Plant contractor (M/s BHEL) for TPS II Expansion is behind the schedule. Both supply and erection are getting delayed.

4.7 Barsingsar TPS was expected to be commissioned in December 2008 which is now anticipated that Units I&II is likely to be commissioned in Oct. 2009 and Jan. 2010 respectively. There was also delay in supply and erection by the main plant contractor.

4.8 While formulating XIth Plan it was anticipated that Jayamkondam Mines and Power Plant, Bithnok Mines and Power Plant would be sanctioned in 2008-09. Feasibility of these projects is yet to be firmed up. In general, firming up of feasibility reports, delay on the part of supplying and erection are the reason for the shortfall in the expenditure.

4.9. The reason for the marginal reduction in actual achievement is mainly because of non procurement of HEMM for Barsingsar mine.

**4.10 The Committee note that as against capital outlay of Rs. 43476.37 crore proposed by the Ministry of Coal, Rs. 37100 crore was approved by the Planning Commission for Coal and Lignite sector for XIth Plan during the first two years of the current plan Rs. 9198.86 crore has been utilized which accounts for only 24.79% of the approved outlay of the entire plan whereas about 40% of the allotted funds should have been utilized during this period. The Ministry of Coal have indicated the problems of land acquisition,**

rehabilitation settlement and forest and environment clearance etc. as the main reasons for inadequate utilization of funds by the designated Public Sector Undertakings (PSUs). The Committee feel that the reasons cited are mainly administrative in nature and could have been resolved by proper planning, anticipation and expected standard discharge of function of the higher officers of the PSUs. At this stage the Committee are apprehensive whether the 75% of the remaining earmarked funds would be spent during the remaining period of the plan. The Committee, therefore, desire the Ministry to review the status of implementation of schemes/projects and prioritize the schemes/projects envisaged in XIth Plan to accomplish them well in time to realize the goals set for coal and lignite sector. The bottlenecks identified in this connection should be removed expeditiously by taking appropriate steps. The Committee would like to be informed of the mid term appraisal of the XIth Plan which is stated to be underway.

## CHAPTER V

### INVESTMENT IN PUBLIC SECTOR UNDERTAKING

Investment in PSUs under the Ministry of Coal during 2008-09 was Rs. 6597 crore and the same was reduced to Rs. 5315.64 crore at RE stage and now a provision of Rs. 5374.41 crore has been made for the year 2009-10. The company-wise allocations are as under:—

Company	(Rs. in crore)					
	2007-08 (Re)		2008-09 (BE)		2009-10	
	IEBR	Total	IEBR	Total	BE	Total
<b>NLC</b>						
Power	1233.28	1233.28	1945.00	1945.00	1369.75	1369.75
Lignite	696.72	696.72	772.00	772.00	524.09	524.09
Total	1930.00	1930.00	2717.00	2717.00	1893.84	1893.84
CIL	2066.97	2066.97	3214.70	3214.70	2900.00	2900.00
SCCL	520.00	520.00	665.30	665.30	580.57	580.57

#### **Coal India Limited(CIL)**

5.2 The BE 2008-09 for CIL has been reduced from Rs. 3214.70 crore to Rs. ,2755.00 crore at RE stage. Now a provision of Rs. 2900.00 crore has been made for the year 2009-10.

5.3 Against an annual capital outlay of Rs 3214.70 crore, capital investment in CIL during 2008- 09 was of the order of Rs 2507.17 crore with an achievement of 78 %. Expenditure in WCL & SECL was more than the target.

Company	(Rs. in crore)		
	2008-09		
	BE	RE	Actual
1	2	3	3
ECL	400.00	220.00	191.88
BCCL	250.00	200.00	221.16

1	2	3	3
CCL	600.00	450.00	334.84
NCL	500.00	450.00	266.52
WCL	225.00	300.00	277.92
SECL	800.00	780.00	855.98
MCL	350.00	200.00	321.26
NEC	5.00	10.00	3.92
Others*	84.70	145.00	33.69
<b>Total</b>	<b>3214.70</b>	<b>2755.00</b>	<b>2507.17</b>

\* CIL/DCC/IICM/CMPDIL/Exploration through outsourcing/R&D

5.4 The physical targets set out for different subsidiaries of Coal India Ltd. each year during last two years and achievement and percentage achievement thereof is furnished below:

(Fig. in Million Tonnes)

Company	2008-09		
	Target (RE)	Achievement	% Achievement
ECL	31.00	28.135	90.8
BCCL	26.50	25.513	96.3
CCL	47.00	43.236	92.0
NCL	61.25	63.650	103.9
WCL	43.05	44.700	103.8
SECL	96.00	101.150	105.4
MCL	99.00	96.336	97.3
NEC	1.20	1.010	84.2
CIL	405.00	403.730	99.7
SCCL	42.56	44.54	104.65

**5.5 Revival of Bharat Coking Coal Ltd. (BCCL):** BCCL was formed in 1971 pursuant to the nationalization of coal mines in the country and became one of the subsidiaries of Coal India Limited *w.e.f.*

01.11.1975. Since its inception, BCCL has been incurring losses. A revival plan for BCCL was submitted to BIFR. In its 19th meeting, Board for Re-construction of Public Sector Enterprises(BRPSE), *inter-alia*, directed that the revival plan be vetted by an independent consultant. M/s. Credit Analysis and Research Ltd. (CARE) was appointed as the consultant by BCCL. Based on the appraisal report of the consultant, a modified Revival Package for BCCL was submitted to BRPSE. BRPSE has approved the proposal and the same has been sent to BIFR for concurrence.

**Reasons for shortfall:**

5.6 In the financial year 2008-09, NCL, WCL & SECL have achieved target. CIL achieved 99.7% of the target having marginal shortfall of 1.27 Million Tonnes.

5.7 **ECL:** In spite of achieving a growth of 17% (4.08 Million Tonnes) over last year, ECL failed short of a somewhat ambitious target of 31 Million Tonnes by 2.86 Million Tonnes on account of following main reasons:

- (a) Production from all opencast mines suffered adversely due to early monsoon and heavy rainfall in this year.
- (b) Production suffered badly as Hura 'C' hired path could not be started for want of forest clearance and delayed start of Simlong hired OC even after issue of work order due to political interference.

5.8 **BCCL:** Bharat Coking Coal Ltd. was just short of the target by 0.987 Million Tonnes due to following reasons:

- (a) Running of many opencast projects were severely affected due to land acquisition and rehabilitation problems.
- (b) A few outsourcing contracts proving non-starters and large order for dumper tyres placed on M/s. Dunlop were not fructifying.

5.9 **CCL:** Central Coalfields Ltd. could achieve 92% of the target and register a shortfall of 3.76 on account of following reasons:

- (a) Excessive rain during the month of June'08, July'08 and August'08.
- (b) In every month, there were about 5 bandhs called by extremist groups resulting in loss of production.

5.10 **MCL:** Even though Mahanadi Coalfields Ltd. achieved the highest growth of 8.32 Million Tonnes (9.5%) over the last year, but ended up with production of 96.34 Million Tonnes with shortfall of 2.76 Million Tonnes. The main causes of non-achievement of target was delay in project implementation due to delay in environment/ forest clearances and law and order problems.

5.11 **NEC:** Northern Eastern Coalfields produced 1.01 Million Tonnes against the target of 1.20 Million tones having percentage achievement of 84.2% due to closure of underground mines arising from fatal accident in one of the mines.

#### **Singareni Collieries Company Limited (SCCL)**

5.12 As regards Singareni Collieries Co. Ltd. (SCCL), SCCL is not receiving any grants from Government of India and generating funds through IEBR. However the details of XIth Plan investment envisaged with IEBR are furnished hereunder, which are approved as per the Working Group XIth plan. Investment approved by Working Group is Rs. 3340 crore Details are as under:

(Rs. crores)			
Year	Working Group	Actual	% of achievement
2007-08	570.50	573.97	100.61
2008-09	665.00	499.34 (Prov.)	75.10
2009-10	580.50		
2010-11	632.00		
2011-12	892.00		
<b>Total</b>	<b>3340.00</b>		

5.13 The Ministry have furnished the following reasons for less expenditure during 2008-09.

S.No.	Head of Expenditure	2008-09			
		B.E.	R.E.	Upto March, 2009 (Prov.)	
1	2	3	4	5	6
1.	Plant & Machinery	210.67	320.00	310.76	
2.	Safety (P&M)	1.20	4.00	2.62	

1	2	3	4	5	6
3.	Development	115.06	122.80	84.44	Delays in awarding of developmental works.
4.	Building (Factory)	19.76	16.00	7.09	Project office buildings sub-stations, stores, dumper maintenance sheds, Pit stores, Hauler bed foundations, office buildings, Man riding shed, structural works are under work in progress stage.
5.	Building (Others)	36.11	50.00	36.70	Civil works like Amenities, SWAP and other misc. works are deferred.
6.	Furniture & Fixtures	0.00	1.50	0.32	
7.	Lands	129.33	130.00	53.04	Non - like materialization of advancement in ongoing projects and new projects due to delays in projects such as forest land and environmental clearances.
8.	Vehicles	1.90	3.00	1.90	
9.	Railway Siding	7.58	8.00	2.15	
10.	Others	143.70	10.00	0.32	
<b>Total</b>		<b>665.30</b>	<b>665.30</b>	<b>499.34</b>	

5.14 The BE 2008-09 for SCCL was pegged at Rs. 665.30 crore and the same outlay was retained at RE stage and the actual utilization of capital outlay was Rs. 499.34 crore. Now a provision of Rs. 580.57 crore has been made in BE 2009-10.

**Financial targets during previous two annual plans and achievements**

Company	2007-08 RE	2007-08 actual	2008-09 RE	2008-09 Actual
SCCL (Profit after Tax) Rs. crore	216.88	176.17	353.92	152.29 (Provl)

**Physical targets during previous two annual plans and achievements**

(in million tonnes)

Company	2007-08 BE	2007-08 Actual	2008-09 BE	2008-09 RE	2008-09 Actual
SCCL	38.040	40.604	38.300	42.561	44.54

5.15 It may be seen from the above that SCCL could utilize only 75.10% of the capital outlay during 2008-09. When asked as to what action has been taken to remove the bottlenecks causing delay in the completion of the projects resulting in lesser utilization of funds, the Ministry in a written reply has submitted as under:—

SCCL is taking the following measures to eliminate the delays and complete the projects in time:

- (a) A full-fledged Project Planning Department with experienced executives from various disciplines is functioning in SCCL. Lot of care is taken right from the stage of concept to Feasibility Report. Before submission to the Board of Directors, each project report goes through several stages of evaluation.
- (b) On approval by the Board of Directors, a Project Officer is nominated for implementation of the project. He will be made fully aware of his responsibilities, time schedules, procedures to be followed, feedback mechanisms etc. Each Project Officer is given adequate guidance and assistance from higher management for proper implementation of the project.

(c) There are different levels of review:

- a. Once in a Week : By Project Officer.
- b. Once in a Fortnight : By the General Manager of the Area.
- c. Once in a month : By Director.
- d. Once in a Quarter : By C & M.D.
- e. Every Board Meeting: All On-going projects.

5.16 A regular review is undertaken by the Department of Information and Project Management at Corporate level. Reports are generated about the progress of each project and sent to the Ministries concerned at prescribed intervals. Govt. of India conducts Project Review meetings at the end of every quarter. Close liaison is maintained with various Departments and Ministries of both State and Government of India to obtain speedy clearances/resolve issues of Forest Land Diversion, acquisition of Private and Government lands, Environmental clearances, R&R Packages etc.

5.17 SCCL have also cited following reasons for lesser utilization of capital outlay:

- Procurement action for HEMM amounting to Rs. 23.74 crores during 2006-07 has been spilled over to 2007-08 in line with the production targets set and status of Implementation of New Projects.
- Civil infrastructure works to the tune of Rs. 69.50 crores are in progress and spilled over to 2007-08.
- An amount of Rs. 29.90 crores towards acquisition of land is under various stages of acquisition e.g. demand notice yet to be received from Government for depositing of amount, payment not done as the case is pending before Hon'ble Supreme Court and various clearances to be obtained from Government of India etc.
- Other expenditure to the tune of Rs. 5.32 crores includes outlay on railway sidings, vehicles, modernization of CHPs etc. has been spilled over to 2007-08.

5.18 When enquired about the reasons for decrease in allocation of funds in BE 2009-10 as compared to BE and RE 2008-09. The Ministry has stated as follows:—

- (i) The primary reason for reduction is due to less investment proposals in replacements of completed projects in 2009-10.

(ii) Investment proposed for ongoing projects is reduced as some of the projects are ready for completion. Due to this, major investment proposals are not required.

5.19 Four projects costing more than Rs. 20 crs., were scheduled to be completed in 2007-08. However one project of BCCL, *viz.* Dahibari Basantimata OC (1.30 Mty; Rs. 81.25 crs.) has since been completed as on 01-04-2008 and has been considered in the list of projects completed during 2008-09.

#### **Neyveli Lignite Corporation (NLC)**

5.20 NLC have been provided an outlay of Rs. 1893.84 crore (Rs. 524.09 crore for coal and Rs. 1369.75 for power) in BE 2009-10.

5.21 A provision of Rs. 2717.00 crore was made for the year 2008-09 for NLC for carrying out its various schemes and projects. However, the actual expenditure by NLC during the year 2008-09 was Rs. 1559.15 crore which is 57.38% of the BE targets. The details of XIth Plan targets, BE 2008-09 and actual 2008-09 are given in the table.

5.22 The physical targets for BE 2008-09, RE 2008-09 and BE 2009-10 of NLC are given below:—

Particulars	BE- 2008-09	RE- 2008-09	Actuals 2008-09	BE- 2009-10
Lignite				
		(Million Tonnes)		
Mine I	9.50	9.50	9.04	9.00
Mine II & Expansion	9.00	8.50	9.11	9.70
Mine IA	2.55	2.55	3.06	2.55
Barsingsar Mines	0.09	0.09	0.10	0.50
Total-Lignite Production	21.14	20.64	21.31	21.75
Power Generation – Gross				
		(Million Units)		
Thermal – I	3784	3784	3578	3707
Thermal – I Expansion	2760	2760	3126	2760
Thermal – II	9658	8577	9064	9658
Thermal – II Expansion	16	-	-	-
Barsingsar Thermal	81	-	-	475
Total-Power Generation – Gross	16299	15121	15768	16600

5.23 From the above table, it could be seen that there is an increase in the lignite production as well as power generation. Increase is attributable to improved lignite production in Mine II and consequent increase in the TPS II power generation. The TS II Expansion and Barsingsar Thermal are also expected to marginally contribute to the increase in production and generation.

5.24 The financial requirement as proposed in BE 2008-09, RE 2008-09 and BE 2009-10 is indicated below:

Sector	BE-2008-09	RE-2008-09	Actuals 2008-09	BE-2009-10	(Rs. crore)
Coal Sector	772.00	506.79	400.05	524.09	
Power Sector	1945.00	1388.55	1159.10	1369.75	
<b>Total</b>	<b>2717.00</b>	<b>1895.34</b>	<b>1559.15</b>	<b>1893.84</b>	

The break up for outlay for BE 2009-10 is as below:

Details	BE 2009-10	(Rs. crore)
<b>Coal Sector</b>		
On going projects	58.60	
Projects under Implementation	370.00	
New Projects	95.49	
<b>Total</b>	<b>524.09</b>	
<b>Power Sector</b>		
On going Projects	0.10	
Projects under Implementation	1335.85	
New Projects	33.80	
<b>Total</b>	<b>1369.75</b>	
<b>Total – Coal &amp; Power</b>	<b>1893.84</b>	

The physical performance of NLC is as below:—

Year		Lignite (LT)	Power (Gross) (MU)
2007-08	Target	200.50	15705.00
	Actuals	215.46	17456.89
	Achievement(%)	107.46	111.15
2008-09	Target	211.40	16299.00
	Actuals	213.08	15767.98
	Achievement(%)	100.79	96.74
2009-10 (Upto May'09)	Target	37.60	3034.00
	Actuals	39.22	3321.21
	Achievement(%)	104.31	109.47
B.E. 2009-10	Target	217.50	16600.00

5.25 From the above, it may be seen that the physical targets have been achieved more than 100% during 2007-08. In 2008-09 targeted lignite production was achieved; due to heavy rainfall 96.74% Power generation target was achieved. However, it is expected to achieve the target during 2009-10. the company does not find any difficulty in achieving the targets fixed for BE 2009-10.

The Financial performance of NLC is as below:—

(Rs. in crore)				
Year		Coal Sector	Power Sector	Total
1	2	3	4	5
2007-08	Target	795.83	1211.13	2006.96
	Actuals	578.54	1188.17	1766.71
	Achievement(%)	72.70	98.10	88
2008-09	Target	772.00	1945.00	3861.67
	Actuals	400.05	1159.10	7723.34
	Achievement(%)	51.82	59.59	57.38

1	2	3	4	5
2009-10 (Upto May'09)				
Target	56.27	148.24	15504.06	
Actuals	36.84	229.08	265.92	
Achievement(%)	65.47	154.53	130.03	
B.E. 2009-10	Target	524.09	1369.75	1893.84

5.26 It may be seen from the above that 57.38% of the target was achieved in 2008-09. In Coal sector there was some land acquisition problems now being settled; besides this, delay in supply and erection of equipments got delayed in Mines II expansion which forms almost the whole share of shortfall. In power sector also, delay in supply and erection of equipments by the main plant contractor in TPS II expansion and Barsingsar projects are the major contributories to this shortfall in expenditure. Foundation stone for NTPL project was laid down on 28.02.08. Issuance of LOI therefore, got delayed and could be finalised only in Jan., 2009. Hence, payment for suppliers did not materialize as expected.

5.27 Out of the total outlay of Rs. 1893.84 crore for BE 2009-10, a sum of Rs. 1705.85 crore (both Coal and Power) is earmarked for the following projects under implementation. This allocation is about 90.07% of the total outlay for BE 2009-10:

	(Rs. crore)
Mine II Expansion	320.00
TPS II Expansion	389.00
Barsingsar Mine	50.00
Barsingsar TPS	216.85
Tuticorin TPS	730.00
<b>Total</b>	<b>1705.85</b>

5.28 These projects were sanctioned in the financial year 2004-05 and expected to be commissioned at the end of the financial year 2009-10. The projects are in advanced stage of implementation and expected to be commissioned in 2009-10. Hence, the Plan Outlay of Rs. 1893.84 crores proposed in 2009-10 is expected to be fully utilized. The company has adequate Internal Resources (IR) to contribute towards the equity content of the projects.

5.29 There is an increase in the anticipated project cost of these projects mainly attributable to price escalation, exchange rate variation, variation in taxes and duties. The Revised Cost estimates have been approved by the Board of NLC and the same is sent to GOI for approval. Government has approved revised cost estimates of Mine II Expansion and TPS II Expansion. Approval for Barsingsar projects are awaited.

5.30 Additionally, the following new projects were identified for which Advance Action Plan proposals have been sanctioned:

	Capacity MTPA	Project cost	B.E. 2009-10
	1	2	3
<b>Coal Sector</b>			
Mine III AAP	8.00	1200.00	0.05
Jayamkondam Mine AAP	13.50	1800.00	83.90
Bithnok Mines Project AAP	2.10	440.00	0.50
Hadla Mines Project AAP	2.50	250.00	0.24
Gujarat Mines AAP	8.00	1400.00	0.35
Expansion for existing Mine I & IA for 1000 MW TPS- AAP	-	-	8.10
Talabira II & III AAP	15.00	475.00	1.00
Riri Mine	4.50	810.00	1.35
Total- Coal Sector			95.49
<b>Power Sector</b>			
Orissa Thermal	2000	10000	1.00
Thermal Station III	1000	5000	0.40
Jayamkondam Thermal	1600	9000	12.50
Bithnok Power Project	250	1250	5.10
Hadla Power Project	250	1375	1.30
Uttar Pradesh Thermal	2000	10000	5.00
Gujarat Thermal	1000	5000	1.50

	1	2	3
Riri Thermal	500	2250	0.00
Thermal at existing NLC site	1000	5000	3.00
Madhya Pradesh TPS	1000	5000	2.00
Jharkand TPS	1000	5000	1.00
Chhattisgarh TPS	2000	10000	1.00
Total - Power Sector			33.80
Coal & Power Sector			129.29

5.31 In order to meet certain preliminary expenses such as preparation of Feasibility report, obtaining clearances from various statutory and non statutory authorities, etc., provision have been made in the Annual Plan 2009-10.

5.32 Provision of Rs. 51.79 crores has been made in the BE 2009-10 to meet the spill over payment and payment towards land already acquired. Also, extensive exploration programme was drawn up by NLC to cover the entire Neyveli, Jayamkondam fields as well as Rajasthan, Gujarat, Orissa, Madhya Pradesh, Jharkhand, Chhattisgarh areas for the purpose of firming up total geological reserves in these regions.

5.33 NLC has a Center for Applied Research and Development (CARD) which carries out various studies relating to the utilisation of Lignite and other chemical products of the company. In order to carry out the R&D projects, a sum of Rs. 3.00 crores is provided in BE 2009-10.

5.34 The project expenditure was less than the XIth plan projection because of the following reasons:—

1. The Jayamkondam Mines which was expected to materialize got delayed.
2. Riri project was kept in abeyance for its feasibility.
3. Bithnok mines also got delayed in implementation.

5.35 Delay in supply of main plant package by the Supplier M/s BHEL and other local civilian problems which delayed acquisition of land has resulted in this lesser amount of expenditure.

5.36 The Coal India Limited was allotted an outlay of Rs. 3214.70 crore BE which was reduced to Rs. 2755.00 crore at RE stage. The actual utilization of the fund was however Rs. 2289.06 crore which comes to 75%. According to the Ministry the main reasons for shortfall in utilization of funds were *i.e.* non-availability of environment and forest clearance, land acquisition and rehabilitation problems, delay in procurement of heavy equipments, heavy rainfall, law and order problem etc. The Committee note that Coal India Limited (CIL) has been allotted an annual capital outlay of Rs. 2900 crore to implement its schemes/projects during 2009-10. The Committee hope that the funds earmarked for 2009-10 will be optimally utilized and the problems faced by coal and lignite companies during last year would be overcome by taking corrective steps to obviate any reduction of funds.

5.37 The Committee have been given to understand that the revival plan of Bharat Coking Coal Limited has been approved by Board for Re-construction of Public Sector Enterprises (BRPSE) and since forwarded to Board for Industrial and Financial Re-construction (BIFR) for approval. The Committee desire that the revival plan of Bharat Coking Coal Limited may be expedited.

5.38 The Committee would like the Ministry to prepare an action plan for giving impetus to the loss making Coal India Limited subsidiaries by identifying the issues and problems that have been affecting their performance and resolve them expeditiously in order to bring out them from the financial crisis.

5.39 The Singareni Collieries Company Limited is a joint venture of Government of India and the Government of Andhra Pradesh and generating funds through Internal and Extra Budgetary Resources for implementing various schemes/projects. The company has proposed capital outlay of Rs. 580.50 crore during 2009-10. The Committee also note that capital expenditure by SCCL during 2008-09 was Rs. 499.34 crore as against approved outlay of Rs. 665.30 crore which comes to 75.10% of the sanctioned capital outlay. The main reason for shortfall in utilization of funds by SCCL, according to the Ministry was non-materialization of new projects due to delay in forest land diversion. Further, the primary reason for decreased allocation of funds for BE 2009-10 as compared to BE and RE 2008-09 has been less investment proposals in replacement of completed projects. The Committee are of the view that despite measures taken by SCCL to eliminate the delays and complete the projects in time, no visible improvement has been noticed in this regard. The

Committee would, therefore, like the Ministry to tone up the monitoring system for overseeing the steps being taken to ensure the timely completion of coal projects.

5.40 The Neyveli Lignite Corporation Limited has projected to spend Rs. 1893.84 crore during 2009-10. However, the Committee are constrained to note that NLC could spent only Rs. 1559.15 as against the allocation of Rs. 2717.00 crore during 2008-09 which is 57.38% of the BE targets which obviously is an indicative of sub-optimal utilization of approved allocation. The Neyveli Lignite Corporation Limited has not come out with cogent reasons for its miserable performance. Two projects viz. Jayankondam Mines and Bithnok Mines are reported to be delayed but reasons therefore, have not been advanced. According to the Ministry, the Riri project was kept in abeyance for want of its feasibility. Delay in supply of main plant package by Bharat Heavy Electricals Limited is also stated to be one of the reasons for less expenditure. The Committee feel that under utilization of funds has direct bearing on the implementation of important schemes and programmes ultimately affecting the overall performance of the company. The Committee recommend the Ministry to review the progress of fund utilization and projects at regular intervals with a view to ensuring that the projects are progressed as per planned schedule right from preparation of feasibility report to their completion.

5.41 According to the Ministry new projects have been identified by NLC for which Advance Action Plan proposals have been sanctioned. The Committee would like to be informed about their details. At the same time, they hope that these projects would be taken up and completed without any delay.

5.42 The Committee have been informed that there has been considerable delay in the land acquisition for 34 projects of Coal India subsidiaries which has resulted in shortfall of coal production. The Committee feel that the coal projects being undertaken by CIL subsidiaries have been severely affected in the absence of timely action by the State Governments of West Bengal, Jharkhand, Bihar, Madhya Pradesh for granting various clearances for land acquisition. In fact, the Eastern Coalfield Limited was the worst sufferer for such delay in land acquisition. The Committee would like the Ministry to take up this issue with all the concerned State Governments in the expeditious land acquisition so that coal companies are able to increase coal production in future. It is equally important that Chairmen-cum-Managing Directors of all the CIL

subsidiaries should be more serious in taking up the matter with the respective State Governments. The Committee would like the Ministry to submit a detailed report in this regard as early as possible as regards the further steps which would be taken by the concerned coal companies with the State Governments for expeditious land acquisition. (Annexure-I)

5.43 The Committee are constrained to observe that the implementation of 59 coal projects have been held up for want of environmental clearances. The Committee deprecate that the Ministry have failed to act as a facilitator on behalf of coal companies for getting necessary clearances from different agencies. The Committee are shocked to observe that the inordinate delay in getting forest and environment clearances has been badly affecting the coal production target by the coal companies. The Committee urge upon the Ministry to take up the matter with the Ministry of Forest and Environment for early clearance and also take up the matter with the concerned State Government in this regard. The Committee feel that while there cannot be any compromise on any environmental issue but at the same time Ministry of Forest and Environment should act promptly wherever clearance is sought by the coal companies. The Committee recommend that the Ministry of Forest and Environment should be more responsive in granting timely forest and environment clearances. (Annexure-II)

5.44 One of the reasons for shortfall of production of coal is that a huge reserves of coal is getting sterilized as a result of allotment of particular project for coal and power. Recently, there have been two cases of allotment of coal projects based in West Bengal. For example, Aerotropolis project, there was the question of quite a considerable amount of coal reserves getting sterilized. It is only after Coal Minister wrote a letter to Chief Minister of West Bengal followed by a meeting with Chief Secretary, West Bengal attended by Chairman, Coal India and Ministry representative, the project was re-drawn with some coal reserves being free from exploitation. The Committee do not approve such an action on the part of Ministry when there is shortage of coal production in the country and coal reserves are available for extraction and the same are not being allotted to the coal companies, especially, Eastern Coal India Limited which can easily produce the coal for such coal reserves. The Committee feel that there should not have been any compromise at the cost of coal production while developing Aerotropolis project or any other project. The Committee urge upon the Ministry to take appropriate steps so that no coal reserve area is

blocked and sterilized for setting up of any project where coal reserve exists. The Committee hardly need to emphasise that the industrial projects need to be set up on vacant land instead of setting up industrial projects on coal reserve area. This step if taken in right perspective will go a long way in the production of coal in the country and would thus serve greater and larger public interest.

## CHAPTER VI

### MASTER PLAN FOR JHARIA AND RANIGANJ COALFIELDS

A combined proposal on Master Plan for Jharia and Raniganj Coalfields dealing with fire, rehabilitation and diversion of surface infrastructure in the lease hold of BCCL & ECL with a total outlay of Rs. 9773.84 crore (Rs. 7112.11 crore for Jharia Action Plan and Rs. 2661.73 crore for Raniganj Action Plan) has been approved by the Government in August 2009.

- BCCL inherited 70 mine fires at the time of nationalization of coal mines. Subsequently, 7 more fires were identified making the total tally of fires to 77. Since then, due to concerted efforts by BCCL, 10 fires could be liquidated completely and other fires were kept by and large under control. Presently there are 67 fires, out of which 9 are UG fires, sealed behind the stoppings and now are at dormant state. These 9 UG fires do not need any action plan except maintenance of the fire stoppings and study of the mine atmosphere behind the sealed-off areas. The remaining 58 fires require actions proposed to be dealt under this master plan.
- Total 67 fires are grouped into 45 fire projects proposed to be implemented/being implemented in a time frame of 10 years, commencing from the 3rd year of implementation. These 45 fire projects include 5 ongoing EMSC/RCFS schemes and 1 project for surveillance of existing fire.

#### Scope of Works:

6.2 This includes identification of fire areas, selection of technologies to deal with fires, prioritization for implementation and assessment of tentative fund requirement.

- Rehabilitation & Resettlement of the affected people from the areas affected by fire and subsidence including identification of affected sites, identification of resettlement sites and assessment of tentative fund requirement.

### **Funding:**

6.3 Funding arrangement for implementation of the Master Plan will be through a combination of internal resources of CIL and collection of Stowing Excise Duty (SED) in CCDA Act. CIL will contribute Rs. 350 crore per annum from their internal resources and the balance amount to be provided from the collection of SED under CCDA Act.

### **Methodology & Procedures:**

6.4 Fire Report submitted by GAI/MET-CHEM in June 1996 under Mine Fire Technical Assistance Project (Fire fighting programme) formed the basis of the Master plan dealing with fire. Out of the various control measures currently available, the recommended control measures are the more improved use of one or combination of the following measures:

- Excavation of fire material and filling with cohesive soil
- Filling of opencast high wall, shafts, inclines and other subsided areas.
- Isolation by trenching and backfilling with soil
- Construction of grout barrier and isolation against rail, road and jores
- Surface sealing and blanketing
- Blind flushing with sand/fly ash/grout mixtures
- Cooling, quenching and removal
- Seam sealing, tunnel plug and underground stopping.

6.5 Bharat Coking Coal Limited (BCCL) and Eastern Coalfields Limited (ECL) have already initiated steps, both in fire control and rehabilitation activities in Jharia and Raniganj Coalfields through different fire as well as rehabilitation schemes. For speedy implementation of the Master Plans, a High Powered Central Committee under the Chairmanship of Secretary (Coal) has already been constituted with representatives from different Ministries and concerned State Governments. The State Governments of Jharkhand and West Bengal have already entrusted the job for implementation of Plan to Jharia Rehabilitation and Development Authority (JRDA) and Asansol Durgapur Development Authority (ADDA) respectively.

6.6 As per approved Master Plan, besides other activities, 28 fire projects of BCCL are envisaged to be taken up in first phase and scheduled to be completed between 3rd and 7th year. Implementation of fire control measures and rehabilitation of BCCL houses from the endangered areas will be the responsibility of BCCL whereas rehabilitation of non-BCCL houses/structures will be the responsibility of Govt. of Jharkhand State.

6.7 During the course of evidence the Secretary, Ministry of Coal deposed as under:—

"For the speedy implementation of the Master Plan, a high powered central committee, under the chairmanship of Secretary, Ministry of Coal has been constituted with representatives from the different Ministries and the State Government concerned. We have scheduled our first meeting on the 10th of November where we will look at the proposals which have been already put in place. This has been constituted by our Ministry in keeping with the approval that has been given in the CCEA note.

To a query how the Ministry would identify the affected persons and how they will be rehabilitated in the proposed Master Plan, the Secretary informed that "at this point we have got the information which has been put in the CCEA note which is based on the earlier census and the earlier indications about the land involved, the number of families involved at the first glance, the number of houses that we need to re-construct, and the kind of colonies that we need to set up to rehabilitate the people. I think we will have a much better idea of it after our first meeting....It is because that we could not wait for the project to be cleared. So, basically the EMSC project or sub-project has helped us to try and tackle, keep the efforts to cap the fires. That is an on-going activity.

The Secretary further informed the Committee, "in the last meeting which we had with the Governor of Jharkhand, the basic issue which was discussed there about the immediate danger to the Boly township in the adjoining BCCL area. At that meeting, a decision was taken that action will be taken within the next 100 days and we have drawn up an Action Plan and the action should be taken by the company and the State Government. It is a little disappointing that once the Governor has changed, there are indications that priorities have changed and that problem still remains. It is a major, imminent danger which we would like to see that something is done to avoid that. We want to get help of

the people from the Boly township. We would like to take the people to a safer location. It is an imminent danger and any major catastrophe can happen any time. ...Without the help of the State Government, it is not possible for the Central Government itself to do anything. It is because, there are issues of the local population which have to be resettled. There are issues for them to be even properly enumerated first. We need to get details about ownership and other aspects. The ones which are in the first perimeter of danger, they have to be evacuated first. Basically, the master plan is fairly detailed. It is not very vague. The activities have been spelt out in a phased manner. The timeframe which you are asking is 10 years for Raniganj and 12 years for the Jharia portion....Unfortunately, that is a risk we all have to live with. At least, now the Cabinet approval has been obtained. The whole point is trying to identify the most vulnerable and the most endangered and try to make the inroads first. I would request the Chairman, CIL to supplement it."

**6.8 The Committee note that a combined proposal on Master Plan for Jharia and Raniganj Coalfields dealing with fire, rehabilitation and diversion of surface infrastructure in the lease hold areas of Bharat Coking Coal Limited & Eastern Coalfields Limited with a total outlay of Rs. 9773.84 crore (Rs. 7112.11 crore for Jharia Action Plan and Rs. 2661.73 crore for Raniganj Action Plan) after taking undue long period has been approved by the Government in August 2008.**

Bharat Coking Coal Limited & Eastern Coalfields Limited are reported to have initiated steps both in fire control and rehabilitation activities. For speedy implementation of Master Plan, a High Power Central Committee under the Chairmanship of Coal Secretary has been constituted with representatives of different Ministries and concerned State Governments. The Plan is to be implemented by Jharia Rehabilitation Development Authority and Asansol Durgapur Development Authority. The plan involved shifting and rehabilitation of more than three lakh people from area where fire have been raging for years due to unscientific mining practices.

The Plan though conceived way back in 1996 and finally approved in 2008 is stated to be facing teething problems. The Secretary, Ministry of Coal admitted before the Committee that the difficulties are being faced in the commencement of the plan. The Committee strongly feel that what is really needed is sincere and concerted efforts from different concerned agencies for shifting of

people from the endangered areas to the safer places with better amenities and saving a large amount of coal from burning and preventing environmental pollution. The Committee desire the Ministry to take up the Master Plan for its implementation on war footing and rehabilitate the families which would be shifted. The implementation of Plan should be reviewed at the highest level on monthly basis. Although, the plan is to be implemented by Jharia Rehabilitation Development Authority and Asansol Durgapur Development Authority, one senior officer of the Joint Secretary level of the Ministry should be given responsibility to oversee the work of the Jharia Rehabilitation Development Authority and Asansol Durgapur Development Authority on day to day basis. The Ministry should see that not a single affected person is left out from resettlement. The Committee also desire that no shifting of people from Jharia and Raniganj Coalfields should take place to coal bearing areas and to avoid environmental pollution. The Committee also desire that the completion time frame of ten years for Raniganj and 12 years for Jharia envisaged in the Plan need to be compressed so as to implement the plan on fast track basis lest a national catastrophe should take place. The Committee would like to be informed on the implementation status of the Master Plan after every three months.

## CHAPTER VII

### MINE CLOSURE POLICY

The Ministry of Coal is considering preparation of Mine Closure Policy of all coal/lignite block allocattees. The draft policy is under examination in consultation with CIL/CMPDIL/NLC/CCO. A joint meeting with the stakeholders was taken and the minutes were circulated in December, 2008 for comments.

7.2 In a written reply about the mechanism being adopted for reclamation of abandoned mine the Ministry has furnished the following information.

"Reclamation is an integral part of mining operation in OC mines and is being done on regular basis. The mines are finally reclaimed after the reserve is completely exhausted. However, reclamation is a continuous process and is being done as per stipulation of MOEF.

In some cases, mine voids are being used for accommodating excavated overburden of adjacent mines. In some cases the voids are offered to state agencies to be used as reservoirs for supply of water to neighbouring community or for minor irrigation purposes. A unique aquaculture Pilot Project is being carried out in collaboration with West Bengal Government, in an abandoned OC in Bankola Area of ECL.

In general, once the reserve of the mine is extracted, the backfilling is started and the filled up area is then subsequently carpeted with topsoil and plantation is grown over the same. Sometimes, parks, gardens, nurseries, lakes etc. are created over the reclaimed OC mines for use of common people.

Similarly in abandoned UG mines, action has been taken for supplying the underground stored water to the township through integrated Water Supply Scheme. However, actions for abandonment as per statute are taken in each case."

7.3 In ECL, BCCL and CCL, a number of old underground mines had to be abandoned or discontinued for reasons of depletion of reserves, uneconomic operation with available technology and safety reasons including water logging, presence of fire and high incidence

of ground subsidence. In view of the acute scarcity of coking coal and superior grade non-coking coal, CIL felt it necessary re-work some of these mines for economic exploitation. Again, availability of suitable technology being the principal consideration, it was decided to re-open some of the prospective abandoned/derelict mines through Joint Venture route.

7.4 Eighteen abandoned mines (ECL-6,BCCL-8 & CCL-4) having estimated left-out coal reserve of more than 10 million tonnes each with aggregate reserve of about 1647 Million tons were identified and Expression of Interest (EoI) was invited from internationally reputed parties for selection as partners) to from Joint Venture Companies in 50:50 equity ratio.

7.5 Each JV company, will be responsible for salvaging, rehabilitation and operation of the abandoned/derelict mine(s) for commercial production and CIL/subsidiary company will pay operational charges, limited to 90% of the prevalent notified coal price to the JV company for each ton of coal produced.

7.6 To make the JV proposal attractive, it has been proposed that 50% of coal produced by JV company will be shared with CIL/ Subsidiary's partner for its captive end use on "right to first refusal" basis, subject to clearance from Govt. of India. Offers received against the above EoI have been scrutinized and 10 parties have been short-listed. A detailed Model Bid Document with new concept for selection of JV partner is being finalized. Once ready, the document will be issued to the short-listed bidders for final round of tendering.

7.7 The Committee note that the Ministry of Coal is contemplating to bring in Mine Closure Policy for Coal and Lignite allocattees and consultation with coal and lignite companies and other stake holders. The Committee consider it a positive development as reclamation of abandoned mines in a scientific manner is absolutely necessary not only for preventing illegal mining but also to avoid serious mishaps taking place involving human casualties as also to deal with environmental issues. The Committee feel that in the absence of any statutory provisions for mine closure, the coal mafias have been operating at will with the connivance of local administration and officials of coal and lignite companies taking away valuable mineral reserves clandestinely. The Committee would like the Ministry to finalise the Mine Closure Policy at the earliest.

7.8 The Committee also note that 18 abandoned mines belonging to Coal India Limited having estimated left out coal reserves of

more than 10 MT each with aggregate reserve of about 1647 MT coal have been identified and expression of interest has been invited from internationally reputed parties for selection as partners to form a joint venture company in 50:50 equity ratio. The Committee are inclined to conclude that as a result of unscientific mining activities, a large chunk of coal reserves is being left out in the abandoned mines. The Committee desire that the mining activities should be conducted in scientific manner so that entire reserves of the particular mine are fully exploited.

## CHAPTER VIII

### COAL VISION-2025

The Committee at their first report had strongly recommended that the Ministry of Coal should come forward with a vision document *i.e.* Coal 2025 without any further delay and constitute a task force for holding consultations/discussions with experts and industry at large so that a Ministry can have a long term view of the industry.

8.2 The Ministry have informed the Committee that the Expert Committee under the chairmanship of Shri T.K. Shankar, constituted by the Government to draw a road map for coal sector had submitted its report. The recommendations of the Expert Committee included long term demand and supply prospects of Coal and Lignite, improving the procedures for approval of coal mines, Regulation and Governance in coal sector, restructuring of Coal India Limited, improvement in productivity, technology up-gradation in coal sector and human resource management in coal sector. The Government has initiated action on the recommendations which have been accepted. A road map indicating the timelines for implementation of the same has been prepared and coal companies have been directed to implement the recommendations.

8.3 During the course of evidence the Secretary has informed the Committee as under:—

"The Ministry was engaged in the task of making the Visio Document. These two Committees were specifically set up for addressing and looking into some aspects which had direct impact on the coal sector. The general point that there will be many other development that we cannot foresee and we cannot try and capture everything is very well taken. But these two Committees were specifically meant for the coal sector and their recommendations are of a very long-standing nature with serious impacts on the coal sector. So, what we did in 2005 can at best serve as a beginning document and its I being updated. .. Dr. Parikh Committee Report was only accepted in late 2008 and it was finally accepted and approved by the full Planning Commission. The T.L. Shankar Committee Report was little earlier to that. Based on their recommendations, there are some very major implications on which action is going on simultaneously in the Ministry. For instance, one of the major recommendations pertains to the setting of a

Coal Regulator. That draft Bill was originally prepared in some form by us and after the recommendations of the Committee came in, it was substantially redrafted which was sent to the different Ministries. We got some comments back from everybody including the Law and the Legislative Department who suggested some major changes. We have incorporated all that and that action is separately on. So, in the absence of something called 'Vision Document for 2025', I would like to assure the hon. Committee that your recommendations are taken with due seriousness and all of them do find some action at different stages though a consolidated document called 'Vision Document' which is yet to be prepared. That is accepted... There were certain developments which have happened in the immediate past which we need to take into account and we would recast the Vision Document based on that. That exercise is on. Today, I am not in a position to give you a time-frame only because the other activities, which will also need to be done within this year and the next year, will need to be finalized which will form a major part on which the Vision Document will be based."

**8.4 The Committee in their First Report (14th Lok Sabha) had recommended the Ministry of Coal to prepare a vision document *i.e.* Coal 2025 without any further delay and constitute a task force for holding consultations/discussions with experts and industry at large so that the Ministry can have a long term vision of the industry. The Ministry in their action taken notes furnished to the Committee had stated in 2004 that action for drawing up Coal Vision 2025 has already been initiated. Further, according to the Ministry views of Coal India Ltd and other stake holders were sought in this regard. The Secretary, Ministry of Coal informed the Committee during evidence held on 29.09.2009 that the Expert Committee under the Chairmanship of Shri T.L. Shankar constituted by the Government for drawing a road map for coal sector has submitted its report.**

The Committee regret to point out the inordinate time taken by the Government in this regard which clearly indicates their lackadaisical approach towards this vital policy. The Committee strongly feel that the Ministry should finalise the Coal Vision-2025 without any loss of time and they be apprised about the conclusive action taken in the matter.

## CHAPTER IX

### CAPTIVE COAL BLOCKS

The Ministry of Coal have informed the Committee that so far 208 coal blocks have been allocated with an approximate geological reserves of 48.82 billion tonnes, upto October, 2009 and majority of the coal blocks were allotted after 2005. So far, production has commenced in 25 coal blocks and the production from these coal blocks for the year 2008-09 (upto March, 2009-Provisional) was 30.02 million tonnes as reported by the Coal Controller's Office. The production from coal blocks allotted to both public and private sector during the terminal year of the current Five Year Plan *i.e.* 2011-12 is projected at 104 million tonnes. The allocatees of coal blocks, who have not started production so far, are in various stages of obtaining statutory clearances and mining lease, preparing mining plan, acquisition of land, procuring machinery and equipment etc. for both mining as well as end-use project. Most of the coal blocks are expected to come into production by the end of 12th Plan. Government and the Ministry have been closely monitoring the progress of development of allotted coal blocks.

**9.2 The Committee note that the coal blocks which are being allotted to other end-users other than the Coal India Limited were identified by the Coal India Limited for their own mining purpose but the Ministry have been allotting such coal blocks to other parties. It is unfortunate that Coal India and its subsidiaries could not exhaust themselves for identifying such coal blocks from the inception for whatever the reasons available to them. The Committee are actually surprised to see that neither the Coal India Limited nor its subsidiaries could identify their coal blocks for mining operations which are now being identified by the Ministry for being allotted to private parties. On the one hand, Coal India Limited and its subsidiaries could not identify such coal blocks for coal production but are now running after foreign countries for importing coal. The Committee do not approve such failure on the part of Coal India Limited to identify such coal blocks since nationalization of coal companies. The Chairman, Coal India Limited during the course of evidence pleaded that 138 coal blocks be handed over by the Ministry to its subsidiaries for its mining purpose. The Committee are constrained to observe that only 25 coal blocks allotted under captive coal regime have started mining operation out of 208 coal blocks**

allotted so far by the Ministry to various private parties and end-users. This clearly shows non serious attitude on the part of such private parties to develop the coal blocks allotted to them within stipulated time. The Committee, therefore, recommend that the Ministry should take appropriate steps against such establishments who have failed to develop such coal blocks for mining operations and if necessary cancel their allotment.

9.3 The Committee also urge upon the Ministry to consider the request of Coal India Limited for allotment of 138 coal blocks identified by it otherwise Coal India will not be able to achieve the coal production target envisaged in XIth and XIIth Plan.

NEW DELHI;  
14 December, 2009  
23 Agrahayana, 1931 (Saka)

KALYAN BANERJEE,  
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.	1.8	<p>The detailed Demands for Grants (2009-10) of the Ministry of Coal were presented to the Lok Sabha on 8.7.2009. The demand shows a budgetary provision of Gross Budgetary Support of Rs. 349.00 crore with a provision of Rs. 5374.41 crore to be generated by coal and lignite companies from the own Internal &amp; Extra Budgetary Resources (I&amp;EBR). The Committee have examined in-depth the detailed Demands for Grants of the Ministry of Coal for the year 2009-10. The Committee endorse the Demands presented by the Government, subject to their observations/recommendations which are contained in the succeeding chapters. The Committee expect the Ministry to take necessary steps for proper and timely utilization of the funds so as to complete the various plans/projects in a time bound programme.</p>
2,	2.2	<p>The Minister of Coal made a statement in Parliament on the status of implementation of recommendations contained in the 31st Report of the Committee on 22nd December, 2008. Consequent upon the examination of Minister's Statement in Parliament, it is noticed that six recommendations have been accepted and implemented by the Government, whereas the implementation of three recommendations is still under process. The Committee hope that the Ministry of Coal will implement the</p>

---

1	2	3
---	---	---

---

remaining three recommendations also at the earliest.

3. 3.12 Gross budgetary support is being provided for implementation of Central Sector Schemes and meeting expenditure for various other activities *viz.* Secretariat (Economic Services), Coal Controller's Organisation, 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, the expenditure for the schemes/projects being implemented by the Coal Public Sector Undertakings is being met from their own external and Internal Extra Budgetary Resources (I&EBR).

The Committee note that the budgetary allocation of the Ministry of Coal for the year 2008-09 was Rs. 345.90 crore and the same was drastically reduced to Rs. 256.00 crore at RE stage. Even this amount could not be fully utilized as the actual utilization during 2008-09 was only Rs. 243.14 crore. The Ministry have attributed this reduction for two schemes, namely, Detailed Drilling in Non-CIL Blocks and Development of Transport Infrastructure in Coalfield Areas. According to the Ministry, there was unsatisfactory progress of drilling work due to non-availability of permission from State Governments/Ministry of Environment & Forest being done through outsourcing and non-availability of fund for the implementation of Development of Transport Infrastructure in Coalfield Areas. While the Ministry have tried to explain reduction of Rs. 66.81 crore on these two schemes, the reasons for the reduction of the remaining funds (about Rs. 23 crore) have not been furnished. The fact that budgetary

provisions had to be drastically reduced indicate that the Ministry had not done proper planning before finalizing the budgetary proposals and could not perform their jobs as expected to be done. The Committee do not approve lackadaisical working system. The Committee cannot but over-emphasis the need for proper estimation of the funds required and for timely utilization of the allocation made for specific purpose.

For the year 2009-10 Rs. 349 crore have been provided at BE stage for implementation of various Central schemes. The Committee hope that this budgetary allocation would be fully utilized and the problems, if any, faced in the implementation of Central schemes would be timely resolved. The Committee urge upon the Ministry to relook the matter and assess the utilization of budgetary allocation.

4. 3.13

The Committee are surprised to find that out of Rs. 21.80 crore earmarked at BE stage during 2008-09 for Development of Transport Infrastructure in Coalfields, no funds were made available to the Ministry on the plea that the scheme is yet to be approved by the Government for inclusion in the XIth Plan for which in principle approval is awaited from Planning Commission. This scheme is stated to have been transferred from non-plan side to plan side and the clearance for the implementation of the scheme as a plan scheme could not be obtained. The Committee regret to observe that due to non-inclusion of this scheme in XIth Plan by the Planning Commission, it has remained a non-starter in coalfield areas during 2008-09. The Committee would like to be informed as to why this scheme has not been included in the XIth Plan so far. The Committee feel that the scheme on

1	2	3
		Development of Transport Infrastructure in Coalfield areas needs utmost attention of the Ministry and EFC Clearance for the implementation of scheme as plan scheme should be accorded at the earliest.
5.	3.14	<p>It is pertinent to note that whereas the outlay for detailed drilling in non-CIL/captive blocks was reduced from Rs. 60 crore to Rs. 15 crore during 2008-09, a similar amount (Rs. 60 crore) has been earmarked for this purpose at BE stage for 2009-10. The main reason is stated to be non-availability of the forest clearance in three outsourced blocks earmarked for drilling during 2008-09. According to the Ministry, while Central Mine Planning and Design Institute(CMPDI) will be carrying out drilling in CIL blocks, half of the detailed drilling has to be outsourced in 2009-10 since it would be beyond the existing capacity of Central Mine Planning and Design Institute to execute the work. The Committee desire that the funds earmarked for this year should be optimally utilized to achieve 1.17 lakh meter of detailed drilling. The Committee at the same time would urge upon that the Government to accelerate the exploration in potential areas so as to bring the reserves into proved category and to achieve the envisaged target. The capacity of Central Mine Planning and Design Institute also needs to be strengthened in terms of infrastructure and manpower to make it a premier sustainable institute for implementing R&amp;D in the coal sector. The Committee feel that the Ministry of Coal/Coal India Limited should offer a helping hand to the companies who are taking up the drilling work on behalf of Central Mine Planning and Design Institute to overcome procedural requirements before taking up projects for drilling.</p>

1	2	3
6.	3.15	<p>The Committee note that a provision of Rs. 20.00 crore has been made for implementing Research and Development Projects during 2009-10 as against Rs. 10 crore in BE &amp; RE 2008-09 for taking up seven new projects which had been recommended by Technical Sub-Committee of Standing Scientific Research Committee (SSRC) and projects that spilled over from Xth Plan. Keeping in view the rising demand of coal from different utilities particularly from the power sector, it is imperative that major thrust is given to R&amp;D activities to explore untapped coal reserves. The Committee regret to observe that the Ministry of Coal could utilize only Rs. 22.86 crore during first two years of XIth Plan on R&amp;D projects against Rs. 75.35 crore approved by the Planning Commission. The Committee recommend that the Ministry should take necessary measures to ensure full utilization of the allotted funds for R&amp;D Projects and periodical assessment must be made as regards full utilization of the allotted funds for R&amp;D Projects. In such case, Ministry should give responsibility to a very senior officer of the Ministry to oversee that allotted funds for R&amp;D Projects are utilized. No one should be undoubtful of the fact that coal industry is not in a position to cope up with the necessary demand of coal.</p>
7.	3.16	<p>The Committee in their earlier Reports had been observing that, there has been persistent shortfall in the utilization of budget allocation by the Ministry. Despite the corrective measures claimed to have taken by the Ministry, there has been instances of mismatch between expenditure and budget allocation, thereby resulting in sizeable cut of funds at RE stage. The Committee are inclined to conclude that the budgetary exercise in the Ministry needs to</p>

---

1	2	3
---	---	---

---

be re-oriented and rationalised to keep a proper balance between expenditure and budgetary allocation.

8. 4.10 The Committee note that as against capital outlay of Rs. 43476.37 crore proposed by the Ministry of Coal, Rs. 37100 crore was approved by the Planning Commission for Coal and Lignite sector for XIth Plan during the first two years of the current plan Rs. 9198.86 crore has been utilized which accounts for only 24.79% of the approved outlay of the entire plan whereas about 40% of the allotted funds should have been utilized during this period. The Ministry of Coal have indicated the problems of land acquisition, rehabilitation settlement and forest and environment clearance etc. as the main reasons for inadequate utilization of funds by the designated Public Sector Undertakings(PSUs). The Committee feel that the reasons cited are mainly administrative in nature and could have been resolved by proper planning, anticipation and expected standard discharge of function of the higher officers of the PSUs. At this stage the Committee are apprehensive whether the 75% of the remaining earmarked funds would be spent during the remaining period of the plan. The Committee, therefore, desire the Ministry to review the status of implementation of schemes/projects and prioritize the schemes/projects envisaged in XIth Plan to accomplish them well in time to realize the goals set for coal and lignite sector. The bottlenecks identified in this connection should be removed expeditiously by taking appropriate steps. The Committee would like to be informed of the mid term appraisal of the XIth Plan which is stated to be underway.

1	2	3
9.	5.36	<p>The Coal India Limited was allotted an outlay of Rs. 3214.70 crore BE which was reduced to Rs. 2755.00 crore at RE stage. The actual utilization of the fund was however Rs. 2289.06 crore which comes to 75%. According to the Ministry the main reasons for shortfall in utilization of funds were <i>i.e.</i> non-availability of environment and forest clearance, land acquisition and rehabilitation problems, delay in procurement of heavy equipments, heavy rainfall, law and order problem etc. The Committee note that Coal India Limited (CIL) has been allotted an annual capital outlay of Rs. 2900 crore to implement its schemes/ projects during 2009-10. The Committee hope that the funds earmarked for 2009-10 will be optimally utilized and the problems faced by coal and lignite companies during last year would be overcome by taking corrective steps to obviate any reduction of funds.</p>
10.	5.37	<p>The Committee have been given to understand that the revival plan of Bharat Coking Coal Limited has been approved by Board for Reconstruction of Public Sector Enterprises(BRPSE) and since forwarded to Board for Industrial and Financial Re-construction(BIFR) for approval. The Committee desire that the revival plan of Bharat Coking Coal Limited may be expedited.</p>
11.	5.38	<p>The Committee would like the Ministry to prepare an action plan for giving impetus to the loss making Coal India Limited subsidiaries by identifying the issues and problems that have been affecting their performance and resolve them expeditiously in order to bring out them from the financial crisis.</p>
12.	5.39	<p>The Singareni Collieries Company Limited is a joint venture of Government of India and the Government of Andhra Pradesh and generating</p>

---

funds through Internal & Extra Budgetary Resources for implementing various schemes/projects. The company has proposed capital outlay of Rs. 580.50 crore during 2009-10. The Committee also note that capital expenditure by SCCL during 2008-09 was Rs. 499.34 crore as against approved outlay of Rs. 665.30 crore which comes to 75.10% of the sanctioned capital outlay. The main reason for shortfall in utilization of funds by SCCL, according to the Ministry was non-materialization of new projects due to delay in forest land diversion. Further, the primary reason for decreased allocation of funds BE 2009-10 as compared to BE and RE 2008-09 has been less investment proposals in replacement of completed projects. The Committee are of the view that despite measures taken by SCCL to eliminate the delays and complete the projects in time, no visible improvement has been noticed in this regard. The Committee would, therefore, like the Ministry to tone up the monitoring system for overseeing the steps being taken to ensure the timely completion of coal projects.

13. 5.40

The Neyveli Lignite Corporation Limited has projected to spend Rs. 1893.84 crore during 2009-10. However, the Committee are constrained to note that NLC could spent only Rs. 1559.15 as against the allocation of Rs. 2717.00 crore during 2008-09 which is 57.38% of the BE targets which obviously is an indicative of sub-optimal utilization of approved allocation. The Neyveli Lignite Corporation Limited has not come out with cogent reasons for its miserable performance. Two projects *viz.* Jayankondam Mines and Bithnok Mines are reported to be delayed but reasons therefore, have not been advanced. Accordingly to the Ministry, the Riri project was kept in abeyance for want of its feasibility. Delay in supply of

---

---

		main plant package by Bharat Heavy Electricals Limited is also stated to be one of the reasons for less expenditure. The Committee feel that under utilization of funds has direct bearing on the implementation of important schemes and programmes ultimately affecting the overall performance of the company. The Committee recommend the Ministry to review the progress of fund utilization and projects at regular intervals with a view to ensuring that the projects are progressed as per planned schedule right from preparation of feasibility report to their completion.
14.	5.41	According to the Ministry new projects have been identified by NLC for which Advance Action Plan proposals have been sanctioned. The Committee would like to be informed about their details. At the same time, they hope that these projects would be taken up and completed without any delay.
15.	5.42	The Committee have been informed that there has been considerable delay in the land acquisition for 34 projects of Coal India subsidiaries which has resulted in shortfall of coal production. The Committee feel that the coal projects being undertaken by CIL subsidiaries have been severely affected in the absence of timely action by the State Governments of West Bengal, Jharkhand, Bihar, Madhya Pradesh for granting various clearances for land acquisition. In fact, the Eastern Coalfield Limited was the worst sufferer for such delay in land acquisition. The Committee would like the Ministry to take up this issue with all the concerned State Governments in the expeditious land acquisition so that coal companies are able to increase coal production in future. It is equally important that Chairmen-cum-Managing Directors of all the CIL

---

		subsidiaries should be more serious in taking up the matter with the respective State Governments. The Committee would like the Ministry to submit a detailed report in this regard as early as possible as regards the further steps which would be taken by the concerned coal companies with the State Governments for expeditious land acquisition. (Annexure-I)
16.	5.43	The Committee are constrained to observe that the implementation of 59 coal projects have been held up for want of environmental clearances. The Committee deprecate that the Ministry have failed to act as a facilitator on behalf of coal companies for getting necessary clearances from different agencies. The Committee are shocked to observe that the inordinate delay in getting forest and environment clearances has been badly affecting the coal production target by the coal companies. The Committee urge upon the Ministry to take up the matter with the Ministry of Forest and Environment for early clearance and also take up the matter with the concerned State Government in this regard. The Committee feel that while there cannot be any compromise on any environmental issue but at the same time Ministry of Forest and Environment should act promptly wherever clearance is sought by the coal companies. The Committee recommend that the Ministry of Forest and Environment should be more responsive in granting timely forest and environment clearances. (Annexure-II)
17.	5.44	One of the reasons for shortfall of production of coal is that a huge reserves of coal is getting sterilized as a result of allotment of particular project for coal and power. Recently, there have been two cases of allotment of coal projects

---

---

		<p>bases in West Bengal. For example, Aerotropolis project, there was the question of quite a considerable amount of coal reserves getting sterilized. It is only after Coal Minister wrote a letter to Chief Minister of West Bengal followed by a meeting with Chief Secretary, West Bengal attended by Chairman, Coal India and Ministry representative, the project was re-drawn with some coal reserves being free from exploitation. The Committee do not approve such an action on the part of Ministry when there is shortage of coal production in the country and coal reserves are available for extraction and the same are not being allotted to the coal companies, especially, Eastern Coal India Limited which can easily produce the coal for such coal reserves. The Committee feel that there should not have been any compromise at the cost of coal production while developing Aerotropolis project or any other project. The Committee urge upon the Ministry to take appropriate steps so that no coal reserve area is blocked and sterilized for setting up of any project where coal reserve exists. The Committee hardly need to emphasize that the industrial projects need to be set up on vacant land instead of setting up industrial projects on coal reserve area. This step if taken in right perspective will go a long way in the production of coal in the country and would thus serve greater and larger public interest.</p>
18.	6.8	<p>The Committee note that a combined proposal on Master Plan for Jharia and Raniganj Coalfields dealing with fire, rehabilitation and diversion of surface infrastructure in the lease hold areas of Bharat Coking Coal Limited &amp; Eastern Coalfields Limited with a total outlay of Rs. 9773.84 crore (Rs. 7112.11 crore for Jharia Action Plan and Rs. 2661.73 crore for Raniganj Action Plan) after taking undue long period</p>

---

---

has been approved by the Government in August 2008.

Bharat Coking Coal Limited & Eastern Coalfields Limited are reported to have initiated steps both in fire control and rehabilitation activities. For speedy implementation of Master Plan, a High Power Central Committee under the Chairmanship of Coal Secretary has been constituted with representatives of different Ministries and concerned State Governments. The Plan is to be implemented by Jharia Rehabilitation Development Authority and Asansol Durgapur Development Authority. The plan involved shifting and rehabilitation of more than three lakh people from area where fire have been raging for years due to unscientific mining practices.

The Plan though conceived way back in 1996 and finally approved in 2008 is stated to be facing teething problems. The Secretary, Ministry of Coal admitted before the Committee that the difficulties are being faced in the commencement of the plan. The Committee strongly feel that what is really needed is sincere and concerted efforts from different concerned agencies for shifting of people from the endangered areas to the safer places with better amenities and saving a large amount of coal from burning and preventing environmental pollution. The Committee desire the Ministry to take up the Master Plan for its implementation on war footing and rehabilitate the families which would be shifted. The implementation of Plan should be reviewed at the highest level on monthly basis. Although, the plan is to be implemented by Jharia Rehabilitation Development Authority and Asansol Durgapur Development Authority, one senior officer of the Joint Secretary level of the

---

Ministry should be given responsibility to oversee the work of the Jharia Rehabilitation Development Authority and Asansol Durgapur Development Authority on day to day basis. The Ministry should see that not a single affected person is left out from resettlement. The Committee also desire that no shifting of people from Jharia and Raniganj Coalfields should take place to coal bearing areas and to avoid environmental pollution. The Committee also desire that the completion time frame of ten years for Raniganj and 12 years for Jharia envisaged in the Plan need to be compressed so as to implement the plan on fast track basis lest a national catastrophe should take place. The Committee would like to be informed on the implementation status of the Master Plan after every three months.

19. 7.7 The Committee note that the Ministry of Coal is contemplating to bring in Mine Closure Policy for Coal and Lignite allocattees and consultation with coal and lignite companies and other stake holders. The Committee consider it a positive development as reclamation of abandoned mines in a scientific manner is absolutely necessary not only for preventing illegal mining but also to avoid serious mishaps taking place involving human casualties as also to deal with environmental issues. The Committee feel that in the absence of any statutory provisions for mine closure, the coal mafias have been operating at will with the connivance of local administration and officials of coal and lignite companies taking away valuable mineral reserves clandestinely. The Committee would like the Ministry to finalise the Mine Closure Policy at the earliest.

20. 7.8 The Committee also note that 18 abandoned mines belonging to Coal India Limited having

---

		estimated left out coal reserves of more than 10 MT each with aggregate reserve of about 1647 MT coal have been identified and expression of interest has been invited from internationally reputed parties for selection as partners to form a joint venture company in 50:50 equity ratio. The Committee are inclined to conclude that as a result of unscientific mining activities, a large chunk of coal reserves is being left out in the abandoned mines. The Committee desire that the mining activities should be conducted in scientific manner so that entire reserves of the particular mine are fully exploited.
21.	8.4	The Committee in their First Report (14th Lok Sabha) had recommended the Ministry of Coal to prepare a vision document <i>i.e.</i> Coal 2025 without any further delay and constitute a task force for holding consultations/discussions with experts and industry at large so that the Ministry can have a long term vision of the industry. The Ministry in their action taken notes furnished to the Committee had stated in 2004 that action for drawing up Coal Vision 2025 has already been initiated. Further, according to the Ministry views of Coal India Ltd. and other stake holders were sought in this regard. The Secretary, Ministry of Coal informed the Committee during evidence held on 29.09. 2009 that the Expert Committee under the Chairmanship of Shri T.L. Shankar constituted by the Government for drawing a road map for coal sector has submitted its report.

The Committee regret to point out the inordinate time taken by the Government in this regard which clearly indicates their lackadaisical approach towards this vital policy. The Committee strongly feel that the Ministry

1	2	3
		should finalise the Coal Vision – 2025 without any loss of time and they be apprised about the conclusive action taken in the matter.
22.	9.2	<p>The Committee note that the coal blocks which are being allotted to other end-users other than the Coal India Limited were identified by the Coal India Limited for their own mining purpose but the Ministry have been allotting such coal blocks to other parties. It is unfortunate that Coal India and its subsidiaries could not exhaust themselves for identifying such coal blocks from the inception for whatever the reasons available to them. The Committee are actually surprised to see that neither the Coal India Limited nor its subsidiaries could identify their coal blocks for mining operations which are now being identified by the Ministry for being allotted to private parties. On the one hand, Coal India Limited and its subsidiaries could not identify such coal blocks for coal production but are now running after foreign countries for importing coal. The Committee do not approve such failure on the part of Coal India Limited to identify such coal blocks since nationalization of coal companies. The Chairman, Coal India Limited during the course of evidence pleaded that 138 coal blocks be handed over by the Ministry to its subsidiaries for its mining purpose. The Committee are constrained to observe that only 25 coal blocks allotted under captive coal regime have started mining operation out of 208 coal blocks allotted so far by the Ministry to various private parties and end-users. This clearly shows non serious attitude on the part of such private parties to develop the coal blocks allotted to them within stipulated time. The Committee, therefore, recommend that the Ministry should take appropriate steps against such establishments</p>

---

1	2	3
---	---	---

---

who have failed to develop such coal blocks for mining operations and if necessary cancel their allotment.

23. 9.3 The Committee also urge upon the Ministry to consider the request of Coal India Limited for allotment of 138 coal blocks identified by it otherwise Coal India will not be able to achieve the coal production target envisaged in XIth and XIIth Plan.

---

*ANNEXURE I*

**STATEMENT SHOWING PROJECTS WHERE LAND  
ACQUISITION HAS BEEN DELAYED**

Sl. No.	Project	Area (in Ha.)	Act	Dt. of Application	Time taken since date of application	Status
1	2	3	4	5	6	7
<b>ECL</b>						
1.	Rajmahal OC (Ranidih Mouza), Jharkhand State	46.15	L.A.	23.2.05	4 Years 7 Months	Notification u/s 6(1) issued on 22.4.06. Rs. 60 lakh deposited with the State Govt. by ECL. Possession yet to be received.
2.	SP mines, Jharkhand State	309.45	L.A.	22.7.94	15 Years 2 Months	An amount of Rs. 443 lakh deposited with State Govt. Acqui- sition process not yet completed by State Govt.
3.	Shyampur Mugma, Jharkhand State	11.90	L.A.	2004	4 Years 6 Months	Rs. 100 lakh deposited with the State Govt. Pending with Secretary, Land Reforms Deptt., Govt. of Jharkhand, Ranchi
<b>CCL</b>						
1.	Tetariakhar Project Jharkhand State	3.97	L.A.	03.09.03	6 Years	Notification u/s 4 is yet to be issued by State Govt.
2.	Gidi C, Jharkhand State	4.17	L.A.	2008	1 Year	Notification u/s 4 is yet to be issued by State Govt.
<b>WCL</b>						
1.	Extn. of Sasti OC, Maharashtra State	164.16	L.A.	09.2.05	4 Years 7 Months	Notification u/s 4 is awaited.

1	2	3	4	5	6	7
2.	Gondegaon Extn. OC Maharashtra State	191.99	L.A.	25.3.06	3 Years 6 Months	Notification u/s 4 is awaited.
3.	Gondegaon Extn. OC Maharashtra State	16.56	L.A.	17.4.06	3 Years 5 Months	Notification u/s 4 is awaited.
4.	Singori OC Maharashtra State	84.86	L.A.	17.4.06	3 Years 5 Months	Notification u/s 4 is awaited.
5.	Inder UG to OC Maharashtra State	291.17	L.A.	17.4.06	3 Years 5 Months	Pending with the Collector, Nagpur
6.	Makardhokra-I OC, Maharashtra State	85.44	L.A.	28.12.04	4 Years 9 Months	Award u/s 4 is awaited.
<b>SECL</b>						
1.	Saraipali OC, Chhattisgarh State	236.58	L.A.	23.4.04	5 Years	Amount of compensation deposited with the Collector, Korba. Physical possession of land is awaited.
2.	Baroud OC, Chhattisgarh State	157.94	L.A.	812.03	6 Years	Amount of compensation deposited with the Collector, Korba. Physical possession of land is awaited.
<b>BCCL</b>						
1.	Block-III OCP	2.80	L.A.	10.5.02	7 Years 4 Months	Revised proposal submitted on 19.8.08.
2	Block-III OCP	1.72	L.A.	10.5.02	7 Years 4 Months	Payment is to be made.
3.	Muraidih OCP	1.93	L.A.	10.5.02	7 Years 4 Months	Possession to be delivered.

1	2	3	4	5	6	7
4.	Madhuban Washery	0.19	L.A.	10.5.02	7 Years 4 Months	Possession to be delivered.
5.	Phularitand OCP	6.02	L.A.	18.4.02	7 Years 3 Months	Sec. 6(1) to be notified.
6.	Phularitand OCP	1.84	L.A.	23.4.02	7 Years 3 Months	Sec. 6(1) issued.
7.	Jogidih OCP	8.90	L.A.	4.9.02	7 Years	Sec. 4(1) to be issued.
8.	Dahibari OCP	6.90	L.A.	11.11.04	4 Years 10 Months	Sec. 6 awaited.
9.	Muraidih Colliery	7.92	L.A.	5.11.04	4 Years 10 Months	Sec. 4 (1) awaited.
10.	Gondudih/ Khas Kusunda OCP	1.30	L.A.	5.11.04	4 Years 5 Months	Authorization u/s 7 awaited.
11.	Chandan OCP	3.84	L.A.	16.12.04	4 Years 9 Months	Possession to be delivered.
12.	Block-IV OCP	4.58	L.A.			Possession to be delivered.
13.	Block-IV OCP	2.20	L.A.			Possession to be delivered.
14.	Muraidih Colliery	19.68	L.A.			Sec. 4(1) awaited.
15.	Goluckdih OCP	2.68	L.A.			Authorization u/s 7 awaited.
16.	Block-III OCP	3.04	L.A.	10.5.02	7 Years 4 Months	Khatian of the village is not available. D.C., Dhanbad has requested Director (Survey) of Khatiyan of the respective Mouza <i>vide</i> letter No. 41 dt. 17.1.03. No further action has yet been taken. Needs action at appropriate level.

1	2	3	4	5	6	7
17.	Lohapatti Colliery	31.29	L.A.	10.5.02	7 Years 4 Months	-do-
18.	Jeanagora OCP	22.25	L.A.	10.5.02	7 Years 4 Months	-do-
19.	Jeanagora OCP	35.25	L.A.	10.5.02	7 Years 4 Months	-do-
20.	Ganga OCP	0.25	L.A.	23.6.04	5 Years 3 Months	Sec. 4 (1) to be issued.
21.	Block-IV OCP	1.61	L.A.	21.11.05	3 Years 10 Months	Sec. 4(1) to be issued.
	MCL					In MCL, there is no specific case where the land acquisition has been delayed or was awaited from the point of view as to the time frame when the proposals had been made to the State Govt.
	NCL					Presently, no proposal is awaited.

*ANNEXURE II*

**STATEMENT SHOWING ENVIRONMENTAL CLEARANCES  
PROJECTS WHICH ARE AWAITED**

Sl. No.	Company	Name of Project	CAP (MTY)	Date of application for EC	Status	Total time in months
1	2	3	4	5	6	7
1.	ECL	Narayankuri UG	0.540	9 Jan., 2008	PH date fixed on 14.10.09	21
2.	ECL	Kunustoria Dobraña Block	0.735	3 Oct., 2008	Awaiting for Public Hearing	12
3.	ECL	Belbaid UG	0.480	18 Apr., 2008	PH held on 6.8.09. Awaiting procedure for preparation of CB.	17
4.	ECL	Bansra LCCM	0.735	3 Aug., 2009	EAC meeting for TOR held on 26.8.09. Awaiting TOR from MoEF	2
5.	ECL	Chitra East OCP	2.500	7 June, 2007	Final EMP submitted to MoEF on 14.8.09. Awaiting for EAC meeting	28
6.	ECL	Mohanpur Expn. OC	1.000	11 Sep., 2007	EAC meeting was held on 23.6.09. Final EC is awaited	24
7.	ECL	Jhanjra CM (2nd set)	3.500	18 June, 2009	EAC meeting for TOR held on 26.8.09. Awaiting confirmation of TOR from MoEF.	3
1.	CCL	Amlo EPR	2.500	Jan., 07	In final stages of approval	33
2.	CCL	Tapin EPR	2.500	Jan., 07	In final stages of approval	33
3.	CCL	Tarmi EPR	1.00	Feb., 07	In final stages of approval	32
4.	CCL	Khasmahal EPR	0.70	Feb., 07	Draft EMP prepared. Capacity revised.	32
5.	CCL	Rohini OCP	2.000	Feb., 07	In final stages of approval	32
6.	CCL	Karma OCP	1.000	Mar, 07	EMP under preparation	31
7.	CCL	Urimari OCP	2.00/2.50	12 Apr., 2007	PH to be held by Jharkhand State Pollution Board	29

1	2	3	4	5	6	7
8.	CCL	Kedla EPR	2.000	29 Mar., 2007	EMP under preparation	31
9.	CCL	Govindpur OC Ph. II	1.20/1.50	24 Oct., 2008	PH to be held	10
10.	CCL	Ashok Ashery	10.000	25 May, 2009	EMP under preparation	6
11.	CCL	Parej East UG	0.510		PH to be held	—
12.	CCL	Churi benti UG	0.810	Jan., 07	PH to be held	33
13.	CCL	Karo OCP	3.500		EC meeting held on 26.2.08 Revised Form-I to be sent.	
14.	CCL	Tetariakhar OCP	0.5 (Revised 2.0)		Last EAC meeting held on 25.6.08. Revised Form-I to be sent with revised capacity.	
15.	CCL	Dhori Washery	2.50	4 July, 2009	PH to be held	3
1.	WCL	Penganga OC	3.000	11 Feb., 2009	PH document prepared	7
2.	WCL	Gokul OC	1.000	23 Aug., 2007	PH held on 11.11.08. Minutes received	14
3.	WCL	Kolarpimpri OC Exp.	1.500	23 Aug., 2007	PH held on 23.12.08. Minutes received	25
4.	WCL	New Majri UG to OC	0.800	9 Jan., 2008	PH held on 9.9.08. Minutes received	20
5.	WCL	Kumbharkhani UG	0.600	14 Dec., 2007	PH held on 22.12.08. Minutes received	21
6.	WCL	Durgapur OCP Extn.	3.000	14 Jan., 2008	PH date fixed	20
7.	WCL	Junad Extn. OC	1.500	16 Jan., 2008	PH document submitted	20
8.	WCL	Sharda UG	0.315	25 March, 2008	PH minutes received	18
9.	WCL	Chatrapur I&II UG	1.000	4 June, 2008	PH minutes received	15
10.	WCL	Dhorwasa Expn. OC	2.000	9 July, 2008	EAC meeting held on 22.7.09	14
11.	WCL	Telwasa OC Exp.	2.000	29 July, 2008	EAC meeting held on 22.7.09	14
12.	WCL	Pipla UG Expn.	0.250	30 July, 2008	PH date to be fixed	14
13.	WCL	Saoner-UG Expn.	2.000	30 July, 2008	PH date to be fixed	14
14.	WCL	Patansaongi UG Expn.	0.5	31 July, 2008	PH date to be fixed	14
15.	WCL	Gauri Deep OC	0.400	9 July, 2008	PH minutes received	14
16.	WCL	Dhankasa UG	1.200	3 Oct. 2008	Final EMP submitted to MoEF	11

1	2	3	4	5	6	7
17.	WCL	Dhuptala OC	1.700	19 Dec, 2008	TOR received	9
18.	WCL	Dinesh OC	3.000	19 Dec. 2008	TOR received	9
19.	WCL	Bhakra UG	0.270	11 Feb., 2009	PH minutes received	7
20.	WCL	Chincholi OCP	0.450	24 March, 2009	PH under preparation	6
21.	WCL	Ghonsa OC	0.450	28 May, 2009	PH under preparation	4
22.	WCL	Jamuniya UG	0.828	4 March, 2009	PH held	6
23.	WCL	Kolgaon OC	0.600	16 July, 2009	TOR received	2
24.	WCL	Harradoi UG	0.135	2 July, 2008	PH held	14
1.	MCL	Anata OC Expn. (12-20 Mty)	12.000	11 Aug., 2008	Draft EMP under preparation at CMPDIL, RI-VII	14
2.	MCL	Samaleswari OC Expn.	5.000	20 March, 2008	Applied for consent to establish, PH date awaited	18
3.	MCL	Basundhara (W) OC Expn.	2.4 to 8.0	25 March, 2008	Applied for consent to establish PH date awaited	18
4.	MCL	Lajkura OC Expn.	1.0 to 3.0	21 Aug, 2008	EMP under preparation at CMPDI	13
5.	MCL	Belpahar OC Expn.	4.5 to 6.0	21 March, 2008	Draft EIA/EMP recd. on 2.6.09	18
6.	MCL	Orient Mine No. 1&2 (UG)	0.870	27 March, 2008	PH date awaited	18
7.	MCL	Orient Mine No. 3 (UG)	0.690	27 March, 2008	PH date awaited	18
8.	MCL	Orient Mine No. 4 (UG)	0.500	26 Dec., 2006	PH date awaited	32
9.	MCL	HBI (UG)	0.950	5 June, 2007	PH date awaited	28
10.	MCL	Bhubaneswari OC Expn.	10-20 Mty	12 Jan., 2007	Final EMP under preparation	33
11.	MCL	Hingula-II OC Expn.	12 to 15	17 May, 2008	PH held on 10.9.09	16
12.	MCL	Gopalprasad OCP	15.000	17 March, 2008	EMP under preparation at CMPDI RI-VII	18
13.	MCL	Talabira OCP	20.000	5 Feb., 2007	EMP under preparation at CMPDI RI-VII	14

MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL HELD ON 29TH SEPTEMBER, 2009  
IN COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE,  
NEW DELHI

The Committee sat from 1400 hours to 1720 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

2. Shri Adhi Sankar
3. Shri Sanjay Bhoi
4. Shri Ismail Hussain
5. Sardar Sukhdev Singh Libra
6. Shri Narahari Mahato
7. Shri Govind Prasad Mishra
8. Shri Rakesh Sachan
9. Shri Pashupati Nath Singh
10. Shri Rajiv Ranjan Singh *alias* Lalan Singh
11. Ms. Mabel Rebello
12. Shri Jai Prakash Narayan Singh
13. Shri A. Vijayaraghavan
14. Shri R.C. Singh

SECRETARIAT

1. Shri Ashok Sarin — *Joint Secretary*
2. Shri Shiv Singh — *Director*
3. Md. Aftab Alam — *Under Secretary*

WITNESSES

**Ministry of Coal**

1. Shri C. Balakrishnan, Secretary
2. Shri S.P. Seth, Special Secretary

3. Shri K.S. Kropha, Joint Secretary
4. Shri Sanjiv Mittal, JS & FA
5. Shri P.R. Mandal, Adv. (Project)
6. Shri Kailash Pati, Economic Adviser

#### **Coal Public Sector Undertakings**

7. Shri P.S. Bhattacharya, CMD, Coal India Ltd. (CIL)
8. Shri T.K. Lahiry, CMD, Bharat Coking Coal Ltd. (BCCL)
9. Shri M.P. Dikshit, CMD, Southern Eastern Coalfields Ltd. (SECL)
10. Shri D.C. Garg, CMD, Western Coalfields Ltd. (WCL)
11. Shri S.R. Uppadhyay, CMD, Mahanadi Coalfields Ltd. (MCL)
12. Shri V.K. Singh, CMD, Northern Coalfields Ltd. (NCL)
13. Shri R.K. Saha, CMD, Central Coalfields Ltd. (CCL)
14. Shri S. Chakravarty, CMD, Eastern Coal Fields Limited
15. Shri S. Narsing Rao, CMD, Singareni Collieries Company Limited

2. At the outset, the Chairman, welcomed the Secretary and other representatives of the Ministry of Coal and Coal Public Sector Undertakings to the sitting of Committee and apprised them of the provisions of Direction 58 of the Directions by the Speaker, Lok Sabha.

3. The Chairman, Coal India Limited made a power point presentation on various activities of the Company and the Demands for Grants (2009-10). Thereafter, the Coal Secretary briefed the Members of the Committee which *inter alia* covered the following points:

- (i) Coal Vision 2025
- (ii) Physical and Financial Performance of Coal PSUs
- (iii) Rehabilitation and Resettlement Policy
- (iv) Implementation of ongoing projects
- (v) Demand and supply of coal
- (vi) Introduction of latest technologies in coal mining
- (vii) Streamlining process of allocating captive coal blocks
- (viii) Illegal mining and theft of Coal
- (ix) Coal transportation policy
- (x) Revision of coal royalty, etc.

4. The Members sought clarifications on various issues relating to the Demands for Grants and other issues relating to the Ministry of Coal and the representatives of the Ministry responded to the same.

5. The Chairman, thereafter, directed the representatives of the Ministry of Coal to furnish replies to the queries raised by the Committee during the sitting latest by 14th October, 2009. He also directed that the next sitting of the Committee will be held on 21st October, 2009 to take further oral evidence of the representatives of the Ministry of Coal in connection with examination of Demands for Grants, for the year 2009-10.

6. The Chairman, then, thanked the witnesses for appearing before the Committee as well as furnishing valuable information.

A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL HELD ON 21ST OCTOBER, 2009 IN  
COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE,  
NEW DELHI

The Committee sat from 1400 hours to 1600 hours.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

2. Shri Adhi Sankar
3. Shri Hansraj G. Ahir
4. Shri Sanjay Bhoi
5. Shri Abu Hasem Khan Choudhury
6. Shri Ismail Hussain
7. Shri Yashbant Laguri
8. Sardar Sukhdev Singh Libra
9. Shri Narahari Mahato
10. Shri Babu Lal Marandi
11. Shri Govind Prasad Mishra
12. Shri Pashupati Nath Singh
13. Shri Rajiv Ranjan Singh *alias* Lalan Singh
14. Dr. G. Vivekanand
15. Shri Dhiraj Prasad Sahu
16. Shri Jai Prakash Narayan Singh
17. Shri A. Vijayaraghavan
18. Shri R.C. Singh
19. Shri Kishore Kumar Mohanty

SECRETARIAT

1. Shri Shiv Singh — *Director*
2. Shri Y.M. Kandpal — *Additional Director*
3. Md. Aftab Alam — *Under Secretary*

## WITNESSES

### **Ministry of Coal**

1. Shri C. Balakrishnan, Secretary
2. Shri S.P. Seth, Special Secretary
3. Shri Alok Perti, Addl. Secretary
4. Shri Sanjiv Mittal, JS & FA
5. Shri R.K. Mahajan, Joint Secretary
6. Shri P.R. Mandal, Adv. (Project)
7. Shri Kailash Pati, Economic Adviser

### **Coal Public Sector Undertakings**

1. Shri P.S. Bhattacharya, CMD, Coal India Ltd. (CIL)
2. Shri A.R. Ansari, CMD, NLC

2. At the outset, the Chairman, welcomed the Secretary and other representatives of the Ministry of Coal and Coal Public Sector Undertakings to the sitting of Committee. The Chairman mentioned that the sitting of the Committee has been convened to take further oral evidence of the representatives of the Ministry of Coal on Demands for Grants (2009-10) and to discuss various issues raised by the Members during the previous sitting.

3. Thereafter, the Secretary briefed the Committee regarding functioning of Coal Public Sector Undertakings (PSUs), focus areas and initiatives, and key policy concerns. The points discussed during the sitting broadly related to the issues such as allocation of coal blocks under captive coal dispensation, rehabilitation and resettlement of project affected persons, outsourcing of labour in Coal PSUs, environmental concerns, coal transportation policy, implementation of ongoing schemes and projects, acquisition of coal mines abroad, etc.

A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL (2009-10) HELD ON 14.12.2009 IN  
COMMITTEE ROOM 'E' PARLIAMENT HOUSE ANNEXE,  
NEW DELHI

The Committee sat from 1500 hrs. to 1530 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

2. Shri Sanjay Bhoi
3. Shri Ismail Hussain
4. Shri Chandrakant B. Khaire
5. Sardar Sukhdev Singh Libra
6. Shri Govind Prasad Mishra
7. Shri Rakesh Sachan
8. Shri Pashupa Nath Singh
9. Smt. Rajesh Nandini Singh
10. Dr. G. Vivekanand
11. Ms. Mabel Rebello
12. Shri Jai Prakash Narain Singh
13. Shri Nand Kumar Sai
14. Shri R.C. Singh
15. Shri Kishore Kumar Mohanty

SECRETARIAT

1. Shri Ashok Sarin	—	<i>Joint Secretary</i>
2. Shri Shiv Singh	—	<i>Director</i>
3. Smt. Sunita	—	<i>Deputy Secretary</i>
4. Md. Aftab Alam	—	<i>Under Secretary</i>

2. At the outset, Chairman, welcomed the Members to the sitting of the Committee.

3. The Committee then considered and adopted the following Draft Report subject to some minor modifications:

4. The Committee authorized the Chairman to finalize the Report after making consequential changes arising out of factual verifications by the concerned Ministry or otherwise and to present this Report to both the Houses of Parliament.

*The Committee then adjourned.*

---

\*\*Do not pertain to this Report.