

SEVENTH REPORT  
STANDING COMMITTEE ON  
COAL AND STEEL  
(2014-2015)

(SIXTEENTH LOK SABHA)

MINISTRY OF COAL

DEMANDS FOR GRANTS  
(2015-2016)

*Presented to Lok Sabha on 24.04.2015*

*Laid in Rajya Sabha on 24.04.2015*



LOK SABHA SECRETARIAT  
NEW DELHI

*April, 2015/Vaisakha, 1937 (Saka)*

**CC&S No. 93**

*Price : ₹ 123.00*

© 2015 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fifteenth Edition) and printed by Anupam Art Printers, New Delhi.

# CONTENTS

PAGE



COMPOSITION OF THE STANDING COMMITTEE  
ON COAL AND STEEL (2014-15)

Shri Rakesh Singh\* – *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri A. Arunmozhithevan
3. Shri Kalyan Banerjee
4. Shrimati Jyoti Dhurve
5. Shri Faggan Singh Kulaste
6. Shri Shailesh Kumar
7. Dr. Banshilal Mahato
8. Shri Godam Nagesh
9. Shri Devji M. Patel
10. Shrimati Riti Pathak
11. Shrimati Ranjit Ranjan
12. Dr. Ravindra Kumar Ray
13. Shri Neiphiu Rio
14. Shri Tamradhwaj Sahu
15. Shri Tathagata Satpathy
16. Shri Janardan Singh “Sigriwal”
17. Shri Pashupati Nath Singh
18. Shri Sunil Kumar Singh
19. Shri Sushil Kumar Singh
20. Shri Rama Kishore Singh
21. Shri Krupal Balaji Tumane

*Rajya Sabha*

22. Shri Ali Anwar Ansari
23. Dr. Pradeep Kumar Balmuchu

---

\*Shri Rakesh Singh appointed w.e.f. 27.11.2014 vice Shri Hansraj G. Ahir has been appointed as Minister.

24. Shri Md. Nadimul Haque<sup>@</sup>
25. Shri B.K. Hariprasad
26. Shri Jugul Kishore
27. Shri Avinash Pande
28. Dr. Satyanarayan Jatiya<sup>#</sup>
29. Shri Sanjay Raut
30. Shri Nand Kumar Sai
31. Shri Dilip Kumar Tirkey

SECRETARIAT

- |                         |   |                            |
|-------------------------|---|----------------------------|
| 1. Shri Shiv Singh      | — | <i>Joint Secretary</i>     |
| 2. Shri Ajay Kumar Garg | — | <i>Director</i>            |
| 3. Shri Arvind Sharma   | — | <i>Additional Director</i> |
| 4. Ms. Miranda Ingudam  | — | <i>Under Secretary</i>     |

---

<sup>@</sup>Shri Md. Nadimul Haque nominated w.e.f. 08.01.2015 vice Shri Srinjoy Bose.

<sup>#</sup>Dr. Satyanarayan Jatiya nominated w.e.f. 25.09.2014 vice Shri Basawaraj Patil.

## INTRODUCTION

1, the Chairperson, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Seventh Report (Sixteenth Lok Sabha) on Demands for Grants (2015-16) 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 19.03.2015 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 the Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Coal on 1.4.2015.

4. The Report was considered and adopted by the Committee at their sitting held on 22.4.2015.

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. The Committee place on record their profound appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

7. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;  
23 April, 2015  
03 Vaisakha, 1937 (Saka)

RAKESH SINGH,  
Chairperson,  
Standing Committee on  
Coal and Steel.





## REPORT

### PART I

#### CHAPTER I

##### INTRODUCTORY

The strategic importance of Coal in the Country's energy security can be gauged from the fact that coal accounts for over fifty per cent of the primary energy supply and over seventy per cent of coal production/supply goes for power generation with the share expected to go up in the near future. While the present demand of coal for the year 2014-15 stands at 787.03 Mt, the indigenous coal supply estimated for the year 2014-15 stands at 617 Mt (CIL:494 Mt and Non-CIL: 123 Mt) revealing the demand-supply gap to be met with imports with its consequent financial burden on the exchequer. The daunting tasks before the Government are to seriously address the various constraints impeding offtake of domestic production and capacity expansion with a renewed thrust to set optimistic targets and timelines for realistic achievements. Major Plan Schemes include *inter-alia* Research and Development; Regional exploration in both CIL and Non-CIL Blocks; Detailed drilling; Environmental Measures and Subsidence Control; Conservation and Safety in Coal Mines and Development of Transport Infrastructure under CCDA; Expediting pending environment and forest clearances for projects, Acquisition/possession of land & related Rehabilitation & Resettlement issues; Development of coalfields evacuation infrastructure in growing coalfields of CCL, SECL & MCL. Undoubtedly, while enhancing a sustainable commensurate increase in the production of coal to meet the increasing domestic demand is of paramount importance, the aspect of bringing about objectivity and transparency in the allocation of coal blocks particularly for captive mining and also ensuring a stringent monitoring mechanism had already been emphasized. Consequent to the judgement/order dated 25.8.2014 and 24.9.2014 of the Supreme Court cancelling the allocation of 204 Coal Blocks out of 218 Blocks allocated since 1993, the Government promulgated the Coal Mines (Special Provisions) Ordinance, 2014 on 21.10.2014 followed by the Coal Mines (Special Provisions) Second Ordinance, 2014 on 26.12.2014 to ensure smooth transfer of rights, titles and interests in the mines/blocks to new allottees. The Coal Mines (Special Provisions) Rules, 2014 have also been notified

on 11.12.2014 and allocation of coal blocks are now governed by the provisions of the Ordinance and Rules made thereunder and reportedly, the total estimated amount of revenue likely to be raised in respect of 33 Coal Mines/Blocks already auctioned is Rs. 209740.25 crore with the auction proceeds to be transferred to the respective State Governments.

1.2 The Annual Report (2014-15) of the Ministry of Coal highlights that the core objectives of Ministry of Coal are linked to its vision of securing the availability of coal to meet the demand of different sectors of the economy in an eco-friendly and sustainable manner and the overall mission of augmenting production through Government companies as well as the captive mining route by adopting state-of-the-art, clean-coal technologies; enhancing exploration efforts with thrust on increasing proven resources and developing the necessary infrastructure for prompt evacuation of coal.

### **Objectives**

- Ensuring achievement of Annual Action Plan targets for coal production and off-take, OBR removal, lignite production and lignite based power generation.
- Infrastructure development to augment coal and washed coal production.
- Leveraging technology to minimize environmental externalities.
- Cutting edge research and development initiatives.
- Enhancing exploration to augment resource base.
- Quality and reliability in customer services.
- Expeditious and joint solutions to inter-ministerial issues.
- Improving efficiency of Coal India.
- Attracting private investments.
- Allocating coal blocks in a transparent manner.

### **Functions**

- Facilitating exploration, development and exploitation of coking and non-coking coal and lignite reserves in India.
- All matters related to production, supply, distribution and prices of coal.

- Development and operation of coal washeries other than those for which Department of Steel is responsible.
- Administration of the Coal Mines (Nationalisation) Act, 1973; Mines and Minerals (Development and Regulation) Act, 1957; the Coal Bearing Areas (Acquisition and Development) Act, 1957; the Coal Mines Provident Fund and Miscellaneous Provision Act, 1948; rules under the Mines Act, 1952 for levy and collection of excise duty on coke and coal produced and dispatched from mines; the Coal Mines (Conservation and Development) Act, 1974 and other Union laws related to coal and lignite and sand for stowing and the business incidental to such administration.

### **Schemes**

- Research and Development
- Regional Exploration
- Detailed Drilling
- Environmental Measures and Subsidence Control
- Conservation and Safety in Coal Mines
- Development of Transport Infrastructure in coalfield areas

### **Organizational Structure**

The Secretariat of Ministry of Coal is headed by a Secretary who is assisted by one Additional Secretary, four Joint Secretaries (including the Financial Adviser), one Project Adviser, one Economic Adviser, seven Directors/Deputy Secretaries, one Technical Director, nine Under Secretaries, Twenty Section Officers, one Assistant Director (Official Language) and one Dy. Controller of Accounts and their supporting staff.

### **Public Sector/Joint Sector Companies**

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

Coal India Limited (CIL) is a 'Maharatna' company under the Ministry of Coal, Government of India with headquarters at Kolkata, West Bengal. CIL is the single largest coal producing company in the world and one of the largest corporate employers with a manpower of 3,46,638 (as on 1st April, 2014). CIL operates through 82 mining areas spread over eight provincial States of India. Coal India Limited has 429 mines of which 237 are underground, 166 opencast and 26 mixed mines.

Coal India Limited (CIL) with its headquarters at Kolkata is the apex body in coal industry under the administrative control of the Ministry of Coal. Coal India is a holding company with seven wholly owned coal producing subsidiary companies and one mine planning and consultancy company. It encompasses the whole gamut of identification of coal reserves, detailed exploration followed by design and implementation and optimizing operations for coal extraction in its mines. The producing companies are:

- Eastern Coalfields Limited (ECL), Sanctoria, West Bengal
- Bharat Coking Coal Limited (BCCL), Dhanbad, Jharkhand
- Central Coalfields Limited (CCL), Ranchi, Jharkhand
- South Eastern Coalfields Limited (SECL), Bilaspur, Chhattisgarh
- Western Coalfields Limited (WCL), Nagpur, Maharashtra
- Northern Coalfields Limited (NCL), Singrauli, Madhya Pradesh
- Mahanadi Coalfields Limited (MCL), Sambalpur, Odisha
- The consultancy company is Central Mine Planning and Design Institute Limited (CMPDIL), Ranchi, Jharkhand

North Eastern Coalfields (NEC) a small coal producing unit operating in Margherita, Assam under direct operational control of CIL.

In addition, CIL has registered a company, namely Coal India Africana Limited, for development of 2 coal blocks acquired in Mozambique. Coal India's major consumers are Power and Steel sectors. Others include Cement, Fertiliser, Brick Kilns, and small scale industries.

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

Neyveli Lignite Corporation Limited, a "Navratna" company with its registered office at Chennai and corporate office at Neyveli in Tamil Nadu is a pioneer among the public sector undertakings in the energy sector. NLC operates:

- Three Opencast Lignite Mines of total capacity of 28.5 million tonnes per Annum at Neyveli and one open cast lignite Mine of capacity 2.1 million tonnes per Annum at Barsingsar, Rajasthan.
- Three Thermal Power Stations with a total installed capacity of 2490 Mega Watt at Neyveli and one Thermal Power Station at Barsingsar, Rajasthan with an installed capacity of 250 Mega Watt.

All the Mines of NLC are ISO Certified for Quality Management System, Environmental Management System and Occupational Health & Safety Management System. All the Power stations of NLC are also ISO Certified for Quality Management System and Environmental Management System. NLC's growth is sustained and its contribution to India's social and economic development is significant.

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

The Singareni Collieries Company Limited (SCCL) is a Government coal mining company jointly owned by the Government of Telangana and Government of India on a 51:49 equity basis. The Singareni coal reserves stretch across 350 Km of the Pranahita – Godavari Valley of Telangana with a proven geological reserves aggregating to whopping 8791 million tonnes. SCCL is currently operating 15 opencast and 34 underground mines in 4 districts of Telangana with a manpower around 62,805.

1.3 The Ministry in their Outcome Budget (2015-16), while detailing the Budget Estimates and the Plan Outlay of the Ministry of Coal and Coal PSUs, also brings out the expected outcomes in terms of quantifiable deliverables in 2015-16 and physical outputs along with the timelines for both the Plan and Non-Plan schemes operated in the Ministry of Coal. The outcome budget also brings out some important reform measures and policy initiatives undertaken by the Ministry in recent times viz., efforts to encourage innovative partnerships under the Public Private Partnership (PPP) model in the coal sector; renewed policy thrust to increase coal production with envisaged coal production from CIL in the terminal year 2016-17 of the 12th Five Year Plan estimated at 615 MT with expectation to reach the momentous milestone one billion tonnes by the year 2020 as per the perspective plan of CIL; new policy initiatives to expedite environmental and forest clearance and push critical rail-link projects; rationalization of linkage of coal; ensuring stringent quality control measures; streamlining land and rehabilitation related issues; special thrust on monitoring of development of captive coal blocks; fast tracking of coal exploration work; promulgation of the Coal Mines (Special Provision) Ordinance, 2014 on 21.10.2014 followed by the Coal Mines (Special Provisions) Second Ordinance, 2014 on 26.12.2014 and notification of the Coal Mines (Special Provision) Rules, 2014 on 11.12.2014; introduction of appropriate technology for benchmarking productivity, safety, quality and crushing of coal; technology development and modernization of mines in CIL; Master Plan to address fire, subsidence and rehabilitation; Third Party Monitoring of Mine Reclamation and Rehabilitation Satellite

surveillance for land reclamation, etc. The Outcome Budget also details the amount earmarked and utilized by CIL and its subsidiaries under the Corporate Social Responsibility Fund during each of the last three years (2011-12, 2012-13 and 2013-14). In addition, the outcome budget dedicates a chapter on Financial Review of the PSUs as well as various Plan and Non-plan Scheme Projects administered by the Ministry of Coal and also stated that as on 31.03.2014, there are no outstanding utilization certificates pending with the Ministry.

1.4 The detailed Demands for Grants of the Ministry of Coal were presented to Lok Sabha on 19th March, 2015. Besides analyzing the detailed Demands for Grants (2015-16) of the Ministry of Coal, the Committee in the present Report have examined various issues related to implementation of various schemes/plans/programmes by the Ministry of Coal and other PSUs/Organizations under its administrative control. In the context of the Demands for Grants 2015-16, the detailed analysis alongwith observations/recommendations of the Committee on various issues have been given in the succeeding chapters of the Report.

## CHAPTER II

### ANALYSIS OF DEMANDS FOR GRANTS (2015-16)

#### A. SUMMARY OF DEMANDS FOR GRANTS 2015-16

The Demands for Grants (2015-16) of the Ministry of Coal reflect a Plan provision of Rs. 551.00 crore and a Non-Plan provision of Rs. 1155.00 crore as Gross Budgetary Support. Non-Plan provision of Rs. 55.00 crore has been reflected in the Demand to meet the demands of the Secretariat, Coal Controller's Organization, Nominated Authority and the CMPS scheme. A provision of Rs. 1100.00 crore has been made for Acquisition of Coal Bearing Areas for which the amount is deposited by CIL in advance to Government. The same is released back to CIL for payment of compensation. In addition to the gross budgetary support reflected in the Demands for Grants, all the three Public Sector Companies of the Ministry of Coal implement their Capital Investment Plans from their Internal and Extra Budgetary Resources (IEBRs) without Budgetary Support from Government of India. The allocations earmarked for Central Schemes/projects being implemented by PSUs for the year 2015-16 are indicated hereunder:—

#### Schemes/Programmes being Implemented with Gross Budgetary Support

(Rs. in crore)

Name of Scheme/Programme	2015-16 (BUDGET)		
	Plan	Non-Plan	Total
1	2	3	4
<b>Revenue</b>			
1. Secretariat-Economic Services	1.25	19.10	20.35
LABOUR AND EMPLOYMENT			
COAL MINES LABOUR WELFARE			
2. Contribution to Coal Mines Pension Scheme/Deposit Link Insurance Scheme	0.00	22.35	22.35

	1	2	3	4
COAL AND LIGNITE				
3. *Conservation and Safety in Coal Mines		170.00	0.00	170.00
4. Development of Transportation Infrastructure in coalfields areas		75.00	0.00	75.00
5. Research & Development Programme		18.00	0.00	18.00
6. *Regional Exploration		103.50	0.00	103.50
7. *Detailed Drilling		151.20	0.00	151.20
8. Environmental Measures and Subsidence Control		0.45	0.00	0.45
9. Coal Controller		1.00	8.55	9.55
10. Nominated Authority		0.00	5.00	5.00
Total Coal and Lignite		519.15	13.55	532.70
11. Lumpsum provision for North Eastern Areas		30.60	0.00	30.60
Total (Revenue)		551.00	55.00	606.00
CAPITAL				
EXPENDITURE ON ACQUISITION OF COAL BEARING AREAS FROM CBA ACQUISITION FUND				
12. Acquisition of Coal Bearing Areas		0.00	1100.00	1100.00
13. Deduct Expenditure met from C.B.A. Acquisition Fund		0.00	-1100.00	-1100.00
Total (Capital)		0.00	0.00	0.00
Total (Revenue+Capital)		551.00	55.00	606.00

\*Including Tribal Sub-Plan component



**Investment in Public Enterprises from Internal and  
Extra Budgetary Resources (IEBRs)**

(Rs. in crore)

	Budget Support	IEBR	Total
14. Coal India Limited	0.00	5990.50	5990.50
15. Singareni Collieries Company Ltd.	0.00	2390.00	2390.00
16. Neyveli Lignite Corporation Limited (Mines)	0.00	731.00	731.00
17. Neyveli Lignite Corporation Limited (Power)	0.00	3474.00	3474.00
18. Neyveli Lignite Corporation Limited (Total)	0.00	4205.00	4205.00
19. Total (Investment in PEs on Coal and Lignite)	0.00	12585.50	12585.50
20. Total (Investment in PEs on Power)	0.00	3474.00	3474.00
21. Total (B) (Plan Investment in Public Enterprises of MOC)	0.00	12585.50	12585.50
Total Plan Outlay (MOC) (A+B)	551.00	12585.50	13136.50

**B. ANALYSIS OF DEMANDS FOR GRANTS (PLAN) FOR THE LAST THREE YEARS**

2.2 The allocations for Schemes, Projects/Programmes for the year 2015-16 are analyzed with reference to allocations/actual utilizations in previous years as hereunder:—

**I. PLAN SCHEMES/PROGRAMMES BEING IMPLEMENTED WITH GROSS BUDGETARY SUPPORT**

**Actual Expenditure and Outlay**

(Rupees in crore)

Name of the scheme and percentage increase over the previous year	Actual 2011-12	Actual 2012-13	Actual 2013-14	RE 2014-15	BE 2015-16
1	2	3	4	5	6
(i) Research and Development Projects	10.62	11.40	11.65	17.95	18.00
Percentage increase over previous year	6.20	7.34	2.19	54.08	0.28

1	2	3	4	5	6
*(ii) Promotional (Regional) Exploration	64.00	19.00	63.30	56.65	103.50
Percentage increase over previous year	-5.88	-70.31	233.16	-10.51	82.70
*(iii) Detailed Drilling in Non-CIL Blocks	109.17	200.59	184.50	139.45	151.20
Percentage increase over previous year	-0.75	83.74	-8.02	-24.42	8.43
(iv) Environmental Measures and Subsidence Control (EMSC)	0	0	0.05	0.4	0.45
Percentage increase over previous year	-100	0	100	700.00	12.5
*(v) Conservation and Safety in Coal Mines	121.11	119.01	185.00	185.00	170.00
Percentage increase over previous year	-10.28	-1.73	55.45	0.00	-8.11
(vi) Development of Transport Infrastructure	22.00	40.00	75.00	75.00	75.00
Percentage increase over previous year	0	81.82	87.50	0.00	0.00
(vii) Lumpsum Provision for Development of North-Eastern Region/Sikkim	0	0	1.76	24.00	30.60
Percentage increase over previous year	0	0	100	1263.64	27.50
(viii) Secretariat Proper (Plan)	0.45	0.5	1.25	1.25	1.25
Percentage increase over previous year	200	11.11	150.00	0.00	0.00
(ix) Coal Controller's Organisation (Plan)	0.22	0.26	0.18	0.30	1.00
Percentage increase over previous year	0	18.18	-30.77	66.67	233.33

\*Including Tribal Sub-Plan component.

## II. INVESTMENT IN PUBLIC ENTERPRISES FROM THEIR OWN INTERNAL AND EXTRA BUDGETARY RESOURCES (IEBRs)-PLAN

### ACTUAL EXPENDITURE AND OUTLAY (Rupees in crore)

Name of PSUs	Actual 2011-12	Actual 2012-13	Actual 2013-14	RE 2014-15	BE 2015-16
CIL	3727.17+ 1000.00#	2915.23	4329.86	5225.00	5990.50
% increases over last year	46.75	-21.78	48.52	20.67	14.65
NLC	1684.38	1827.90	1817.32	2520.00	4205.00
% increases over last year	16.59	8.52	-0.57	38.66	43.22
SCCL	1070.56	2047.26	2455.45	3760.00	2390.00
% increases over last year	68.64	91.23	19.93	53.12	-37.00

#adhoc provision for acquisition abroad.

## C. PHYSICAL TARGETS AND FINANCIAL REQUIREMENTS

### (i) Coal India Limited and Singareni Collieries Company Limited

2.3 The physical targets (relating to the Coal Production, dispatches, OMS and Profit/Loss) and achievements of CIL and SCCL for last three years are given as under:—

<b>Coal India Limited</b>					
Particulars	2012-13 Actual	2013-14 Actual	2014-15 Target/BE	2014-15 Actual Upto Dec., 14	2015-16 Target/BE (Provisional)
Production (MT)	452.21	462.53	507.00	342.386	550.00
Dispatch (MT)	464.95	471.50	520.00	354.595	550.00
OMS (Tonnes)	5.32	5.62	5.92	5.75	6.49
Capital Exp./ Outlay (Rs. in crore)	2915.23	4329.86	5225.00	2815.59	5990.50

<b>Singareni Collieries Co. Ltd.</b>					
Particulars	2012-13 Actual	2013-14 Actual	2014-15 Target/BE	2014-15 Actual Upto Dec., 14	2015-16 Target/BE (Provisional)
Production (MT)	53.19	50.47	55.00	35.238	56.00
Dispatch (MT)	53.28	47.89	55.50	38.541	56.00
OMS (Tonnes)	3.94	3.86	4.60	3.75	4.52
Capital Exp./ Outlay (Rs. in crore)	2047.26	2591.05	3850.00	1867.74	2390.00

### **Neyveli Lignite Corporation Ltd.**

2.4 The Physical targets for 2012-13 (Actual), 2013-14 (Actual), BE 2014-15, 2014-15 (Actual upto Dec.) & BE-2015-16 of NLC Ltd. are given below:—

Particulars	Actual 2012-13	Actual 2013-14	Target/BE 2014-15	Actual 2014-15 Upto Dec., 14	2015-16 Target/BE
Lignite Production in MT	26.22	26.61	25.60	17.16	25.67
Power Generation Gross in MU	19902.34	19988.65	20285.00	14201.93	20944.52

2.5 The financial analysis of 2012-13 (Actual), 2013-14 (Actual), BE 2014-15, 2014-15(Actual upto Dec.) & BE-2015-16 are given below:—

(Rs. in crore)

Sector	Actual 2012-13	Actual 2013-14	Target/BE 2014-15	Actual 2014-15 Upto Dec., 14	2015-16 Target/BE
Lignite/Coal Sector	57.89	71.94	272.00	69.21	731.00
Power Sector	1770.01	1745.38	2664.00	1083.67	3474.00
Total	1827.90	1817.32	2936.00	1152.88	4205.00

**Funds allocated during Vote on Account (2014-15) and  
Actual Expenditure**

(Rs. in crore)

	BE 2014-15		Vote on Account (2014-15)		Actual Expenditure (Upto Dec. 2014)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
Plan	550.00	0.00	183.00	0.00	427.53	0.00
Non-Plan	50.00	1647.00	17.00	549.00	37.37	690.73
Total	600.00	1647.00	200.00	549.00	464.90	690.73

2.6 The budget provisions and expenditure under Plan during the last two years are detailed below:—

Year	Budget Estimate	Revised Estimate	Expenditure	% of expenditure with regard to RE
2013-14	450.00	550.00	522.70	95.03
2014-15	550.00	500.00	427.53 (upto December, 2014)	85.51

2.7 During the financial year 2013-14, out of the budgeted amount of Rs. 550 crore, an amount of Rs. 522.70 crore was utilized, representing a 33.76% increase over expenditure (Rs. 390.76 crore) in 2013-14. The unutilized amount of Rs. 27.31 crore pertained to mandatory provisions for the North-East region (Rs. 27.91 crore) on account of salary. The plan allocation of the current financial year

(2014-15) is Rs. 550 crore. Of this an amount of Rs. 427.53 crore has been utilized upto December, 2014 amount to 85.51% utilization of the total Plan allocation. The plan allocation for the FY 2015-16 is of the order of Rs. 551.00 crore.

2.8 The Non-plan Budget (2015-16) of Rs. 55.00 crore mainly comprises of funds required for Secretariat (Economic Services), Coal Controller's Organization, payment of Government contribution statutorily required under Coal Mines Pension Scheme, 1998 and the newly constituted Nominated Authority for auction of coal blocks.

2.9 The Annual Plan (2015-16) component of Coal PSUs, is Rs. 12585.50 crore, to be provisioned from Internal and Extra Budgetary Resources. A detailed profile of PSU wise budget allocation and expenditure during 2013-14, 2014-15 and 2015-16 are as under:—

(Rs. in crore)

Name of PSU	2013-14			2014-15			2015-16
	BE	RE	Exp.	BE	RE	Exp. (upto Dec. 2014)	BE
CIL	5000.00	5000.00	4329.86	5225.00	5225.00	2815.58	5990.50
NLC	2490.14	2490.14	1817.32	2936.00	2520.00	1152.88	4205.00
SCCL	4000.00	2900.00	2455.55	3850.00	3760.00	1867.74	2390.00
Total	11490.14	10390.14	8738.23	12011.00	11505.00	5836.20	12585.50

### CHAPTER III

#### IMPLEMENTATION OF CENTRAL SECTOR SCHEMES

##### CENTRAL SECTOR SCHEMES

The Ministry of Coal in their Background note on DFG, 2015-16 stated that the following Central Sector Schemes are proposed to be continued from 11th Plan to the 12th Plan along with their North-Eastern Region and Tribal Sub Plan components:—

1. Detailed Drilling in Non-CIL Blocks.
2. Regional/Promotional Exploration.
3. Research and Development/S&T.
4. Environmental Measures and Subsidence Control.
5. Conservation and safety in coal mines.
6. Development of transportation infrastructure in coalfield areas.

Asked about the physical targets of financial requirement in respect of the above schemes the Ministry of Coal informed the Committee as follows:—

(Rs. in crore)				
Schemes	Physical Targets and explanation of financial requirement	2014-15		BE 2015-16
		BE	RE	
1	2	3	4	5
*Detailed Drilling in Non-CIL Blocks	The target of drilling for 2014-15 was 4.16 lakh meters & for 2015-16 it is 4.82 lakh meters for which the proposed outlay is needed.	184.45	139.45	151.20
*Regional/Promotional Exploration	The target of drilling for 2014-15 was 1.65 lakh meters and for 2015-16 it is 1.75 lakh meters for which the proposed outlay is required.	56.65	56.65	103.50

1	2	3	4	5
Research and Development/S&T. This scheme supports Coal S&T for application oriented research projects.	Out of 12 on-going projects during 2014-15, 2 have been completed and one is expected to be completed during March, 2015. During 2015-16, there will be 12 ongoing projects out of which 02 projects are to be completed during 2015-16.	17.95	17.95	18.00
Environmental Measures and Subsidence Control. This scheme is aimed at addressing environmental issues in the Coalfields at Raniganj and Jharia.	All the EMSC schemes have been merged in the Master Plan dealing with Fire, Subsidence, Rehabilitation and Diversion of surface infrastructure in Jharia and Raniganj coalfields within the leasehold of BCCL and ECL sanctioned by the Govt. in Aug., 2009 at an investment of Rs. 9657.61 crore spread over a period of 10 years. This is being funded partly by the internal resources of CIL and partly from the amount collected by the levying of stowing Excise Duty under the CM (C&D) Act, 1974.	0.40	0.40	0.45
*Conservation and safety of Coal mines.	To reimburse partially stowing/ protective works to ensure enhanced coal production and subsidence control, under the provision of Coal Mines Conservation & Development Act.	185.00	185.00	170.00
Development of transportation infrastructure in coalfield areas	To reimburse partially development of transport infrastructure in coalfield areas to facilitate coal/ sand transportation, under the provisions of the Coal Mines Conservation & Development Act.	75.00	75.00	75.00
Lumpsum provision for NER	The provision is made for projects/ schemes for the benefit of North-Eastern Region and Sikkim as per Government guidelines.	29.00	24.00	30.60

\*Including Tribal Sub-Plan component.

3.2 The Committee was also apprised of the reasons for not achieving the targets set for various schemes as follows:—

(Rs. in crore)

Sl. No.	Name of the Scheme	12th Plan Approved outlay 2012-17 (approved)	2012-13 Actual	2013-14		2014-15		Remarks
				BE	Actual	RE	Actual Upto Dec., 14	
1	2	3	4	5	6	7	8	9
1.	Research and Development	100.00	11.40	11.65	11.65	11.65	17.00	
2.	*Promotional/ Regional Exploration	456.00	19.00	45.00	63.30	63.00	56.70	
	(i) Financial Outlay							
	(ii) Drilling (in lakh meters)	9.95	1.13	1.53	1.32	1.65	1.075	Reason for not achieving the targets during 2013-14 was due to non-availability of forest clearance.
3.	*Detailed Drilling in Non-CIL Blocks	975.00	200.59	157.45	184.50	184.50	92.81	
	(i) Financial Outlay							
	(ii) Drilling (in lakh meters)	19.03	2.28	3.23	2.38	4.11	1.901	Reasons for not achieving the targets in 2013-14 were mainly due to non-availability of forest clearance and adverse law & order conditions.
4.	Environmental Measures and Subsidence Control (EMSC)	1663.60	0.00	0.90	0.05	0.35	0.00	All the EMSC schemes have been merged in the Master Plan dealing with fire, subsidence,



1	2	3	4	5	6	7	8	9
								rehabilitation and diversion of surface infrastructure in Jharia and Raniganj coalfields within the leasehold of BCCL and ECL sanctioned by the Govt. in Aug., 2009 at an investment of Rs. 9657.61 crore to be implemented in ten years. This is being funded partly by the internal resources of CIL and partly from the Budget from collection of stowing Excise Duty under the CM(C&D) Act, 1974.
5.	*Conservation and Safety in Coal Mines	820.00	119.01	160.00	185.00	185.00	185.00	
6.	Development of Transportation Infrastructure in Coalfields	600.00	40.00	50.00	75.00	75.00	75.00	
7.	Lumpsum provision for North-East Region and Sikkim		0.00	24.00	1.77	28.95	0.00	

\*Including Tribal Sub-Plan component.

The overall Plan Expenditure of Rs. 522.70 crore in 2013-14 reflects a 33.77% increase over the overall Expenditure of Rs. 390.76 crore in 2012-13 representing a tangible scaling up of operations in all major schemes.

The Committee apprised that the Plan Expenditure of Rs. 426.51 crore upto Dec. 2014 is about 77.54% and 85.30% of BE 2014-15 & RE 2014-15 respectively. Details of expenditure are as follows:

- The expenditure in the scheme 'Development of Transport Infrastructure' is Rs. 75.00 crore against BE of Rs. 75.00 crore showing 100% utilization.
- The expenditure in the scheme 'Regional Exploration' is Rs. 56.70 crore against BE of Rs. 63.00 crore showing 90% utilization.
- The expenditure in the scheme 'Conservation and Safety in Coal Mines' is Rs. 185.00 crore against BE of Rs. 185.00 crore showing 100% utilization.
- The expenditure in the scheme 'Research & Development' is Rs. 17.00 crore against BE of Rs. 20.00 crore showing 85% utilization.

## REVIEW OF PLAN SCHEMES

### A. Research and Development Projects

3.3 Research and Development projects are covered under four thematic areas viz. improvement in production, productivity and safety in coal mines; coal beneficiation and utilization, and protection of environment and ecology. The Standing Scientific Research Committee (SSRC) under the Chairmanship of Secretary(Coal) is the apex body for administering Coal related research. The Central Mine Planning and Design Institute (CMPDI) is the nodal agency for the coordination and monitoring of Science and Technology Plan schemes and of CIL's Research and Development projects. The cutting edge projects are implemented by pioneering research and academic institutes related to coal and allied industries with active participation of coal and lignite companies.

Asked about the status of Coal S&T Projects funded by the Ministry under the S&T grant during the 11th Plan and 12th Plan Period (till 31.12.2014), The Ministry of Coal informed the Committee as under:

(Rs. in crore)									
Plan Year	11th Plan					12th Plan			
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	2	3	4	5	6	7	8	9	10
Spillover projects from previous year	36	34	28	23	16	14	15	12	12

1	2	3	4	5	6	7	8	9	10
Projects sanctioned during the year	09	05	07	02	06	04	02	03*	
Projects completed during the year	10	10	10	08	07	03	05	03	
Projects terminated/foreclosed during the year	01	01	02	01	01	—	—	—	

\*Three (3) new projects were recommended by Technical sub-committee of SSRC for approval by the SSRC.

**The Budget Provision and Expenditure including Tribal Sub-plan component for Research and Development Projects**

(Rs. in crore)

Expenditure 2012-13	Expenditure 2013-14	BE 2014-15	RE 2014-15	Expenditure upto Dec. 2014	BE 2015-16
11.40	11.65	17.95	17.95	17.00	18.00

3.4 The amount allocated for R&D at BE stage during 2015-16 is Rs. 18.00 crore only. During 2014-15, the RE on R&D was Rs. 17.95 crore whereas the actual expenditure during 2013-14, was Rs. 11.65 crore. On being asked as to whether the funds allocated under R&D for 2015-16 are sufficient for implementing schemes by Ministry of Coal and the reasons for less utilization of funds for R&D during 2013-14 and measures proposed for the utilization of funds during 2015-16, the Ministry in their written reply stated that the proposed BE for S&T Scheme for 2015-16 is Rs. 18.0 crore, which is sufficient for implementing the S&T projects of Ministry of Coal. It was further stated that the funds allocated against S&T projects of MoC were fully utilized. During 2013-14, expenditure of Rs. 11.65 crore was incurred against the RE provision of Rs. 11.65 crore.

3.5 On being asked to furnish company/organization wise funds allocated and utilized for R& D activities during the last 3 years and state whether such activities have resulted in tangible returns by way of enhanced production and turnover or profit of the company/ subsidiary, the Ministry in their written reply furnished details of utilization of S&T fund for the last three years are given below in the table:

**Total S&T Fund Utilized**

(Rs. in crore)

2011-12	2012-13	2013-14
9.66	11.53	11.76

It was further stated that even though the results cannot be quantified in terms of enhanced production and turnover, many of the R&D studies have had a seminal impact on production, energy efficiency and operational costs.

## B. Promotional (Regional) Exploration in Coal and Lignite

3.6 The Outcome Budget highlights that the GSI, MECL, State Government and CMPDI are continuing Promotional Exploration in 12th plan under the MoC's Plan scheme of Promotional Exploration for Coal & Lignite. The summary of Promotional Drilling carried out in Coal & Lignite sectors in 2011-12, 2012-13, 2013-14, 2014-15 (upto 31.12.2014) and target for 2015-16 is given below:

(Drilling in metre)					
Command Area	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual Upto Dec. 2014	2015-16 Proposed BE*
<b>Physical</b>					
1. Drilling in CIL Command Area	34.90	36725	53695	52500	83300
2. Drilling in SCCL Command Area	9228	8899	9553	3600	15500
3. Drilling in Lignite Areas	49564	67728	68774	51400	76200
Total	93722	113352	132022	107500	175000
Growth %	-8.71	20.94	16.47		

\*Achievement of target depends upon availability of forest clearance to take up drilling in forest areas, local support and occurrence of lignite in identified blocks.

Expenditure for Promotional (Regional) Exploration in Coal and Lignite is as under:

(Rs. in crore)					
Expenditure 2012-13	Expenditure 2013-14	BE 2014-15	RE 2014-15	Expenditure upto Dec. 2014	BE 2015-16
19.00	63.30	56.65	56.65	56.70	103.50

3.7 It was seen that RE of Rs. 56.65 crore in the year 2014-15 were made for a drilling target of 1.65 lakh meters for Regional/Promotional Exploration. However, while the drilling target set for year 2015-16 has increased nominally to 1.75 lakh meters, it was observed that the

BE for the year 2015-16 stands at 103.50 crore. On being asked to explain the quantum jump in the 2015-16 BE as compared to last year, it was stated that a target of 1.65 lakh meter of Promotional (regional) drilling along with associated studies had been kept for 2014-15. CMPDI had requested for Rs. 109.67 crore for above work. However, Rs. 56.65 crore only was provided at RE stage. For drilling target of 1.75 lakh meter, CMPDI has requested for Rs. 135.37 crore.

### C. Detailed Exploration in non-CIL Blocks

3.8 CMPDI carries on detailed Exploration in CIL blocks as per strict timeliness to bring resources falling indicated and inferred category into the proven category. The exploratory drilling in Non-CIL/Captive Mining blocks is taken up under the MoC's Plan scheme of Detailed Drilling in Non-CIL Blocks.

The details of actual drilling in Non-CIL/Captive Mining Blocks in 2011-12, 2012-13, 2013-14, 2014-15 (upto 31.12.2014) and target for 2015-16 are as follows:

Agency	(Drilling in meter)				
	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual Upto Dec. 2014	2015-16 Proposed BE*
<b>Physical</b>					
1. CMPDI Department	55230	77458	93742	46700	53350
2. Outsourcing by CMPDI	166648	150250	144159	143400	428500
<b>Total</b>	<b>221878</b>	<b>227708</b>	<b>237901</b>	<b>190100</b>	<b>481850</b>

\*Achievement of target upon timely availability of forest clearance to take up drilling in forest areas, local support and availability of suitable agencies for exploration in future tendering.

#### Expenditure on Detailed Drilling in Non-CIL/Captive Mining Blocks:

(Rs. in crore)					
Expenditure 2012-13	Expenditure 2013-14	BE 2014-15	RE 2014-15	Expenditure upto Dec. 2014	BE 2015-16
200.59	184.50	184.45	139.45	92.81	151.20

3.9 On being asked as to whether any drilling was carried out by CMPDI in non-CIL/captive coal blocks during the last 3 years, the

targets fixed and actual achievement of the same, the Ministry stated that the above mentioned detailed drilling was carried out in Non-CIL/ Captive Mining Blocks through the fund provided by Ministry of Coal. The targets and achievement of previous three years is given in table below:

Year	BE	Actual (lakh metre)
2011-12	1.96	2.22
2012-13	1.75	2.28
2013-14	3.62	2.38

The non-achievement of drilling target during the year 2013-14 was due to non-availability of forest clearance and adverse law & order condition. The targets of detailed drilling in Non-CIL blocks are still higher in 2015-16 due to the greater thrust on drilling.

3.10 On being asked to furnish details of the measures taken by CMPDIL for improving the drilling capacity during the last 3 years including capital investments made and capacity increased, the Ministry stated that CMPDI has procured 10 new drills in 2011-12, 6 in 2012-13 and 9 in 2013-14 for improving the drilling capacity during last three years. However, the total drill deployment has increased from 53 in 2012-13 to 57 in 2013-14. Other drills have been deployed as replacement of existing old drills. CMPDI has also procured 28 trucks and 17 jeeps to improve existing machineries, during the period. The total capital investment for above procurement was Rs. 13.20 crore. In addition, CMPDI has placed supply order for 8 Hi-Tech drills in 2014-15, out of which 2 drills have been deployed as additional drills in Feb/March 2015. The total capital investment for above procurement is Rs. 13.30 crore. Apart from above, CMPDI has also expanded the capacity through outsourcing of exploration/drilling work. The quantum of drilling through outsourcing has increased from 2.24 lakh meter (2010-11) to 3.72 lakh meter (2013-14) during last three years.

3.11 Provision has been made for detailed drilling in the non-CIL coal mining blocks so that geological reports generated may help prospective investors in taking investment decisions regarding coal mining and reduction of time for preparation of mining plan. This is expected to promote private investment in the coal mining industry. The scheme is implemented by CMPDIL with the help of GSI, MECL and some private institutions. In the budget 2015-16 [BE], the allocation for detailed drilling is Rs. 151.20 crore as compared to RE of Rs. 139.45 crore during 2014-15. On being asked about the targets for detailed drilling during 2014-15 and whether these targets have been achieved, the Ministry stated that a target of 4.11 lakh meter of detailed drilling in Non-CIL blocks was set for the year 2014-15. However,

the actual achievement is 2.49 lakh meter (Upto Feb. 2015). The non-achievement of above target in 2014-15 is mainly due to non-availability of forest clearance to explore in forest bearing blocks and adverse law & order conditions at many places.

3.12 The reason cited for non-achievement of targets for drilling during the year 2013-14 was due to non-availability of forest clearance. In this context the Ministry was asked to state whether any tangible solution to tackle this issue has since been worked out. The Ministry thereupon stated that MoEF agreed to file online application for forest clearance. CMPDI re-submitted 70 applications online for forest clearance, but clearance is still awaited.

3.13 On being asked to provide details regarding action taken plan on detailed drilling to be undertaken during 2015-16 and beyond, it was stated that a total of 4.82 lakh meter of detailed drilling in Non-CIL blocks has been programmed in 2015-16. Block-wise action plan is under finalisation.

3.14 On being asked about the other hurdles besides, environment and forest clearance being faced in carrying out detailed drilling. The Ministry stated that besides environment and forest clearance to explore in forest bearing blocks, adverse law & order conditions at many places are the main hurdles in exploring the blocks. Many meetings were held between Secretary Coal/Addl. Secretary Coal, MoC and Chief Secretary of concerned states.

#### **D. Environment Measures and Subsidence Control**

3.15 The objective of this scheme is to improve the environmental conditions in the old mined out areas of Jharia and Raniganj coalfields by addressing fire and subsidence problems. Major thrust areas in EMSC during the XIIth Plan period are control of subsidence in the old, abandoned, waterlogged working in Raniganj coalfields, control of mine fires and subsidence in Jharia coalfields, and rehabilitation of persons residing in these locations.

Year-wise fund released by CIL for implementation of Master Plan is given below:

(figure in crore)				
Sl. No.	Year	Amount Released to ECL	Amount Released to BCCL	Total Amount Released by CIL
1.	2011-12	Rs. 0.93	Rs. 30	Rs. 30.93
2.	2012-13	—	Rs. 102.04	Rs. 102.04
3.	2013-14	Rs. 0.14	Rs. 229.71	Rs. 229.85
4.	2014-15 (upto Dec. 2014)	—	Rs. 130.7613	Rs. 130.7613

The budgetary support by Ministry of Coal for Environmental Measures and Subsidence Control is as under:

(Rs. in crore)

Expenditure 2012-13	Expenditure 2013-14	BE 2014-15	RE 2014-15	Expenditure upto Dec. 2014	BE 2015-16
0.00	0.05	0.40	0.40	0.00	0.45

3.16 On being asked as to whether the budget allocation for 2015-16 was sufficient for meeting the responsibility towards environmental measures and subsidence control including Jharia and Raniganj areas, the Ministry stated that funding arrangement delineated in the approved Master Plan is that CIL needs to first spend from its own resources up to 350 crore per year and the additional funds required, if any, are to be made available from the budget. The fund infused by Coal India Ltd. (CIL) for implementation of Master Plan during last three years is as follows:

Financial Year	Amount Infused by CIL towards implementation of Master Plan. (In crore) against the earmarked fund of 350cr./yr.
2012-13	102.04
2013-14	229.85
2014-15	135.76

The table shows that the demand of fund placed by the subsidiary companies viz. Eastern Coalfields Limited (ECL) and Bharat Coking Coal Limited (BCCL) for implementing Master Plan activities is considerably low, compared with the provision for CIL's contribution of Rs. 350.00 crore every year, due to slow progress of the concerned implementing authorities.

In view of the trend of fund inflow during the last three years the budget allocation for 2015-16 to the tune of 0.45 crore for implementation of Jharia and Raniganj Master Plan over and above the provision made by CIL. This is more than adequate.

3.17 On being asked to furnish a detailed note on the delay in implementation of the scheme and the steps taken by the Government to complete it in a time bound manner, the Ministry informed the Committee that the BCCL & ECL are making all-out effort for the implementation of Master Plan dealing with fire, subsidence and



rehabilitation in Jharia Coalfield as well as Raniganj Coalfields. ECL authority holds regular interactions and extends every support to the implementing agency *i.e.* Asansol Durgapur Development Authority (ADDA). BCCL is also implementing its part speedily and extending all necessary help to the state body JRDA for rehabilitation of non-BCCL families. BCCL by digging out fiery coal, fire area of Jharia Coalfield has reduced the same from 8.9 sq.km. to 2.18 sq.km. (which also includes OB dump fires) as per the National Remote Sensing Centre of ISRO, Hyderabad report dated April, 2014. 15852 houses are under construction by BCCL, two years ahead of housing programme for rehabilitation of BCCL families. BCCL has already shifted 2162 families of BCCL employees from fire affected pockets to safe colonies in the non-coal bearing areas, and another 7000 houses will be allotted shortly.

3.18 It was further stated that the major component of Master plan is the rehabilitation of endangered persons in a safely located non-coal bearing land measuring about 896.29 Hectar (2215 Acres) for Raniganj Coalfields and about 1104.99 Hectar (say 2730 Acres) for non-BCCL persons at Jharia Coalfields. Implementation of Master Plan could not achieve its required momentum due to various issues concerning land acquisition by the state authorities.

#### **E. Conservation and Safety in Coal Mines and Development of Transport Infrastructure under CCDA**

The allocation of funds for Conservation and Safety in Coal Mines and Development of Transport Infrastructure during the last three years and 2015-16 are as under:

##### **(a) Conservation and Safety in Coal Mines (Rs. in crore)**

Expenditure 2012-13	Expenditure 2013-14	BE 2014-15	RE 2014-15	Expenditure upto Dec. 2014	BE 2015-16
119.01	185.00	185.00	185.00	185.00	170.00

##### **(b) Development of Transport Infrastructure (Rs. in crore)**

Expenditure 2012-13	Expenditure 2013-14	BE 2014-15	RE 2014-15	Expenditure upto Dec. 2014	BE 2015-16
40.00	75.00	75.00	75.00	75.00	75.00

3.19 Under these schemes the expenditure incurred by coal companies is reimbursed partially as per the statutory provisions under the Coal Mines (Conservation and Development) Act, 1974. The principal objective of the Act is to collect excise duty on coal for disbursing the same to the coal mines for conservation and development related works including infrastructure development.

The examination and scrutiny for reimbursement is carried out by a duly constituted Coal Conservation and Development Advisory Committee (CCDA Committee) as per the provisions of Coal Mines (Conservation and Development) Rules, 1975. The Government partially reimburses cost due to coal companies through budget provision taken into account commitment/liability already existing during the preceding financial year. The details of achievement made under these two schemes during the financial years 2012-13, 2013-14 and 2014-15 (upto December 2014) are given as under:

	2012-13	2013-14	2014-15 Actual Upto Dec. 2014
Amount disbursed for Stowing & protective work	Rs. 119.00	Rs. 184.96	Rs. 185.00 crore
No. of stowing mines	96	90	78
Sand stowed	61.22 lakh cum	61.80 lakh cum	66.55 lakh cum
No. of protective work taken up	32	17	19
Amount disbursed for transport infrastructure development	Rs. 40.00 crore	Rs. 76.02 crore	Rs. 75.00 crore
No. of Road projects partially funded	24	13	16
No. of Rail projects partially funded	5	2	3

#### **G. Development of North-Eastern Region/Sikkim**

3.20 The Outcome Budget, 2015-16 states that as per relevant instructions on the subject, 10% of the Plan Outlay is required to be earmarked for Development of North-Eastern Region/Sikkim. If the amount is not spent, the same is transferred to the Non-lapsable pool of the Central Government. Accordingly, Rs. 24.00 crore were earmarked towards schemes of Research and Development, Regional Exploration, Detailed Drilling and Environmental Measures and Subsidence Control in RE 2014-15. The other two schemes namely Conservation and Safety at Coal Mines and Development of Transport Infrastructure in Coalfield Areas are outside the orbit of its provisioning. The Major chunk of the allocation was made under the schemes which are exploratory in nature. The drilling work is not progressing due to adverse law & order

conditions in the NE region. MoC in January 2015 has permitted outsourcing of drilling in NE Region for Promotional (regional) Exploration of coal. Serious efforts are being made to encourage academic institutes/research organization from NER for participation in Coal Research.

The funds allocated for Development of North-Eastern Region/Sikkim during 2012-13, 2013-14, 2014-15 and 2015-16 are as under:

(Rs. in crore)

Expenditure 2012-13	Expenditure 2013-14	BE 2014-15	RE 2014-15	Expenditure upto Dec. 2014	BE 2015-16
0.00	1.77	29.00	24.00	0.00	30.60

3.21 An allocation of Rs. 30.60 crore was made for North-Eastern Region and Sikkim during 2015-16. The RE of 2014-15 was Rs. 24.00 crore whereas actual expenditure during the year 2013-14 was only Rs. 1.76 crore. On being asked about the reasons for low utilization of funds under the Scheme during 2013-14, the Ministry replied that as regards Detailed Drilling in non-CIL Blocks & Promotional Exploration out of the total reported coal resources of India, only 0.5% are in NE region. The difficult geological characteristics, large forest cover, adverse law & order conditions and land-issues causes hindrance in the work. Further, as regards S&T Schemes efforts are being made to increase expenditure on R&D for NER by way of inviting R&D proposals for effective exploitation of coal deposits and other issues related to North-Eastern Region. Despite wide circulation of the need for more research proposal very few research proposals are being submitted by institutes located in NER. Despite the constraints, efforts have been made to utilize this fund and for the first time, during 2013-14, an amount of Rs. 1.77 crore has been spent from the budgeted provision, for schemes which are exploratory in nature, (Rs. 0.70 crore for procurement of drilling rigs for exploration in NE region by DGM of Nagaland and Assam under promotional exploration and Rs. 1.07 crore for development of transportation infrastructure in coal fields by North Eastern Coalfields).

3.22 On a further query as to whether RE of Rs. 24 crore during 2014-15 have been fully utilized, the Ministry replied that as regards Detailed Drilling in non-CIL Blocks & Promotion Exploration only DGM Nagaland is doing exploration work in North Eastern Region and most of the payment is being made from the General Fund. As regards S&T Schemes, it was replied that during 2014-15, Rs. 2.05 crore was earmarked under S&T Scheme for NE Region which remain unutilized because of the complete lack of R&D proposals for the NE region.

3.23 On being asked about the concrete initiatives have been taken to ensure the utilization of funds for this scheme during the 2014-15 and 2015-16, it was stated that as regards a detailed Drilling in non-CIL Blocks & Promotion Exploration in spite of difficult terrain conditions etc., the DGM-Nagaland has completed drilling in one coal block. Another block has been taken up. However, the Directorate of Geology & Mining (DGM) of Government of Assam has not been able to proceed further after initial work due to adverse law & order conditions in the operational areas. CMPDI has requested State Governments of NER, MECL & GSI to submit proposal for regional/detailed exploration. No proposal however, has been received so far. As regards S&T Schemes, it was stated that although request letters inviting research proposals are sent to Institutes/Organisations located in North-Eastern Region (NER) very few research proposals are received from this region. Of the two research proposals received, one is related to desulphurization and beneficiation of NER coals, which was not agreed to by the Technical Sub-Committee of the Standing Scientific Research Committee (SSRC) as the earlier studies concluded that no substantial removal of organic sulphur could be achieved through beneficiation. The other, received from IIT, Guwahati & CMERI, Durgapur is currently under scrutiny.

## CHAPTER IV

### FINANCIAL AND PHYSICAL PERFORMANCE OF COAL PSUs

The Capital Outlay of Public Sector Undertakings (PSUs) as highlighted in Outcome Budget (2015-16) is as under:—

Name of PSUs	Expenditure 2012-13	Expenditure 2013-14	BE 2014-15	RE 2014-15	Exp. Upto Dec. 14	BE 2015-16
CIL	2915.23	4329.86	5225.00	5225.00	2815.58	5990.50
SCCL	2047.26	2455.45	3850.00	3760.00	1867.74	2390.00
NLC	1827.90	1817.32	2936.00	2520.00	1152.88	4205.00
Total	6790.39	8602.63	12011.00	11505.00	5836.20	12585.50

The amount earmarked during previous two Annual Plans, the amount spent and the achievements are as under:

#### A. CIL and SCCL

(Financial Outlay) (Rs. in crore)

Company	2013-14		2014-15	
	BE	Actual	BE	Actual Upto Dec., 14
CIL	5000.00	4329.86	5225.00	2815.58
SCCL	4000.00	2455.45	3850.00	1867.74

#### B. Physical targets during previous two Annual Plans and achievements

(in million tonnes)

Company	2013-14 RE	2013-14 Actual	2014-15 BE	2014-15 Actual Upto Dec., 14
CIL	482.00	462.53	507.00	342.386
SCCL	54.30	50.47	55.00	35.238
Others	68.25	52.64	68.25	49.10
Total (All India)	604.55	565.64	630.25	426.71

### C. Neyveli Lignite Corporation

The physical performance of the company is as under:—

Year		Lignite (LT)	Power (Gross) (MU)
2012-13	Target (BE)	248.00	18600.00
	Actual	262.23	19902.34
2013-14	Target	252.00	18929.00
	Actual	266.09	19988.73
2014-15	Target (BE)	256.00	20285.00
2014-15	Target	209.35	16453.35
Upto Jan 2015	Actual	197.29	16038.17
2015-16	Target (BE)	256.66	20944.52

Financial performance of NLC is as under:—

(Rs. in crore)

Year		Coal Sector	Power Sector	Total
2012-13	Target (BE)	131.70	1555.75	1687.45
	Actual	57.89	1770.01	1827.90
2013-14	Target (BE)	107.60	2382.54	2490.14
	Actual	71.94	1745.38	1817.32
2014-15	Target (BE)	272.00	2664.00	2936.00
2014-15	Target (BE)	141.76	1899.58	2041.34
Upto Jan 2015	Actual	75.39	1238.56	1313.95

4.2 On being asked to furnish details of pre budget memorandum submitted by PSUs/Ministry and follow up action taken thereon by the Government, the Ministry furnished the following information:

“Details of Plan Outlay of the Public Sector Undertakings and Central Sector Schemes approved by Finance Ministry for the year 2015-16 are as under:

(Rs. in crore)

<b>A. Capital Section (IEBR)</b>	<b>BE 2015-16</b>
Coal India Limited	5990.50

Neyveli Lignite Corporation	4205.00
Singareni Collieries Company Ltd.	2390.00
Total (A)	12585.50

**B. Revenue Section (Budgetary Support)**

Coal Controller Organization	1.00
Science and Technology	18.00
*Regional Exploration	103.50
Environmental Measures and Subsidence Control	0.45
*Detailed Drilling	151.20
*Conservation & Safety in Coal Mines	170.00
Development of Transportation	75.00
Infrastructure in coalfield areas Information Technology	1.25
NE Region/Sikkim	30.60
Total (B)	551.00
Total (A+B)	13136.50

(\*Including Tribal Sub-Plan component)

4.3 On being asked to furnish details of physical targets set for 2014-15 by CIL and its subsidiaries, the Ministry furnished the following:

**Physical targets for the year 2014-15**

Company	Production (Mt)	Off-take (Mt)
ECL	38.00	38.00
BCCL	34.00	35.00
CCL	55.00	58.00
NCL	77.00	78.00
WCL	44.00	45.00
SECL	131.00	133.00
MCL	127.00	132.00
NEC	1.00	1.00
CIL-Total	507.00	520.00

4.4 The Ministry also furnished year-wise and subsidiaries-wise investment made during 2014-15 and proposed for the rest of the 12th Plan period by CIL to increase the coal production. Year-wise and subsidiaries-wise investment made during 2014-15 and proposed for the rest of the 12th Plan period by CIL to increase coal production is as under:

Company	12th Plan (Figs. in Rs. crore)			
	2014-15	2015-16		2016-17
	BE	Actual upto Feb.	AP	Envisaged in 12th Plan doc
ECL	970.00	454.91	1030.50	287.26
BCCL	350.00	369.96	400.00	650.00
CCL	585.00	366.00	600.00	470.00
NCL	600.00	587.18	800.00	950.00
WCL	475.00	332.95	750.00	435.00
SECL	980.00	648.83	1030.00	1110.00
MCL	700.00	601.12	800.00	1200.00
OTHERS**	215.00	59.71	230.00	100.00
Master Action Plan (Jharia & Ranigunj Fire)	350.00	96.62	350.00	350.00
Overall CIL	5225.00	3517.28	5990.50	5552.26
Additional Adhoc provision has been made for Acquisition of assets in abroad	4500.00	49.89	500.00	5000.00
Adhoc provision for Development of Coal Block in Mozambique				2000.00

\*\*CIL/CMPDIL/NEC/R&D

4.5 On being asked to furnish the financial and physical targets (both B.E. and R.E. stage) set out for Coal and Lignite PSUs (Separate figures for CIL and its subsidiaries, SCCL and NLC Ltd. should be given) during each of the last three years and achievements thereof, with



reasons for shortfall, if any, in achievement of targets, the Ministry furnished the following physical target and performance for CIL:

**[Coal Production (Mt)]**

Company	11th Plan			12th Plan					
	2011-12			2012-13	2012-13	2012-13	2013-14	2013-14	2013-14
	Target	RE	Act.						
ECL	33.00	31.00	30.56	33.00	33.30	33.91	34.50	36.00	36.05
BCCL	30.00	30.20	30.21	31.00	31.10	31.21	32.50	33.00	32.61
CCL	51.00	49.00	48.00	55.00	48.06	48.06	53.50	50.00	50.02
NCL	68.50	68.50	66.40	70.00	70.00	70.02	72.20	72.20	68.64
WCL	45.50	43.80	43.11	45.00	42.20	42.29	44.00	40.00	39.73
SECL	112.00	113.75	113.84	117.00	118.00	118.22	124.30	124.20	124.26
MCL	106.00	103.00	103.12	112.00	108.00	107.89	120.00	109.00	110.44
NEC	1.00	0.75	0.60	1.10	0.60	0.61	1.00	0.60	0.66
CIL-Total	447.00	440.00	435.84	464.10	451.25	452.21	482.00	465.00	462.42

**CIL Physical target - Off-take (Mt)**

Company	11th Plan			12th Plan					
	2011-12			2012-13	2012-13	2012-13	2013-14	2013-14	2013-14
	Target	RE	Act.						
ECL	34.00	31.00	30.83	34.25	35.00	35.84	35.20	35.90	36.26
BCCL	30.00	30.20	30.16	31.80	33.30	33.04	33.20	34.18	34.20
CCL	52.00	49.00	48.04	56.60	53.00	52.89	57.20	51.10	52.12
NCL	68.50	68.50	63.61	69.25	68.00	67.29	73.50	73.50	72.11
WCL	45.50	43.80	41.97	45.25	42.00	41.55	44.10	40.00	39.94
SECL	112.00	113.75	115.15	118.00	121.00	121.99	124.50	121.74	122.03
MCL	109.00	103.00	102.53	113.75	112.00	111.96	123.30	115.05	114.34
NEC	1.00	0.75	0.80	1.10	0.70	0.62	1.00	0.53	0.58
CIL-Total	452.00	440.00	433.08	470.00	465.00	465.18	492.00	472.00	471.58

**Reasons for shortfall in the case of CIL are as under:**

**2011-12:**

- Non-availability of Environmental and Forest Clearances.
- Delay in physical possession of land.
- Evacuation problem in MCL and CCL.
- Excessive rainfall from June 11 onwards affecting production from all the Opencast Mine. In the month of September also rainfall was almost double in most of the areas as compared to same month last year.
- Section 144 and curfew (23rd April 2011 to 3rd May 2011) was imposed in few places of Jharkhand affecting production in BCCL & CCL.
- Law and order disruptions in the form of local bandhs by naxalites in CCL and by local people in MCL command area.

**2012-13:**

- Non-availability of Environmental and Forest Clearances.
- Delay in physical possession of land.
- Frequent law and order/R & R problem in MCL and law and order problem in CCL.
- Evacuation problem in MCL and CCL.
- Adverse geo - mining conditions in WCL.

**2013-14:**

- R & R Problem.
- Adverse Geo- mining Conditions in some of the mines of WCL.
- Coal production at Basundhara-Garjanbahal Area of MCL was totally stopped from 10.08.2013 due to failure of OB dump at Kulda OCP resulting to death of 13 villagers/outsideers. Production at Basundhara OCP resumed from 22.08.2013 and on 14.09.13 from Kulda OCP.
- Law and order problems at MCL & CCL.
- Ammonium Nitrate Rule 2012 was made effective from 11th January, 2014. Explosive supply was affected from 12th January, 2014 to 16th February, 2014.
- Delay in getting F. C. and E. C.
- Evacuation problems in MCL and CCL.

The subsidiarywise details of Capital expenditure for CIL *vis-a-vis* the targets is given below:—

**CIL Financial target - CAPEX**

(Rs. in crore)

Company	11th Plan			12th Plan					
	2011-12			2012-13			2013-14		
	BE	RE	Act.	BE	RE	Act.	BE	RE	Act.
ECL	400.0	400.0	332.96	450.0	425.0	202.94	525.0	525.0	408.87
BCCL	400.0	400.0	410.72	300.0	600.0	266.15	850.0	850.0	504.24
CCL	350.0	350.0	320.99	425.0	425.0	397.42	500.0	500.0	657.18
NCL	800.0	800.0	702.11	850.0	600.0	444.19	800.0	800.0	301.76
WCL	350.0	307.0	275.72	350.0	365.0	264.05	450.0	450.0	287.66
SECL	600.0	948.0	937.65	900.0	900.0	628.85	850.0	850.0	956.21
MCL	700.0	500.0	497.95	500.0	500.0	531.56	500.0	500.0	876.84
NEC	270.0	12.5	249.07	15.00	15.0	70.49	15.0	15.0	122.47
OTHERS **		127.5		135.00	130.0		160.0	160.0	
Master Action Plan (Jharia & Ranigunj Fire)	350.0	350.0		350.00	140.0	109.58	350.0	350.0	214.63
Overall CIL	4220.0	4195.0	3727.17	4275.0	4100.0	2915.22	5000.0	5000.0	4329.86
Additional Adhoc provision for acquisition of assets abroad	6000.0	1000.0		5000.0	150.0	5.0	4000.0	4000.0	38.69
Adhoc provision for Development of Coal Block in Mozambique				500.0					

\*\*CIL/CMPDIL/R&D

**Reasons for Variations:**

**2011-12:**

Out of a budget of Rs. 4220 crore, CIL incurred actual expenditure of Rs. 3727.17 crore with a percentage utilization of more than 88%. The capital expenditure of ECL, WCL & NCL was less than

85%. This was because of constraints in land acquisition in ECL, delay in commissioning on HEMM in NCL and issues relating to cost plus projects in WCL.

#### 2012-13:

Out of budget of Rs. 4275 crore, CIL incurred expenditure of Rs. 2915.23 crore with a percentage utilization more than 68%. The less utilization was due to constraints in land acquisition and related R&R issue specially in West Bengal, the cost plus issue of WCL. Delay in commissioning in HEMM, slow progress of work by HEC in construction of CHP in some of the subsidiaries also resulted in less capital expenditure.

#### 2013-14:

Out of a budget of Rs. 5000 crore, CIL incurred expenditure of Rs. 4329.86 crore with a percentage utilization of 86.59%. The main reasons for less expenditure were - delay in construction of CHP by contractures, R&R issues, pending supplies against orders issued for major HEMM and other P&M items.

As regards SCCL, BE, RE and Actual expenditure and physical performance during the last three years and reasons for variations are as below:

(Fig. in Rs. crore)

Year	2011-12			2012-13			2013-14		
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
Expenditure in Rs. Cr	2804.3	1389.61	1070.56	3220.33	3220.33	2047.26	4000.0	2900.0	2455.44

Year	Target (MT)	Actual (MT)
2011-12	51.00	52.11
2012-13	53.10	53.19
2013-14	54.30	50.47
2014-15	55.00	45.95*

\*Reasons for less expenditure/variations in SCCL-

**2011-12:**

- Finalization of BTG (Boiler, Turbine and Generator) order for 2X600 MW Power Project which was placed on M/s BHEL got delayed due to the considerable time taken by the consultant i.e., M/s NTPC to submit Techno-Commercial bid for BTG.
- Procurement of Longwall equipment was delayed due to failure of first Proto type Powered Roof Supports during testing.
- Non-procurement of majority of the HEMM i.e. Dumpers, Drills, Motor Graders etc., because of court cases and delay in diversions of Land for various projects, less expenditure is incurred.

**2012-13:**

Orders for 27 Dozers could not be placed as some of the suppliers approached the Court.

- Delay in acquisition of Private Land and R&R issues in certain OC Projects.
- Delay in receipt of billing breakup from M/s BHEL (who are the suppliers of BTG package) resulted less expenditure against 2x600 MW Power Projects.

**2013-14:**

- Delay in procurement of HEMM - due to delay in grounding of New projects.
- Delay in acquisition of Private Land and R&R issues in certain OC Projects.

The position in respect of Neyveli Lignite Corporation Ltd. (NLC) is as under:-

Physical performance is as under:—

Year		Lignite (LT)	Power (Gross) (MU)
1		2	3
2011-12	Target (BE)	239.50	18576.00
	Target (RE)	227.50	17222.00
	Actuals	245.90	18789.44
	Achievement (%)	102.67	101.15

1		2	3
2012-13	Target (BE)	248.00	18600.00
	Target (RE)	244.50	17619.00
	Actuals	262.23	19902.34
	Achievement (%)	105.74	107.00
2013-14	Target (BE)	252.00	18929.00
	Target (RE)	249.50	17619.00
	Actuals	266.09	19988.65
	Achievement (%)	105.59	105.60

Financial performance of NLC is as under:—

		(Rs. in crore)		
Year		Sales	PBT	PAT
2011-12	Target (BE)	4674.46	1214.11	825.38
	Target (RE)	4286.69	1171.34	878.50
	Actual	4866.85	1983.89	1411.33
	Achievement (%)	104.12	163.40	170.99
2012-13	Target (BE)	4754.23	1162.52	871.89
	Target (RE)	4755.15	1093.34	820.00
	Actual	5590.07	2047.65	1459.75
	Achievement (%)	117.58	176.14	167.42
2013-14	Target (BE)	5992.18	961.33	721.00
	Target (RE)	5273.69	1054.28	738.00
	Actual	5967.23	2209.13	1501.88
	Achievement (%)	99.58	229.80	208.31

(Fig in Rs. crore)

Company	Budget BE 2014-15	Budget (Prog Dec. 2014)	Actual (Prog Dec. 2014)	Percentage Utilisation BE (Dec. 2014)
1	2	3	4	5
ECL	970.00	703.31	321.44	45.70
BCCL	350.00	210.00	325.06	154.79

1	2	3	4	5
CCL	585.00	421.21	303.73	72.11
NCL	600.00	342.00	483.69	141.43
WCL	475.00	332.50	210.83	63.41
SECL	980.00	613.75	521.21	84.92
MCL	700.00	490.00	518.75	105.87
CIL & Others	215.00	129.00	45.31	35.12
Sub Total	4875.00	3241.77	2730.03	84.21
Master Action Plan	350.00	262.50	85.56	32.59
Overall CIL	5225.00	3504.27	2815.58	80.35

4.6 Against the BE & RE of Rs. 5225 crore, CIL could expand only Rs. 2815.58 crore during 2014-15 (up to December, 2014). On being asked to furnish the reasons for lower utilization of capital outlay by CIL during the first 3 quarters of financial year and whether the RE will be fully utilized, the Ministry stated that the details of the utilization of capital outlay is given below. The total Capital Outlay of CIL & its Subsidiaries in 2014-15 is Rs. 5225.00 crore. Out of Rs. 5225.00 crore budget allocated till Dec., 2014 is Rs. 3504.27 Crore against which actual expenditure was Rs. 2851.58 crore with a percentage utilization of more than 80%. BCCL, NCL & MCL have utilized their allocated Capital Outlay upto Dec., 2014 fully whereas CCL & SECL have utilised 72% & about 85% respectively. However, CIL is expected to utilise its fund fully by end of the financial year.

4.7 On being asked to state the steps taken by CIL to ensure full utilization of budgeted outlays during 2015-16, the Ministry replied that CIL has envisaged a plan for fund utilization of Capital Outlay of Rs. 5990.5 Crs in 2015-16. Regular monitoring for timely implementation of various schemes will be made for proper utilization of funds. However, the fund allocated for implementation of Master Action Plan for Jharia and Raniganj coalfields will depend largely on the Governments of West Bengal and Jharkhand.

#### **Status of New Coal Blocks allocated to CIL**

4.8 The Committee were informed that 119 Coal Blocks had been allocated to Coal India Ltd. in May, 2012 which also included three de-allocated Coal Blocks. The Committee (2013-14) had desired the

Coal India Limited to prepare an emergent action plan for the development of these Blocks during 12th Plan itself by roping in specialized agencies besides GSI, MECL and CMPDIL. In this context, on being asked about the action plan made by Ministry of Coal/CIL for development of 119 coal block allocated to CIL in May 2012, the Ministry stated that these blocks were allocated to CIL in May 2012. As these were unexplored blocks action has been taken for detailed exploration of these blocks and present status of their exploration is given below:

Status	Blocks
Explored	30 nos
Exploration in progress	42 nos
Unexplored	43 nos
Partly explored	4 nos
Total	119

#### SCCL

4.9 Against Rs. 706.94 crore during 2014-15 for existing mines and completed projects, a provision of only Rs. 423.30 crore has been made for 2015-16. Investment in ongoing projects of SCCL has also been reduced to Rs. 476.16 crore during 2015-16 as compared to Rs. 586.67 crore (RE) during 2014-15. The Committee were informed that SCCL could utilize Rs. 1867.74 (upto December, 2014) against RE of Rs. 3760 crore during the year 2014-15. In this context, the Ministry were asked to state the reasons for lower investment plan of SCCL in existing mines and ongoing projects during 2015-16. The Ministry thereupon stated that as regards existing Mines, the needs for modernization and replacement have been taken care of during preceding years. Hence investment planned during 2015-16 is less. As regards the ongoing projects, sufficient money has been already spent towards procurement of equipments and developmental activities in Major mining projects and hence the requirement during 2015-16 is less.

4.10 On being asked as to whether the targeted production of 56 MT during 2015-16 could be accomplished by the company with reduced outlay, the Ministry replied that the Planned outlay for 2015-16 is less because of Expenditure planned for 2x600 MW STPP and LW equipment at Adriyala Long wall project is less compared to the previous years (major works are completed). Planned outlay of Rs. 2390.00 crore is sufficient to achieve 56.00 MT target.



## NLC

4.11 The BE of NLC-mines were Rs. 272 crore during 2014-15. These were revised to Rs. 147 crore and actual utilization upto December 2014 were Rs. 69.21 crore. Similarly, for NLC-Power, against BE of Rs. 2664 crore and RE of Rs. 2373 crore, actual (upto December, 2014) were Rs. 1083.67 crore. The BE of Rs. 2015-16 for the Company are Rs. 3474 crore. In this context, on being asked to state the reasons why the company could not utilize the capital outlays both for mining & power sector as targeted during 2014-15, the Ministry furnished the following reasons for shortfall in capital expenditure during 2014-15:

Sl.No	Schemes	BE 2014-15	Target (upto Feb., 2015)	Actual (Provl.) (upto Feb., 2015)	Shortfall	Reason for Shortfall
1	2	3	4	5	6	7
COAL SECTOR						
1.	Mine-II Expansion (Neyveli)	45.51	34.30	7.72	26.58	Project commissioned 2009-10. Balance payments are due in few contracts.
2.	Barsingsar Mine (Rajasthan)	3.50	3.00	4.49	-1.49	Project commissioned 2009-10. Balance payments are due in few contracts.
3.	Restructuring of Existing Mine-I & IA	140.26	91.53	0.46	91.07	Project is in the process of obtaining Environment Clearance. Public hearing held on 18.1.2015.
4.	Jayamkondam-Mine (AAP)	0.05	0.00	1.29	-1.29	
5.	Bithnok Mine (AAP) (Barsingsar)	0.50	0.41	43.09	- 42.68	
6.	Hadla Mine - (AAP) (Barsingsar)	0.60	0.51	0.81	- 0.30	
7.	Talabira II & III (Odisha)	0.10	0.00	0.00	0.00	
8.	Devangudi Mine Project	0.56	0.51	0.03	0.48	Competent authority has approved to drop the project on 28th June 14. In view of adverse mining conditions.

1	2	3	4	5	6	7
9.	Palana Lignite Mine	0.12	0.00	0.04	- 0.04	
10.	Other New Mines	1.00	0.50	0.00	0.50	
11.	Other (Completed Projects)	40.89	31.00	18.57	12.43	This provision is for land acquisition. Slow progress.
12.	Geo Investigation	10.23	8.97	0.02	8.95	This provision is for exploration of Pachwara South coal block allocated to NUPPL, a subsidiary of NLC. No progress could be achieved due to law & order problems.
13.	Science and Technology	18.68	12.10	1.04	11.06	1. Some of the projects proposed S&T are now planned to be submitted for Coal S&T grant. 2. Project proposed in pilot scale level has been down sized to laboratory level. 3. Some of the projects deferred.
14.	Investment in Coal Block– India & Abroad	10.00	1.56	1.49	0.07	Due diligence study to be carried out on the offers shortlisted before selection of the coal block for acquisition. Process initiated for Due Diligence study.
	Total Coal	272.00	184.39	79.05	105.34	
	POWER SECTOR					
1.	Barsingsar TPS	73.13	31.42	37.51	- 6.09	Project commissioned in 2011-12. Balance payments are due in few contracts.
2.	TPS- II Expansion, (Neyveli)	344.42	316.37	237.46	78.91	Units under stabilization, yet to be commissioned. Payments due on commissioning.

1	2	3	4	5	6	7
3.	NTPL (NLC Tamil Nadu Power Ltd.)	900.00	646.83	725.98	- 79.15	
4.	NNTPS TPS at Neyveli (2*500 MW)	1056.67	934.67	212.20	722.47	Slow progress in submission of drawings and civil works due to poor mobilization of resources by BHEL. Commencement of supply of Boiler main columns was originally scheduled for December 2014 by BHEL but now expected only from June 2015 with a delay of 6 months. LOA for Balance of Plant package issued on 30.04.2014. Advance Payment Bank Guarantee for supply and services are yet to be furnished by the contractor.
5.	Wind Energy Project	59.00	59.00	85.45	- 26.45	
6.	Bithnok TPS (AAP)	1.00	1.00	37.62	36.62	
7.	TPS at Jayamkondam (AAP)	0.50	0.49	0.00	0.49	
8.	Hadla TPS (AAP)	1.80	1.37	0.04	1.33	
9.	Sirkazhi Project– Coal based	5.00	3.50	0.00	3.50	Provision is for pre-project activities. Feasibility Report under finalisation. Letter of Award issued for EIA/EMP studies in January 2015.
10.	NUPPL-UP-Project– (AAP)	61.04	59.50	37.63	21.87	PIB recommended the project to CCEA in January 2013. MOE&F deferred consideration of issue of EC till Pachwara south coal

1	2	3	4	5	6	7
						block, allotted to this project, is given Stage-I forest clearance. Exploratory drilling DPS survey and other activities suspended due to law & order problem in the coal block area.
11.	Solar Power Project–Neyveli	75.64	65.44	30.34	35.10	Slow progress in submission of drawings by the contractor BHEL. Delay in start of civil works. Poor mobilization of resources. Supply of various main equipments have not yet commenced.
12.	Solar Power Project–Barsingsar	84.80	10.14	0.03	10.11	Feasibility Report is under submission to the Board for approval.
13.	Other New Schemes	1.00	0.50	0.02	0.48	
	Total Power	2664.00	2130.23	1404.29	725.94	
	Total Coal & Power	2936.00	2314.62	1483.35	831.27	

4.12 Due to lower utilization of plan outlay there was lower production of lignite and power generation. On being asked to state how it will adversely affect the future plan of the company, the Ministry stated that the lower utilisation is due to reasons such as delay in supply, erection, commissioning etc., thus some of the projects are getting delayed due to slow progress of works.

4.13 The following steps at different levels are being taken by Ministry/NLC Ltd. to expedite implementation of the projects on time to ensure full utilization of budget allocation of Rs. 3474 crore during 2015-16:—

**Project Level:** Regular site level follow up with package contractors through letters and review meetings is undertaken to expedite the project works. All aspects related to execution of works are discussed at micro level with the package contractors. Based on

inspection of each area of work by the field level executives of the project, the areas where there is likely to be delay in completion of works are brought to the notice of the contractor and remedial measures to be initiated by them like mobilisation of additional resources viz., manpower and materials are brought to the notice of the contractors. The supply of materials in time as well as in proper sequence is followed with the manufacturing works of the contractors and if needed, the executives of the project are also deputed to such work places of the package contractors/their sub-contractors for expediting the supply of materials. The Project Consultant appointed also undertakes periodic review of the progress of works and highlights the critical areas where there should be specific focus.

**Corporate Level:** NLC has put in place a Central Project Monitoring division for continuous monitoring of progress of all projects and reporting to the top management. Follow up with package contractors through letters and review meetings is done at the level of Chairman/Director to speed up the project execution. The Chairman/Director also visit the project site to have first hand information about the progress as well as the critical issues to be addressed. Review meetings are also held by the Chairman/Director at the Project site to personally interact with contractors to expedite work. Chairman/Director also take up with the management of the package contractors highlighting the critical areas of works where the attention of the management of the contractors is crucial and support to their field level personnel is essential. The company Board also reviews the progress of projects from time to time.

**State Government Level:** Regular meetings on the progress of the projects are taken up by Chief Secretary, Government of Tamil Nadu, Chief Secretary, Government of Rajasthan and Chief Secretary, Government of Uttar Pradesh.

**Central Government Level:** At the central level projects are being monitored at the level of the Ministry and further the pending issues and difficulties with respect to projects are being uploaded to the Project Monitoring Group web portal of the Cabinet Secretariat regularly.

NLC were to take up a 1080 MW thermal power project in Uttar Pradesh by forming a joint venture company.

4.14 While examining the DFG for 2013-14 of Ministry of Coal, the Committee had recommended that NLC should give a serious consideration towards developing capacity and right technology for pelletisation. The Committee also desired that Ministry of Coal should divert greater funds towards development, promotion and absorption of pelletisation technology for lignite sector in the country. In this regard, the Ministry was asked to state what progress has been made with regard to development, promotion and absorption of pelletisation technology for lignite sector, the Ministry thereupon furnished the following reply:

“Upgradation of Brown Coal based power generation pilot project Feasibility study by NLC and M/s. Kobe Steel, Japan. M/s. Kobe Steel Limited, Japan (M/s. KSL)—a major Steel & Engineering Company in Japan has undertaken a study on “Up-gradation of Brown Coal” (UBC) process of NLC. This UBC technology is used to upgrade Lignite of high moisture content to high calorific value fuel by a unique coal-oil slurry dewatering technology. New Energy and Industrial Development Organization (NEDO), an entity under Ministry of Economy, Japan has funded the project. The Pellets developed in pilot plant have been tested for firing in a boiler in Japan. The pellets are suitable for ultra supercritical boilers. By processing Neyveli Lignite through UBC technology, moisture content can be reduced below 10% and the calorific value can be increased from 2600 to 5400 Kcal/Kg. KSL, has set up a 1000 MW ultra super critical power plant using UBC. Prior to setting up a large scale UBC based integrated power plant, a feasibility study is proposed. In this regard the NLC Board has already approved signing of an MoU with KSL to undertake this feasibility study.

Pilot Plants Feasibility study on suitability of Lignite to use it as substitute for Metallurgical Coke. The coldry process is a patented process owned by M/s. Environmental Clean Technologies Ltd., Australia, a public Limited Company involved in the field of dewatering of Brown Coal/Lignite. In this process, lignite is crushed and made into consistency paste suitable for extrusion into pellets and hot air is passed through the pellets, so produced, to remove the moisture. Then, conditioned and dry pellets are mixed with the milling ( $\text{Fe}_3\text{O}_4$ ) in the ratio of 50:50 and put into the furnace for iron ore melting and iron ingots are obtained with 95% purity. The result shows that low rank coal can be used as a substitute for metallurgical coke by using coldry process. The pellets can also be used as a reducing agent in blast furnace in iron making process, a replacement to Coking Coal. It is proposed to go for iron reduction

process (MATMOR) at a small pilot scale level. In this process dewatering of lignite will be done and iron ore will be added to make pellets which could be utilized in iron ore purification process, there by generating revenue for the corporation. In this connection tripartite agreement has to be signed between M/s. NLC, M/s. NMDC and M/s. ECT, Australia. Action has been initiated for Board approval.

## CHAPTER V

### AUCTION OF COAL BLOCKS

#### A. ACTION TAKEN IN RESPECT OF COAL MINES (CANCELLED BLOCKS) DE-ALLOCATED BY HON'BLE SUPREME COURT OF INDIA

The Annual Report (2014-15) and the Outcome Budget (2015-16) of the Ministry of Coal highlights the action taken in respect of Coal Mines/blocks cancelled/de-allocated by Hon'ble Supreme Court of India wherein it had been stated that the Hon'ble Supreme Court, *vide* its judgment/order dated 25.08.2014 and 24.09.2014 in Writ Petition (Criminal) No. 120 of 2012 and other connected matters, has cancelled the allocation of 204 coal blocks out of 218 blocks allocated since 1993. For the management and reallocation of 204 coal blocks cancelled/de-allocated by the Hon'ble Supreme Court of India, Government has promulgated the 'Coal Mines (Special Provisions) Ordinance, 2014' on 21.10.2014, followed by the Coal Mines (Special Provisions) Second Ordinance, 2014 on 26.12.2014 to ensure smooth transfer of rights, titles and interests in the mines/blocks to new allottees selected through auction or allotment to government company, as the case may be. The Coal Mines (Special Provisions) Rules, 2014 have also been notified on 11.12.2014.

5.2 It was further highlighted that the allocation of coal blocks would be governed by the provisions of the Ordinance and Rules made thereunder. Auction of coal blocks shall be in the e-auction mode in order to keep the process transparent. The methodology for fixing Floor/Reserve Price for auction and allotment of these coal mines/blocks has also been approved by the Government. 110 coal mines/blocks were earmarked with specified end-use for auction and allotment. The process of e-auction commenced with the publication of a Notice Inviting Tenders (NIT) on 25.12.2014 for 23 running coal mines appearing in Schedule-II.

- Out of these 23 coal mines/blocks, e-auction of 19 coal mines has been successfully completed in the first tranche. Vesting order for 14 coal mines have already been issued.
- In the 2nd tranche, another 23 coal blocks from Schedule-III have been put for auction with the publication of a NIT on 07.01.2015. Out of these, e-auction of 14 coal blocks in 13 packages has been completed as on 10.03.2015.



- In addition 38 coal blocks have been approved to coal companies for specified end uses.

5.3 The total estimated amount of revenue likely to be raised in respect of 33 coal mines/blocks already auctioned is Rs. 171962.39 crore. The auction proceeds shall be transferred to the respective State Governments. The Coal Mines (Special Provisions) Act, 2015 has since been enacted by Parliament w.e.f. 30.3.2015.

## **B. COAL BLOCKS AUCTION PROCESS**

5.4 The representatives of the Ministry of Coal in their presentation made to the Committee during the oral evidence taken for examination of DFG (2015-16) held on 1.4.2015 apprised the Committee that subsequent to the Crisis in August/September 2014 and Judgement of the Supreme Court cancelling allotment of 204 blocks due to a non-transparent mechanism for allocation of blocks which was discretionary causing loss to the exchequer/windfall for private sector. Thereafter, the Ministry of Coal promulgated a new Ordinance for Auctions with the following objectives:—

- To provide for allocation of coal mines and vesting of the right, title and interest in and over the land and mine infrastructure to successful bidders and allottees with a view to ensuing continuity in coal mining operations and production of coal.
- To take immediate action to auction or allot coal mines to minimise impact on core sectors such as steel, cement and power, which are vital for the development of the nation.
- To amend the Coal Mines (Nationalization) Act, 1973 and the Mines and Minerals (Development and Regulation) Act, 1957 thereby removing the restriction of “end-use” from the eligibility to undertake coal mining except in the case of certain specified coal blocks.

5.5 The Committee was apprised that the salient features of the Ordinance were as follows:—

- 204 cancelled blocks defined as ‘Schedule-I coal mines’.
- 42 producing and ready to produce coal mine out of Schedule-I coal mines defined as ‘Schedule-II coal mines’.
- Other 32 substantially developed coal blocks out of Schedule-I coal mines defined as ‘Schedule-III coal mines’ meant for specified end-use(more mines could be added to Schedule-III).

- Allocation made through auction to a company or their JV.
- In case of Government Company or their JV, allotment without auction.
- The proceeds of auction to be disbursed to respective States.

5.6 The Committee were further apprised that the present Coal Blocks Auction Process came into being after evolving a transparent process of auction using IT applications, setting up an internal team, appointing “Nominated Authority”, engaging expert external agencies, MSTC, SBI Cap. It was further submitted that there is webcasting of live e-auction of all Coal Blocks Auctions.

5.7 The flow chart presented to the Committee during oral evidence on 1.4.2015 indicates the step by step process taken up by the Nominated Authority (NA) and Transaction Advisor (TA) as under:—

- Step 1. Due Diligence & Online Registration of bidders.
- Step 2. Uploading of List of Mine Dossiers, documents & timelines obtained from NA/TA
- Step 3. Uploading of documents & time-lines obtained from NA/TA
- Step 4. On line payment of fees for documents by bidders
- Step 5. Online training of bidders with mock auctions
- Step 6. Submission of Stage-I bids (Technical Bid & IPO)
- Step 7. Online opening of Technical Bids & IPO by NA
- Step 8. Forward Auction and Reverse Auction (Stage-II) bidding
- Step 9. Generation of Bid Sheet. Publication of E-auction results after approval of NA

### **C. ACCRUAL FROM AUCTIONED BLOCKS**

5.8 The Ministry of Coal also apprised the Committee on the amount of accrual made so far from the auctioning of Coal Blocks as under:—

- The total estimated amount of revenue likely to be raised in respect of 29 coal mines already auctioned is Rs. 1,71,961 crore.
- Apart from this, royalty of Rs. 20,620 crore, upfront payment of Rs. 930 crore accrues to the States.
- The auction proceeds to be transferred to the respective State Governments. Eastern States would be the biggest beneficiary and would financially empower them.

- Rs. 69,310 crore by way of tariff concession to the consumers of power from the 12 blocks auctioned for Power Sector.
- Notice inviting application for allotment of 43 coal mines to Government companies issued on 18.02.2015. Allotment of 38 mines done on 23.03.2015.
- Rs. 65,573 crore as revenue to States from allotted blocks.
- Rs. 76,281 crore as royalty to States from allotted blocks.
- Overall value creation of Rs. 4.04 lakh crore from 67 coal blocks.

#### D. FUTURE STRATEGIES

5.9 The Committee were apprised that a projection of coal production of One Billion Tonnes by 2019-20 has been made. The following present and projected future demand for coal has also been made:—

##### Demand—Present & Future

- Present demand (2014-15) : 787.03 Mt.
- Indigenous coal supply 2014-15 : 617 Mt (CIL: 494 Mt, Non-CIL: 123 Mt)
- Projected Demand in 2019-20: 1500 Mt
- Planned availability from CIL: 1 Billion Tonnes
- Envisaged Contribution from Identified Projects: 908 Mt
- Identification for balance quantity under progress

##### One Bt Production : Year-wise Projection for Next 5 Years (2015-20)\*

2015-16	2016-17	2017-18	2018-19	2019-20
548 Mt	598 Mt	661 Mt	774 Mt	908 Mt

\*908 Mt identified, further identification underway.

5.10 As regards, identification of Issues for enhancing the production or facilitating, activating new mines, the Ministry of Coal made the following submission on the Major identified issues, actions initiated, future strategies and also on the online Coal Projects Monitoring Portal.

#### **E. THE MAJOR IDENTIFIED ISSUES**

- Acquisition/possession of land & related Rehabilitation & Resettlement issues.
- Obtaining Forestry & Environmental clearances.
- Development of coal evacuation infrastructure in growing coalfields of CCL, SECL & MCL.

#### **F. ACTIONS INITIATED**

Coal Project Monitoring Group (CPMG) portal created for regular monitoring of project related issues connected with different Ministries and State Authorities.

- Two SPVs involving States have been formed to develop rail network including last mile connectivity. A few more under formulation soon.
- For technology upgradation in present and future mines, a workshop conducted with equipment manufacturers for their sensitization to meet future requirement.
- Steps initiated for capacity building to train manpower for future Statutory requirement.

#### **G. PRODUCTIVITY IMPROVEMENT IN OPENCAST MINES**

- High capacity equipment.
- Operator independent Truck Dispatch System.
- Vehicle tracking system using GPS/GPRS.
- CHP & SILOS for Faster Loading.
- Monitoring using Laser Scanners.

#### **H. PRODUCTIVITY IMPROVEMENT IN UNDERGROUND MINES**

- Continuous Miner Technology on large scale.
- Long-wall Technology at selected places.
- Man Riding system in major mines.
- Use of Tele-monitoring Techniques.

#### **I. e-CPMP – ONLINE COAL PROJECTS MONITORING PORTAL**

- Developed using Open Source Technology for tracking projects related to Coal Ministry.

- Automates tracking of projects in the context of the bottlenecks.
- Assists in preparation of Agenda and Minutes of the meeting.
- Graphical Reports for analysis purpose.
- A tool to enhance efficiency, bring transparency, boost the investor confidence, revive the investment cycle and minimize human interaction.
- A system to improve communication between Industries - MoC (B2G) and States - MoC (G2G) and *vice versa*.

## FEATURES

- Paperless Online Coal Projects Monitoring System.
- Investor friendly and accessible from any internet PC.
- Web-based transparent platform.
- Eliminate duplicate and inconsistent record keeping.
- On-the-fly generation of all required reports.
- An unique-id for each project for future reference.
- Automatic mailer notification to take instant action.
- Customizable Privilege for each user as per their responsibility.

## CHAPTER VI

### COAL THEFT AND PILFERAGE

The Annual Report 2014-15 of the Ministry of Coal highlights the following vigilance milestones achieved pertaining to vigilance activities undertaken by organizations working under the Ministry of Coal:—

#### VIGILANCE

- The Vigilance Division of the Ministry oversees vigilance administration of its Public Sector Undertakings and autonomous body together with handling the vigilance issues of the Ministerial staff. It is headed by a Joint Secretary level CVO. The vigilance wings of CIL and its subsidiaries as well as NLC are headed by full time Chief Vigilance Officers. Vigilance issues of Board-level officers of PSUs are considered in the Ministry and in respect of below board-level Officers, by the CVOs of the concerned PSUs.

The Vigilance Awareness Week focused on the theme 'Combating Corruption: Technology as an Enabler' was observed from 27.10.2014 to 01.11.2014. During this week workshops, debates, essay competitions, slogan writing competitions etc. were organised to create awareness on vigilance issues. Vigilance divisions in all the organizations actively participated in online submission of IPRs and transfer of officers from sensitive to non-sensitive posts. During this period NCL and NLC were awarded Vigilance Excellence Awards by the Institute of Public Enterprises, Hyderabad. During 2014-15 consistent review meetings were held with CVOs to review issues related to pending vigilance cases, implementation of IT initiatives, etc.

- An integrated system consisting of GPS/GPRS based vehicle-tracking system connected through a Wide Area Network connecting all vulnerable points like weigh-bridges, material stores, entry/exit points, stockyard, sidings, explosive magazines etc. has been conceived and is under implementation in PSUs with the following objectives:
  - \* Electronic surveillance to check theft and pilferage.
  - \* Capture of real time data of production, dispatch, stores etc. to improve operational efficiency.

Vigilance activities undertaken by organizations working under the Ministry of Coal is presented below:

Sl. No.	Name of the Subsidiary	Vigilance Milestones
1	2	3
1.	NCL	<ul style="list-style-type: none"> <li>Collecting data on real time basis.</li> <li>All projects of NCL equipped with electronic weigh-bridges.</li> <li>23 awareness training courses organized for executives/non-executives.</li> <li>71 surprise inspections undertaken.</li> <li>Operator Independent Truck Dispatch System (OITDS) is expected to be operational from March, 2015.</li> <li>Online file tracking system, online bill tracking system, put in place.</li> <li>COALNET implemented in two phases.</li> </ul>
2.	BCCL	<ul style="list-style-type: none"> <li>Circulars/Guidelines issued under preventive vigilance.</li> <li>Online budget monitoring system made operational.</li> <li>19 surprise/test checks conducted resulting in registration of 4 regular cases for further investigation.</li> <li>Undertaken 12 Intensive-Examinations under surveillance and detection.</li> <li>15 regular cases registered for investigation and action initiated against 22 officials; 5 firms blacklisted.</li> <li>CBI registered 5 cases.</li> </ul>
3.	MCL	<ul style="list-style-type: none"> <li>Vigilance is an essential and integral component of management.</li> <li>Several e-initiatives <i>i.e.</i> Coalnet, auto refund of EMD's, installation of in-motion road weigh-bridges with RFID, SURPAC software for Coal stock measurement, on-line Truck Despatch system put in place in vulnerable areas.</li> </ul>

1	2	3
		<ul style="list-style-type: none"> <li>• 29 Surprise checks conducted and 6 vigilance cases registered.</li> <li>• 145 officers/officials transferred from sensitive to non-sensitive areas and <i>vice-versa</i>.</li> </ul>
4.	ECL	<ul style="list-style-type: none"> <li>• 29 surprise inspections conducted</li> <li>• Intensive examination of cases undertaken laying emphasis on system-improvement measures.</li> <li>• 8 awareness/motivation programmes conducted for all stakeholders.</li> <li>• Implementation of e-tendering solution for 'works &amp; services' done in all areas except Rajmahal.</li> <li>• Average completion period of e-tendering down to 23 days.</li> </ul>
5.	WCL	<ul style="list-style-type: none"> <li>• Online complaint handling system fully functional.</li> <li>• e-tendering and e-procurement fully implemented.</li> <li>• Stakeholders meets organized in different areas.</li> <li>• Journal named 'Parivartan', a compendium of circulars upto October, 2014 compiled and released.</li> <li>• 8 vigilance awareness and personality-development workshops organized.</li> <li>• Departmental enquiries initiated in 26 RDA cases.</li> <li>• CBI registered 2 cases.</li> <li>• Major penalty imposed on 9 employees in 6 cases and minor penalty imposed on 15 employees in 13 cases.</li> <li>• 22 surprise inspections conducted.</li> <li>• 506 officials transferred from sensitive posts.</li> </ul>



1	2	3
6.	SECL	<ul style="list-style-type: none"> <li>• Out of 71 complaints 35 disposed off and 27 departmental enquiries completed.</li> <li>• Out of 35 departmental enquiries 18 completed.</li> <li>• Major penalty imposed on 5 employees in 4 cases and minor penalty on 7 employees in 7 cases.</li> <li>• A total of 519 executives and 993 non-executives transferred/rotated.</li> <li>• GPS-based vehicle-tracking system has been installed in 270 vehicles.</li> <li>• 188 electronic weighbridges in operation.</li> <li>• 17 surprise inspections conducted.</li> <li>• Vacation of 5909 quarters under unauthorized occupation underway.</li> </ul>
7.	CCL	<ul style="list-style-type: none"> <li>• Organized workshops on 'Common Irregularities in Civil and Purchase Contracts' talk on 'Role of ethics &amp; values in combating corruption'.</li> <li>• 245 executives/non-executives transferred from sensitive to non-sensitive posts.</li> <li>• Regional stores and central stores inter-connected through WAN and payment and refund of EMD done through e-payment.</li> <li>• 10 regular investigations and 15 surprise checks conducted.</li> <li>• 12 persons in 9 cases imposed major penalty and 16 persons in 12 cases minor penalty.</li> <li>• IT initiatives taken up in a big way for implementation of COALNET modules/WAN installations; integrated GPS/GPRS based vehicle tracking and RIFD, weigh bridges along with installation of CCTV for the entire CCL campus.</li> <li>• Reverse auction through e-tendering mode in respect of all transportation contracts.</li> </ul>

1	2	3
		<ul style="list-style-type: none"> <li>Reverse bidding completed in 315 cases.</li> <li>667 cases of procurement through e-procurement.</li> </ul>
8.	NLC	<ul style="list-style-type: none"> <li>Complaint tracking system implemented through NLC intranet.</li> <li>Bill watch system for vender payment introduced and updated daily.</li> <li>Online vigilance clearance system introduced.</li> <li>SURPAC automation implemented in mines to avoid manual measuring of output of OB and Lignite.</li> <li>Surveillance cameras installed in strategic locations at a Neyveli and Barsingsar project.</li> <li>135 surprise checks made and 325 complaints investigated.</li> <li>“WhatsApp” messenger introduced to facilitate sender/whistleblower to lodge complaints.</li> </ul>
9.	CMPFO	<ul style="list-style-type: none"> <li>13 Departmental Inquires taken up.</li> <li>Major penalty imposed in 2 cases.</li> <li>A post of CVO to CMPFO created.</li> </ul>
10.	CMPDI	<ul style="list-style-type: none"> <li>System improvement in preparation of software to ensure/check, online reporting of logging data for outsourcing drilling.</li> <li>E-procurement of all contracts.</li> <li>Study of ‘Integrated Coal Resources Information System’ Project and tendering, etc.</li> </ul>

### Theft of Coal

6.2 The Committee have time and again observed that coal, a vital raw material for many basic industries, is being lost and pilfered in the form of illegal mining and theft due to negligence and carelessness on the part of those who are mandated under the law to provide for the

efficient and optimal utilization of scarce coal reserves and enforcement of Law and Orders. The Committee in their 11th Report of 15th Lok Sabha on 'Prevention of Illegal Coal Mining and Theft' had recommended the Ministry to take stringent preventive measures to curb clandestine activities in all the affected coalfields. In the corresponding Action Taken Report of the Committee (20th Report of 15th LS), the Committee observed with deep concern that besides playing havoc on the mineral resources of the country, illegal mining has also caused great loss to the national exchequer.

6.3 The Committee, during their Study Tour in February, 2015 have observed that earnest efforts are being made to curb the menace of coal theft and pilferage through installation of GPS based truck monitoring and CCTV surveillance system. During their informal discussion held on 11.2.2015 at Talcher, Odisha with the representatives of the Ministry of Coal and Mahanadi Coalfields Ltd. (MCL) on the performance of the company, it was submitted that GPS/GPRS based Vehicle Tracking System on trucks/trippers and for coal production/internal transportation has been completed fully for the total quantity of 1500 vehicles as per the work order has been completed. In this connection, Secretary, Ministry of Coal while deposing before the Committee on 1st April, 2015 submitted as under:—

“मैं भी तालचर गया था और मैंने उनका वहां अनुश्रमण देखा, मॉनीटरिंग सिस्टम देखा, उसी से प्रभावित होकर मैंने वहां जो अधिकारी है, जिसने वह व्यवस्था बनाई थी, उसको बुलाया और कोल इण्डिया के समक्ष, अन्य अधिकारियों के समक्ष यह प्रस्तुतीकरण किया। इसकी पुनः चर्चा चार तारीख को कोलकाता में होगी, जहां समस्त सीवीओ को हम बुला रहे हैं और महानदी कोल फील्ड के सीवीओ प्रस्तुतीकरण करेंगे कि अन्य जगह कब तक हो जाएगा। हमारा प्रयास है कि इस वित्तीय वर्ष के अंत तक समस्त संस्थाओं में वही व्यवस्था हो जाए जो कि महानदी कोल फील्ड में है और मुझे चेयरमैन साहब ने यह आश्वासन दिया है कि इसके लिए सब जगह यह व्यवस्था बनाई जा सकेगी।”

## CHAPTER VII

### CORPORATE SOCIAL RESPONSIBILITY

#### A. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Coal India Limited (CIL) and its subsidiary companies and Neyveli Lignite Corporation Limited (NLC) are undertaking different welfare activities under the CSR policy. The allocations of funds under CSR are as per DPE guidelines effective from 1.4.2014. These guidelines are based on Section 135(1) of Companies Act, 2013 which stipulates to spend at least 2% of the average net profit of the company for the three immediate preceding financial years. While Neyveli Lignite Corporation Limited (NLC) has allocated CSR funds as above, Coal India Limited (CIL) has formulated its own policy and allocated funds based on 2% of the average net profit of the company for the three immediate preceding financial years or Rs. 2 per tonne of coal production of previous year whichever is higher.

7.2 The details of the amount earmarked and utilized by the Coal India Limited (CIL) and its subsidiaries under the Corporate Social Responsibility (CSR) fund during each of the last three years and the current year subsidiary-wise are as under:—

(Figures in crore)

Company	2011-12		2012-13		2013-14		2014-15	
	allocated	utilised	allocated	utilised	allocated	utilised	allocated	utilised upto Sept., 2014
1	2	3	4	5	6	7	8	9
1. Coal India and its subsidiaries								
ECL	16.50	13.14	23.89	09.42	29.35	—	37.90	0.72
BCCL	14.50	05.53	23.63	07.43	30.50	20.00	30.00	0.91
CCL	53.88	11.00	47.72	13.66	26.42	26.94	48.00	12.69
WCL	55.82	07.85	40.67	20.96	29.46	23.80	7.95	7.59
SECL	146.44	17.66	181.79	46.63	63.94	43.91	129.00	7.54
MCL	82.00	14.47	73.36	25.56	101.72	111.48	112.48	58.47

1	2	3	4	5	6	7	8	9
NCL	93.42	09.25	95.73	17.64	48.99	39.72	80.28	14.82
CMPDIL	0.77	00.49	1.63	01.06	1.82	01.82	2.00	0.28
CIL & NEC	90.00	02.59	107.32	07.19	142.16	141.70	24.04	8.20
Total	553.33	81.98	595.74	149.55	474.36	409.37	471.65	111.22
2. Neyveli Lignite Corporation Limited (NLC)	13.00	11.53	13.00	14.26	26.04	26.30	41.42 (Upto Dec., 2014)	30.60

7.3 MOC is committed to the Swachh Bharat/Swachh Vidyalaya Abhiyan. For this, CIL and its subsidiaries have earmarked 50% of the total CSR budget for the F.Y. 2014-15 to be used for construction of school toilets. The budget allocated is approximately Rs. 235 crore. Seven subsidiaries of CIL are constructing 52,036 School toilets in 35,224 schools in six States viz. Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh and West Bengal. The survey work for construction of toilets is going on in full swing in these States and tenders have been floated to kick start the construction expected to start by March 15, 2015.

#### **B. WELFARE MEASURES (SC & ST)**

7.4 Mining of Coal has profound impact on the communities living in the areas where the mines are established. The impact of any industrial activities in such areas has impacted the traditional lifestyle of the original inhabitants and the socio-economic profile of the area. CIL has strongly fostered the belief that people living in mining areas are important stakeholders in the process of mine development.

- As part of the Corporate Social Responsibility mandate, CIL and its subsidiary companies are undertaking different welfare activities, in and around the coalfield-areas for benefit of the SC and ST population.
- Creation of Community assets like provision for potable drinking water, construction of School buildings, check dams, village roads, link roads and culverts, dispensaries and hospitals, community centres etc.
- Awareness programmes and community activities like health camps, medical aid, family welfare camps, Aids awareness programmes, immunisation camps, promotion of sports & cultural activities, social forestry, etc.

### C. IMPLEMENTATION OF PERSONS WITH DISABILITY ACT, 1995

#### Details of appointments in Group C & D since 1996-97

Year	No. of persons appointed	Number of posts filled under reservation quota		
		VH	HH	OH
1996-97 to 01.01.2015	8768	34	9	66

VH-Visually Handicapped, HH-Hearing Handicapped, OH-Orthopaedically Handicapped

7.5 NLC also implements several welfare measures for the upliftment of SCs, STs and Disabled Persons.

As part of its Corporate H.R Department, SC & ST Cells have been set up to deal with service matters of SC,ST employees, disabled persons, ex-Servicemen and minorities. The Cell ensures speedy disposal of complaints and grievances of the employees belonging to the above categories. One of the functions of the cell is to collect data pertaining to SC, ST, ex-Servicemen, disabled persons and minorities and furnish the same to various authorities under the administrative control of the Ministry. The objective of the cell is also to enlighten employees about safeguards that are provided by the Government of India in matters of recruitment, promotions and other service matters and to ensure the implementation of the Presidential Directives on Reservation Policy.

- The details relating to the percentage of reserved categories of employees as on 31st December, 2014 are furnished below:

Group	Applicable Percentage of Reservation		Manpower position			Available Percentage	
	SC	ST	Total	SC	ST	SC	ST
A	15.00	7.5	4160	865	279	20.79	6.71
B	16.66	7.5	133	23	13	17.29	9.77
C	19.00	1.0	10905	2125	103	19.45	0.94
D Excl. Sweepers	19.00	1.0	1247	301	2	24.14	0.16
Sweepers			8	4	0	50.00	0.00
Total			16453	3470	397	20.14	2.41

#### **D. SCHEDULED CASTE SUB-PLAN FOR THE WELFARE OF SCs/STs**

7.6 NLC has implemented the Scheduled Caste Sub-Plan (formerly known as Special Component Plan) for the Welfare of Scheduled Caste and Scheduled Tribe Population from the year 2000. There is no separate Tribal Sub-Plan as the ST population is negligible and hence SCSP is implemented for both SC & ST Population.

- The welfare measures are centered around the following:—
- Providing 2 sets of uniforms every year free of cost to children studying in NLC Elementary Schools.
- Providing one set of free footwear for children from 1st Std. to 5th Std. once in two years.
- Scholarships to 175 SC/ST students for pursuing Professional Courses at the rate of Rs. 12000/- per annum and for pursuing Diploma in Engineering & Under Graduate Courses at the rate of Rs. 10000/- per annum. This includes hostel fees of Rs. 3750/-per student.
- Cash awards are disbursed for meritorious students scoring 90% & above marks in SSLC and HSC Examination.
- Reimbursement of tuition fees of students belonging to SC/ST category studying in Jawahar Science Collage, Neyveli.
- Special training programmes like Executive Development Programmes are conducted exclusively for the benefits of SC/ST Employees.
- Technical and vocational training under apprenticeship training scheme is imparted.
- Youth personality development programme including development of sports and cultural activities among SC/ST children are held regularly.

#### **E. IMPLEMENTATION OF PERSONS WITH DISABILITIES ACT, 1995**

7.7 NLC is implementing various Schemes for the socio-economic development of physically challenged persons. The Neyveli Health Promotion and Social Welfare Society (NHPSWS) extends benefits to disabled population in Cuddalore, Villupuram and neighbouring districts of Tamil Nadu. NLC also implements 3% reservation for persons with disabilities in appointments as per the PWD Act, 1995. Recruitments are made whenever suitable posts are found for persons with disabilities in Group A/B/C/D posts. Promotion within Group 'D', from Group 'D' to 'C' and within Group 'C' has been time bound with scope for 100% promotion.

- In SCCL the total employees on roll as on 31.01.2015 are 58,713. The information pertaining to social justice as regards to existing employees in reserved categories as on 31.12.2014 is as follows:–

Caste	On Roll	% share
BC	31868	54.3
SC	12783	21.8
ST	3028	5.1
Others	11034	18.8
Total	58713	100

- As part of Corporate Social Responsibility, Sports & Games are conducted regularly for physically and mentally challenged persons in all the areas of SCCL.
- Following three special schools are being supported by Singareni Seva Samithi (SSS).
  - Manochaitanya School, Godavarikhani (for mentally retarded).
  - Manovikas School, Mandamarri (for mentally retarded).
  - Sai Manoteja Deaf & Dumb School, Manuguru.
- Infrastructure and other facilities are being provided to the tribal community in and around SCCL:
  - Tribal Home at Manuguru.
  - Vanavasi Kalyana Parishad at Bellampalli.
  - Vanavasi Kalyana Parishad at Kothagudem.
  - R & R Centres in Bellamapalli Area.



## CHAPTER VIII

### OUTSTANDING DUES OF COAL PSUs

#### OUTSTANDING DUES

The outstanding dues of Coal India Limited, SCCL and NLC for the last 3 years as well as year-wise outstanding dues and recoveries furnished to the Committee are as follows:—

Year-wise outstanding dues of Coal India Ltd. are as follows:

- (1) 31.03.2012: Rs. 7,387.41 crore
- (2) 31.03.2013: Rs. 12,335.86 crore
- (3) 31.03.2014: Rs. 10,830.04 crore
- (4) 28.02.2015: Rs. 8,452.98 crore

Recoveries made against coal sale and outstanding dues during last three years:

- (1) 2011-2012: Rs. 76,421.03 crore
- (2) 2012-2013: Rs. 83,409.68 crore
- (3) 2013-2014: Rs. 92,652.96 crore
- (4) till 28.02.2015: Rs. 88,080.76 crore

It was further submitted that the realization is taking into consideration both realization against opening balance and realization against current year. The net effect of current period billing, realization, etc. gets reflected in closing balance over opening balance.

#### Year-wise outstanding dues of SCCL

(Rs. in crore)					
Sl. No.	Name of the Party	Year-wise outstanding dues as on 31st March			As on 28th Feb. 2015
		2011-12	2012-13	2013-14	2014-15
1	2	3	4	5	6
1.	APGENCO	619.36	950.50	537.21	196.06
2.	TSGENCO				1684.47

1	2	3	4	5	6
3.	NTPC	105.56	184.17	200.12	65.08
4.	MSEB	10.26	3.70	25.23	57.58
5.	KPCL	49.01	52.41	98.51	192.77
6.	Others	17.87	34.40	46.61	2.60
	Total	802.06	1225.18	907.68	2198.56

Note: From 2014-15 onwards APGENCO split into APGENCO and TSGENCO.

## NLC

### Year-wise outstanding dues

(Rs. in crore)

SEB Dues as on 31.03.2012	Power Bills	Surcharge	Total	Realisation during the year
Tamil Nadu-TANGEDCO	1,780.62	305.02	2,085.64	1,002.65
Karnataka-ESCOMS	247.98	71.15	319.13	856.83
Kerala-KSEB	62.69	8.51	71.2	495.73
Andhra Discoms	182.24	8.77	191.01	589.7
Telangana Discoms	0.00	0	0	
Puducherry-PED	67.62	1.68	69.3	214.44
Rajasthan Discoms	104.25	0.56	104.81	0
Total outstanding	2,445.40	395.69	2,841.09	3,159.35

SEB Dues as on 31.03.2013	Power Bills	Surcharge	Total	Realisation during the year
1	2	3	4	5
Tamil Nadu-TANGEDCO	2,442.55	567.48	3,010.03	2,019.99
Karnataka-ESCOMS	136.81	96.94	233.75	902.7

1	2	3	4	5
Kerala-KSEB	143.78	12.29	156.07	356.53
Andhra Discoms	266.82	31.46	298.28	484.97
Telangana Discoms	0.00	0	0	
Puducherry-PED	83.84	14.77	98.61	203.23
Rajasthan Discoms	54.68	11.85	66.53	551.98
Total outstanding	3,128.48	734.79	3,863.27	4,519.40

  

SEB Dues as on 31.03.2014	Power Bills	Surcharge	Total	Realisation during the year
Tamil Nadu-TANGEDCO	904.78	426.64	1,331.42	4,276.78
Karnataka-ESCOMS	205.84	99.96	305.8	768.51
Kerala-KSEB	104.38	35.59	139.97	523.94
Andhra Discoms	181.04	57.07	238.11	764.65
Telangana Discoms	0.00	0.00	0.00	
Puducherry-PED	74.69	24.16	98.85	234.84
Rajasthan Discoms	84.67	17.26	101.93	486.61
Total outstanding	1,555.40	660.68	2,216.08	7,055.33

8.2 On being asked about the steps taken by the Ministry/PSU to recover all their dues in a time bound manner, the Ministry of coal replies as follows:—

#### CIL

1. The party-wise outstanding dues are being reviewed by the subsidiary companies on a monthly basis.
2. The GM (S&M) of concerned subsidiaries follow-up regularly with concerned parties to realize outstanding dues. Regional Sales Managers, stationed at different states, liaison with the power houses which fall within their jurisdiction on a monthly basis.
3. CMD and Directors of the concerned subsidiaries have written letters to the Chairman/Directors of the power houses.

4. In case of NTPC, DVC *i.e.*, major consumers, CIL authorities viz., Chairman, Director (Marketing) have taken up the matter with concerned ministries.
5. Coal India Marketing has issued directions to the subsidiaries to allow coal against advance deposit. This system is more or less now being followed by subsidiary companies.

#### SCCL

The outstanding dues are on a higher side from Power customers like TSGENCO, APGENCO, KPCL and MSEB. There are several clauses framed in FSA with these customers regarding billing, mode of payment, due date of adjustment/payment etc. In addition to the regular follow up in writing, matter is brought to the notice of C&MDs of respective power customers by highest Authority of the company. Though, as per terms of agreement, SCCL is at liberty to withhold coal supplies bills are not paid within 7 days from due date, this liberty is not exercised as the defaulters are Power customers and Government companies.

#### NLC

NLC has entered into Power Sales Agreement with the state utilities incorporating the following payment priority mechanism.

Payment made by any utility shall be appropriated by NLC in the following order of priority:

- a. Towards late payment surcharge payable if any, as intimated by NLC through late payment surcharge bills as per CERC tariff regulations.
- b. Towards earlier unpaid bill(s) including arrear bills, if any.
- c. Towards statutory dues like income tax, other tax, royalty etc., in the current bill(s); and
- d. Towards other charges in current monthly bill.

Power sales agreements were entered with the following utilities.

Sl.No.	Name of Utility	Date Entered
1.	TANGEDCO	05.03.2014
2.	Karnataka Escoms	14.11.2014
3.	KSEB	10.11.2014
4.	APTRANSCO	21.02.2015
5.	TGTRANSCO	21.02.2015

An MoU was entered in November, 2014 with Puducherry Electricity Department for signing PSA incorporating above payment priority clauses.

## CHAPTER IX

### ENVIRONMENTAL AND FORESTRY CLEARANCE

#### A. SINGLE WINDOW CLEARANCE

On the aspect of a 'Single Window Clearance' mechanism for various statutory EC&FC clearance by the Government to speed up the project clearances pending long and for attracting investments in coal sector. The Committee was apprised that the statutory EC & FC clearances require many agencies including State Government as well as Central ministries. However, in order to resolve pending issues at various levels in State Government as well as Central Ministries, the Cabinet Secretariat has started a Project Monitoring Group which monitors the issues online for all major projects and critical projects. It was further submitted that Ministry of Coal has launched a web-based portal for resolving pending issues for all coal mining projects which had helped in resolving and expediting clearances.

9.2 On being asked to furnish company-wise and State-wise details of coal blocks (both public & private) pending for environment and forest clearance at the Centre and State-levels, the Ministry furnished the following date:—

#### COAL INDIA LIMITED

9.3 **Forestry clearance proposals:** As on March, 2015 a total of 187 forestry proposals are pending. Out of these 145 are pending at State level & 42 are pending at the MoEF level the company-wise & State-wise details are as below:—

#### Cases awaiting at State Level:

Sl. No.	Company	State	No. of Cases Pending at State Level, Stage-II	No. of Cases Pending at State Level, Stage-I	Total No. of Cases for Clearance at State Level
1	2	3	4	5	6
1.	ECL	Jharkhand	2	3	5
2.	BCCL	Jharkhand	1	0	1

1	2	3	4	5	6
3.	CCL	Jharkhand	2	23	25
4.	NCL	Madhya Pradesh	0	2	2
5.	WCL	Madhya Pradesh	7	17	24
		Maharashtra	2	13	15
6.	SECL	Chhattisgarh	15	26	41
		Madhya Pradesh	6	8	14
7.	MCL	Odisha	8	6	14
8.	NEC	Assam	2	2	4
Total			45	100	145

Sl. No.	Company	State	No. of Cases Pending at MoEF Level, Stage-II	No. of Cases Pending at MoEF Level, Stage-I	Total No. of Cases for Clearance at MoEF Level
1.	ECL	Jharkhand	1	3	4
2.	BCCL	Jharkhand	0	0	0
3.	CCL	Jharkhand	8	3	11
4.	NCL	Madhya Pradesh	0	1	1
5.	WCL	Madhya Pradesh	0	3	3
		Maharashtra	1	4	5
6.	SECL	Chhattisgarh	9	1	10
		Madhya Pradesh	2	4	6
7.	MCL	Odisha	0	1	1
8.	NEC	Assam	0	1	1
Total			21	21	42

### Environmental clearance proposals

As on March, 2015, 22 proposals are pending for clearances at various levels, the details of which is given below:

Sl No.	Company	State	TOR (Moc Level)	EAC (Moc Level)	PC (State Level)	EC (Moc Level)	Total
1.	ECL	West Bengal	—	2	—	3	5
2.	CCL	Jharkhand	2	1	1	—	4
3.	NCL	Madhya Pradesh	—	1	—	1	2
4.	WCL	Madhya Pradesh	—	—	1	1	2
		Maharashtra	—	2	—	1	3
5.	SECL	Madhya Pradesh	—	—	—	1	1
		Chhattisgarh	—	—	1	1	2
6.	MCL	Odisha	—	2	—	1	3
Total			2	8	3	9	22

### SCCL

The following proposals for Environmental Clearance are presently pending at MoEF:—

- RG OC-I Expansion Phase-II
- JVR OC-I Expansion
- Dorli OC-I
- Koyagudem OC-II
- Kasipet-1 Incline
- GDK-1&3 Incline
- GDK-2&2A Incline
- GDK-5 Incline
- GDK-7 LEP
- RK-8 Incline
- VK-7 Incline

## Forest Clearance

5 Forestry applications are pending at Central Level and 4 Applications at State Level as enumerated in the table below:—

Sl.No.	Name of the Project	Date of application	Activity/Status
1	2	3	4
<b>A. Pending with Central Government:</b>			
1.	Installation of submersible pumps and stowing plant at PVK No. 5 Inc. (2.85 Ha)	20.03.2010	SCCL submitted proposal to PCCF. State Government forwarded the proposal to MoEF, Bangalore on 17.8.2013. MoEF, Bangalore forwarded the proposal to MoEF, Delhi on 13.12.2013. <b>MoEF, Delhi to issue 1st stage approval.</b>
2.	2nd Renewal of Yellandu ML (124.96 Ha) UG	25.12.2012	SCCL submitted proposal to PCCF. State Government forwarded the proposal to MoEF 12.5.2014. FAC discussed the proposal on 21.10.2014. <b>MoEF, Delhi to issue 1st stage approval.</b>
3.	Kondapuram UG Mine (477.03 Ha) (UG)	05.01.2009	SCCL submitted proposal to PCCF. MoEF issued 1st stage approval on 5.4.2011. State Government forwarded compliance report to MoEF, Delhi on 12.2.2015. <b>MoEF, Delhi to issue final approval.</b>
4.	Incline entries for Kondapuram UG Mine (10.50 Ha)	19.10.2009	SCCL submitted proposal to PCCF. MoEF issued 1st stage approval on 16.6.2011. State Government forwarded compliance report to MoEF, Delhi on 23.2.2015. <b>MoEF, Delhi to issue final approval.</b>
5.	Manuguru OCP-II Expansion (Ph.-II) & Gorrepetavagu diversion (447.21Ha)	21.05.2013	SCCL submitted revised proposal to PCCF. State Government forwarded the proposal to MoEF on 2.8.2014. MoEF, Chennai conducted site inspection on 15.10.2014. FAC discussed the proposal on 17.3.2015. <b>MoEF, Delhi to issue 1st stage approval.</b>
<b>B. Pending with State Government:</b>			
1.	JVR OCP-II (776.20 Ha)	16.08.2008	SCCL submitted proposal to PCCF. State Government forwarded the proposal to MoEF on 20.5.2014.



1	2	3	4
			MoEF, Delhi issued 1st stage approval on 10.12.2014. SCCL <i>vide</i> letter dt.24.1.2015 requested DFO, KMM to issue demand for depositing of funds and submit compliance report. <b>DFO, Khammam to issue demand for depositing of funds.</b>
2.	Koyagudem OCP-II (Ph.-II) (231.84 Ha)	18.01.2011	SCCL submitted proposal to PCCF. State Government forwarded the proposal to MoEF on 12.11.2013. MoEF, Bangalore conducted site inspection on 28.11.2013. Regional Office, Chennai submitted site inspection report to MoEF, Delhi on 11.9.2014. FAC discussed the proposal on 21.10.2014. State Government <i>vide</i> Lr. dt. 6.2.2015 also forwarded ROFR certificate to MoEF to take further action. MoEF <i>vide</i> letter dt.16.3.2000 communicated stage-I clearance. <b>State Government/PCCF to communicate the stage-I clearance to the Field Officers to take action for compliance of conditions.</b>
3.	Manuguru OCP-II Extension (Ph.-III) (978.45 Ha)	06.01.2015	SCCL submitted proposal to PCCF. PCCF <i>vide</i> letter dt. 29.1.2015 forwarded proposal to DFO, Paloncha for scrutiny and re-submission. <b>DFO, Paloncha to forward proposal to CF, KMM.</b>
4.	2nd Renewal of Tandur Mining Lease (4902.0 Ha)	16.04.2012	SCCL submitted proposal to PCCF. State Government <i>vide</i> Lr. dt. 13.11.2014 forwarded the proposal to MoEF, Delhi. FAC discussed the proposal on 22.12.2014. PCCF <i>vide</i> Lr. dt. 30.12.2014 advised SCCL to submit addl. information. SCCL <i>vide</i> Lr. dt. 12.1.2015 submitted addl. Information to State Government and requested to forward the same to MoEF, Delhi. <b>State Government to forward addl. Information to MoEF, Delhi to issue 1st stage approval.</b>

## NLC

### Environmental Clearance

- Bithnok Lignite Mine (Capacity of 2.25 MTPA, Rajasthan) pending at MoEF.
- Ghatampur Coal based thermal power project (1980 MW, at Ghatampur, Uttar Pradesh) EAC on 24.02.2015 recommended for granting EC. However the minutes of the Meeting are awaited.

9.4 On being asked to furnish details of initiatives taken to mitigate the environmental pollution that is generated due to mining and transportation of coal, it was submitted that initiatives taken to mitigate the environmental pollution that is generated due to mining and transportation of coal was as under:—

#### ➤ Protection of environment

Before commencement/enhancement of production from coal mines, the impact and effect due to coal mining project on existing environment including the people living in the neighboring areas are assessed by an Environment Impact Assessment (EIA) study and Demographic profile study in the nearby villages are undertaken for each project and based on the same, Environmental Management Plans (EMP) are prepared. EMP deals with the various pollution mitigation measures to be undertaken to mitigate the effect and the impact of pollution on the people living in the neighboring areas as per requirement of the project, which thereby improves the environment in & around mine also. The EMPs are required to be approved to get Environmental clearance (EC) from MoEF before starting any mining operation.

The remedial/mitigation measures for better Environmental management undertaken to mitigate the environmental pollution generated due to mining and transportation of coal are given below:-

**Air pollution control:** Air pollution is being controlled by suppressing dust at generation points through regular spraying of water on haul & coal transportation roads, tippers/trucks transporting coal are covered with tarpoline, Coal Handling Plant, all transfer points, coal & OB faces, coal stockpiles and conveyors. Other steps, including fitting drills with dust collection systems, black topping/concreting of coal transportation roads, using belt conveyor for coal transportation, bringing rail head near mine etc. Massive tree plantation in and around mine and industrial areas arrests and minimises air pollution.

**Water pollution control:** Mine water is passed through sedimentation pond to arrest suspended particulate matter & other sediments. Cleaned & treated mine water after domestic & industrial use is discharged into surrounding water courses for agricultural purposes, while other water from floor washing of workshop is passed through Oil & Grease Trap and reused for dust suppression and in coal preparation plants. Domestic effluents are treated in Domestic Effluent Treatment Plants.

**Noise pollution control:** Noise pollution is controlled by regular maintenance of equipments, insulation and sound enclosures around machinery. Persons exposed to high noise level are provided with ear muffs. Three tier tree plantation between working places and residential areas is done to minimise the effect of noise.

## **NEED FOR DEVELOPMENT OF RAIL INFRASTRUCTURE FOR COAL EVACUATION**

### **Railway Infrastructure Projects**

In order to achieve the planned growth in production and evacuation in future, CIL has undertaken the following major Railway Infrastructure Projects to be executed by Indian Railways Authority:

- Tori-Shivpur-Khatotia new BG Line with a length of about 93.45 Km for North Karanpura Coalfields of Central Coalfields Limited, Ranchi, Jharkhand. The work is under execution in Tori-Shivpur Section by East Central Railway, Patna.
- Jharsuguda-Barpalli Railway Infrastructure Project with a length of about 52.4 Km for IB Coalfields of Mahanadi Coalfields Limited, Sambalpur, Odisha. The work is under execution by South Eastern Railways, Kolkata.
- To cater to evacuation of coal from Mand-Raigarh and Korba-Gevra Coalfields of SECL, following 2 Railway Corridors have been identified for construction:
  - East Corridor (Bhupdeopur-Gharghoda-Dharamjaigarh upto Korba with a spur from Gharghoda to Donga Mahua to connect mines of Gare-Pelma Block) with a length of about 180 km.
  - East-West Corridor (Gevra Road *via* Dipka, Kathghora, Sindurgarh, Pasan) with a length of about 122 Km.

## PART II

### OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

The Committee are happy to observe the earnest efforts made by the Ministry of Coal consequent to the Supreme Court Judgement cancelling allocation of 204 Coal Blocks out of 218 Blocks allocated since 1993 with the enactment of the Coal Mines (Special Provisions) Act, 2015 with effect from 30.3.2015. The Committee, therefore, put on record their appreciation for the endeavours made by the Ministry of Coal in this regard with the reported estimated amount of revenue likely to be raised in respect of 33 Coal Mines/Blocks already auctioned standing at Rs. 209740.25 crore with the auction proceeds to be transferred to the respective State Governments. The Committee trust that the Ministry will continue the good work to achieve the various targets set within time lines particularly the momentous milestone set for a projection of coal production of one Billion Tonnes by 2019-2020.

#### *Plan Outlays of Ministry of Coal and PSUs*

2. The Committee note that the total Budgetary Support to the Ministry of Coal for the year 2015-16 is Rs. 606.00 crore (Plan Rs. 551.00 crore and Non-Plan Rs. 55.00 crore) against Rs. 600.00 crore (Plan Rs. 550.00 crore and Non-Plan Rs. 50.00 crore) during 2014-15. The Committee also note that a provision of Rs. 1100 crore has been made for Acquisition of Coal Bearing Areas. The Committee also observe that six centrally sponsored schemes viz. Conservation and Safety in Coal Mines and Development of Transportation Infrastructure under the Coal Mines (Conservation and Development) Act, 1974 (CCDA), Research and Development Projects; Promotional (Regional) Exploration in coal and lignite; Detailed Exploration in non-CIL blocks; Environmental Measures and Subsidence Control and Development of North Eastern Region/Sikkim are being implemented for coal and lignite sector with the help of Gross Budgetary Support. The Committee note that during the financial year 2014-15, out of the budgeted amount of Rs. 550 crore, an amount of Rs. 427.53 crore has been utilized upto December, 2014, amounting to 85.51% of the total plan allocations. The Committee further note that the overall Plan Expenditure of Rs. 522.70 crore in 2013-14 reflects a 33.77% increase over the overall expenditure of Rs. 390.76 crore in 2012-13 representing a

tangible scaling up of operation in all major schemes as per the Ministry's submission. The Committee are also happy to note that utilization of funds allocated for various Central Sector Schemes undertaken with Budgetary support has been satisfactory with a total Plan Expenditure of Rs. 426.51 crore upto December, 2014 which accounts for 77.54% and 85.30% of BE 2014-15 and RE respectively. Reportedly, the Central Sector Scheme on 'Development of Transport Infrastructure' showed 100 % utilization of funds (BE 2014-15—Rs. 75.00 crore; Actual upto December 2014- Rs. 75.00 crore); Promotional (Regional) Exploration in Coal and Lignite Scheme showed 90% utilization (BE-2014-15: Rs. 56.65 crore; Actual upto December, 2014—Rs. 56.70 crore); 'Conservation and Safety in Coal Mines' showing 100% utilization (BE 2014-15 of Rs. 185.00 crore, Actual utilization upto December, 2014; Rs. 185 crore) and 'Research & Development' showing 85% utilization (BE 2014-15—Rs. 19.95 crore, Actual utilization upto December, 2014 : Rs. 17.00 crore). The Committee desire that the Ministry should strive for full utilization of funds so as to ensure that the scarce funds made available are fully utilized to derive the intended benefits therefrom.

#### *Research and Development (R&D)*

3. The Committee note that Research and Development Projects are not allocated specific to companies but are covered under four thematic areas viz. improvement in production; productivity and safety in coal mines; coal beneficiation and utilization; and protection of environment and ecology. Further, Standing Scientific Research Committee under the Chairmanship of Secretary (Coal) is the Apex Body to administer coal related research activities from budgetary Support and Central Mine Planning and Design Institute (CMPDIL), is the nodal agency for coordination and monitoring of Science and Technology plan schemes and of CIL's R&D Projects. The Committee also note that the cutting edge projects are implemented by pioneering research and academic institutes related to Coal and allied industries with active participation of coal and lignite mining companies. Some of the coal S&T projects which were completed during 2014-15 include—Development of Self Advancing (mobile ) Goaf Edge Supports (SAGES) for depillaring operations in underground coal mines; Development of Software for prediction of subsidence by 3D numerical modelling for SCCL mines and Development of customized organic coatings for corrosion protection of special mining equipment. The Committee however, note with concern that for the year 2015-16, all the 12 projects included under R&D are the spillover projects from the previous year and no new project has

been sanctioned for the year 2015-16. Admittedly, though the results cannot be quantified in terms of enhanced production and turnover, many of the R&D studies have had a seminal impact on production, energy efficiency and operational costs. The Committee note that the BE allocated for the year 2015-16 is Rs. 18.00 crore. In this regard, the Committee are happy to observe the increasing utilization of S&T funds over the last three years with utilization of Rs. 9.66, Rs. 11.53 and Rs. 11.76 crore for the corresponding years 2011-12; 2012-13 and 2013-14 respectively. For the year 2014-15, out of the RE of Rs. 20 crore, funds amounting to Rs. 12.95 crore have been disbursed till 13.3.2015. The Committee, therefore, desire that earnest efforts for technology up-gradation in underground and opencast mines in CIL to achieve production/productivity be continued with added fervor for a time bound implementation of R&D projects for more impact on energy efficiency and operational cost.

*Promotional (Regional) Exploration in Coal and Lignite*

4. The Committee note that the Ministry of Coal Plan Scheme on Promotional Exploration for Coal and Lignite is being implemented by various agencies viz. (CMPDIL, GSI, MECL and State Governments concerned), with the aim to undertake preliminary drilling to assess availability of Coal in various areas. The Committee are happy to note that a higher allocation of Rs. 103.50 crore has been sought for in the BE 2015-16 compared to the RE 2014-15 of Rs. 56.65 crore. At the same time, looking at the overall projected performance of exploratory drilling in 2014-15, the Committee find that against a target of 165000 metre, the actual achievement was 140364 metre which comes to 85% of the projected target. The drilling target for the year 2015-16 has been fixed as 175000 metres. The reasons attributed by the Ministry for shortfall in targets include non-availability of permission to explore in forest areas as well as the local law and order problems. In this regard, the Committee note that in order to remove such hurdles, many meetings were held between the Secretary/Additional Secretary of Ministry of Coal with the Chief Secretary of the concerned States. The Committee desire that such sustained efforts be continued to be made to realize the drilling targets of 1.75 lakh metre set for the year 2015-16.

*Detailed Exploration in Non-CIL Blocks*

5. The Committee note that the scheme of detailed exploration was aimed at bringing resources falling in indicated and inferred category into the proven category is taken up under the Ministry of

Coal's Plan Scheme of Detailed drilling in the Non-CIL Blocks. The Scheme is carried out through departmental and contractual modes. The Committee note that while the actual drilling in metres for the year 2014-15 (upto December, 2014) was 1,90,100 metre, the proposed BE for 2015-16, stands at 481850 metre indicating a very high quantum jump. The Committee further note that while the RE for 2014-15 stands at Rs. 139.45 crore, the actual expenditure upto December, 2014 was only Rs. 92.81 crore and the BE for 2015-16 stands at Rs. 151.20 crore. In view of this shortfall in performance, the Committee desire that the Ministry need to augment its efforts for achieving better utilization of funds already allocated for implementation of this Scheme. The Committee observe that the measures are being taken up by CMPDIL for improving the drilling capacity during the last three years. In this direction, the Committee note that the drill deployment has increased from 53 in 2012-13 to 57 in 2013-14 and specific measures have also been taken to improve existing machineries with total capital investment of Rs. 13.20 crore and another Rs 13.30 crore for procurement of drills. To this end, the Committee recommend the Ministry to accelerate needed procurement of new drills and other essential machineries and also explore the idea of increasing outsourcing the work of drilling to potential private agencies with accredited track record for ensuring timely achievement of targets set so that funds are optimally utilized.

#### *Environmental Measures and Subsidence Control Scheme*

6. The Committee note that the objective of the Environmental and Subsidence Control (EMSC) Scheme is to improve the environmental conditions in the old mined out areas of Jharia and Raniganj coalfields by addressing fire and subsidence problems. The Committee further note that the Major thrust areas in EMSC during 12th Plan period are control of subsidence in the old, abandoned, waterlogged workings in Raniganj coalfields, control of mine fires and subsidence in Jharia coalfields besides rehabilitation of persons residing in these areas. All EMSC Schemes have subsequently being merged in a Master Plan dealing with Fire, Subsidence, Rehabilitation and Diversion of surface infrastructure within the leasehold areas of BCCL and ECL. It has been brought out to the notice of the Committee that BCCL and ECL are making all out efforts for the implementation of the Master Plan. The Committee while observing that a meager amount of only Rs. 0.40 crore has been allocated under BE/RE for the year 2015-16 note from the explanation furnished by the Ministry that as per the tenets of the Master Plan, the CIL needs to first spend from its own resources upto

Rs. 350 crore per year and the additional funds required, if any, are to be made available from the Budget. According to the Ministry, the expenditure during the last few years has remained less than CIL's mandatory contribution and as such, 'NIL' or near 'NIL' expenditure has been reflected in the Ministry's Budget. The Committee note that BCCL and ECL are making all out efforts for the implementation of Master Plan dealing with fire, subsidence and rehabilitation in Jharia coalfields as well as Raniganj Coalfields with rehabilitation of both BCCL and non-BCCL families going on. The Committee are happy to note that BCCL has already shifted 2162 families from fire affected projects to safe colonies in non-coal bearing areas and another 7000 houses to be allocated shortly. The Committee desire that the inherent problems pertaining to land acquisition which are statedly the major constraints impeding implementation of the EMSC Scheme need to be tackled seriously. The Committee also feel that such an important scheme having ramification on the environment as well as rehabilitation of persons residing in these locations should be given priority. The Committee, therefore, recommend that efforts made by the Ministry for the implementation of Master Plan dealing with fire, subsidence and rehabilitation in Jharia and Raniganj Coalfields be accelerated to achieve the targets set.

*Conservation of Safety in Coal Mines and Development of Transport Infrastructure under CCDA*

7. The Committee note that under the schemes for Conservation of Safety in Coal Mines and Development of Transport Infrastructure under Coal Mines (Conservation and Development) Act, 1974 (CCDA), the expenditure incurred by Coal Companies are reimbursed partially as per the statutory provisions under the Act, the principal objective of which is to collect excise duty on coal for disbursing the same to the coal mines for conservation and development related works including infrastructure development. Accordingly, budget provisions for the scheme are made taking into account existing commitment/liability of the preceding financial year. The Committee while observing that the Ministry of Coal achieved 100% utilization of funds in both the Central Sector Schemes on Conservation and Safety in Coal Mines (RE 2014-15; Rs. 185 crore; Expenditure upto December, 2014—Rs. 185 crore). and Development of Transport infrastructure under CCDA (RE 2014-15; Rs. 75 crore; Expenditure upto December, 2014—Rs. 75.00 crore) are surprised to find that the BE for 2015-16 has been reduced to Rs. 170 crore in respect of Conservation and Safety in Coal Mines Schemes and have remained



unchanged at Rs. 75 crore in respect of Development of Transport infrastructure. The Committee are not satisfied with the justification given by the Ministry that it is due to reduction of funds in total plan allocation of the Ministry of Coal by the Ministry of Finance. The Committee expect the Government to extend full support to such important schemes of the coal sector and recommend that more thrust be given on creation of transport infrastructure, an important and essential component for more speedy delivery of coal to defined destination for specified end use.

*North Eastern Region (NER)*

8. The Committee are concerned to note that the North-Eastern Region remains a totally neglected area with the lowest implementation record as exuded by the fact that year after year, the budget provisions pertaining to development of NER/Sikkim remain totally unutilized till 2012-13. Regarding this low utilization of funds, the Committee note that hindrances in exploration work viz. difficult geological characteristics, large forest covers, adverse law and order conditions and land issues, very low estimates of coal resources in the region (0.5% of total reported coal reserves of India) coupled with non-implementation of S&T schemes viz. complete lack of research proposals for NER were the major constraints responsible for such dismal performance. Admittedly, despite the constraints, efforts have been made to utilize this fund as an amount of Rs. 1.77 crore has been spent from the budgetary provisions during 2013-14 with Rs. 0.70 crore on procurement of drilling rigs for exploration in NE Regions by DGM Nagaland and Assam under promotional exploration and Rs. 1.07 crore for development of transportation infrastructure in coalfields by North Eastern coalfields. The Committee, however, find that the Budget Estimates for 2014-15 have further raised the amount to Rs. 29 crore whereas expenditure upto December, 2014 is nil, the BE made for the year 2015-16 stands at Rs. 30.60 crore. The Committee, while taking cognizance of the difficult constraints, however, desire that the Ministry need to work harder for a holistic approach. The Committee, therefore, recommend the Ministry to provide needed incentives for evoking adequate response on R&D proposals for effective exploration of Coal reserves in the area. The Committee would like to be apprised of the tangible efforts in terms of concrete deliverables made in this regard.

*Financial and Physical Performance of Coal PSUs*

9. The Committee are concerned to note that there has been under utilization of funds by all the Coal PSUs viz. CIL, SCCL and NLC. The Committee find that while the total RE 2014-15 of all Coal

PSUs stood at Rs. 11505.00 crore, the actual expenditure upto December, 2014 was only Rs. 5836.20 crore. The Committee further note that the percentage utilization of funds upto December, 2014 for all the Coal PSUs viz. CIL, SCCL and NLC *vis-a-vis* RE 2014-15 stands at 53.9% in respect of CIL (RE Rs. 5225.00 crore; Actual Expenditure—Rs. 2815.58 crore) 49.7% in respect of SCCL (RE Rs. 3760.00 crore; Actual Expenditure Rs. 1867.74 crore) and 45.7% in respect of NLC (RE Rs. 2520.00 crore; Actual Expenditure Rs. 1152.88) respectively. The Committee also note that in terms of company-wise physical targets set for the Coal PSUs, as against the target set in BE 2014-15 (CIL-Rs. 507.00MT; SCCL-55 MT and Others 68.25 MT) the actual achievement of targets upto December, 2014 for CIL, SCCL and others stand at 342.386 MT, 35.238 MT and 49.10 MT indicating a poor percentage achievement of 67.5%, 64% and 71.9% respectively. While not satisfied with the physical and financial performance of PSUs, the Committee note that the Ministry of Coal have given assurance that it will conduct regular monitoring for ensuring timely implementation of various schemes by the Coal PSUs so that the funds earmarked for them are properly utilized during the year 2015-16 and both the financial and physical targets are achieved. The Committee may be apprised of the additional measures taken in this regard.

#### *Delay in Implementation of Projects*

10. The Committee note that the various reasons cited by the Ministry for delay in implementation of projects include delay in grant of Forest Clearances and Environmental Clearances; delays in finalization of global tender for deployment of needed equipments and machineries and consequent delay in their procurement and commissioning; delays in rehabilitation; problem of land acquisition/possession; lack of coal evacuation facility; delay in construction of needed infrastructure such as Rail links, pucca Roads etc.; delays in settlement of compensation for land acquisition; Law and Order problems, etc. The Committee view these delays seriously as these delays lead to not only time overrun but also consequent cost-overrun of projects running into thousands of crore of rupees. The Committee are however, happy to note that earnest efforts are now being made by the Ministry at all levels viz. Project Level; Corporate Level and State Government Level through regular site level follow up as well as putting into place a Central Project Monitoring Division (CPMD) for continuous monitoring of progress of all projects and reporting to the top management besides holding regular meetings with Chief Secretaries of concerned States. The Committee also

note that a web portal namely online Coal Projects Monitoring portal (e-CPMP) has been created for regular monitoring of project related issues connected with different Ministries and State Authorities. The Committee trust and expect that the Ministry continue the reform process being set in with vigor so that the country attains self sufficiency in coal production and the benefits accrued from coal production are equitably shared.

#### *Coal Block Auction Process*

11. The Committee are happy to note that the Government has enacted the Coal Mines (Special Provisions) Act, 2015 with effect from 30.3.2015 to ensure smooth transfer of rights, titles and interest in the mines/blocks to new allottees selected through auction or allotment to Government Company, as the case may be. The Committee also appreciate that the process of Coal Blocks auction has been made transparent by live webcasting of Auction. The Committee are particularly satisfied to note that the total estimated amount of revenue likely to be raised in respect of 33 Coal Mines/ Blocks already auctioned which is Rs. 209740.25 crore is to be transferred to respective State Governments. The Committee reiterate their trust that the Ministry will continue the good work to achieve the various targets set within time lines particularly the momentous milestone set for a projection of coal production of one Billion Tonnes by 2019-20.

#### *Coal Theft and Pilferage*

12. The Committee note that the vigilance milestones statedly achieved pertaining to vigilance activities undertaken by the Ministry of Coal *inter-alia* include collecting data on real time basis; equipping all projects with electronic weigh-bridges; Operator Independent Truck Dispatch System (OITDS) expected to be operational from March 2015; online file and bill tracking system; Information Technology initiatives; installation of in-motion road weigh-bridges with requisite software for Coal stock measurement, online Truck Despatch system put in place in vulnerable areas; Implementation of e-tendering solution for 'works and services' done in all areas except Rajmahal; Online complaint handling system made fully functional; e-Tendering and e-procurement made fully implemented; GPS-based vehicle-tracking system installed in 270 vehicles etc. The Committee, during their study tour to Talcher, Odisha in the Mahanadi Coalfields (MCL) on 11.2.2015 observed that the MCL has achieved the laudable completion of installation of Global Positioning System

(GPS)/General Packet Radio Services (GPRS) based Vehicle Tracking System on trucks/tippers and for coal production/internal transportation with a view to curb the menace of coal theft and pilferage. Keeping in view the deep concerns that the Committee had expressed time and again on the aspect of illegal mining as well as pilferage of coal causing great loss to the national exchequer, the Committee desire that the laudable step taken by MCL be replicated throughout so that the menace of coal theft and pilferage is checked effectively. The Committee also hope that as assured to by Secretary, Ministry of Coal, during oral evidence on 1.4.2015, the monitoring mechanism put in place in Talcher be also replicated to all coal bearing areas by the end of the financial year 2014-15. The Committee may be apprised of the action taken in the matter thereon within 3 months of presentation of the Report.

*Corporate Social Responsibility (CSR) Fund*

13. The Committee note that under the CSR policy, CIL and its subsidiaries Companies and Neyveli Lignite Corporation Limited (NLC) undertake different welfare activities with allocation of funds as per DPE Guidelines effective from 1.4.2014 based on Section 135(1) of Companies Act, 2013 which stipulates to spend at least 2% of the average net profit of the Company for the three immediate preceding financial years. The Committee further note that Coal India Limited (CIL) follows its own policy in this regard and funds based on 2% of the average net profit of the Company for the three immediate preceding financial years or Rs. 2 per tonne of coal production of previous year whichever is higher is earmarked for CSR activities. The Committee are happy to note the quantum jump in utilization of CSR funds by CIL and its subsidiaries. In this regard, the Committee note that while there was a dismal performance for the year 2012-13 with utilization standing over Rs. 149.55 crore against allocation of Rs. 595.74 crore, there has been a significant improvement during the year 2013-14 wherein Rs. 409.37 crore were utilized out of the Rs. 474.36 crore allocated. The utilization of CSR fund for year 2014-15 upto September, 2014 stands at Rs. 111.22 crore out of Rs. 471.65 allocated for the purpose and the Committee hope and expect that CIL and its subsidiaries gear-up the activities under the CSR funds so that the intended benefits are optimally derived by the beneficiaries. The Committee also appreciate the optimal utilization of CSR funds by NLC during the last three years with expending of Rs. 14.26 crore out of Rs. 13.00 crore allocated in the year 2012-13; Rs. 26.30 crore utilized out of Rs. 26.04 crore allocated in 2013-14 and Rs. 30.60 crore utilized upto December, 2014 against allocation of Rs. 41.42 crore in the year 2014-15.

The Committee feel satisfied to note that almost 50% of the total CSR Budget for the year 2014-15 amounting to Rs. 235 crore has been earmarked for construction of 52,036 school toilets in 35224 schools in six States viz. Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh and West Bengal under the Swachh Bharat/Swachh Vidyalaya Abhiyan. The Committee also observe that under the CSR funds of Coal PSUs, welfare measures for SC&ST and disabled persons have also been put into place. Keeping in view the laudable objectives of the provision of CSR funds, the Committee emphasize that all coal PSUs should strive for optimal utilization of such funds and ensure that no earmarked funds remain unutilized.

#### *Outstanding dues of Coal PSUs*

14. The Committee are concerned to note that there are large amount of outstanding dues of all Coal PSUs viz. CIL and SCCL standing at Rs. 8452.98 crore and Rs. 2198.56 crore respectively as on 28.02.2015 and for NLC, Rs. 2216.08 crore as on 31.3.2014. The Committee note that a number of steps are being taken for regular follow up to realize outstanding dues with concerned Ministries/ parties which *inter-alia* include putting in a system of issue of coal only against advance deposit in all CIL subsidiaries; levy of late payment surcharge etc. are being taken up to recover outstanding dues in a time bound manner. The Committee desire that the coal PSUs should not undermine this important aspect of recovery of outstanding dues and take more proactive steps to considerably bring down the due amount.

#### *Delay in Getting Environmental and Forestry Clearances*

15. The Committee note that a total of 187 forestry clearance proposals and 22 Environmental Clearance proposals are pending for CIL; 5 forestry clearance proposals and 11 Environmental Clearance proposals are pending for SCCL and 3 Environmental clearance proposal are pending for NLC as on March, 2015. Taking note of the fact that statutory EC &FC clearances require many agencies including State Governments as well as central Ministries. The Committee were, however, apprised that the Cabinet Secretariat have started a Project Monitoring Group to monitor such issues online for all major projects and critical projects with the Ministry of Coal launching a web based portal for resolving pending issues for all coal mining projects to help resolve and expedite clearances. The Committee while emphasizing that the Ministry should not ignore the Environmental and Forestry requirements, recommend that in addition to the initiatives statedly being taken up on these fronts, the Ministry should explore the feasibility of creating a mechanism for streamlining the process of obtaining environmental and forest clearances in a coordinated manner.

*Need for Development of Rail Infrastructure for Coal Evacuation*

16. The Committee note that the CIL has set up for itself an ambitious plan of one billion tonne coal production by the year 2020. The Committee feel that to achieve this target, it is equally important to put into place a matching evacuation of coal mechanism by simultaneous development of Rail Infrastructure. The Committee note that in order to achieve the planned growth in production and evacuation in future, CIL has undertaken few major Railway Infrastructure Projects to be executed by Indian Railways which include Tori-Shivpuri-Khatotia new BG line with length of about 93.45 Km. for North Karanpura Coalfields of CCL in Jharkhand; Jharsuguda-Barpalli Railway 52.4 Km line for IB coalfields of MCL and for evacuation of coal from Mand-Raigarh and Korba Gevra coalfields of SECL. In this regard, the Committee note from the submissions made by the Secretary, Coal, during evidence before the Committee that an institutional arrangement has been made under which, meetings are held every month on pre-fixed dates for sorting out the bottlenecks in respect of 3 major lines one each in Jharkhand, Chhattisgarh and Odisha which were hampering the coal evacuation plans. According to him, the initial clearances have now been obtained and these projects are likely to be completed by December, 2017. The Committee were also apprised that an MoU is being signed under which Railways, CIL and the respective State Government will form SPV which to a great extent will take care of the hurdles on account of State Government issue by making them partners under such arrangement. The Committee express their satisfaction at the proposed initiatives being undertaken by the Government for development of required Railway Infrastructure for coal evacuation. The Committee, however, at the same time emphasize that constant monitoring must be maintained by the Ministry for ensuring that the projects are not delayed on account of avoidable hurdles/bottleneck.

NEW DELHI;  
23 April, 2015  
03 Vaisakha, 1937 (Saka)

RAKESH SINGH,  
Chairperson,  
Standing Committee on  
Coal and Steel.

ANNEXURE I

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL  
AND STEEL HELD ON 1ST APRIL, 2015 IN COMMITTEE ROOM 'D',  
PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1100 hrs. to 1500 hrs.

PRESENT

Shri Rakesh Singh — *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri A. Arunmozhithevan
3. Smt. Jyoti Dhurve
4. Shri Faggan Singh Kulaste
5. Dr. Banshilal Mahato
6. Shri Godam Nagesh
7. Shri Devji M. Patel
8. Shrimati Riti Pathak
9. Dr. Ravindra Kumar Ray
10. Shri Tamradhwaj Sahu
11. Shri Janardan Singh "Sigriwal"
12. Shri Pashupati Nath Singh
13. Shri Sunil Kumar Singh
14. Shri Sushil Kumar Singh
15. Shri Rama Kishore Singh
16. Shri Krupal Balaji Tumane

*Rajya Sabha*

17. Shri Ali Anwar Ansari
18. Shri B.K. Hariprasad
19. Shri Jugul Kishore
20. Shri Avinash Pande
21. Shri Sanjay Raut

SECRETARIAT

1. Shri Shiv Singh — *Joint Secretary*
2. Shri Ajay Kumar Garg — *Director*
3. Shri Arvind Sharma — *Additional Director*
4. Ms. Miranda Ingudam — *Under Secretary*

MINISTRY OF COAL AND ITS PSU's

1. Shri Anil Swarup Secretary
2. Dr. A.K. Dubey Addl. Secretary & Actg. CMD CIL
3. Shri A.K. Bhalla Joint Secretary
4. Shri Shailesh Kumar Singh Joint Secretary
5. Smt. Sujata Prasad Joint Secretary & FA
6. Shri Vivek Bhardwaj Joint Secretary
7. Dr. M.R. Anand Economic Advisor
8. Shri D.N. Prasad Advisor
9. Shri Gopal Singh CMD, CCL
10. Shri Rakesh Sinha CMD, ECL
11. Shri A.N. Sahay CMD, MCL
12. Shri R.R. Mishra CMD, WCL
13. Shri A.K. Debnath CMD, CMPDIL
14. Shri S. Bhattacharya CMD, SCCL
15. Shri B. Surender Mohan CMD, NLC
16. Shri T.K. Lahiri CMD, BCCL
17. Shri N. Sridhar CMD, SCCL
18. Shri Amrita Acharya Coal Controller

2. At the outset, the Chairperson welcomed the Secretary and other representatives of the Ministry of Coal to the sitting of the Committee convened in connection with examination of "Demands for Grants (2015-16)" of the Ministry of Coal and drew their attention to Direction 58 of Directions by the Speaker, Lok Sabha regarding confidentially of evidence tendered by witnesses. While emphasizing on the strategic importance of Coal in the Country's energy security, the Committee also congratulated the Ministry on their various endeavours particularly on the Coal Block Auction Process that has been put in place.



3. Thereafter, the Secretary, Ministry of Coal briefed the Committee on their present endeavours as also the transparent coal auction process that has been put in place. Subsequently, in a visual presentation, the representatives of the Ministry highlighted Plan Outlays *vis-a-vis* actual utilization by the Ministry and PSUs under its administrative control and the physical achievements during 2014-15 as well as the action plan for the development of coal sector during 2015-16. The Committee also discussed the expenditure profile of major schemes; growth of coal production in CIL; Auction of Coal Blocks; Transparent Mechanism for live webcasting of coal block auction process; Projection of Coal Production of one Billion Tonnes by 2019-20; future strategies for productivity improvement in mines; Online coal projects monitoring portal; etc.

4. The Members then raised their concerns and queries on various issues and sought clarifications from the representatives of the Ministry of Coal. The Chairperson directed the representatives of the Ministry of Coal to furnish written replies to the queries raised by the Members which could not be responded to.

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

*The Committee then adjourned.*

ANNEXURE II

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL  
AND STEEL HELD ON 22 APRIL, 2015 IN ROOM NO. '112',  
FIRST FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1600 hrs. to 1630 hrs.

PRESENT

Shri Rakesh Singh — *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri A. Arunmozhithevan
3. Shrimati Jyoti Dhurve
4. Shri Faggan Singh Kulaste
5. Dr. Banshilal Mahato
6. Shrimati Ranjit Ranjan
7. Shri Neiphiu Rio
8. Shri Tathagata Satpathy
9. Shri Janardan Singh "Sigriwal"
10. Shri Pashupati Nath Singh
11. Shri Sunil Kumar Singh

*Rajya Sabha*

12. Shri Ali Anwar Ansari
13. Dr. Pradeep Kumar Balmuchu
14. Dr. Satyanarayan Jatiya<sup>#</sup>
15. Shri Sanjay Raut
16. Shri Dilip Kumar Tirkey

SECRETARIAT

1. Shri Shiv Singh — *Joint Secretary*
2. Shri Ajay Kumar Garg — *Director*
3. Shri Arvind Sharma — *Additional Director*
4. Ms. Miranda Ingudam — *Under Secretary*

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

3. The Committee thereafter took up for consideration the following Draft Reports:—

(i) Draft Report on “Demands for Grants(2015-16)” of the Ministry of Coal;

(ii)      \*\*                          \*\*                          \*\*                          \*\*

$$\begin{array}{ccccccc} \textcircled{\text{iii}} & ** & & ** & & ** & ** \end{array}$$

(iv) \*\* \*\* \*

4. The Committee adopted the Reports without any changes/modifications. The Committee then authorized the Chairperson to finalise the Reports on the basis of factual verification from the concerned Ministry and present the same to both the Houses of Parliament.

*The Committee then adjourned.*

\*\*Do not pertain to this Report.

