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**STANDING COMMITTEE
ON ENERGY
(1998-99)**

TWELFTH LOK SABHA

MINISTRY OF COAL

DEMANDS FOR GRANTS (1997-98)

*[Action Taken by the Government on the Recommendations contained
in the Seventeenth Report of the Standing Committee
on Energy (Eleventh Lok Sabha)]*

EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 1998/Shravana, 1920 (Saka)

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Committee on Energy (Eleventh Lok Sabha)]*

*Presented to Lok Sabha on 30.7.1998
Laid in Rajya Sabha on 31.7.1998*



LOK SABHA SECRETARIAT
NEW DELHI

July, 1998/Shravana, 1920 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE
ON ENERGY (1998-99)

Shri K. Karunakaran — *Chairman*

MEMBERS

Lok Sabha

2. Shri Basudeb Acharia
3. Shri Tariq Anwar
4. Shri Parasram Bhardwaj
5. Smt. Rani Chitralekha Bhosle
6. Shri Bikash Chowdhury
7. Shri K.C. Kondaiah
8. Dr. H. Lallungmuana
9. Shri Rajbanshi Mahto
10. Shri Sanat Kumar Mandal
11. Shri Som Marandi
12. Smt. Sukhda Mishra
13. Shri Salkhan Murmu
14. Shri Vilas Muttemwar
15. Shri Ravindra Kumar Pandey
16. Shri Amar Roy Pradhan
17. Shri Naresh Kumar Chunnalal Puglia
18. Shri Kanumuru Bapi Raju
19. Shri Braj Mohan Ram
20. Shri Anantha Venkatrami Reddy
21. Shri Nuthana Kalva Ramakrishna Reddy
22. Dr. Jayanta Rongpi
23. Shri Larang Sai

24. Shri Francisco Sardinha
25. Shri Shailendra Kumar
26. Shri N.T. Shanmugam
27. Shri Th. Chaoba Singh
28. Shri Chandramani Tripathi
29. Prof. (Smt.) Rita Verma
30. Shri Sushil Chandra Verma

Rajya Sabha

31. Shri Lakkhiram Agarwal
32. Shri Jalaludin Ansari
33. Shri Gandhi Azad
34. Shri Ghulam Nabi Azad
35. Shri E. Balanandan
36. Shri Sushil Barongpa
37. Shri Brahmakumar Bhatt
38. Shri S.M. Krishna
39. Shri Bangaru Laxman
40. Shri Nabam Robia

SECRETARIAT

- | | | |
|-----------------------|---|-----------------------------|
| 1. Dr. A.K. Pandey | — | <i>Additional Secretary</i> |
| 2. Shri John Joseph | — | <i>Joint Secretary</i> |
| 3. Shri P.K. Bhandari | — | <i>Deputy Secretary</i> |
| 4. Shri R.K. Bajaj | — | <i>Under Secretary</i> |
| 5. Shri Arvind Sharma | — | <i>Reporting Officer</i> |

INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorised by the Committee to present the Report on their behalf, present this Eighth Report (Twelfth Lok Sabha) on the Action Taken by the Government on the recommendations contained in the Seventeenth Report of the Standing Committee on Energy (Eleventh Lok Sabha) on Demands for Grants (1997-98) of the Ministry of Coal.

2. The Seventeenth Report (Eleventh Lok Sabha) of the Standing Committee on Energy was presented to Lok Sabha on 30th April, 1997. Replies of the Government to all the recommendations contained in the Report were received on 26th August, 1997. The Standing Committee on Energy considered and adopted this Report at their sitting held on 22nd July, 1998.

3. An analysis of the action taken by the Government on the recommendations contained in the Seventeenth Report of the Committee is given in Annexure-II.

NEW DELHI;
28 July, 1998

6 Shrawana, 1920 (Saka)

K. KARUNAKARAN,
Chairman,
Standing Committee on Energy.

CHAPTER I

REPORT

This Report of the Committee deals with the Action Taken by the Government on the recommendations contained in the Seventeenth Report (11th Lok Sabha) of the Standing Committee on Energy on Demands for Grants of Ministry of Coal which was presented to Lok Sabha on 30th April, 1997.

2. Action Taken Notes have been received from the Government in respect of all the 11 recommendations contained in the Report. These have been broadly categorised as follows:

- (i) Recommendations/Observations which have been accepted by the Government:

Sl. Nos. 5, 6, 7, 8, 10, 11.

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies:

Sl. Nos. Nil

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:

Sl. Nos. 1, 2, 4.

- (iv) Recommendations/Observations in respect of which final replies of the Government are still awaited:

Sl. Nos. 3, 9.

3. The Committee desire that final replies in respect of the recommendations for which only interim replies have been given by the Government ought be furnished to the Committee at the earliest.

4. The Committee will now deal with the Action Taken by the Government on some of their recommendations.

A. Environment and subsidence control measures

Recommendation (Sl. No. 1, Para No. 16)

5. The Committee had desired for urgent action to step-up the environment and subsidence control measures and to effectively utilise the funds allocated for the purpose. The Committee had noted that delayed approval and subsequent delay in sanctioning of projects by the Government had resulted in the lower utilisation of funds for environment and subsidence problem during the years 1996-97 and 1997-98. The four projects for rehabilitation/reclamation of degraded land areas due to subsidence and fire with estimated cost of Rs. 22 crore were stated to be taken up by ECL and BCCL. Against the budgetary allocation of Rs. 9 crore for BCCL during 1996-97 for rehabilitation/reclamation of degraded land area due to be mine out for subsidence and fire, the plan outlay for BCCL during 1997-98 was Rs. 2,880 crore. The Committee had desired to know the implementation of Expert Committee Report submitted to the Government in November, 1996.

6. In their reply, the Government have *inter-alia* stated that anticipation the approval of the projects on environment and subsidence control, a budget provision of Rs. 26.10 crore was made during 1996-97. Since there was no established mechanism of approving such projects which were being taken up for the first time, the budget provision at revised estimate stage was reduced to Rs. 5 crore. The four environmental measures and subsidence control schemes with a capital outlay of Rs. 22 crore have been sanctioned for Eastern Coalfields Limited and Central Coalfields Limited during the year 1996-97 and the budgetary amount of Rs. 5 crore has been disbursed. BCCL has now formulated 8 schemes for a capital outlay of about Rs. 31 crore for consideration/approval of Standing Scientific Research Committee. Regarding implementation of recommendations of the Expert Committee, the Government have informed that a high power Committee has been constituted to solve the problem of mine fire and subsidence in BCCL and ECL. Three meetings of the Committee had already been held at Dhanbad and Asansol and an interim report is expected to be submitted by the Committee.

7. The Committee are dismayed to note that the Government have no established mechanism to approve fire/subsidence control projects although the problem had been identified even before

nationalisation of coal companies. The Committee desire the Government to explain the reasons that hinder the approval of these projects resulting in reduction of the already existing budgetary provisions at revised estimate stage. The Committee also desire to know the details of the eight schemes of BCCL formulated with a capital outlay of Rs. 31 crore and the steps taken for their implementation.

B. Allocations for science and technology projects

Recommendation (Sl. No. 2, Para No. 25)

8. The Committee had observed that the Eighth Plan allocation for science and technology projects was Rs. 87 crore and against this provision of Plan allocation, only Rs. 21.19 crore were utilised (including Rs. 6 crore revised estimate for the year 1996-97). The Budget allocation for the Ninth Plan as proposed by the Ministry of Coal was Rs. 80 crore. The Committee had shown dissatisfaction to the inadequate attention and low importance given to the R&D by the Government inspite of Committee's earlier recommendation. The Committee were constrained to note that the budget estimates for 1996-97 had been reduced from Rs. 14.60 crore to Rs. 6 crore.

9. The Government in their reply have now stated that the actual utilisation for the S&T projects during the Eighth Plan was Rs. 27.20 crore. The actual expenditure on S&T project during 1996-97 was Rs. 12.02 crore, as compared to the provision of budget estimates of Rs. 14.54 crore and revised estimates of Rs. 6 crore in 1996-97. In the year 1996-97, five projects for a sum of about Rs. 18 crore having S&T component of Rs. 13.50 crore were sanctioned. During 1997-98, seven projects having an S&T component of Rs. 2.05 crore have so far been sanctioned. Seven more proposals with an S&T component of Rs. 13.50 crore are being put up to the Standing Scientific Research Committee in July, 1997 for approval. A number of R&D projects have been submitted by the coal companies of Coal India Limited (CIL) and their research organisations for approval.

10. The Committee observe a wide gap between budget estimates, revised estimates and actual for science and technology programmes in 1996-97 and feel that a close monitoring on implementation of projects is required. The Committee would also like to know concrete R&D works had been taken up by the coal companies/research

organisations during the last three years. Although the reply of the Government has been submitted to the Committee on 26 August, 1997, it has been stated by the Government that seven more proposals with S&T component worth Rs. 13.50 crore are being put up to Standing Scientific Research Committee in July, 1997 for approval. The Committee take a strong note of the casual approach adopted by the Government in replying to the Committee. The Committee would also like to know the details of the projects submitted by the coal companies and research organisations during 1997-98.

Recommendation (Sl. No. 3, Para No. 26)

11. The Committee had desired the Government to clarify that although during the year 1996-97 five projects for a sum of about Rs. 18 crore having S&T component of Rs. 13.50 crore had been approved by the Standing Scientific Research Committee (SSRC) and Government sanctions had been issued, the budget estimates for S&T project during 1997-98 have been kept at Rs. 9.87 crore. The Committee desired that proper co-ordination and co-operation between research institutes and the coal companies are required and delay attributable to factors like lack of procedural requirements, lack of focus, lack of co-ordinated approach should be obviated.

12. In this connection, the Government have stated that based on the data furnished by the various implementing agencies for R&D projects, an estimate of Rs. 13.33 crore was made in BE for 1997-98. Due to lack of expenditure on S&T projects, during earlier years of the Eighth Plan period, during the Plan discussion, at the Planning Commission it was reduced to Rs. 9.87 crore. In the current year, proposals having ST component of Rs. 2.05 crore have already been sanctioned. Proposals for S&T components of another Rs. 13.50 crore are being submitted to the Standing Scientific Research Committee in July, 1997. In addition to this, there is a spill over of Rs. 8.79 crore of the Eighth Plan projects in the Ninth Plan. In view of this, the budget provision for S&T projects at revised estimates stage would be enhanced suitably.

13. The Committee find the reply of the Government evasive and entirely unsatisfactory. The Committee note with dismay that the Government have only stated about the sanction/requirement of

components and the reply is silent about the steps taken to improve upon procedural delays, lack of focus, coordinated approach, etc. The Committee would like to know the mechanism developed/steps taken by the Government in this regard. The Committee would await this information.

C. Plan Outlay of CIL

Recommendation (Sl. No. 4, Para No. 35)

14. The Committee were constrained to know that the Plan outlay of Coal India Limited (CIL) during 1996-97 was revised from Rs. 2143.00 crore to Rs. 1310.83 crore. The Coal India Limited (CIL) had also failed to raise the internal and external budgetary resources (IEBR) as budgeted and there was no budgetary support for Coal India Limited (CIL) during 1997-98. The Committee had taken a serious note of the fact that despite Committee's earlier recommendations, the Government had failed to draw an action plan to step up the ongoing and future projects with the inflow of desired funds. The Committee had asked for the reasons for variation in Plan formulation and generating resources.

15. In their reply, the Government have *inter-alia* stated that there was a revision of wages due to which there was a downward revision of internal resources in revised estimates to Rs. 250 crore. The other reason for reduced generation of resources was that the increased administered prices of coal which were overdue were not made available in 1996-97. Due to this, there was an adverse impact of the order of Rs. 500 crore on resources available for Plan expenditure in revised estimates as compared to budget estimate for 1996-97.

16. The Committee cannot but deplore the Government's inaction to step up the ongoing and future coal projects. The Committee feel that the future production is likely to be adversely affected due to low infusion of funds in the ongoing projects. The Committee fail to understand why the Government did not act timely to generate Rs. 500 crore on account of revision of administered price of coal in 1996-97 which was overdue and was planned for generation of internal resources. The Committee would like the Government to explain the reasons for not revising the administered price of coal during 1996-97.

D. Recovery of old Dues

Recommendation (Sl. No. 9, Para No. 58)

17. Regarding recovery of dues, the Committee had observed that both disputed and undisputed dues have increased on 31.12.96 as compared to 31.3.96 although there was a significant reduction from Rs. 3733.70 crore as on 31.7.95 to Rs. 2925.26 crore on 31.3.96. The total outstanding bills have increased by Rs. 362.02 crore from 31st March, 1996 to 31st December, 1996 and the increase from the power sector alone works out to Rs. 296.81 crores. The Committee had desired the Ministry of Coal to explain why despite the reported concrete steps, the coal sale dues have increased considerably? The Committee had also desired to know about disputed dues that have been placed before the umpires and the resultant settlement.

18. In their reply, the Government have stated that while it is a fact that the dues increased from 31.3.96, the increase in value terms is a reflection of increase in the base price of coal which was done during the period 31.3.96 to 31.12.96. Taking into account the average price of coal prevailing, the dues outstanding as on 31.7.95 correspond to 74 M.T. of coal which as on 31.12.96 correspond to 53 M.T. of coal. So, in real terms the volume of coal for which dues are outstanding has come down. Regarding recovery of dues it has been stated that unresolved disputes, mainly on account of quality and quantity, POL, Statutory levies, dues of pre-agreement period, missing/diverted rakes, etc. totaling to about Rs. 633.36 crore have been referred to the umpires for final settlements/resolution.

The following table sets out the status of cases before the Umpires:—

Name of Umpire	Hearing Completed	Hearing in progress	Cases yet to be referred
1. Shri R.K. Tikku	BTPS	PSEB, DESU	HSEB
2. Shri V. Krishnan	RSEB, KPCL	UPSEB(*)	—
3. Shri V. Raghavan	MSEB, GEB	MPEB(**)	—
4. Shri R. Srinivasan	TNEB	—	APSEB

(*) UPSEB—first hearing took place on 5.6.97.

(**) MPEB—first hearing took place on 9-10.6.97.

The awards of the umpires is stated to be expected shortly in cases where hearing has been completed.

19. The Committee are constrained to note that although the Coal India Limited (CIL) is required to generate huge internal resources to infuse in its ongoing and future projects, yet out of Rs. 1994.74 cores outstanding bills on account of disputed dues only Rs. 633.36 crore have been referred to umpires for settlement. The Committee would like to know the steps taken by the Government to place the whole amount of disputed dues before the umpires and also the outcome of the awards decided by the umpires on cases where hearing has been completed.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 5, Para No. 36)

The Committee are distressed to note that against the Budget Estimate of Rs. 1805.73 crore for mining, the Revised Estimate have been reduced to Rs. 1111.33 crores during 1996-97. The actuals of 1995-96 for mining purposes were Rs. 1361.34 crore. The Committee desire that the Budget Estimate for 1997-98 should be spent and expect that the contribution of those 10 projects affected due to funds constraint to the Ninth Plan production would be maintained. The Committee would also like to know the steps taken to augment resources including IBRD loan. The Committee find that only Rs. 0.10 crore has been sanctioned during 1997-98 for projects formulated but awaiting approval in case of SECL whereas Rs. 35.90 crore were sanctioned during 1996-97 which though were not utilised. Hence the Committee would like to be informed about the present status of approval of Dipka Expansion of project of SECL.

Reply of the Government

While formulating the Ninth Five Year Plan provisions, due considerations were given to the projects whose progress got affected due to the resource constraint in the Eighth Five Year Plan. Thus appropriate provisions have been made in the Ninth Five Year Plan outlay for the 10 projects referred to in the recommendation. The total provision for these projects in the Ninth Plan aggregates to Rs. 2123.79 crores. However, for an investment of this order resource mobilisation is being attempted and good progress in securing the loan from IBRD and EXIM Bank of Japan has been made. Ministry of Coal is hopeful of getting this loan during the 9th Five Year Plan. Besides, for providing adequate funds for the on-going projects, coal companies have taken steps to mobilise resources through Internal generation, supplier's credit and commercial borrowings etc. Further, with the deregulation of prices of 'A' to 'D' grades of non-coking coal and coking coal, it is expected

that coal companies would be able to generate enough internal resources to meet the envisaged investment in 1997-98 and during the Ninth Plan period as a whole.

2. Dipka Expansion Open cast project (10 mtpa) of South Eastern Coalfields Ltd. has since been sanctioned by the Government on 6.12.1996.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the 29th, July, 1997,
26th August, 1997]

Recommendation (Sl. No. 6, Para No. 42)

The Committee observed that against the projected demand of 405 MT of coal during 2001-02, the project production of coal by domestic coal industry is 359.60 MT leaving a demand supply gap of 46.40 MT. The Committee are constrained to note that no concrete efforts have been taken to meet the coal demand as envisaged during the Ninth Plan. Further the coal companies are reported to meet the demands of only those power utilities which are firm i.e. to an extent of about 14,000 MW and that too only if the demands from the other sectors namely cement, captive power and other general industries are kept at current levels. The Committee are of the view that the reasons behind not meeting the demand by the domestic coal industry is lack of proper planning with low infusion of funds during the past 3-4 years in the new projects. The Committee desire that the issues like forestry clearance, coal movement by rail as suggested by the working group should be taken on priority basis as the new projects will realise benefits during the Ninth Plan. The Committee also feel that unless steps are taken expeditiously to start these projects the production will not only suffer during Ninth Plan but will also restrict the coal production in the Tenth and Eleventh Plan. The Committee recommend that an action plan should be prepared to ensure that projects should not be affected due to non-availability of forest land and due to funds constraint. The Committee would like to be informed of the steps taking in this regard. The Committee also feel that suitable measures should be taken to raise and also fully utilise the plan outlay of Rs. 22543.13 crores in the Coal Industry during the Ninth Plan to recover from the losses suffered due to less investments during Eighth Plan. The Committee would like to be apprised of the action taken in this regard.

Reply of the Government

The Government have taken the following steps to tackle the constraints identified:—

1. Clearance of forest land for coal projects due to non identification of compensatory afforestation land has been a very time consuming exercise. The Ministry of Environment & Forests has recently approved a policy to clear proposals for central sector projects providing for compensatory afforestation on double the degraded land, without insisting on a certificate from State Chief Secretaries as hithertofore.

2. The Govt. have constituted a Committee under the chairmanship of the Member-Secretary, Planning Commission alongwith Secretary (Coal), Secretary (Power) and Chairman, Railway Board to recommend specific steps which could be taken for increasing coal production in the short and medium term.

3. The plan outlay of Rs. 22534.13 crores for the Ninth Plan is proposed to be funded through additional resources mobilisation, external borrowings and internal resource generations. The Govt. have taken steps to obtain a loan of US \$ 530 million each (total US \$ 1060 million) from the World Bank and EXIM Bank of Japan. Further, the Govt. have deregulated the prices of coking coal and A, B, C and D grades of non-coking coal. These prices are now being fixed by coal companies. Government have also authorised the coal companies to fix the prices of E, F and G grades of non-coking coal based on the BICP formula of 1987. This will enable the CIL and the SCCL coal companies to raise internal resources of Rs. 8111 crores during the 9th Five Year Plan. Finally, it is proposed to re-structure the capital and debt profile of the subsidiary companies of Coal India Limited in order to inter-alia enable it to raise Rs. 4297 crores through market borrowings.

4. The Working Group on Coal for the formulation of 9th Five Year Plan has also proposed budgetary support from the Govt. of India to an extent of Rs. 2821 crores for support to the Singareni Collieries Company Limited and have also proposed Rs. 1731 crores as budgetary support to Neyveli Lignite Corporation.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the 29th, July, 1997,
26th August, 1997]

Recommendation (Sl. No. 7, Para No. 51)

The Committee find that with the reduced import duty on coal from 85 per cent in 1994-95 to 20 per cent in 1996-97 the Indian Coal is almost out of competition in the Eastern Coast and is very near to getting out priced in the Western Region also. The Committee feel that further reduction of Import duty by 10 per cent during 1997-98 will adversely affect the domestic coal industry because the imported coal is not subject to direct taxes in other countries. The point favoured by the Ministry of Coal that power stations on the coastline would be at a disadvantage as our ports are not strong enough to receive the huge quantity of coal only indicates that our coal industry is not prepared to meet the challenges posed by imported coal. The Committee feel that these developments will have a significant impact on the competitiveness of the Indian Coal in the market itself, especially, in the coastal regions from where consumers are in a position to import directly and recommend that with the increasing competition pressure, the domestic coal industry should address itself to the need of satisfaction by the consumer in regard to quality of coal supplied. The Committee recommend that the Finance Ministry should strengthen the domestic coal industry and the import duty on coal should be maintained at 1996-97 level and a mechanism should be evolved for imposition and collection of excise duty on imported coal as suggested by the Ministry of Coal. In view of the fact that levies on coal such as royalty constitute an important component of State Governments resources which is very vital for development of States, the Committee expect the Ministry of Coal to take up the issue with the Ministry of Finance, to ensure that the domestic coal industry should not be adversely affected due to the impact of reduced import duty on coal.

Reply of the Government

The Ministry of Coal took up the issue with the Ministry of Finance on a number of occasions. On 9th January, 1997, Ministry of Coal had written to Ministry of Finance requesting to consider the Customs Duty on imported coal in the context of the rates of domestic levies and royalty on Indian coal. On 3rd April, 1997, the Minister of State for Coal wrote to the Finance Minister proposing that the domestic coal industry should be given relief by fixing tariff on imported coal at a rate not less than average incidence of royalty on domestic coal in percentage terms. On 2nd May, 1997, the observations of the Standing Committee on Energy on the subject were highlighted in a letter to

the Ministry of Finance (Department of Revenue). It was emphasised in that letter that the domestic coal industry should not be adversely affected by an unduly low rate of customs duty on coal.

2. With reference to this Ministry's letter dated 3.4.1997, Ministry of Finance in their reply informed that while deciding the desirable level of customs duty on coal, they had taken into account the views of Ministries of Coal/Power/Steel and also the study conducted by BICP. It has been stated by Ministry of Finance that Ministry of Power had stated that there might be a demand supply gap of coal for the power sector of about 25 million tonnes. They have further stated that landed price of coal even at nil rate of customs duty, is higher than the domestic price of coal. BICP conducted a study, they have recommended reduction of customs duty on coal to 5%. Taking into consideration all these views and suggestions, the customs duty on coal has been reduced to 10%.

3. As regards cess levied on domestic coal and coke under Coal Mines (Conservation and Development) Act, 1974, it has been stated by Ministry of Finance that at present additional duty of customs equivalent to the amount of cess leviable on domestic coal and coke is being collected on imported coal. According to Ministry of Finance, domestic manufacturers of coal and coke are not at a disadvantageous position *vis-a-vis* imported coal/coke. Hence, Ministry of Finance has concluded that the present customs duty structure on coal has been prescribed taking into consideration the interests of both the domestic coal industry and the user industries.

4. Recently the Cabinet Committee on Infrastructure has approved in principle the import at zero rate of duty of modern high technology equipment which is not manufactured indigenously for exploration/mining of coal. Details in this regard will be finalised in consultation with Ministry of Finance.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the 29th July, 1997,
26th August, 1997]

Recommendation (Sl. No. 8, Para No. 52)

The Committee express the need for ensuring that captive mines earmarked for specific purposes *viz.* thermal power stations, steel industry etc. should be treated as assets and solely be used for the

designated purposes. Further, adequate safeguards need to be evolved to ensure that captive mines are used for the designated purposes and not misused/diverted for any other purpose. The Committee also feel that there is a need for stepping up of quality control measures so as to ensure production of high quality coal with low ash content. This is essential to make the coal industry more competitive so that indigenous coal is more in demand in the market.

Reply of the Government

There can be no two opinions that the captive mining blocks allocated for specific purposes need be used only for the designated purposes. As for the need to evolve measures to ensure that the captive mines are not misused/diverted for any other purpose, it is worth mentioning that captive mining blocks are allocated in the light of the guidelines approved by the Govt. for the purpose. The working of the allocated blocks by the parties is, however automatically subject to compliance of the provisions of the various Acts and Rules and Regulations relevant to coal mining.

Under Section 11 of the Coal Mines (Conservation and Development) Act, 1974, Chief Inspector or any Inspector has been empowered to make such examination and inquiries as he thinks fit in order to ascertain whether the provisions of this Act or of any rules and orders made thereunder are being complied with. The Chief Inspector or any Inspector may, with such assistance, if any, as he thinks fit, enter, inspect and examine at any time by day or night any coal mine in order to ensure that stowing or any other operation has been, or is being, done effectively. Further, without prejudice to the provisions of the Mines Act, 1952, the Chief Inspector or any Inspector may, by order in writing, addressed to the owner, agent or Manager by a coal mine, require him to take such protective measures including stowing, in the mines as the Chief Inspector or the Inspector may think necessary in his opinion. The powers so conferred on the Inspector may also be exercised by such officer of the Central Govt. as that Govt. may, by notification, specify in this behalf.

As per the provisions in regard to supply of information contained in the Coal Mines (Conservation and Development) Rules, 1975, every owner, agent or Manager shall furnish to the Coal Controller such information regarding production and despatch of coal from his mine or mines and working conditions in his mine or mines as may be

specified by the Coal Controller. He shall also furnish to the Coal Controller such other information regarding opening, re-opening and closure of mines as may be required by the Coal Controller.

Statutory provisions, therefore, already exist to ensure that the coal mining blocks which are allocated to parties for captive mining are put to use only for the purposes specified. Besides, sufficient conditionalities are also prescribed at the time of approving mining plans, according Central Govt.'s approval to the grant of mining leases etc. Yet, any vitiation of the purposes cannot only be held as undesirable on the part of the party but is also illegal and liable to cancellation.

Organisational set up for enforcing quality control at the level of Subsidiary Company as well as in the field is further revitalised to improve quality standards. A separate Quality Control wing independent of others is functioning in each Company to ensure proper quality of coal despatched. Laboratories located at the coalfield are also being updated with equipments for analysis of coal.

Coal supply agreements with consumers are being negotiated with detailed provisions on quality assessments for coal despatches for full consumer satisfaction.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the 29th July, 1997,
26th August, 1997]

Recommendation (Sl. No. 10, Para No. 61)

In view of the various user industries pleading that the coal companies should ensure proper grade and quality of coal and the fact that the coal sale dues have been continuously increasing despite several steps taken by the Ministry of Coal, the Committee desire that the public sector coal companies should have an effective self-checking mechanism to evaluate their own coal supply. The Committee expect the coal companies to address themselves to the need of self-satisfaction of the quality of coal supplied and recommended that concrete steps should be taken by coal companies to avoid complaints from the consumers regarding quality of coal.

Reply of the Government

Organisational set up for enforcing quality control at the level of subsidiary company as well as in the field is further revitalised to

improve quality standards. A separate quality control wing independent of others is functioning in each company to ensure proper quality of coal despatched. Laboratories located at the coalfield are also being updated with equipments for analysis of coal loading end samples are taken and analysed to ascertain the quality of coal despatches.

Coal supply agreements with SAIL is being negotiated with detailed provisions on quality assessments for coal despatches for consumer satisfaction.

Coal supplies to power stations with whom agreement exists, are sampled jointly at the loading end and payment is regulated on the basis of the joint sampling.

Supplies to those consumers who are not participating in joint sampling at loading end are being sampled by third independent agencies and payment is regulated on the basis of this sampling. This is as per the decision taken by "Committee of Secretaries on Infrastructure" in a meeting on 15.10.91.

Many of the SEBs are not participating in joint sampling at loading end in accordance with the Govt. decision and the provisions of Sale of Goods Act, 1930. Efforts are being made to persuade these SEBs for Joint Sampling at loading end.

For ensuring supply of proper quality coal and to remove quality complaints. CIL has also taken following action:—

- (i) Installation of CHP's for sizing and segregation of slack coal and removal of extraneous materials,
- (ii) Engagement of shale pickers,
- (iii) Selective mining,
- (iv) Strict supervision,
- (v) Encouraging consumers to witness the loading of coal at loading end, and
- (vi) Organisation seminars on quality to generate quality consciousness amongst all.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the 29th July, 1997,
26th August, 1997]

Recommendation (Sl. No. 11, Para No. 66)

Although the Committee appreciate the steps taken to reduce pithead stock by coal companies, yet the Committee are surprised to note that inspite of increase in production as per revised estimate for 1996-97 over coal offtake during the period by CIL subsidiaries by 2 MT (the revised production of coal during 1996-97 is 252 MT whereas revised offtake is 250 MT) the vendible stock of CIL has been brought down by 4.38 MT during March, 1996 and Feb., 1997. The Committee would like the Ministry of Coal to clarify the position and inform the Committee within one month. The Committee also desire that the figures relating to targeted decreased in pithead stocks should be included in the Performance Budget of the Ministry. The Committee also recommend that the coal-stocks be brought to normative level during the current year by all Coal companies. The Committee further note that information base relating to pithead stocks is inadequate. There is no source of information with the Ministry of Coal regarding stocks except furnished by the Coal India Ltd. The Committee, therefore, stress the need for evolving appropriate mechanism for having a clear data on pithead stock of all the coal-fields.

Reply of the Government

It is a fact that the vendible coal stock was liquidated by 4.38 million tonnes at the end of Feb., 97 over the level of stock held as on 1.4.1996. However the vendible pithead stock rose steeply in the month of March 1997 because of mismatch between coal production and coal offtake during the month of March 1997. As against a coal production of 28.25 million tonnes in March 1997, coal offtake was only 24.55 million tonnes.

Vendible coal stock as on 1.4.1996	:	27.98 MT
Add production of CIL during 1996-97		250.65 M.T
		<u>278.63 M.T</u>
(-) Coal offtake during 1996-97		<u>250.75 M.T</u>
Vendible coal stock as on 1.4.1997		<u>27.88 M.T</u>
So net depletion for whole year 1996-97 (27.98 M.T.-27.88 M.T.)	:	0.10 M.T

The figures reported earlier to the Standing Committee were upto February 1997 only.

Performance Budget of Ministry of Coal for the year 1997-98 incorporates targetted coal production for the year 1997-98 as 260.50 m.t. and offtake for the year 1997-98 as 262.70 m.t. indicating targetted liquidation of coal stock by 2.20 m.t. at the end of 1997-98.

As per the stocking policy for coal companies framed in 1985 in consultation with Planning Commission, individual mine cannot hold stocks more than three months and subsidiary companies as a whole should not keep more than one month's production as stock. Efforts are being made to ensure that the coal stocking policy is adhered to as far as practicable. However, actual experience has been that during the period between April to October, liquidation of the stock of the order of nearly three weeks coal production takes place leaving stock equivalent to about a week's production in October if the present guideline of holding, stock upto maximum of one month's production is adhered to. In practice, it is difficult to operate with such a low level of stock throughout the year because of various factors like number of stocking points, possibility of dislocation in production and transportation from stock yard to the railway siding due to various reasons like machinery breakdown, blockade, strikes and bundhs etc.

In this context, it may please be noted that over the years the vendible coal stock of CIL is showing a declining trend and decreased from 30.30 m.t. as on 31.3.1995 to 27.88 m.t. as on 31.3.1997 inspite of the fact that coal production of CIL has gone up from 223.07 m.t. at the end of 1994-95 to 250.65 m.t. (provisional) at the end of 1996-97.

Data on coal production, offtake/despaches and pit-head/vendible coal stocks are received from coal companies on regular basis in the Ministry of Coal. These data are compiled and monitored on continuing basis in the Ministry.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the 29th July, 1997,
26th August, 1997]

CHAPTER III

**RECOMMENDATIONS/OBSERVATIONS WHICH THE
COMMITTEE DO NOT DESIRE TO PURSUE IN
VIEW OF THE GOVERNMENT'S REPLIES**

—NIL—

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Sl. No. 1, Para No. 16)

The Committee regret to note that despite Committee's repeated recommendations for urgent action to step-up the environment and subsidence control measures and to effectively utilise the funds allocated; the Government have failed to take any concrete steps. Out of Rs. 75 crores allocated during Eighth Plan, the actual utilisation is only Rs. 22 crores. The Budget Estimate for 1996-97 has also been drastically brought down from Rs. 26.10 crores to Rs. 5 crores. The delay in approval and subsequent delay in sanctioning of projects by the Government has resulted in the lower utilisation during 1996-97 and also Budget Estimate for 1997-98 have been kept low. The Committee expect that the four projects for rehabilitation/reclamation of degraded land areas due to subsidence and fire from ECL and CCL for an estimated cost of Rs. 22 crores will be take up expeditiously. The Committee desire that the Ministry should give priority to the programme of subsidence control in Jharia & Raniganj. In this regard the Committee would like the Ministry to draw up a specific time bound programme of implementation of these projects and intimate the same urgently. The Committee also observe that against the budgetary allocation of Rs. 9 crores for BCCL during 1996-97 for rehabilitation/reclamation of degraded land area due to be mined out for subsidence and fire, the plan outlay for BCCL during 1997-98 is Rs. 2.880 crores only. The Committee desire to know the reasons for reduced allocation for BCCL during 1997-98. Further, the Committee note with dismay that various Committees have been constituted to solve the problems of subsidence and fire including the one with the World Bank Loan Assistance; but no concrete steps have been taken to implement their recommendations. The Committee would like to know the status of implementation of the recommendations of the expert group which submitted its report in November, 1996.

Reply of the Government

Anticipating the approval of the projects on environment and subsidence control, a budget provision of Rs. 26.10 crores was made during the year 1996-97. Since there was no established mechanism of approving such projects which were being taken up for the first time, the budget provision at RE stage was reduced to Rs. 5 crores. The four environmental measures and subsidence control schemes with a capital outlay of about Rs. 22 crores have been sanctioned for Eastern Coalfields Limited (ECL) and Central Coalfields Limited (CCL) during the year 1996-97 and the budgetary amount of Rs. 5 crores has been disbursed to the coal companies.

A budgetted provision of Rs. 12.28 crores was proposed for the environmental and subsidence control measures schemes during the year 1997-98. Out of this, the share of Bharat Coking Coal Limited (BCCL) for carrying out schemes pertaining to reclamation/rehabilitation of fire area/mined out area accounted for Rs. 2.88 crores. However, at the time of Annual Plan discussions, in view of low utilisation of funds, a sum of Rs. 5 crores was provided in the budget estimates 1997-98.

BCCL has now formulated eight schemes for a capital outlay of about Rs. 31 crores for consideration/approval of Standing Scientific Research Committee. Budget provision at RE stage will need to be suitably enhanced.

With a view to solving the problem of subsidence and fire in Raniganj and Jharia coalfield's in a comprehensive manner, a Committee has been constituted with Secretary (Coal) as the Chairman and representatives of Planning Commission, Ministry of Labour, Govt. of West Bengal and Bihar, DGMS, CIL, CMPDI, BCCL and ECL as members. The constitution of the Committee alongwith the terms of reference is at Annexure.

Three meetings of the Committee have already been held at Dhanbad and Asansol including field visits and discussions. An interim report is expected to be submitted by the Committee.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the 29th July, 1997,
26th August, 1997]

Comments of the Committee

(Please see para 7 of Chapter I of the Report)

No. 22020/3/96-CRC
Government of India
Ministry of Coal

Shastri Bhawan, New Delhi-1
Dated the 19th December, 1996

ORDER

Subject: Subsidence and fire problems in Raniganj and Jharia Coalfields—Constitution of a Committee thereof—

The issue of subsidence and fire in Raniganj and Jharia Coalfields of West Bengal and Bihar respectively has been engaging the attention of the Government for quite some time. With a view to solving the problem in a comprehensive manner, it has been decided to constitute a Committee consisting of:—

- | | | |
|---|---|---------------------|
| 1. Secretary (Coal) | — | Chairman |
| 2. Representative of Planning Commission | — | Member |
| 3. Representative of Ministry of Labour | — | Member |
| 4. Chairman, Coal India Limited | — | Member |
| 5. Representative of Govt. of West Bengal | — | Member |
| 6. Representative of Govt. of Bihar | — | Member |
| 7. Director General Mines Safety | — | Member |
| 8. CMD, CMPDIL | — | Member |
| 9. CMD, ECL | — | Member |
| 10. CMD, BCCL | — | Member |
| 11. Director (T), Ministry of Coal | — | Member
Secretary |

The terms of reference of the Committee are given as under:—

- (i) To undertake a review of the subsidence/fire prone areas in Raniganj and Jharia coalfields which were identified in the past and suggest additions or deletion to the same;
- (ii) To study and suggest measures as well as institutional arrangements to prevent new settlement from coming up in subsidence/fire prone areas in these two coalfields;
- (iii) To study and suggest measures to deal with problems of existing settlements in the subsidence/fire prone areas in these two coalfields;
- (iv) To suggest measures any funding thereof to prevent subsidence in the habitated areas which are prone to subsidence and fire and to identify technological and other inputs which need to be provided by the coal companies and the State Govt. agencies;
- (v) To identify areas where evacuation and resettlement of the affected population is essential since measures to control subsidence and fire are not likely to be successful in their entirety;
- (vi) To suggest mechanism for evacuation and resettlement of the affected population from the inhabited areas where subsidence can not be avoided and to suggest funding arrangements for the same.

The Committee will submit its report within a period of six months from the date of issue of the Order.

Sd/-
(N.N. GAUTAM)
Director (Technical)

To,

1. Secretary, Ministry of Coal, Shastri Bhawan, New Delhi.
2. Dr. Bimal Jalan, Member Secretary, Planning Commission, Yojana Bhawan, New Delhi.
3. Dr. L.D. Mishra, Secretary, Ministry of Labour, Shram Shakti Bhawan, New Delhi.

4. Shri P.K. Sengupta, Chairman, Coal India Limited, 10-Netaji Subhas Road, Calcutta.
5. Chief Secretary, Govt. of West Bengal, Writers Building (Manakaran), Calcutta-700 001.
6. Chief Secretary, Govt. of Bihar, Sachivalaya, Patna.
7. Shri Vinay Mahajan, Director General Mines Safety, Dhanbad.
8. Shri B. Dev, CMD, Eastern Coalfields Limited, Sanctoria, PO Dishergarh, Distt. Burdwan, West Bengal.
9. CMD, Central Mine Planning & Design Institute Ltd., Gondwana Place, Kanke Road, Ranchi.
10. CMD, Bharat Coking Coal Limited, Koyla Bhawan, Koyla Nagar, Dhanbad.

Copy to:—

2. Ms. Sujata Mehta, Director, Prime Minister's Office, South Block, New Delhi-110 001

—w.r.t. letter of even number dated 3.12.96.

Sd/-
(N.N. GAUTAM)

Recommendation (Sl. No. 2, Para No. 25)

The Committee find that the Eighth Plan allocation for Science and Technology Projects was Rs. 87.00 crore and against this provision of Plan allocation only Rs. 21.19 crore were utilised under this head (including Rs. 6 crore R.E. for the year 1996-97). The Budget allocation for the Ninth Plan as proposed by the Ministry of Coal is Rs. 80.00 crore. While examining the Demands for Grants (1996-97) by the Committee, the Ministry of Coal had stated that efforts were underway to fully utilise the Budget Estimate during the year 1996-97. The Committee are of the opinion that inspite of the Eighth Plan provision to take up R&D projects which will have direct and immediate commercial application, no concrete steps have been taken by the Government for R&D projects. In spite of Committee's earlier recommendations to step up the R&D activities and the Government's submission that they have now set up a R&D Board including the coal companies and that they are hopeful this will focus the attention on the importance the R&D should get; the Committee are constrained to note that budget estimates for 1996-97 have been revised from Rs. 14.60 crore to Rs. 6.00 crore. The Committee note that R&D Board set up to effectively coordinate with the various organisations/institutions to achieve the targeted level of implementation of R&D project have not met with the desired success.

Reply of the Government

The actual utilisation for the S&T projects during Eighth Plan was Rs. 27.20 crores. The actual expenditure on S&T projects during 1996-97 was Rs. 12.02 crores, as compared to the provision of Rs. 14.54 crores in BE 96-97 and Rs. 6 crores in RE 96-97. This expenditure of over 40% in just one year has been possible by resorting to intensive close monitoring of the on-going S&T projects and clearing new projects through close interaction with the implementing agencies.

In the year 1996-97, five projects for a sum of about Rs. 18 crores having S&T component of Rs. 13.50 crores were sanctioned. During 1997-98, 7 projects having an S&T component of Rs. 2.05 crores have so far been sanctioned. Seven more proposals with an S&T component of Rs. 13.50 crores are being put up to Standing Scientific Research Committee in July, 1997 for approval. More approvals and start of new projects are anticipated during the current year 1997-98.

In addition to these efforts, R&D Board of Coal India Ltd. set up for R&D projects funded entirely from the internal resources of Coal India Ltd. have sanctioned five projects during 1996-97 and 1997-98 for a total cost of Rs. 6.41 crores. A number of R & D projects submitted by coal companies of CIL and the research organisations are also under process for approval.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the 29th July, 1997,
26th August, 1997]

Comments of the Committee

(Please see para 10 of Chapter I of the Report)

Recommendation (Sl. No. 4, Para No. 35)

The Committee are constrained to note that the total outlay of Coal India Limited during 1996-97 has been revised from Rs. 2143.00 crore to Rs. 1310.83 crore. The decrease in Plan outlay is about 45 per cent of budget estimates for Coal India Limited during 1996-97. The net budgetary support has also been reduced from Rs. 100 crore to Rs. 50 crore during 1996-97. Coal India Limited has also failed to raise the Internal and Extra Budgetary Resources as budgeted and there is no budgetary support for Coal India Ltd. during 1997-98. Against the Budget Estimate of Rs. 2063 crore for CIL during 1994-95, the actuals were Rs. 1604.56 crore and against Budget Estimate of Rs. 2260 crore during 1995-96, the Actuals (P) were Rs. 1503.83 crore. The Committee take a serious note of the fact that inspite of their recommendation last year that the Government and the coal companies should draw an action plan to step up the on-going and future projects with the inflow of such funds as are required to update the project implementation, the Coal Companies failed to invest in the coal projects as envisaged in the plan outlay for 1996-97. The Committee are also constrained to note that no serious exercise has been done for plan formulation as is evident from the fact that expenditure relating to payments of wage arrears was not taken into account while formulating plan for 1996-97 resulting in diversion of funds of Rs. 1000 crore. This expenditure on account of arrears of wages ought to have been forecast as the wage agreement was expiring.

Reply of the Government

In case of Coal India Limited, RE estimate for 1996-97 were substantially reduced than originally envisaged in BE 1996-97. The main reasons for reducing outlay at RE stage were the following:—

- (a) Pending completion of arrear wage billing, in the Budget Estimate a provision of Rs. 750 crores towards arrear wages was made on the basis of a quick estimate before arriving at the figure of internal resource available for plan expenditure. When the billing of arrear wages progressed, it was found that the arrears worked out to around Rs. 1000 crores. This had resulted in downward revision of internal resources in RE by Rs. 250 crores.
- (b) The revision of administered prices of coal was overdue. Hence at the time of preparing the Budget Estimate, a provision of Rs. 500 crores was made towards additional resources mobilisation through increase in administered price of coal. Since this entire price increase was not available in 1996-97, there was an adverse impact of the order of Rs. 500 crores on resources available for plan expenditure in RE as compared to BE 1996-97.
- (c) The budgetary support to Coal India Limited which was provided at Rs. 100 crores in the Budget Estimate was reduced to Rs. 50 crores in the revised estimate in view of the restructuring of the capital and debt profile of CIL and the policy support package provided to the company by the Government. No budgetary support was eventually released to Coal India Limited.

Under the administered coal price regime, budgetary support was provided by the Government for financing the capital outlay of coal companies. However, Government has decided to reduce budgetary support to the coal public sector undertakings. Coal prices of grades A to D have been deregulated which will enable

the coal companies to generate more internal resources. It is, therefore, expected that with the deregulation of coal prices of A to D grades, coal companies will be able to generate internal resources to invest in new projects. This is evident from the fact that subsequent to decontrol of prices of 'D' grade of coal CIL was able to spend Rs. 1550.08 crores against its plan outlay compared to RE of Rs. 1310.83 crores in the year 1996-97.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the
26th August, 1997]

Comments of the Committee

(Please *see* para 16 of Chapter I of the Report)

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation (Sl. No. 3, Para No. 26)

The Committee would like the Ministry to also clarify that although during the year 1996-97, five projects for a sum of about Rs. 18 crore having S&T component of Rs. 13.50 crore have been approved by Standing Scientific Research Committee and Government sanctions have been issued, why the Budget Estimates for S&T project during 1997-98 have been kept at Rs. 9.87 crore which is even below the proportionate requirement during the Ninth Plan period. Although, the Committee are not satisfied with the present level of R&D activities; the Committee expect that R&D for thrust area during the Ninth Plan would be met with proper coordination and cooperation between research institutes and the coal companies under the close monitoring by the Ministry of Coal so that delay attributable to factors like lack of procedural requirements, lack of focus, lack of coordinated approach is obviated.

Reply of the Government

Based on the data furnished by the various implementing agencies for R&D projects, an estimate of Rs. 13.33 crores was made in BE 1997-98. Due to lack of expenditure on S&T projects during earlier years of 8th Plan period, during plan discussions, at the Planning Commission it was reduced to Rs. 9.87 crores.

In the current year proposals having S&T component of Rs. 2.05 crores have already been sanctioned. Proposals for S&T component of another Rs. 13.50 crores are being submitted to Standing Scientific Research Committee (SSRC) in July, 1997 and it is expected that more such proposals would be sanctioned in the remaining period of the current financial year. In addition to this there is a spill over of

Rs. 8.79 crores of the 8th Plan projects in the 9th Plan. In view of the above, the Budget provision for S&T projects at RE stage would be enhanced suitably.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the 29th July, 1997,
26th August, 1997]

Comments of the Committee*

(Please see Para 13 of Chapter I of the Report)

Recommendation (Sl. No. 9, Para No. 58)

The Committee are constrained to note that both the disputed and undisputed dues have increased on 31.12.1996 as compared to 31.3.1996 although there was significant reduction from Rs. 3733.70 crores as on 31.7.1995 to Rs. 2962.26 crore on 31.3.1996. The total outstanding dues have increased by Rs. 363.02 crore from 31.3.1996 to 31.12.1996 and the increase from power sector alone works out to Rs. 296.81 crore. The Committee would like the Ministry of Coal to explain that despite the reported concrete steps such as recovery of dues by way of adjustment against bills, recovery from plan assistance, appointments of umpires for resolving disputed dues and deduction through Central appropriation; why the coal sale dues have increased considerably as on 31.12.1996 as compared to 31.3.96. The Committee also desire to know the amount of disputed dues that have been placed before the umpires and the resultant settlement.

Reply of the Government

The table below sets out the broad details of the views of the coal companies on the relevant data:

(Rs. in crores)

As on	Total dues from all sectors			Dues from power sector only		
	Disputed	Undisputed	Total	Disputed	Undisputed	Total
31.7.95	2106.53	1627.17	3733.70	1489.62	1485.69	2975.31
31.3.96	1774.25	1188.01	2962.26	1208.17	1147.32	2355.49
31.12.96	1994.74	1330.54	3325.28	1404.23	1248.07	2652.30

While it is a fact that the dues have increased from 31.3.96 the Ministry of Coal submits that the increase in value terms is a reflection of the increase in the base price of coal which was done during the period 31.3.96 to 31.12.96.

2. Taking into account the average price of coal prevailing on the dates shown in the above statement, the dues outstanding as on 31.7.95 correspond to 74 M.T. of coal which as on 31.12.96 corresponds to 53 M.T. of coal. In real terms therefore the volume of coal for which dues are outstanding has come down.

3. Pursuant to the decision taken by the Government regarding Dispute Resolution Mechanism, Umpires have been appointed for resolving the disputed amount against supplies of coal. Consequently CIL/coal companies have referred to the Umpires the unresolved disputes mainly on account of quality, quantity, POL, Statutory Levies, dues of pre-agreement period, missing/diverted rakes etc. totalling to about Rs. 633.36 crores for final settlement/resolution.

The following table sets out the status of cases before the Umpires:

Name of Umpire	Hearing Completed	Hearing in progress	Cases yet to be referred
1. Shri R.K. Tikku	BTPS	PSEB, DESU	HSEB
2. Shri V. Krishnan	RSEB, KPCL	UPSEB(*)	—
3. Shri V. Raghavan	MSEB, GEB	MPEB(**)	—
4. Shri R. Srinivasan	TNEB	—	APSEB

(*) UPSEB—first hearing took place on 5.6.97.

(**) MPEB—first hearing took place on 9-10.6.97.

The awards of the Umpires are expected shortly in cases where hearings have been completed.

[Ministry of Coal, O.M. No. 20011/1/97-IF dated the 29th July, 1997, 26th August, 1997]

Comments of the Committee

(Please see Para 19 of Chapter I of the Report)

NEW DELHI;
28 July, 1998
6 Shrawana, 1920 (Saka)

K. KARUNAKARAN,
Chairman,
Standing Committee on Energy.

EXTRACTS OF MINUTES OF THE EIGHTH SITTING OF
THE STANDING COMMITTEE ON ENERGY HELD ON
22ND JULY, 1998 IN ROOM NO. 139, PARLIAMENT
HOUSE ANNEXE, NEW DELHI

The Committee sat from 15.30 hrs. to 16.30 hrs.

PRESENT

Shri K. Karunakaran—*Chairman*

2. Smt. Rani Chitralekha Bhosle
3. Shri Bikash Chowdhury
4. Shri K.C. Kondaiah
5. Dr. H. Lallungmuana
6. Shri Rajbanshi Mahto
7. Shri Som Marandi
8. Smt. Sukhda Mishra
9. Shri Vilas Muttemwar
10. Shri Ravindra Kumar Pandey
11. Shri Amar Roy Pradhan
12. Shri Kanumuru Bapi Raju
13. Shri Anantha Venkatrami Reddy
14. Shri Shailendra Kumar
15. Shri N.T. Shanmugam
16. Shri Chandramani Tripathi
17. Shri Sushil Chandra Verma
18. Shri Gandhi Azad
19. Shri Brahmakumar Bhatt
20. Shri Bangaru Laxman
21. Shri Nabam Robia

SECRETARIAT

- | | | | |
|----|--------------------|---|-------------------------|
| 1. | Shri John Joseph | — | <i>Joint Secretary</i> |
| 2. | Shri P.K. Bhandari | — | <i>Deputy Secretary</i> |
| 3. | Shri R.S. Kambo | — | <i>Under Secretary</i> |
| 4. | Shri R.K. Bajaj | — | <i>Under Secretary</i> |

**

**

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2. The Committee then considered and adopted the following Draft Action Taken Reports:—

- | | | | |
|------|----|----|----|
| (i) | ** | ** | ** |
| (ii) | ** | ** | ** |

- (iii) Action taken by the Government on the recommendations contained in the Seventeenth Report of the Standing Committee on Energy on Demands for Grants (1997-98) of Ministry of Coal.

The Committee adopted the draft reports mentioned at (i) and (iii) above without any change.

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|----|----|----|----|
| 3. | ** | ** | ** |
|----|----|----|----|

4. The Committee also authorised the Chairman to finalise the above mentioned Reports after making consequential changes arising out of factual verification by the concerned Ministry/Department and present the same to both the Houses of Parliament.

- | | | | |
|----|----|----|----|
| 5. | ** | ** | ** |
|----|----|----|----|

The Committee then adjourned.

**Paras 1 and 5 relating to procedural matters and para 2 (i), (ii) and para 3 relating to consideration and adoption of two other Action Taken Reports have not been included.

(Vide Para 3 of Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE SEVENTEENTH
REPORT OF THE STANDING COMMITTEE ON ENERGY
(ELEVENTH LOK SABHA)

I.	Total No. of Recommendations made	11
II.	Recommendations which have been accepted by the Government (<i>Vide</i> recommendations at Sl. Nos. 5, 6, 7, 8, 10 and 11)	6
	Percentage of total	54.55
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies	Nil
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee (<i>Vide</i> recommendations at Sl. Nos. 1, 2 and 4)	3
	Percentage of total	27.27
V.	Recommendations in respect of which final replies of the Government are still awaited (<i>Vide</i> recommendations at Sl. Nos. 3 and 9)	2
	Percentage of total	18.18