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**STANDING COMMITTEE ON
ENERGY
(1995-96)**

TENTH LOK SABHA

MINISTRY OF COAL

*[Action Taken by the Government on the Recommendations!
Observations contained in the 21st Report of the Standing
Committee on Energy (Tenth Lok Sabha)]*



**LOK SABHA SECRETARIAT
NEW DELHI**

१६५७११ — December, 1995/Agrahayana, 1917 (Saka)

THIRTY-FIRST REPORT
STANDING COMMITTEE ON ENERGY
(1995-96)

(TENTH LOK SABHA)

*[Action Taken by the Government on the Recommendations/
Observations contained in the 21st Report of the Standing
Committee on Energy (Tenth Lok Sabha)]*



Presented to Lok Sabha on 22. DEC 1995
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LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE ON ENERGY
(1995-96)

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25. Dr. Venkateswara D. Rao

* Ceased to be a Member of the Committee consequent upon his appointment as Minister in the Union Council of Ministers w.e.f. 13.10.1995

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28. Shrimati Dil Kumari Bhandari
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41. Dr. Naunihal Singh
42. Smt. Kamla Sinha

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2. Smt. Roli Srivastava — *Joint Secretary*
3. Shri G.R. Juneja — *Deputy Secretary*
4. Shri A. Louis Martin — *Under Secretary*

* Ceased to be a Member of the Committee consequent upon his appointment as Minister in the Union Council of Ministers w.e.f. 13.10.1995

** Ceased to be a Member of the Committee consequent on his retirement from Rajya Sabha w.e.f. 24.7.1995

COMPOSITION OF ACTION TAKEN SUB-COMMITTEE OF
STANDING COMMITTEE ON ENERGY (1995-96)

CONVENOR

Shri Shiv Charan Mathur

MEMBERS

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- *3. Dr. Krupasindhu Bhoi
4. Shri P.C. Chacko
5. Shri Dalbir Singh
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13. Shri Bhawani Lal Verma
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15. Shri Parmeshwar Kumar Agarwalla
16. Shri M.M. Hashim
17. Shri Bhubaneswar Kalita
- *18. Shri M. Rajasekara Murthy
19. Shri T. Venkatram Reddy
20. Shri Rajni Ranjan Sahu
21. Dr. Naunihal Singh
22. Smt. Kamla Sinha

* Ceased to be a Member of the Sub-Committee consequent upon his appointment as Minister in the Union Council of Ministers w.e.f. 13.10. 1995.

INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorised by the Committee to present the Report on their behalf, present this Thirty-First Report (Tenth Lok Sabha) on Action Taken by the Government on the recommendations contained in the 21st Report of the Standing Committee on Energy (Tenth Lok Sabha) on Demands for Grants (1995-96) of the Ministry of Coal.

2. The 21st Report of the Standing Committee on Energy was presented to Lok Sabha on 3rd May, 1995. Replies of the Government to all the recommendations contained in the report were received on 31st July, 1995.

3. The Action Taken Sub-Committee at their sitting held on 6.9.1995 decided to take oral evidence of the representatives of the Ministry of Coal to elicit further information on certain points. The Sub-Committee took oral evidence of the representatives of the Ministry of Coal on 26.9.1995. The post-evidence replies from Ministry of Coal were received on 9.10.95.

4. The Report was considered and adopted by the Standing Committee on Energy at their sitting held on 18th December, 1995.

5. The Committee place on record their appreciation for the work done by the Action Taken Sub-Committee (1995-96) of Standing Committee on Energy.

6. An analysis of the action taken by the Government on the recommendations contained in the 21st Report of the Committee is given in Appendix-XV.

NEW DELHI;
18 December, 1995

27 Agrahayana, 1917 (Saka)

JASWANT SINGH,
Chairman,
Standing Committee on Energy.

CHAPTER I

REPORT

The Report of the Committee deals with Action Taken by the Government on the recommendations contained in the Twenty- First Report (Tenth Lok Sabha) of Ministry of Coal which was presented to Lok Sabha on 3rd May 1995.

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

- (i) Recommendations/Observations that have been accepted by the Government :
SI. Nos. 1,2,3,4,6,9,10&11.
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies:
SI. No. 5
- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:
SI. Nos. 7 & 8.
- (iv) Recommendation/Observation in respect of which final replies of the Government is still awaited:—
— NIL—

3. The Committee will now deal with the action taken by the Government on some of their recommendations:—

A. Plan Performance

Recommendation SI. Nos. 2 & 4 (Paragraph Nos. 3,4 & 6)

4. In the context of huge shortfall in plan expenditure in successive years particularly in respect of Coal India Ltd. (CIL) and Neyveli Lignite Corporation (NLC), the Committee had desired to know what would be the

impact of this phenomenon on the economy and on the level of coal production in the long run. As regard to the need to improve project implementation in the coal sector, the Committee desired to know, how this would be achieved considering reduction in budgetary support to public enterprises and their inability to mobilise adequate internal and extra-budgetary resources.

5. The Government have not responded to query as to what would be the impact of shortfall in plan expenditure on the economy. The Government have, however, stated *inter-alia*, that the plan outlay for CIL was proposed to be enhanced to Rs. 9820 crores (from Rs. 8520 crores, originally approved). This included an additional budgetary support of Rs. 575 crores to make good the shortfall in raising targetted funds through bonds in the first 3 years of the Eighth Five Year Plan. It has been stated that the outlay for Singareni Collieries Co. Ltd. (SCCL) has also been suggested to be raised. The Committee stress that the Ministry of Coal must Follow up these proposals with the Planning Commission and ensure that these are approved. The Committee, would also like to be informed of the impact of shortfall in plan expenditure on short term and long term coal production.

B. Formulation of Perspective Plan

6. During the course of evidence of representatives of the Ministry of Coal, the Action Taken Sub-Committee enquired whether the Ministry had prepared any perspective plan for coal sector covering a period of 15 years. In reply the Coal Secretary admitted that there was no such perspective plan within the Ministry. The Coal Secretary, however, stated during evidence:—

"For any institution—more so in the case of coal mines which take anything between five to seven years and may be even ten years to be developed to full capacity—advance action needs to be taken and, therefore, there should be a perspective plan. Sir, before the beginning of a plan period a Working Group is set up by the Planning Commission and a report is submitted to them. When the last Working Group had met for the Eighth Five Year Plan, they had

given projections for the next 10 years including the Eighth Plan period. These projections are available."

7. To a further query whether the Ministry did not feel the need for a perspective plan, the Secretary stated:—

"No doubt, we feel that there is a necessity of having it. It helps us in advance so to what we should do in the future."

The witness however indicated in this connection:—

"In our integrated planning system, there have to be backward linkages and forward linkages. If we have to prepare a plan in isolation regardless of what is going to happen or what others are planning, it will just be a paper exercise.....That is why a separate body viz.. Perspective Planning Division of the Planning Commission is entrusted with this task. It sets out the ground rules. We will have to ask them."

8. The Committee are surprised to learn that the Coal Ministry does not have a long term perspective plan for the coal sector. It will be a challenging task to meet the fast growing demand for coal particularly from the power sector. Considering the long gestation period of coal projects, the need for formulation of perspective plan for the coal sector cannot be overemphasised. This was also recognised by the Coal Secretary during oral evidence. The Committee accordingly recommend that the Coal India Ltd. Ministry of Coal in consultation with the Planning Commission should draw up a perspective plan for coal sector covering a period of at least 15 years.

C. Project Implementation

Recommendation SI.No. 3 (Paragraph No. 5)

9. The Committee had observed that as on December 31, 1994, out of 71 projects under implementation in the coal sector, 22 projects were bedevilled by time and cost overruns. On an average, the cost overrun per project was about Rs. 77 crores and the time overrun per project was about 38 months.

10. The Ministry in its reply stated the following main reasons for the time and cost-overruns in coal projects:—

- (i) Delay in acquisition of land and rehabilitation of displaced persons;
- (ii) Delay in supply of equipment and turn-key execution mainly by Public Sector Undertakings;
- (iii) Encountering of adverse geo-mining conditions during underground mine development; and
- (iv) Constraint of funds.

11. Some of the major steps taken to improve the project implementation are stated to be as follows:—

(i) Land Acquisition and Rehabilitation: Regular interaction by the Ministry with the State Government/Local authorities takes place where required. Coal companies have strengthened their set up Departments by inducting suitable officers from the State Governments. As a result of this action, the problem of land acquisition has been sorted out in 6 out of 7 projects delayed on this score. Further, major projects (each costing Rs. 50 and above) are now being sanctioned in two stages. In the first stage, as an "Advance Action" an amount upto Rs. 10 crores is sanctioned for undertaking essential initial activities like land acquisition and related rehabilitation of land oustees, forest and environmental clearances, surveys for railway line, roads, power supply etc. In the second stage the investment approval to the projects is given.

(ii) Equipment Supply and Turn-key Execution: Equipment supplies are being expedited through posting of coal company officials at the manufactures works and through frequent followup meetings.

(iii) Geo-mining Constraints: Sophisticated geological and geo-physical exploration techniques and interpretation mechanism are being progressively introduced for better forecasting of geo-mining conditions. Further, Ministry of Coal in its guidelines issued in September'91 on project formulation and monitoring have laid down measures for improvement in the present practices of exploration, planning, appraisal, implementation and monitoring of projects etc.

(iv) Project Management: In each company board level review of projects implementation is done. Comprehensive guidelines for project formulation and monitoring have also been issued by the Ministry of Coal. The system of monitoring of projects at various levels have been standardised.

12. Project-wise allocation of funds is made in consultation with Planning Commission and is based on projections and availability of funds through internal and external budgetary resources as well as budgetary support. Steps are being taken to improve the internal resources of the coal companies. Coal companies are also being encouraged to access funds from national and international funding agencies/financial institutions.

13. The Ministry of Coal in a post evidence reply informed that as on 30.6.1995, there were 72 projects each costing Rs. 20 crores and above out of which 23 were delayed. The main cause for time over-run of the projects were:—

- 5 or 22% of delayed projects are delayed due to land acquisition and associated problem of rehabilitation.
- 7 or 30% of delayed projects are delayed due to delay in equipment supply and turn-key construction.
- 6 or 26% of delayed projects are delayed due to adverse geo-mining problems.
- 5 or 22% of delayed projects are delayed due to fund shortage and miscellaneous other reasons.

14. The Government have furnished the details including the revised completion schedule drawn up for the delayed projects. The Committee expect the Government to ensure that the projects are commissioned as per the fresh completion schedule and without any further cost escalation. The Committee desire that there should be a system of fixing responsibility at appropriate levels for project planning and implementation and also stipulation of penalties for failures.

D. Environmental Measures and Subsidence Control

Recommendation Sl. No. 7 (Paragraph Nos. 10 & 11)

15. The Committee observed that the amount expected to be utilised for control of mine fires and subsidence during the first four years of the Eighth Plan worked out to just Rs. 20.5 crores as against an outlay of Rs. 75 crores. The Committee had expressed dismay that no substantial progress had been made regarding subsidence control and environmental control measures during the one year period except for making a proposal to constitute an Apex Committee with Chief Minister, West Bengal as Chairman and Coal Minister as Co-Chairman. It had been stated that favourable response had not been received from the Government of West Bengal. The Committee urged that it should be possible to muster the active cooperation of the State Government and take urgent effective measures to control mine fires and subsidence.

16. In their reply, the Government have, *inter-alia*, stated that it is the responsibility of State Government to take appropriate, remedial and preventive measures in areas where subsidence occurs due to pre-nationalisation mining activities and illegal mining operations. The reply was, however, silent on the question regarding constitution of Apex Committee to review subsidence control and environmental measures in Raniganj Coalfields. When asked to reply to this point, the Coal Ministry stated in a written reply that the proposal for setting up of a High Powered Committee/Apex Committee with Chief Minister, West Bengal as Chairman has not evoked favourable response from the Government of West Bengal. In a post evidence reply the Ministry informed that out of 38 localities in Raniganj Coalfield of West Bengal declared unsafe by Apex Monitoring Committee, 33 localities fall within the leasehold area of Eastern Coal fields Limited (ECL).

17. The Committee feel that it should be the sole responsibility of coal companies to take appropriate, remedial and preventive measures in areas which fall within the leasehold of coal companies although the occurrence of subsidence is due to pre-nationalisation mining activities and illegal mining operations. The funds available under Coal Mines Safety and Conservation Act should be fully utilised by coal

companies for this purpose. The Committee expect the coal companies to initiate sincere effort in controlling subsidence and mine fires on a time-bound programme.

E. Stowing Operation

Recommendation Sl. No. 8 (Paragraph No. 12)

18. The Committee had observed from the Performance Budget that there were 49 areas in Raniganj Coalfields which had been declared unsafe. Out of this 34 areas were found to be suitable for stowing. It was stated that Plans have so far been prepared covering 9 of these areas and actual execution of the stowing is being carried out in 2 areas. The Committee had noted that the rate of stowing achieved was about 5000 to 7000 cum per year against about 20,000 cum of stowing required for each area and 4 years would be required for the stowing operations in each area with an approximate cost of Rs. 3.50 crores. Further, the total expenditure estimated for the 34 areas would be about Rs. 140 crores at current price level. The Committee had desired to know what was the Government's Plan in this regard and by when the work in all the 34 areas would be completed.

19. The Ministry of Coal in its reply has, *inter-alia*, stated that two pilot projects for developing a suitable technique through application of hydro pneumatic sand stowing for stabilisation of subsidence prone areas were under implementation. Another two projects in similar lines are being contemplated. It has been stated that these are only experimental projects to develop the technology and there is no plan at present to cover the remaining 34 areas.

20. The reply furnished by the Ministry as in the preceding paragraph was vastly different from what had been indicated in the Performance Budget. It had been stated in the Performance Budget that out of 34 areas found to be suitable for stowing, plans had so far been prepared covering 9 areas and actual execution of the stowing was being carried out in 2 areas. The Ministry, however, has now stated that the two areas under stowing operation are only experimental projects and there is no plan at present to cover the remaining areas. Ask to explain the inconsistent information, the Ministry of Coal expressed deep regret for the inconsistency in the information and indicated that the number of identified unsafe areas was

38. The Ministry further explained as follows:—

"The inconsistency in the information, (34 areas) contained in para 2.20 (page 9) of Performance Budget of Ministry of Coal 1995-96 and the earlier reply to the Parliament Committee about the unsafe areas is deeply regretted. The figure of 34 areas reflects the remaining 34 areas after considering two projects under implementation and two more contemplated. It is respectfully submitted that there was no intention of misleading the Parliament/Committee. To recapitulate, out of 38 unsafe localities, work is already continuing in 2 specific areas *viz.* Arun Talkies and Kumar Bazar. The Coal Company/Government have initiated action for undertaking stabilisation work for 2 more localities *viz.* Fatehpur and Borachak villages. 5 more areas have been identified for the purpose."

21. In view of the deep regret expressed by the Ministry of Coal, the Committee do not wish to pursue the matter further. The Committee, however, expect the Ministry to exercise care in future regarding information that is incorporated in the documents presented to Parliament and its Committees. The Committee desire that stowing operation should be undertaken in the remaining 34 areas on a time-bound programme.

F. *Coal Off-take and Pit Head Stocks*

Recommendation Sl. No. 11 (Paragraph Nos. 15 & 16)

22. The Committee had desired to know whether any norm had been laid down in regard to pit-head stocks and if so, how the actuals compared with them. The Committee also desired to know whether any measures were contemplated to bring down the level of pit-head stock to a normative level.

23. It was observed from the reply of the Ministry of Coal that the actual pit-head stocks exceeded the norms in Bharat Coking Coal Limited, Central Coalfields Limited, Western Coalfields Limited, South Eastern Coalfields Limited and Mahanandi Coalfields Limited. In a few cases the excess of stocks was more than double the norm. Asked to explain the reasons for excess pit-head stocks, the Ministry of Coal stated:—

"The high inventory at the beginning of the year is because the production of coal is at the peak in the last quarter of a financial year when the conditions are favourable. Production slackens in the first half of the year on account of adverse weather conditions, absenteeism etc."

The Ministry further added,

"The overall stock as on 1-9-95 compares well with the norms. However, MCL, SECL and NEC continue to hold the stocks significantly above the norms. The stock build up in MCL, SECL and NEC has occurred due to evacuation problem."

24. Explaining that the matter is being taken up with the Railway from time to time, the Secretary, Ministry of Coal stated during evidence:—

"Coal accounts for about 48 per cent of the total freight traffic of the Railways. We have taken up with them and the Railways are working on providing additional rakes in Mahanandi. In fact I had a discussion with them about four weeks back and they are working out. Beyond this, we are taking up this matter with the Railways from time to time and at all possible fora within our Ministry, within their Ministry and at the Coordination Committee meeting in the Cabinet Secretariat that more coal should be evacuated from these areas where we are in a position to produce more coal and as it happens these projects are there."

25. The Ministry of Coal in a post evidence reply stated, *inter-alia*, as under:—

"CIL has been building up infrastructure for movement of coal by rail from these fields. Wagon availability from railways has, however, not been able to match either the despatch targets or the loading capacity built up in these areas. Though, loading from these coalfields has been increasing over the years, except for a drop in Ib Valley during 1994-95, the railways would have to inject adequate infrastructure to match the loading capacity, production programmes and industry's requirements of coal in the various States.....Railways may have some problems in meeting the

growing needs but it is unavoidable that these difficulties will have to be effectively tackled so that adequate coal can be despatched from these coal fields to the States of Rajasthan, Gujarat, Maharashtra and South India. Particularly, doubling of the rail lines between Champa and Korba, Talcher and Paradeep and increasing of the capacity of Jharsuguda-Titlagarh Section merit immediate attention."

26. It is observed from the reply of the Ministry of Coal that the actual pit-head stocks exceeded the norms in Bharat Coking Coal Limited, Central Coalfields Limited, Western Coalfields Limited, South Eastern Coalfields Limited and Mahanandi Coalfields Limited. In a few cases the excess of stocks is more than double the norm. The Committee would like to point out that accumulation of huge stocks on the one hand blocks up inflow of funds and on the other causes coal shortages to the consumers; ultimately affecting the economy.

The Committee note the various measures proposed to be taken to reduce pit-head stocks. It has been stated that for CIL as a whole the stocks are expected to come down below one month's production at the end of the current year. The Committee desire that concerted efforts should be made to bring down the pit-head stocks to the normative level not only in CIL as a whole but also in all the subsidiaries. To achieve this, the difficulties regarding evacuation of coal should be effectively tackled in co-ordination with the Railways.

27. The Committee observe from the post-evidence reply furnish by the Coal Ministry that the shortage of coal detected during annual measurement of stocks as on 31.3.1995 and accounted for in 1994-95 Accounts but included in the book-stock was as much as 9.65 Million Tonnes with a value of Rs. 415.03 crores. The Committee urge that matter regarding such huge shortage of coal should be investigated and responsibility fixed. The Committee would also like to know the reasons for variation between book-stocks and vendible stocks and how the value of non-vendible stock is accounted for in the Accounts. The Committee also desire that Annual Report, performance Budget and other documents of the Ministry and of Coal India should faithfully report stock figures viz. vendible-stocks and not book-stocks, with proper explanation for shortages, non-vendible stock, etc. accounted for in the Accounts.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE COMMITTEE

Recommendation Serial No. 1 (Paragraph Nos. 1&2)

The Ministry of Coal have presented Demands for Grants of Rs. 621.43 crores for the year 1995-96 as against Rs. 910.81 crores (actual) in 1993-94 and Rs. 658.37 crores (revised) in 1994-95. The details of the Ministry's Demand for Grants under Revenue Section and Capital Section are shown in Appendix-I. The break-up of Demand for Grants of the Ministry in respect of three years are given below:

(Rs. in crores)

| | R.E | | Actuals | | B.E. | | R.E. | | B.E. | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1993-94 | | 1994-94 | | 1994-95 | | 1994-95 | | 1995-96 | |
| | Plan | Non-Plan | Plan | Non-Plan | Plan | Non-Plan | Plan | Non-Plan | Plan | Non-Plan |
| Revenue Section | 17.00 | 153.37 | 135.98 | 148.36 | 23.50 | 170.95 | 23.50 | 111.68 | 43.82 | 131.42 |
| Capital Section | 715.20 | 15.00 | 619.41 | 7.06 | 563.48 | 15.00 | 508.18 | 15.01 | 431.18 | 15.01 |
| Total Revenue & Capital Section | 732.41 | 168.37 | 755.39 | 151.42 | 586.98 | 185.95 | 531.68 | 126.69 | 475.00 | 146.43 |

2. It may be noted from the above statement that there has been considerable shortfall in utilisation of budgetary provisions of the Ministry in 1993-94 and reduction in budgetary estimates during 1994-95. The Committee would like to be apprised of the reasons for item-wise shortfall in utilisation during 1992-93 and reduction in budgetary estimates during 1994-95.

Reply of the Government

Presumably the Committee wishes to be apprised of the reasons for item-wise shortfall in utilisation during 1993-94 (and not during 1992-93) and reduction in budgetary provision in the revised estimates as compared to the budgeted amounts during 1994-95.

The major variation (Rs. 1 crore and above) and the reasons therefore were as follows

1993-94 Variation between revised estimates and actual expenditure:

| | | |
|----------------|--------------------|----------------------|
| Revenue (Plan) | RE | Rs. 17.00 crores |
| | Actual Expenditure | Rs.135.98 crores |
| | Variation | (+)Rs. 118.98 crores |

(a) A Supplementary grant of Rs. 120.00 crores was sanctioned for paying the amount to Coal India Ltd. for implementing the voluntary retirement scheme in BCCL & ECL.

(b) An amount of Rs. 1.00 crore under UNDP assistance for modelling and control of water system in coal mining environment was surrendered as the amounts already sanctioned had not been utilised fully.

| | | |
|--------------------|--------------------|--------------------|
| Revenue (Non-Plan) | RE | Rs.153.37 crores |
| | Actual Expenditure | Rs.148.36 crores |
| | Variation | (-)Rs. 5.01 crores |

(a) An amount of Rs. 4.00 crores earmarked as assistance to CIL for import of spares under UK grant could not be utilised due to non receipt of demands from the coal companies.

| | | |
|----------------|--------------------|---------------------|
| Capital (Plan) | RE | Rs. 715.41 crores |
| | Actual Expenditure | Rs. 619.41 crores |
| | Variation | (-)Rs. 96.00 crores |

(a) Rs. 96.00 crores was earmarked for payment to Singareni Collieries Co. Ltd. (SCCL) as equity. This amount was surrendered to enable the Ministry of Finance to release similar amount to the Govt. of Andhra Pradesh as loan for the purpose of investment in SCCL as equity. This was as per decision of the Government for revival of SCCL which had come under the purview of BIFR. Thus viewed, there was no shortfall in expenditure on this account.

| | | |
|--------------------|--------------------|--------------------|
| Capital (Non-Plan) | RE | Rs. 15.00 crores |
| | Actual Expenditure | Rs. 7.06 crores |
| | Variation | (-) Rs.7.94 crores |

(a) An amount of Rs. 15.00 crores was allocated for acquisition of coal bearing areas. Under the provisions of Section 9 of the Coal bearing Areas (Acquisition and Development) Act 1957, possession of the land is to be taken and other legal formalities completed before the compensation is paid. Due to the delays in the completion of these legal processes, the budgeted amounts could not be utilised in full and Rs. 7.94 crores was surrendered.

1994-95 Variation between BE 1994-95 *vis-a-vis* RE of 1994-95

| | | |
|----------------|--------------|------------------|
| Revenue (Plan) | BE (1994-95) | Rs. 23.50 crores |
| | RE (1994-95) | Rs. 23.50 crores |
| | Variation | NIL |

There was no variation.

| | | |
|--------------------|--------------|-------------------|
| Revenue (Non-Plan) | BE (1994-95) | Rs. 170.95 crores |
| | RE (1994-95) | Rs. 111.68 crores |
| | Variation | Rs. 59.27 crores |

(a) An amount of Rs. 58.08 crores was being provided as subsidy to Coal India Ltd. for payment of interest to the Govt. on non-plan interest free loans of Rs. 432.64 crores. The arrangement adopted for making these loans interest free was that the Govt. would sanction the amount equal to the interest accruable on the nonplan loans and this would be adjusted against the interest payment by CIL to the Govt. No provision has been made under RE for 1994-95 and BE 1995-96 as financial restructuring of Coal India Ltd. is now being taken up.

(b) An amount of Rs. 24.44 crores was budgeted as Govt. contribution towards social security for labour under the provisions of Coal Mines Provident Fund & Miscellaneous Provisions Act, 1948. The Government releases funds in proportion to the contribution of the employees and employers to the Family Pension-cum-Life Assurance Fund for coal miners and other schemes. An amount of Rs. 1.12 crores was surrendered in view of the reduced contributions from the employers/employees.

| | | |
|----------------|-----------|----------------------|
| Capital (Plan) | BE | Rs. 563.48 crores |
| | RE | Rs. 508.18 crores |
| | Variation | (-) Rs. 55.30 crores |

Rs. 30.20 crores This amount was provided as budget support payable to Neyveli Lignite Corporation (NLC) for power projects. Due to reduction in requirements for certain projects, the internal and extra budgetary resources were found to be adequate. The budget provision was, therefore, not required by NLC.

Rs. 25.10 crores There was a provision of Rs. 55.36 crores under externally aided projects for NLC. The external aid routed through budget is released on

the basis of flow of aid by way of equipment and services. Shortfall were mainly on account of changes in delivery schedules of the equipment.

| | |
|-----------------------|---------------------|
| Capital (Non-Plan) BE | Rs. 15.00 crores |
| RE | Rs. 15.01 crores |
| Variation | (+) Rs. 0.01 crores |

There was no significant variation

[Ministry of Coal O.M.No. 20011/3/95-IF dated 31 July, 1995.]

Recommendation Serial No. 2 (Paragraph Nos. 3 & 4)

Plan Performance

The Plan outlay for the Ministry of Coal is almost entirely limited to meet the financial requirements of three Public Sector Undertakings viz, CIL, NLC and SCCL for Plan investments in new mining and Power Projects. The Plan outlay and actual expenditure of the three companies during the first four years of the 8th Plan are given below:

| | 1992-93 | | 1993-94 | | 1994-95 | | 1995-96 |
|------|---------|--------|---------|--------|---------|------|---------|
| | B.E. | Actual | B.E. | Actual | B.E. | R.E. | B.E. |
| CIL | 1850 | 1808 | 1901 | 1688 | 2063 | 1850 | 2260 |
| NLC | 401 | 191 | 395 | 137 | 329 | 204 | 566 |
| SCCL | 409 | 406 | 642 | 545 | 483 | 550 | 516 |

It can be observed from the above table that there has been huge shortfall in plan expenditure in successive years particularly in respect of CIL and NLC. The poor plan performance is attributed to steady reduction in budgetary support and inability of PSUs to raise adequate bond resources. It has been claimed in the performance Budget that the shortfalls in Plan investment during 1992-94 and the reduction in Plan outlay during 1994-95 has not affected CIL's production target of coal. The Committee wish to point out that since coal projects generally have long gestation periods, a direct

relationship between investment on projects and coal production is difficult to establish. The Committee would like to know what would be the impact of this phenomenon on the economy and on the level of coal production in the long run.

Reply of the Government

Coal projects generally have long gestation periods and a direct relationship between investment on projects and coal production is difficult to establish, especially in the short run. An aggregate new capacity of 72 mt. was to be taken up during the 8th Plan period. Against this total new capacity sanctioned so far during the first 3 years of plan is 35.85 mt. Advance action for new projects in CIL and in SCCL has also been initiated. Some of these projects are expected to start yielding coal only during the 9th plan period.

Also during the mid-term appraisal of 8th Plan held in Sept., 1994, Ministry of Coal proposed a revised 8th Plan outlay of Rs. 14,414 crores at current prices against the original approved outlay of Rs. 12,357 crores (at 1991-92 prices). The Plan outlay for CIL was proposed to be enhanced to Rs. 9820 crores (from Rs. 8520 crores, originally approved). This included an additional budgetary support of Rs. 575 crores to make good the shortfall in raising targetted funds through bonds in the first 3 years of the 8th Five Year Plan. The outlay for SCCL has also been suggested to be raised.

Against the approved outlay for the 8th Plan, the expenditure at current prices during the first four years (actuals of 1992-93, 1993-94, RE for 1994-95 and BE for 1995-96) is expected to be 89.27% in case of CIL, 109.05 % in case of SCCL and 61.05% in case of NLC.

In the case of NLC, the shortfall in expenditure has mainly been on account of delay in the sanction of the TPS I Expansion and taking up Mine I Expansion projects. While Mine I Expansion project has been sanctioned, TPS I Expansion is awaiting sanction. Investments in NLC are expected to pick up in the remaining two years of the Plans.

[Ministry of Coal O.M. No. 20011/3/95-IF dated 31 July, 1995]

Further Information sought by the Sub Committee

Does the Ministry have any perspective plan regarding coal mining and execution of projects?

Reply of the Government

Demand of coal on a long term basis is worked out by the Planning Commission. Coal companies prepare projects having due regard to targets and priorities set out at the commencement of Plan period by the Planning Commission and the Ministry of Coal. The projects which are identified in the beginning of the Plan period are also reviewed at the Annual Plan formulation stage keeping in view targets set for coal production.

[Ministry of Coal OM No. 20011/3/95-IF, dated 21st Sept., 1995]

Comments of the Committee

(Please see Paragraphs 5 and 8 of the Report)

Recommendation Serial Nos. 3 & 4(Paragraphs 5 & 6)

Project implementation:

The Committee note that as on December 31, 1994, out of 71 projects under implementation in the coal sector, 22 projects are bedevilled by time and cost overruns. On an average, the cost overrun per project is about Rs. 77 crore and the time overrun per projects is about 38 months.

The Committee feel that there is imperative need to improve project implementation in the coal sector. The Committee would like to know, how this will be achieved considering reduction in budgetary support to public enterprises and their inability to mobilise adequate internal and extra budgetary resources.

Reply of the Government

Main reasons of time and cost overruns in coal projects are

- (i) Delay in acquisition of land and rehabilitation of displaced persons,
- (ii) Delay in supply of equipment and turn-key execution mainly by Public Sector Undertaking,
- (iii) Encountering of adverse geo-mining conditions during underground mine development; and
- (iv) Constraint of funds.

Some of the major steps taken to improve the project implementation are:

(i) Land Acquisition and Rehabilitation:— Regular interaction by the Ministry with the State Govt./Local authorities takes place where required. Coal companies have strengthened their set up departments by inducting suitable officers from the State Govts. As a result of this action, the problem of land acquisition has been sorted out in 6 out of 7 projects delayed on this score. Further, major projects (each costing Rs. 50 crores and above) are now being sanctioned in two stages. In the first stage, as an "Advance Action" an amount upto Rs. 10 crs. is sanctioned for undertaking essential initial activities like land acquisition and related rehabilitation of land oustees, forest and environmental clearances, surveys for railway line, roads, power supply etc. In the second stage the investment approval to the projects is given.

(ii) Equipment supply and turn-key execution:— Equipment supplies are being expedited through posting of coal company officials at the manufactures works and through frequent followup meetings.

(iii) Geo-mining constraints:— Sophisticated geological and geophysical exploration techniques and interpretation mechanism are being progressively introduced for better forecasting of geo-mining conditions. Further, Ministry of Coal in its guidelines issued in Sept. '91 on project formulation & monitoring have laid down measures for improvement in the present practices of exploration, planning appraisals, implementation and monitoring of projects etc.

(iv) Project management:— In each company, Board level review of projects implementation is done. Comprehensive guidelines for project formulation and monitoring have also been issued by the Ministry of Coal. The system of monitoring of projects at various levels have been standardised.

Project-wise allocation of funds is made in consultation with Planning Commission and is based on projections and availability of funds through internal and extra budgetary resources as well as budgetary support. Steps are being taken to improve the internal resources of the coal companies. Coal companies are also being encouraged to access funds from national and international funding agencies/financial institutions.

[Ministry of Coal O.M. No. 20011/3/95-IF dated 31 July, 1995]

Further Information sought by the Sub-Committee

Have these guidelines actually been implemented? If so, when? If there has been delay in implementation, what are the reasons?

Reply of the Government

The guidelines issued by the Ministry of Coal in Sept., 1991 covered formulation, implementation and monitoring of projects. These guidelines have, by and large, been implemented by the coal companies.

[Ministry of Coal OM No. 20011/3/95-IF dated 21st Sept., 1995]

Comments of the Committee

Did the Ministry issue any instruction regarding accountability of the authorities for project planning and implementation?

Reply of the Government

In September, 1991, Ministry communicated to the coal companies the

instructions received from Ministry of Finance, Deptt. of Expenditure that the reasons of time and cost overrun and fixing of responsibility thereto should be gone into and incorporated in the note submitted for sanction of Revised Cost Estimate (RCE). This is now being incorporated in all the proposals for Revised Cost Estimates. Copy of the instruction and the letter issued by the Ministry are enclosed.

Project Implementation Manual approved by Coal India Limited Board in 1985 has laid down duties and responsibilities of officers at various levels associated with implementation of projects. The powers delegated to the officers for performing their duties have also been defined.

[Ministry of Coal OM No. 20011/3/95-IF dated 21st Sept., 1995]

Post Evidence Replies Furnished by the Government

States of Implementation of Projects each costing Rs. 20 crs. and above in the Coal & Lignite sector.

As on 30.6.1995, 72 projects each costing Rs. 20 crs. and above were under implementation in the Coal and Lignite sector. Summarised status of these projects is as under:—

| | No. | Sanctioned cost (Rs. crs.) | Anticipated cost (Rs. crs.) | cost overrun % | Number on schedule | Number delayed |
|------------------------------------|-----|-------------------------------|--------------------------------|-------------------|--------------------|----------------|
| Mega >Rs. 1000crs. | 1 | 1336.93 | 1783.59 | 33.40 | 1 | - |
| Major >Rs. 100crs. and >1000 | 25 | 7589.58 | 8468.21 | 11.58 | 16 | 9 |
| Medium >Rs. 20<100 crores | 46 | 2195.28 | 2444.76 | 11.36 | 32 | 14 |
| | 72 | 11054.31 | 12696.56 | 14.15 | 49 | 23 |

Details of 72 on-going projects are given at Annexure-III

Causes of Time over-run:

Main causes of Time over-run of projects are:—

- 5 or 22% of delayed projects are delayed due to land acquisition and associated problem of rehabilitation.
- 7 or 30% of delayed projects are delayed due to delay in equipment supply and turn-key construction.
- 6 or 26 % of delayed projects are delayed due to adverse geo-mining problems.
- 5 or 22 % of delayed projects are delayed due to fund shortage and miscellaneous other reasons.

List of delayed projects is given at Annexure-IV

Status of implementation of 23 delayed projects reasons for their delays and action taken to expedite implementation are given in the enclosed statement at Annexure-V

Comments of the Committee

(Please see paragraphs 5 and 14 of the Report)

Recommendation Serial No. 6 (Paragraph No. 8)

Mine I expansion project of NLC

As against a budget estimate of Rs. 68 crores and revised estimates of Rs. 25.5 crores during 1994-95 for Mine I expansion project of NLC, only Rs. 10.21 crores has been spent during 1994-95 (upto Dec. '94). For the year 1995-96 however a hefty provision of Rs. 200 crores had been made for the project even without finalising the agency for funding the foreign requirement of the projects. The Committee would like the Ministry of Coal to clarify the position and indicate the prospects for implementing the projects.

Reply of the Government

Mine I Expansion is part of an integrated project, directly linked to TPS I Expansion project. Both the projects were initially cleared by PIB in June '91. PIB had desired that NLC should finalise the power purchase agreements with the concerned State Electricity Boards before approaching the CCEA for final clearance for Thermal Power Station I Expansion project. Detailed discussions with SEBs were required to secure their formal acceptance regarding the norms and parameters for fixation of tariffs as directed by the PIB. These discussions have now been concluded.

The project was kept in abeyance till NLC could settle various outstanding issues as otherwise expenditure on Mine I Expansion project could have been infructuous. In 1994-95, against R.E. provision of Rs. 25.55 crores the actual expenditure has been Rs. 22.85 crores.

KFW, of Germany, have already agreed in principle to allocate DMs 347.75 Million for both the projects out of which DMs 196.25 Million is meant for Mine I Expansion project. Actual release can start after PIB clearance has been obtained for linked TPS I Expansion project.

NLC has been advised to ensure full utilization of the funds which have been budgetted for 1995-96. It is in the process of finalising different packages for ordering of specialised mining equipment etc.

[Ministry of Coal O.M. No. 20011/3/95-IF dated 31 July, 1995]

Recommendation Serial No. 9 (Paragraph No. 13)

Subsidy

The Committee note that a Budgetary provision of Rs. 123 crores was made for the year 1993-94 and Rs. 143 crores in 1994-95 under the object Head No. 33. The amount was however, revised to Rs. 85 crores during 1994-95. The Budgetary provision for 1995-96 is Rs. 103 crores. The Committee would like to be informed of the details of the subsidy and the justification for extending the same.

Reply of the Government

The budgetary provision under the object Head No. 33 were as follows.

(Rs. in Crores)

| Item | Description | BE 94-95 | RE 94-95 | BE 95-96 |
|-------|--|----------|----------|----------|
| (a) | Subsidy to Coal India Ltd. for payment of interest on non-plan loans. | 58.08 | Nil | Nil |
| (b) | Payment against collection of cess on coal and coke | 40.00 | 40.00 | 45.00 |
| (c) | Payment against collection of cess towards Development of roads in coalfield areas. | 40.59 | 40.59 | 55.00 |
| (d) | Payment to Coal India on account of transactions of collieries prior to formation of National Coal Development Corporation | 0.01 | 0.01 | 0.01 |
| (e) | Assistance to Coal companies for import of spares under UK grant. | 4.0 | 4.0 | 3.0 |
| Total | | 142.68 | 84.60 | 103.01 |

The justification for each of the above items are as follows:

(a) Subsidy to Coal India Ltd. for payment of interest on Non-Plan loans:

An amount of Rs. 58.08 crores was being provided as subsidy to Coal India Ltd. for payment of interest to the Govt. on non-plan interest free loans of Rs. 432.64 crores. The arrangements adopted for making these loans interest free was that the Govt. would sanction the amount

equal to the interest accruable on the non-plan loans and this would be adjusted against the interest payment by CIL to the Government. No provision has been made under RE for 1994-95 and BE 1995-96 as financial restructuring of Coal India Ltd. is now being taken up.

(b) & (c) Payment against collection of cess/excise duty on coal and coke:

These schemes for undertaking stowing and conservation as well as development of roads in coalfield areas are undertaken out of the cess/excise duty collected under the Coal Mines (Conservation & Development) Act 1974 and rules made thereunder. This Act provides for a levy on all coal raised and despatched from the collieries in India. The present rate is Rs. 4.25 per tonne on coking coal and Rs. 3.50 per tonne on noncoking coal. Out of the money so collected, the coal companies are provided funds for undertaking certain works, admissible under the law by which the levy was made.

(d) Payment to Coal India Ltd. on account of transactions of collieries prior to formation of National Coal Development Corporation (NCDC):

11 Collieries belonging to the erstwhile Indian States/State Railways were taken over in 1956 by NCDC. All the employees working in these collieries were treated as Central Government employees and the Government are required to pay proportionate share of pensionary benefits to these employees for the period of service rendered upto 30th September, 1956. A token provision is made in the budget for meeting any pending liabilities of these collieries.

(e) Assistance to Coal companies for import of spares under UK Grant:—

The provision was made to enable coal companies to import spares under a grant from the UK Government. It has since been decided to pass on the external assistance directly to the coal companies without any transaction in the Government account. Hence, the amount for the current year would be surrendered.

[Ministry of Coal O.M. No. 20011/3/95—IF dated 31 July 1995]

Recommendation Serial No. 10 (Paragraph No. 14)

Coal Sales Dues

The amount disputed by consumers is increasing mainly because of the fact that the power houses are not accepting colliery end as the venue for quality inspections. The outstanding dues to CIL as on 31.10.1994 is stated to be as much as Rs. 4167 crores out of which Rs. 1987 crores are disputed. Consumers like DVC, Badarpur and UPSEB are not paying even the undisputed dues. The Committee would like to be apprised as to what steps were taken by the Ministry to recover the undisputed dues and outcome thereof. The Committee also wish to know the present position regarding appointment of umpires to resolve disputed dues.

Reply of the Government

The total coal sale outstanding dues of Coal India Limited from all consumers as on 30.4.1995 are Rs. 4067.53 crores out of which Rs. 2300.72 crores are "disputed" by consumers. Power sector is the major defaulter. The total dues from Power Utilities are Rs. 3288.39 crores out of which the "disputed" dues are Rs. 1655.53 crores. Following steps are being taken to reduce the outstanding dues of the coal companies:—

(i) Ministry of Coal has advised coal companies to implement the decision to supply coal to power houses against advance payment or letters of credit.

(ii) Coal companies are holding periodical discussions with State Electricity Boards to reconcile the outstanding dues and persuade them to make payments.

(iii) To the extent possible, recovery of dues by way of adjustment against energy bills of Damodar Valley Corporation, Bihar State Electricity Board, Uttar Pradesh State Electricity Board and power utilities in West Bengal is being done.

(iv) Recovery of Rs. 65.09 crores was also made out of the Central plan assistance to the Government of National Capital Territory, Delhi, during

the year 1994-95 towards the dues of Badarpur Thermal Power Station. It was decided in the meeting taken by the Committee of Secretaries on 17th March, 1994 that irrevocable letters of credit should be opened by SEBs in favour of coal companies for ensuring supply of coal. It was also decided in the meeting held in the Planning Commission that no coal supplies be made after 15th May, 1995 unless IRLCs were opened by the power utilities.

Subsequently, Secretary (Coal) took a meeting with major SEBs on 8.5.1995 to review the progress of implementation of the decision taken by the Committee of Secretaries in the meeting held on 17th March, 1994 regarding opening of IRLCs by SEBs in favour of coal companies. In this meeting, some SEBs had expressed difficulties in opening IRLCs. While appreciating the merit in the plea made by SEBs that LC may not be insisted upon in all cases, Secretary (Coal) advised that advance payments will be absolutely necessary if coal supplies have to be continued. Secretary (Coal) further mentioned that those who default in this would have to open IRLC if they want coal. Accordingly, CIL has addressed letters to all the SEBs/power utilities to implement the decision taken by the Committee of Secretaries in the meeting held on 17th March, 1994 by opening IRLCs equivalent to 105% of past average monthly billing by 27th May, 1995 for supply of coal from 1st June, 1995.

Response from SEBs/power utilities are as under:

PSEB - has opened IRLC. Supplies continue.

GEB - making advance payments. Supplies continuing to the extent of advances.

RSEB- has opened IRLC. Supplies continue.

HSEB- making advance payments. Supplies continuing to the extent of advances.

KPCL- making advance payments. Supplies continuing to the extent of advances.

MSEB - making advance payments. Supplies continuing to the extent of advances.

- DESU - making advance payments. Supplies continue to the extent of payment.
- CESC- making advance payments. Supplies continue to the extent of payment.
- AEC - making advance payments. Supplies continue to the extent of payment.
- BOMBAY SUB-URBAN CO.- making advance payments. Supplies continue to the extent of payment.
- TATA ELECTRIC CO. (Trombay) - making advance payments. Supplies continue to the extent of payment.
- RENUSAGAR POWER CO.- making payment daily on presentation of bills.
- TNEB - making advance payments. Supplies continue to the extent of payment.
- ASEB - have opened IRLC. Supplies continue.
- Disergarh Power Supply - Value of coal supplies is being adjusted with the monthly power supply dues. Supplies continue.
- NTPC - Dadri & Unchahar TPs had made advance payments to CCL and supplies are continuing from CCL. They have now made advance payments for Dadri to BCCL against which supplies are being resumed. No arrangements have been made in respect of supplies from ECL to Unchahar TPS.
- BSEB - Supplies are being continued to the extent of value of energy bills. BSEB are however yet to confirm acceptance of payment terms.
- MPEB- Supply of coal continues from SECL and WCL to the extent of value of energy bills. MPEB are yet to confirm acceptance of payment terms and have instead proposed continuation of existing arrangements on the ground that they have exempted the coal companies from security deposit equivalent to three months' energy bills as well as imposition of 30% power cuts applicable to industries in M.P.

DVC-supplies are continuing from CCL and BCCL as well to the extent of energy bills. DVC are yet to confirm acceptance of payment terms.

WEST BENGAL, POWER UNITS (WBSEB, WBPDC and DPL) - Supply of coal is continuing to the extent of energy bills which are being adjusted on month to month basis. WBPDC and DPL are yet to confirm acceptance of payment terms as proposed by CIL.

UPSEB - have opened a back-up LC for Rs. 20 crores and have assured payment within 48 hours on submission of bills. The conditions provided in the LC for negotiation of bills are not acceptable to CIL and have therefore been referred back to UPSEB for amendment. Negotiation are continuing.

Since, the outstanding dues from Badarpur Thermal Power Station are causing serious concern, Committee of Secretaries in its meeting held on 9th June, 1995 has recommended that the central plan assistance of Rs.270 crores may be adjusted against the current bills of creditors on a monthly basis.

The latest position of outstanding dues as on 13th May, 1995 is annexed (at apperdix VI)

Further, as per the decision of the Committee of Secretaries regarding mechanism for dispute resolution. Umpires have been appointed on 17-5-95 who would take up the disputes of the SEBs that might remain unresolved even after discussion between the coal companies and concerned SEBs. The umpires appointed are:

1. Shri V. Krishan - UPSEB, RSEB and KPCL
2. Shri R. K. Tikku - PSEB, HSEB, BTPS and DESU
3. Shri R. Srinivasan - TNEB and APSEB
4. Shri B. Vijayaraghavan - MSEB and GEB

Proceedings before the umpires are expected to commence shortly.

[Ministry of Coal OM No. 20011/3/95-IF dated 31 July, 1995]

Recommendation (Serial No. 11, Paragraph No. 15 & 16)

Coal Off take and Pit Head Stocks

15. Off take of raw coal grew substantially from 208.38 mt. during 1992-93 mt. to 216.53 mt during 1993-94. The offtake for the year

1994-95 is expected to be 231.50 mt while for the year 1995-96 the off take is estimated as 248.50 mt. At the end of March 1994 the pithead stock of CIL was 49.49 mt against the pit-head stock of 50.10 mt in March, 1993. A decrease in stock to the extent of 7.50 mt has been planned for 1995-96.

The Committee would like to know whether any norm has been laid down in regard to pit head stock and if so, how the actuals compared with them. The Committee would also like to know whether any measures are contemplated to bring down the level of pit-head stock to a normative level.

Reply of the Government

As per the guidelines on stocking policy of CIL formulated in consultation with the Planning Commission, coal company should hold stocks as indicated below:

(i) For a subsidiary company as a whole, the company's stock at pit-head should not be more than one month's production.

(ii) At each colliery the pit-head stock should not exceed 3 months production.

A copy of the guidelines is given at Appendix -VII.

Comparative position of coal stocks as per norms and the actual vendable stocks on 1.4.1995 is as follows:

| Company | As per norms* | (Data provisional) |
|------------|---------------|---------------------------|
| | | (Figs. in million tonnes) |
| | | Actual |
| ECL | 2.07 | 2.290 |
| BCCL | 2.39 | 4.322 |
| CCL | 2.61 | 4.640 |
| NCL | 2.71 | 1.485 |
| WCL | 2.27 | 3.082 |
| SECL | 4.17 | 8.699 |
| MCL | 2.28 | 5.145 |
| NEC | 0.1 | 1.137 |
| CIL | 18.6 | 30.800 |

* One month's average production during 1994-95.

The actual pit-head stocks in some subsidiaries of Coal India exceed the norms. Contemplated measures for improvement are:

- (i) It is proposed to meet demand of coal to an extent of 7.5 Mt during 1995-96 through draw down from pithead stocks if the demand materialises. For CIL as a whole the stocks are expected to come down below one month's production at the end of current year even though some of the subsidiaries may have to carry higher stocks.
- (ii) Major consumers are encouraged to draw additional supplies by alternate transport arrangements.
- (iii) Coal despatches are being further stepped up by other modes *e.g.* MGR, ropeways, own wagons, belts etc.
- (iv) For improved evacuation of coal, Liberalised Sales Scheme has been introduced allowing the customers to buy coal without sponsorships linkages, etc. LSS sales for the year 1994-95 were 40.16 lakh tonnes. Sales, for the first quarter 1995-96 are 16.12 lakh tonnes, indicating a substantial step up.
- (v) Incremental rail loading targets have been fixed for 1995-96.

[Ministry of Coal O.M. No. 20011/3/95-IF, dated 31 July 1995]

FURTHER INFORMATION SOUGHT BY THE SUB-COMMITTEE

What exactly were the subsidiary-wise reasons for excess pit-head stocks?

Reply of the Government

The high inventory at the beginning of the year is because the production of coal is at the peak in the last quarter of a financial year when the conditions are favourable. Production slackens in the first half of the year on account of adverse weather conditions, absenteeism etc.

The comparative position of norms and stocks (as reported by Coal India Ltd.) as on 1.4.95 and 1.9.95 is as follows:

STOCKS (In million tonnes) (Provisional)

| Company | as per norm | as on 1.4.95 | as on 1.9.95 |
|---------|-------------|--------------|--------------|
| ECL | 2.07 | 2.290 | 0.890 |
| BCCL | 2.39 | 4.322 | 2.919 |
| CCL | 2.61 | 4.540 | 2.176 |
| NCL | 2.71 | 1.585 | 0.118 |
| WCL | 2.27 | 3.082 | 1.092 |
| SECL | 4.17 | 8.699 | 7.138 |
| MCL | 2.28 | 5.145 | 3.511 |
| NEC | 0.10 | 1.137 | 1.108 |
| | 18.60 | 30.800 | 18.952 |

It may be seen from the above table that the overall stock as on 1-9-95 compares well with the norms. However, MCL, SECL and NEC continue to hold the stocks significantly above the norms. The stock build up in MCL, SECL and NEC has occurred due to evacuation problems.

[Ministry of Coal OM No. 20011/3/95-IF dated 21st Sept., 1995]

Post Evidence Replies Furnished by the Government

(i) Note for Improvement in Railway Infrastructure for evacuation of coal from Korba, Ib and Talcher Coalfields.

The current projection of production from CIL sources for the current year as well as 96-97 is given field wise in the Appendix VIII.

The potential for enhancing production in the future years, *i.e.*, in 9th and 10th Plan is concentrated mainly in three coalfields *viz.* Korba, Talcher and Ib Valley.

Apart from the local consumption within the coalfields by pithead power houses, coal from Korba, Talcher and Ib Valley coalfields has to be transported for meeting the requirements of power houses in the States of Rajasthan, Gujarat, Maharashtra and the Southern States. Some coal has also to be moved from Ib coalfields to West Bengal. The projected

despatches from these three coalfields, by rail and other routes are given in Appendix IX.

CIL has been building up infrastructure for movement of coal by rail from these fields. Wagon availability from Railways has, however, not been able to match either the despatch targets or the loading capacity built up in these areas. Though, loading from these coalfields has been increasing over the years, except for a drop in Ib during 1994-95, the Railways would have to inject adequate infrastructure to match the loading capacity, production programmes and industry's requirements of coal in the various states.

The Table below gives the year-wise targetted and actual coal loading from these fields as against their loading capacity in terms of four wheeler wagons on a daily average basis.

| Field | Figures in FWWs/day | | | | | | | | Loading Capacity |
|---------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------|
| | 92-93 | | 93-94 | | 94-95 | | 95-96 | | |
| | Tar- get | Act- ual | Tar- get | Act- ual | Tar- get | Act- ual | Tar- get | Act- ual | |
| Korba | 1050 | 1048 | 1165 | 1130 | 1461 | 1306 | 1944 | 1376 | 2030 |
| Talcher | 950 | 965 | 1110 | 1051 | 1214 | 1348 | 1625 | 1576 | 2030 |
| Ib | 850 | 823 | 950 | 919 | 998 | 889 | 1229 | 1173 | 1450 |

As will be seen from the above, during the current year wagon loading potential in all these fields is not being fully utilised. It is also leading to accumulation of stocks at these coalfields.

Railways may have some problems in meeting the growing needs but it is unavoidable that these difficulties will have to be effectively tackled so that adequate coal can be despatched from these coalfields to the States of Rajasthan, Gujarat., Maharashtra and South India. Particularly, doubling of the rail lines between Champa and Korba, Talcher and Paradeep and increasing of the capacity of Jharsuguda-Titlagarh Section merit immediate attention.

(ii) Coal stock shortages and their implications in the Annual Accounts of Coal India Limited are given below for the year 1994-95:—

Figures of Book Stock & Measured Vendible Stock on 1.4.1995.

(Figs. in Million Tonnes)

| | |
|--|---------------------|
| Reported Book stock on 1.4.94 | 49.49 |
| Add Production 1994-95 | 223.06 |
| | <u>272.55</u> |
| Less Offake 1994-95 | <u>222.52</u> |
| Book Stock on 1.4.1995 | 50.03 |
| Less Shortage of earlier years accounted for in the Annual Accounts but continuing to be included in the Book Stock | 5.78 Details at "a" |
| | <u>44.25</u> |
| Less non-vendible stock of earlier years continuing to be carried in the Book Stock | 3.12 |
| | <u>41.13</u> |
| Less Short detected during Annual measurement of Stocks as on 31.3.1995 and accounted for in 1994-95 Accounts but included in the Book Stock | 9.65 Details at "b" |
| | <u>31.48</u> |
| Less stock declared non-vendible during measurements of stock as on 31.3.95 | 0.68 |
| Measured Vendible Stock | <u>30.80</u> |

| Subsidiary | "a" | | "b" | |
|--------------|-----------------------|---------------------|------------------------|---------------------|
| | Qty in Million Tonnes | Value in Rs. crores | Qty. in Million Tonnes | Value in Rs. crores |
| ECL | 0.98 | 47.47 | 0.22 | 12.60 |
| BCCL | 4.80 | 190.58 | 2.92 | 132.45 |
| CCL | - | - | 6.51 | 269.98 |
| TOTAL CIL | 5.78 | 238.05 | 9.65 | 415.03 |

Impact of difference between Book stock and Ground stock on the Annual Accounts of 1994-95.

The impact of Rs. 415.03 crores on account of shortage of coal stock as detailed under column "b" of table above has been accounted for in the Annual Accounts for the year 1994-95.

[Ministry of Coal OM No. 20011/3/95 dated 9.10.95]

Comments of the Committee

(Please see paragraph 26 and 27 of the Report)

CHAPTER III

RECOMMENDATIONS /OBSERVATIONS WHICH THE COMMITTEE DO NO DESIRE TO PURSE IN VIEW OF THE GOVERNMENTS REPLIES

Recommendation serial No 5 (Paragraph No. 7)

Internal resources of NLC

It is observed from the Performance Budget that the Neyveli Lignite Corporation could not generate any internal resources for Plan investment during 1992-93 and 1994-95. The target of Rs. 40 crores fixed in this regard for 1994-95 has been revised to Rs. 30 crores. Viewing from this background, the Committee are surprised that a target of about Rs. 291 crores has been estimated to be generated internally during 1995-96. This appears to be ambitious. The Committee are interested in knowing the basis for such optimism. The Committee also desire that efforts should be made to ensure that the target for generation of internal resources during 1995-96 is achieved without any shortfall.

Reply of the Government

In 1994-95 the generation of internal resources has been Rs. 150.00 crores. Out of this NLC has used Rs. 30.00 crores in 94-95 leaving a surplus of Rs. 120.00 crores carried forward to 95-96. In 95-96 the expected level of internal resources generation is Rs. 170.66 Crores . Taken together, (Rs. 1200.00 crores+ Rs. 170.66 crores) the total internal resources for 95-96 would be Rs. 290.66 crores. The increase in internal resources is due to increase in tariff rate, refund of capital expenditure from Power Grid Corporation of India and due to commissioning of all the four units in Thermal Power Station II- Stage. II

[Ministry of Coal O.M.No.20011/3/95-IF dated 31 July 1995]

Comments of the Committee

CHAPTER -IV

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

Recommendation Serial No. 7 (Paragraph No.,10&11

Environmental Measures and Subsidence Control

Major Head 2803 C5 (3)

The VII Plan had envisaged a major thrust in environmental management in the following two areas:-

- (a) Control of mine fires in Jharia coalfields.
- (b) Control of subsidence in the old abandoned area of Raniganj coalfields.

A total provision of Rs. 75 crores has been made as the 8th Plan outlay under this Head. The funds earmarked for environmental measures in the Budget during each of the last two years and for 1995-96 are given below:

(Rs.in crores)

| 1992-93 | 1993-94 | 1994-95 | 1995-96 | | |
|---------|---------|---------|---------|------|------|
| Actual | | Actual | B.E | R.E | B.E |
| 5.00 | | 5.00 | 5.00 | 5.00 | 5.52 |

It can be observed from above that the amount expected to be utilised for control of mine fires and Subsidence during the first four years of the 8th Plan works out to just Rs. 20.5 crores as against an outlay of Rs. 75 crores. The Committee in their 7th Report had dealt with environmental measures and subsidence control. It has been stated in the Performance Budget that the Ministry of Coal is in constant dialogue with the Government of West Bengal for creation of an institutional arrangement for subsidence control and environmental control measures in Raniganj Coalfields. It was also reportedly proposed that a High Power Committee/Apex Committee with Chief Minister, West Bengal as Chairman and Coal Minister as Co-chairman may be constituted to oversee and review the programme of

implementation of various schemes. Further, it has been stated that till now favourable response has not been received from the Government of West Bengal. The committee are dismayed to note that even after the committees observation last year no substantial progress has been made in the matter except for making a proposal to constitute an Apex Committee. The Committee do not expect an expression of helplessness by the Govt. in dealing with this matter. It should be possible to muster the active co-operation of the State Govt. and take urgent effective measures to control mine fires and subsidence.

Reply of the Government

As is already well known, the problem of subsidence arose from unscientific coal mining carried out under shallow surface cover in the period prior to nationalisation of coal mines. The areas affected by subsidence including subsidence prone areas, need attention and anti-subsidence measures have to be taken up. By virtue of section 7 of the Coal Mines (Nationalisation) Act, 1973, neither the Govt. of India, nor Coal India Ltd. (or its subsidiary company) is liable for liabilities / contraventions of law, if any of the period prior to the nationalisation of coal mines. It is the responsibility of State Govt to take appropriate remedial preventive measures in areas where subsidence occurs due to pre-nationalisation mining activities and illegal mining operations.

However, issue of subsidence control has been receiving attention of the Central Government. Eastern Coalfields Ltd. has taken up two pilot projects for development of a technique for stabilisation of subsidence prone areas.

As regards problem of coalfield fires, the first incident in Jharia coalfield was reported in the year 1916. At the time of nationalisation of coking coal mines in 1972, there were reportedly 70 active fire spots covering an area of about 17 sq.km. Since nationalisation, five fires have been completely extinguished and further spread of six fires has been brought under control. The expenditure incurred on these was about Rs. 73 crores.

In order to deal with the problem of coalfield fires in Jharia, a diagnostic study has been taken up with the assistance of World Bank which has provided a loan of US \$ 12 million. The study has two components :-

- a) Development of fire fighting programme, and
- b) Preparation of environmental management plan.

The study is expected to be completed in June 1996.

[Ministry of Coal O.M.No. 20011/3/95-if dated 31 July 1995]

Comments of the Committee

Recommendation Serial No.8 (Paragraph No.12)

Stowing Operation

It is observed from the Performance Budget that at present there are 49 areas in Raniganj Coalfields which have been declared unsafe. Out of this 34 areas were found to be suitable for stowing. It has been stated that plans have so far been prepared covering 9 of these areas and actual execution of the stowing is being carried out in 2 areas. The Committee note that the rate of stowing achieved was about 5000 to 7000 cu m per year against about 20,000 cu m of stowing required for stabilising each area. 4 years would be required for the stowing operations in each area and the approximate cost per area comes to Rs. 3.50 crores. Further, the total expenditure estimated for the 34 areas will be about Rs. 140 crores at current price level. The Committee would like to know what is the Government's plan in this regard and by when the work in all the 34 areas are expected to be completed.

Reply of the Government

As already stated above two pilot projects for developing a suitable technique through application of hydro pneumatic sand stowing for stabilisation of subsidence prone areas are under implementation. Another two projects on similar lines are being contemplated. These are only experimental projects to develop the technology. There is no plan at present

to cover the remaining 34 areas.

[Ministry of coal O.M.No. 20011/3/95-If dated 31 July 1995]

Furthe Information sough bythe sub-committee

- (i) How do you explain the vast difference in the information furnished in the Performance Budget and that furnished to the Committee ?
- (ii) Don't you think that the inconsistency in the information amounts to misleading the Parliament/ Committee on the issue regarding stowing operation ?
- (iii) What is the factual position regarding plans for covering the 34 areas found to be suitable for stowing ?

The reply of the Ministry to recommendation Sl. No.7 (Paragraph No. 11) is silent on the question regarding constitution of apex Committee to review subsidence control and environmental control measures in Raniganj Coalfields. The Ministry has also not given any reply to the points regarding shortfall in utilisation of 8th plan outlay earmarked for control of mine fires and subsidence.

- (iv) Will you please reply to these points now?
- (v) What is the responsibility of the Central Govt. in ensuring safety of people in the areas where subsidence occurs due to pre-nationalisation mining activities which have been taken over by successor lessee.

Reply of the Government

Coal India Ltd. had constituted an Apex Monitoring Committee, having representatives of Government of West Bengal, Directorate General of Mines Safety, CMPDIL, Eastern Coalfields Ltd, people's representatives (MPs, MLAs) etc. This Committee had examined 49 unstable localities of Raniganj. This Committee had opined that 38 localities in Ranganitara

unsafe. The remaining 11 localities were not considered unsafe.

In this connection it may be submitted that the factual position regarding the identified 38 unsafe areas has appeared in page 68 (para 8,10) of the Annual Report of the Ministry of Coal 1994-95 and also in replies to Parliament questions on the subject.

It may kindly be recalled that in reply to recommendation Serial No.8 paragraph No.12 (Statement showing Action Taken on the recommendations/ conclusions contained in the Twenty first Report of the Standing Committee on Energy) it was submitted that two areas for developing a suitable technique through application of hydro-pneumatic sand stowing for stabilisation of subsidence prone areas are under implementation and that another two areas on similar lines are being contemplated. Therefore taking into account 2 areas under implementation and two more which were contemplated, the remaining areas would be 34 in number.

The inconsistency in the information (34 areas) contained in para 2.20 (page 9) of Performance Budget of Ministry of Coal 1995-96 and the earlier reply to the Parliament Committee about the unsafe areas is deeply regretted. The figure of 34 areas reflects the remaining 34 areas after considering two projects under implementation and two more contemplated. It is respectfully submitted that there was no intention of misleading the Parliament/ Committee.

To recapitulate, out of 38 unsafe localities, work is already continuing in 2 specific areas viz Arun Talkies and Kumar Bazar. The coal company/ Government have initiated action for undertaking stabilisation work for 2 more localities viz. Fatehpur and Borachak villages. 5 more areas have been identified for the purpose.

While it is true that the expenditure on this scheme in the past has been low, efforts will be made for improving the utilization of VIII plan outlay.

The proposal for setting up of a High Powered Committee/Apex Committee with Chief Minister, West Bengal as Chairman has not evoked favourable response from the Government of West Bengal.

As already submitted the Central Government or Govt. company is not liable for prior period liabilities or any contravention of law before the mines were nationalised.

[Ministry of Coal O.M.No. 20011/3/95-IF dated 21st Sept. 1995]

Post Evidence Replies Received from the Government

List of Localities falling within the Leasehold area of Eastern Coalfields Ltd.

Out of 38 localities in Raniganj Coalfield of west Bengal declared unsafe by Apex Monitoring Committee, 33 localities fall within the leasehold area of Eastern Coalfields Limited (ECL) as per details given in Appendix X.

Comments of the Committee.

(Please see paragraph 21 of the Report)

CHAPTER V

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

— NIL —

New Delhi,
18, December, 1995
27 Agrahayara, 1917 (Saka)

JASWANT SINGH
Chairman,
Standing Committee on Energy

APPENDIX I

**STATEMENT SHOWING DEMANDS FOR GRANTS 1995-96 OF MINISTRY OF COAL
UNDER REVENUE AND CAPITAL SECTION**

(Rs. in crores)

| | 1994-95 (Budget) | | 1994-95 (Revised) | | 1995-96 (Budget) | |
|--|------------------|-------|-------------------|-------|------------------|-------|
| | Major | Non- | Plan | Non- | Plan | Non- |
| | Head | Plan | Total | Plan | Total | Total |
| REVENUE SECTION | | | | | | |
| 1. Secretariat-Economic Services | 3451 | - | 2.19 | 2.19 | - | 2.36 |
| 2. Labour & Employment | 2230 | - | 24.44 | 23.32 | - | 24.51 |
| Coal Mines Labour Welfare | | | | | | |
| 3. Coal and Lignite | 2803 | | | | | |
| (a) Conservation and safety in coal mines | - | 40.00 | 40.00 | - | 40.00 | 45.00 |

| | 1994-95 (Budget) | | | 1994-95 (Revised) | | | 1995-96 (Budget) | | |
|---|------------------|-------|-------|-------------------|-------|-------|------------------|-------|-------|
| | Major | Non- | Total | Plan | Non- | Total | Plan | Non- | Total |
| | Head | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan |
| (b) Development of Roads in coal field areas | - | 40.59 | 40.59 | - | 40.59 | 40.59 | - | 55.00 | 55.00 |
| (c) Interest subsidy on Non-Plan loan to CIL | - | 58.08 | 58.08 | - | - | - | - | - | - |
| (d) Subsidy for transport of coal by rail-cum-sea route | - | 0.15 | 0.15 | - | 0.10 | 0.10 | - | 0.05 | 0.05 |
| (e) Assistance to CIL for import of spares under UK Grant | - | 4.00 | 4.00 | - | 4.00 | 4.00 | - | 3.00 | 3.00 |
| (f) Other expenditure (Coal Controller, C.O.P., N.C.D.C.) | 0.09 | 1.50 | 1.59 | 0.09 | 1.48 | 1.57 | 0.10 | 1.50 | 1.60 |

| | 1994-95 (Budget) | | | 1994-95 (Revised) | | | 1995-96 (Budget) | | |
|---|------------------|--------|--------|-------------------|--------|--------|------------------|--------|--------|
| | Major | Non- | Total | Plan | Non- | Total | Plan | Non- | Total |
| | Head | Plan | Plan | Plan | Plan | Plan | Plan | Plan | Plan |
| (g) Science & Technology Programme including (UNDP) | 8.41 | - | 8.41 | 8.41 | - | 8.41 | 21.20 | - | 21.20 |
| (h) Regional Exploration | 10.00 | - | 10.00 | 10.0 | - | 10.00 | 17.00 | - | 17.00 |
| (i) Environmental measures and subsidence control | 5.00 | - | 5.00 | 5.00 | - | 5.00 | 5.52 | - | 5.52 |
| Total (coal & lignite) | 23.50 | 144.32 | 167.87 | 23.50 | 86.17 | 109.67 | 43.82 | 104.55 | 148.37 |
| Total (Revenue Section) | 23.50 | 170.95 | 194.45 | 23.50 | 111.68 | 135.18 | 43.82 | 131.42 | 175.24 |

| | 1994-95 (Budget) | | | 1994-95 (Revised) | | | 1995-96 (Budget) | | |
|---------------------------------|------------------|--------|-------|-------------------|--------|-------|------------------|--------|--------|
| | Major | Non- | Total | Major | Non- | Total | Major | Non- | Total |
| | Head | Plan | Plan | Head | Plan | Plan | Head | Plan | Plan |
| CAPITAL SECTION | | | | | | | | | |
| 1. Coal India Ltd. | 4803 | 211.52 | - | 211.52 | 211.52 | - | 211.52 | - | - |
| | 6803 | 147.00 | - | 147.00 | 147.00 | - | 147.00 | 241.00 | 241.00 |
| 2. Singareni Collieries Co.Ltd. | 4803 | - | - | - | - | 0.01 | 0.01 | - | 0.01 |
| | 6803 | 119.40 | - | 119.40 | 119.40 | - | 119.40 | 22.00 | 22.00 |
| 3. Neyveli Lignite Corpn. Ltd. | | | | | | | | | |
| (a) Mining | 6803 | 55.36 | - | 55.36 | 30.26 | - | 30.26 | 153.68 | 153.68 |
| (b) Power | 6801 | 30.20 | - | 30.20 | - | - | - | 14.50 | 14.50 |

| | 1994-95 (Budget) | | | 1994-95 (Revised) | | | 1995-96 (Budget) | | | |
|--|------------------|--------|----------|-------------------|--------|----------|------------------|--------|----------|----------|
| | Major Head | Plan | Non-Plan | Total | Plan | Non-Plan | Total | Plan | Non-Plan | Total |
| | | | | | | | | | | |
| 4. Acquisition of Coal Bearing Areas Recoveries/Reduction of Expenditure | 4803 | - | 15.00 | 15.00 | - | 15.00 | 15.00 | - | 15.00 | 15.00 |
| 1. Acquisition of Coal Bearing Areas | - | - | (-)15.00 | (-)15.00 | - | (-)15.00 | (-)15.00 | - | (-)15.00 | (-)15.00 |
| Total Capital Section | 563.48 | - | 563.48 | 508.18 | 0.01 | 508.19 | 431.18 | 0.01 | 431.19 | |
| Grand Total (Capital & Revenue Section) (Net of Recoveries) | 586.98 | 170.95 | 757.93 | 531.68 | 111.69 | 643.37 | 475.00 | 131.43 | 606.43 | |

APPENDIX II

**NO. 43011/11/85-CPA
GOVERNMENT OF INDIA**

MINISTRY OF COAL

New Delhi, the 27th September, 1991

To,

1. Shri S.K. Chowdhury,
Chairman,
Coal India Limited,
10-Netaji Subhas Road,
Calcutta.
2. Shri A. Valliappan,
Chairman/Managing Director,
Singareni Collieries Company Ltd.,
P.O. Kothagudem Collieries,
Distt. Khammam,
Andhra Pradesh 507 101.
3. Shri R.C. Jain,
Chairman/Managing Director,
Neyveli Lignite Corporation,
P.O. Neyveli,
Distt. South Arcot,
Tamil Nadu.

SUBJECT : *Approval of Revised Cost Estimates*

Sir,

A copy of the instructions received is enclosed.

2. In future, while seeking approval of the Government. to the Revised

/cost Estimates of various coal and lignite projects all the concerned companies should submit a separate note explaining the time and cost over-run incorporating the following details:--

1. Detailed reasons for delay in implementation/completion with special reference to reasons for delay in land acquisition, ordering of equipments, construction of CHP, siding, washeries etc.
2. Details of consequent time and cost over-run.
3. Steps taken by the company to prevent the same.
4. Names of specific persons/agencies responsible for time and cost over-run.
5. Fixing the responsibility and action taken against persons responsible.
6. This note will have to be signed by the CMD of the company.

It may also please be noted that without this Note the Government will not be in a position to consider RCE proposals and in the event of any delay in submission of this note the proposals will be returned to the concerned companies.

Yours faithfully,

(K. KOSAL RAM)

JOINT SECRETARY TO THE GOVT. OF INDIA.

Copy to:--

1. All CMDs of Coal Companies (By name) including CMPDI.
2. Secy. (Coal)/Addl. Secy. (Coal)/JS(B)/JS (M)/ All Directors.
3. CML/CRC/IF Sections/CPM.
4. Guard Folder.

(K. KOSAL RAM)

JOINT SECRETARY TO THE GOVT. OF INDIA

MOST IMMEDIATE

**No 1 (1) PF.11/85
Ministry of Finance
Department of Expenditure
Plan Finance II Divn.**

New Delhi, September 17, 1991

OFFICE MEMORANDUM

**SUB: Procedure regarding proposals seeking approval of Cabinet/
Cabinet Committee to the revised cost estimates of various
projects.**

In the context of Government's concern over the cost over-run implementing the public sector projects, the Department of Expenditure have issued time in the past, suggesting various measures with a view to containing the increases in the cost of the projects. *vide* D.O. No. 1(13)/PF.II/78 dated 14.6.1978 D.O. No. 1 (8) /PF.II/80 dated 31.5.1980; OM No.1(4) PF II/84 dated 25.8.1984 and D.O. No.F.1(1)/PF II/85 Dated 23.1.1986. In D.O. No. F.1 (1)/PF II/85 dated 23.1.1986 *inter-alia*, attention was particularly drawn to Cabinet Secretary's D.O. letter No. 11/1/1985 and it was stressed that the final PIB memoranda for the revision of cost estimates which clearly identify all the elements of cost and full details of the original cost estimates, the revised cost estimates, percentage of increase in respect of every cost element together with reasons therefor should invariably be indicated. It was also stated that all those elements in the revised cost estimates which are not included in the earlier estimates, should be specifically pointed out, indicating, *inter-alia*, action taken against those responsible for not including these elements in the earlier estimates. Unfortunately, the above instructions have not been always followed in respect of PIB memoranda/notes, submitted by different Departments/ Ministries.

2. The Cabinet Committee on Economic Affairs in its meeting on 22.8.91, decided that in each case of revised cost estimates, the reasons for

the time and cost over-runs should be gone into thoroughly and the responsibility fixed and details in this regard be incorporated in the notes brought to the Committee for the approval of revised cost estimates. In this connection attention is also invited to Cabinet Secretary's D.O. letter No. 11/1/8/91-Cab. dated 30th August, 1991 where in ensuring strict compliance with the above instructions of the Cabinet Committee while forwarding the notes for the consideration of the Cabinet/Cabinet Committee was requested for.

3. Accordingly, it is reiterated that hereafterwards all Ministries/Departments should strictly comply with these instructions and ensure that all PIB memoranda/notes for PIB seeking the approval of revised cost estimates/completion cost estimates, should contain the detailed break up of the capital cost estimates as also determination of responsibility for omissions etc., as required under the instructions cited above. The PIB Secretariat have been instructed to return the PIB memoranda/notes which do not contain the information referred to above. These instructions would also apply in respect of revised cost estimates/ completion cost estimates proposals presently under consideration at different levels.

(D.C. GUPTA)

JOINT SECRETARY TO THE GOVT. OF INDIA.

All Ministries/Departments of Government of India.

All Financial Advisers (By name)

Adviser (PAD). Shri K. Kosal Ram, F.A., Deptt. of Coal

APPENDIX III

STATUS OF PROJECTS COSTING RS. 20 CRORES AND ABOVE IN THE COAL & LIGNITE SECTOR AS ON 30.6.95

| Sl.No. | Company | Project | Capacity | Appro val Date | Comm sng. Date | Ant. comm sng. Date | Time Overrun (Months) | Sanctnd. | | Remarks |
|--------|----------------------------|---------|----------|----------------|----------------|---------------------|-----------------------|----------|---|---------|
| | | | | | | | | Cost | Cost | |
| 1. | ECL JHANJJA UG | 3.50 mt | 12/82 | 03/94 | 03/98 | 48 | 184.55 | 403.97 | Initial delay in acquisition of land. 2. mty Phase I Report finalised with an estimated capital outlay of Rs. 403.97 crores. | |
| 2. | ECL SONEPUR BAZARI A OC | 3.00 mt | 02/95 | 03/97 | 03/97 | 0 | 652.21 | 652.21 | On schedule. | |

1 2 3 4 5 6 7 8 9 10 11

| | | | | | | | | | |
|----|-------------------------|---------|-------|-------|-------|----|--------|--------|--|
| 3. | ECL SATGRAM UG (RCE) | 1.20 mt | 09/90 | 03/95 | 03/99 | 48 | 148.26 | 221.74 | Delayed due to disturbance created by local people demanding employment. The project is also affected due to fund shortage. |
| 4. | ECL JAMBAD OC | 1.70 mt | 09/89 | 03/98 | 03/98 | 0 | 210.55 | 104.97 | RPR with a derated capacity of 0.80 mtpa has been approved by ECL/CIL Board. RPR was needed avoid shifting of Parascole village. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---------|-----------------------------|---------|-------|---------|---------|---------|----|--------|--------|--|
| 5. | ECL KOTTADIH OC UG | 2.43 mt | 06/89 | 03/98 | 03/98 | 03/98 | 0 | 267.52 | 451.63 | Underground project is on schedule. OCP is delayed as land could not be acquired and has now been obtained and procurement of HEM has been taken up. |
| 6. | ECL BAKULLIA UG | 0.96 mt | 08/92 | 03/2000 | 03/2000 | 03/2000 | 0 | 104.66 | 160.18 | The development of this project is going slow because of unwillingness of the customer (DVC) to enter into Long-term coal Supply agreement. ECL to sale this project |
| decided | | | | | | | | | | |
| 7. | ECL JK NAGAR UG (RPR) | 0.87 mt | 02/91 | 03/95 | 03/95 | 03/96 | 12 | 95.28 | 87.02 | RPR under finalisation to work B&P method as geological distur- |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---|---|---|---|---|---|---|---|----|----|

bances will not allow working with longwall technology as originally envisaged.

8. ECL AMRIT 1.14 mt 09/85 03/94 03/97 36 65.45 58.99 Project being derated due to adverse geomining condition. RPR for a capacity 0.33 mty has been formulated.

NAGAR UG (RPR)

9. ECL SARPI RO/UG 0.90 mt 09/87 03/95 03/99 48 53/05 50.32 Project is being derated due to thinness of coal seams. RPR for a capacity of 0.6 mty has been prepared.

(RPR)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----|------------------------------------|---------|-------|-------|-------|-------|--------|--------|--|--|----|
| 10. | ECL KAMD ASPUR UG | 0.96 mt | 11/86 | 03/93 | 03/98 | 03/98 | 60 | 47.95 | 73.19 | RPR for a derated capacity of 0.54 mty has been prepared because of the varying thickness of the coal seam and need for stowing due to safety reasons. | |
| 11. | BCCL POOTKEE BALTHARY UG | 3.00 mt | 12/83 | 03/94 | 03/96 | 24 | 199.87 | 194.09 | Due to adverse geo-mining conditions, RPR derating the capacity to 1 mty has been approved within the sanctioned cost with Bord & Pillar method. | | |
| 12. | BCCL MAD HUBAND WASHERY(RCE) | 2.50 mt | 10/93 | 03.95 | 12/95 | 9 | 194.18 | 194.18 | The project has suffered delay on account of delay of the | | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----|-------|---------------------------|---------|-------|-------|-------|-----|-------|-------|---|
| | | | | | | | | | | turn-key contractor v.i. M/S MAMC. Trial run is expected by 12/ 95. There is problem in acquisition of forest land. |
| 13. | BCCCL | BHAL- GORA UG | 0.70 mt | 10/80 | 03/85 | 03/97 | 144 | 46.21 | 78.31 | Delay in sinking of shaft and UG development. RPR formulated (0.7 mty) with mechanised Bord & Pillar technology instead of Longwall technology as originally envisaged. |
| 14. | BCCCL | PATH- ERDIH WASHERY | 2.00 mt | 12/94 | 03/98 | 03/98 | 0 | 48.49 | 48.49 | Delay in execution of this bilateral project by the erstwhile USSR. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----|------|----------------------------|----------|-------|-------|-------|----|--------|--------|--|
| | | | | | | | | | | The contract with Russia has now been revived. |
| 15. | BCCL | JHARIA - MINE FIRE CON. | 0.00 mt | 04/93 | 03/97 | 03/97 | 0 | 47.81 | 47.81 | On schedule. Contract signed with M/s Gai Metchem Consultants have started their work from Oct. '94. |
| 16. | BCCL | CAPTIVE POWER STN. | 20.00 mw | 10/86 | 03/91 | 9/95 | 54 | 74.58 | 74.58 | Delay occurred due to slow execution by the turn-key contractor M/S BHEL. |
| 17. | CCL | PIPARWAR INT. OC(RCE) | 6.50 mt | 11/93 | 06/95 | 06/95 | 0 | 838.27 | 838.27 | Mine part of the project has been completed. CPP/CHP is expected by Dec. '96. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----|-----|---------------------------|----------|-------|-------|-------|----|--------|--------|--|
| 18. | CCL | PAREJ(EAST) OC | 1.75 mt | 03/93 | 03/99 | 03/99 | 0 | 116.19 | 116.19 | On Schedule. |
| 19. | CCL | CAPTIVE POWER STN. | 20.00 MW | 09/93 | 06/93 | 9/95 | 27 | 58.80 | 85.20 | The project is under turnkey execution by M/S BHEL. Both the units constructed and synchronised. Final commissioning is awaiting rectification of CHP by M/S BHEL. |
| 20. | CCL | KEDLA WASHERY (RCE) | 2.60 mt | 09/93 | 12/95 | 12/95 | 0 | 130.40 | 130.40 | Work could not be started for over 5 years due to problem in acquisition of land. Now on schedule as per the revised sanction. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---------|----------------------------|---|---------|-------|-------|-------|----|-------|-------|--|
| 21. CCL | ASHOK | | 1.50 | 12/94 | 3/98 | 3/98 | 0 | 48.13 | 48.13 | On schedule. |
| 22. CCL | URIMARI OC | | 1.30 mt | 08/94 | 09/98 | 09/92 | 0 | 95.33 | 95.33 | On schedule. |
| 23. CCL | SAUNDA 'D' OC | | 0.80 mt | 08/91 | 03/99 | 03/99 | 0 | 48.96 | 48.96 | On schedule. |
| 24. CCL | SAUNDA 'D' UG | | 0.63 mt | 03/91 | 03/98 | 03/98 | 0 | 47.94 | 47.94 | On schedule. |
| 25. CCL | RAY BACH RA UG (RPR) | | 0.60 mt | 03/91 | 03/97 | 03/97 | 0 | 30.19 | 30.19 | On schedule. |
| 26. CCL | ROHINI OC | | 0.80 mt | 03/91 | 03/95 | 03/96 | 12 | 27.18 | 27.18 | Acquisition of forest land is delaying the completion of the project. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---------|------------------------------|---|----------|-------|-------|-------|----|--------|---------|---|
| 27. CCL | PAREJ | | 0.30 mt | 09/92 | 03/99 | 03/99 | 0 | 29.34 | 29.34 | On Schedule. |
| | EAST UG | | | | | | | | | |
| 28. CCL | PHUSRO- JARANG DIH RLY | | 0.00 | 03/91 | 03/93 | 06/07 | 51 | 48.78 | 48.78 | Delayed due to delay in land acquisition and rehabilitation of affected families. |
| 29. NCL | DUDHICHUA | | 10.00 mt | 08/92 | 03/98 | 03/99 | 12 | 868.93 | 1149.04 | Phase I (5.00 mty capacity) has been completed. Implementation of the project expansion is affected due to fund availability. |
| | OC | | | | | | | | | |
| | EXPN | | | | | | | | | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---------|--------------------|---------|----------|-------|-------|----|--------|--------|---|----|
| 30. NCL | KHADIA OC (RCE) | 4.00 mt | 09/91 | 03/94 | 03/96 | 24 | 588.75 | 688.18 | Delay in possession of forest land and problems of rehabilitation. Compensatory land has been identified. | |
| 31. NCL | OBR JAYANT | 0.00 MT | 9/92 | 3/96 | 3/96 | 0 | 41.26 | 41.26 | On Schedule. | |
| 32. NCL | OBR JHINGURDAH | 0.00 mt | 9/92 | 03/96 | 03/96 | 0 | 42.98 | 42.98 | On Schedule. | |
| 33. WCL | UKUR OUR | 1.10 mt | 01/92 | 03/99 | 03/99 | 0 | 100.37 | 100.37 | On Schedule. | |
| 34. WCL | TANDSI UG | 0.90mt | 18.09.85 | 03/95 | 03/99 | 48 | 51.58 | 85.00 | Delay in establishment of mine entry due to adverse geo-mining condition. | |

| | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|--|---|---|---|---|---|---|---|---|----|----|
|--|---|---|---|---|---|---|---|---|----|----|

35. WCL SAONER UG 1.50mt 08/83 03/93 03/96 36 46.96 85.00 Drivage of inclines was slow due to adverse geomining condition. RPR formulated for a capacity of 0.54 mty.

36 . WCL CENTRAL W/SHOP (RCE) 0.00 12/94 03/97 03/97 0 42.38 42.38 Initial delay in finalisation of site and award of various jobs. Fund constraint is affecting the completion of the project. Project is partially commissioned since Oct. 1992.

37. WCL TALWASA 0.45 mt 02/95 03/98 03/98 0 42.10 42.10

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---------|---|-------------|---------|-------|-------|-------|----|-------|-------|---------------------------|----|
| 38. WCL | | PIMPLEGAON | 0.60 mt | 03/91 | 03/97 | 03/97 | 0 | 44.51 | 50.00 | On schedule. | |
| | | OC | | | | | | | | | |
| 39. WCL | | KOLAR | 0.65 mt | 09/92 | 03/98 | 03/98 | 0 | 47.94 | 47.94 | On schedule. | |
| | | PIMPRI OC | | | | | | | | | |
| 40. WCL | | MAKARD- | 0.50 mt | 04/93 | 03/99 | 03/99 | 0 | 25.92 | 25.92 | On schedule | |
| | | HOKRA II UG | | | | | | | | | |
| 41. WCL | | SASTI R/O | 0.36 mt | 04/93 | 03/98 | 03/98 | 0 | 38.25 | 38.25 | On schedule. | |
| | | U/G | | | | | | | | | |
| 42. WCL | | DURGAPUR | 0.60 mt | 09/92 | 03/94 | 03/96 | 24 | 25.32 | 25.32 | Part of the mine sealed | |
| | | RAYAT. UG | | | | | | | | off due to spontaneous | |
| | | | | | | | | | | heating. Sealed off areas | |
| | | | | | | | | | | likely to be opened by | |
| | | | | | | | | | | Sept. '95. | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|----------|----------------------------|---------|-------|---------|---------|----|-------|-------|--|----|
| 43. WCL | GONDEGAON OC | 0.75 mt | 12/92 | 03/2000 | 03/2000 | 0 | 67.96 | 80.00 | On schedule | |
| 44. WCL | MUGOLI OC | 0.80 mt | 02/95 | 03/99 | 03/99 | 0 | 83.63 | 83.63 | On schedule | |
| 45. SECL | BANGWAR UG | 0.65 mt | 05/85 | 03/91 | 03/97 | 72 | 25.14 | 38.00 | Initial delay in acquisition of forest land. Capacity is being reassessed for adverse geo-mining conditions. RPR under formulation. | |
| 46. SECL | CHURCHA WEST UG(RPR) | 0.60 mt | 05/94 | 03/98 | 03/98 | 0 | 43.26 | 43.26 | RPR approved in May' 94 with B & P technology instead of original longwall technology. | |
| 47. SECL | DUGGA OC | 0.50 mt | 04/93 | 03/96 | 03/96 | 0 | 46.00 | 46.00 | On schedule. | |
| 48. SECL | BEHRABAND UG | 0.60 mt | 05/93 | 03/98 | 03/98 | 0 | 48.39 | 48.39 | On schedule. | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----|------|--------------|----|---------|-------|---------|---|--------|--------|--------------|
| 49. | SECL | SOMNA | UG | 0.55 mt | 04/93 | 03/99 | 0 | 44.85 | 44.85 | On schedule. |
| 50. | SECL | CHURCHA | | 0.55 mt | 12/94 | 3/99 | 0 | 48.61 | 48.61 | On schedule. |
| | | WEST (PSLW) | | | | | | | | |
| 51. | SECL | RAJENDRA | | 0.64 mt | 12/94 | 3/99 | 0 | 48.56 | 48.56 | On schedule. |
| | | RPR (PSLW) | | | | | | | | |
| 52. | SECL | BALRAMPUR | | 0.54 mt | 12/94 | 3/99 | 0 | 45.32 | 45.32 | On schedule. |
| | | RPR (PSLW) | | | | | | | | |
| 53. | SECL | NEW KUMDA | | 0.60 mt | 12/94 | 3/99 | 0 | 45.32 | 45.32 | On schedule. |
| | | RPR (PSLW) | | | | | | | | |
| 54. | MCL | LINGRAJ | OC | 5.00 mt | 02/91 | 03/98 | 0 | 229.84 | 229.84 | On schedule. |
| 55. | MCL | KALINGA INT. | | 8.00 mt | 03/92 | 03/2000 | 0 | 485.77 | 485.77 | On schedule. |
| | | PROJECT | | | | | | | | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----|----------------------------|---|---------|-------|-------|-------|----|--------|--------|---|
| 56. | MCL ANANTA OC AUG. | | 1.50 mt | 11/92 | 03/97 | 03/97 | 0 | 46.99 | 46.99 | On schedule. Land and infrastructure included in Ananta OC. |
| 57. | MCL Bharatpur AUG. OC | | 1.50 mt | 11/92 | 03/97 | 03/97 | 0 | 48.02 | 48.02 | On schedule. Land and infrastructure already available in the completed Bharatpur project. |
| 58. | MCL Lakhanpur OC | | 5.00 mt | 01/91 | 03/96 | 03/96 | 0 | 221.51 | 221.51 | On schedule |
| 59. | MCL Samleshwari OC | | 3.00 mt | 08/92 | 03/96 | 03/96 | 0 | 126.85 | 126.85 | On schedule. |
| 60. | MCL Bellapahar OC (RCE) | | 2.00 mt | 10/93 | 03/95 | 03/96 | 12 | 131.31 | 131.31 | Production target achieved. Delay in construction of the railway siding and CHP due to delay in acquisition of land . |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----|------|----------------------------------|----------|-------|---------|---------|----|--------|--------|---|
| 61. | MCL | IB-Power Supply | 80.00 mt | 08/92 | 03/2000 | 03/2000 | 0 | 33.35 | 33.35 | On schedule. |
| 62. | SCCL | Medapalli OC | 1.25 mt | 04/93 | 03/2001 | 03/2001 | 0 | 219.82 | 219.82 | On schedule. |
| 63. | SCCL | Goleti Longwali | 0.76 mt | 10/90 | 03/98 | 03/99 | 12 | 102.07 | 180.00 | Envisaged collaboration with formerly USSR for procurement of LW equipment did not materialise. New source of equipment is being located. |
| 64. | SCCL | Indram- Khani I & IA (RCE) | 0.50 mt | 05/94 | 03/97 | 03/97 | 0 | 46.11 | -46.11 | On schedule. |
| 65. | SCCL | Padmavati KhaniUG | 1.20 mt | 04/94 | 03/2000 | 03/2000 | 0 | 196.17 | 196.17 | On schedule. |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----|-------------------------------|---|---------|-------|-------|-------|----|--------|--------|--|
| 66. | SCCL Ramagundam OC II(RCE) | | 2.00 mt | 09/94 | 03/95 | 03/95 | 0 | 807.85 | 807.85 | Completion under consideration of SCCL. |
| 67. | SCCL GDK 8 B. G. UG | | 0.20 mt | 01/92 | 03/96 | 03/96 | 0 | 36.47 | 36.47 | On schedule. |
| 68. | SCCL Vakampally B. 'A' UG | | 0.45 mt | 02/90 | 03/95 | 03/96 | 12 | 40.11 | 88.80 | Delay in supply of longwall equipment by M/S MAMC. expected supply Aug., 1995. RCE of Rs. 90.01 crs. envisages a capacity of 0.51 mty. |
| 69. | SCCL / KTK-8 INCLA | | 0.27 mt | 12/95 | 01/02 | 01/02 | 0 | 34.51 | 34.51 | On schedule. |
| 70. | NLC Exn.Life of IPSI | | 0.00 | 03/92 | 03/96 | 03/97 | 12 | 315.23 | 315.23 | Unit-1 & 9 LEP works completed. |

APPENDIX IV

List of 23 delayed projects

| | | | Main reason of delay |
|-----|---|------|----------------------|
| 1. | Jhanjra UG | ECL | land acquisition. |
| 2. | Satgram UG | ECL | Misc. |
| 3. | JK Nagar UG | ECL | Geo-mining problem. |
| 4. | Amritnagar UG | ECL | Geo-mining problem. |
| 5. | Sarpi RO/UG | ECL | Geo-mining problem. |
| 6. | Kalidaspur UG | ECL | Misc. |
| 7. | Pootkee Balihary UG | BCCL | Geo-mining problem. |
| 8. | Bhalgora UG | BCCL | Misc. |
| 9. | Madhuband washery | BCCL | Turn-key execution. |
| 10. | Captive Power Station at Moonidih | BCCL | Turn-key execution. |
| 11. | Rohini OC | CCL | Land acquisition. |
| 12. | Captive Power Station at Kathara | CCL | Turn-key execution. |
| 13. | Phusro-Jarangdih railway line diversion | CCL | Land acquisition. |
| 14. | Khadia OC | NCL | Land acquisition. |
| 15. | Dudhichua OC Expn. | NCL | Fund shortage. |
| 16. | Tandsi UG | WCL | Geo-mining problem. |

| | | | Main reason of delay |
|-----|-----------------------|------|----------------------|
| 17. | Saoner UG | WCL | Geo-mining problem. |
| 18. | Durgapur Rayatwari UG | WCL | Misc. |
| 19. | Bangwar UG | SECL | Land acquisition. |
| 20. | Belpahar OC | MCL | Turn-key execution. |
| 21. | Goleti Longwall | SCCL | Equipment supply. |
| 22. | Vakilpally Block-A UG | SCCL | Equipment supply. |
| 23. | Extn. Life of TPS I | NLC | Turn-key execution. |

APPENDIX V

Details of delayed projects

A. MAJOR PROJECTS

1. Jhanjra UG (ECL)

(a) **Status of implementation:** The project was taken up for implementation in collaboration with the erstwhile USSR. Initial delay occurred due to non-availability of land and later on further delay took place due to non-availability of longwall equipment from Russia because of political uncertainty in that country. Committee of Secretaries (COS) in its meeting to review the project in August 92 decided that the first phase should be formulated with a capacity of 2 mty. RCE for phase-I has since been approved by Govt. on 9.8.1995 at a capital cost of Rs. 386.24 crs. At present three longwall equipment are in operation and deployment of the fourth one is expected during 1996-97. The project is now progressing satisfactorily and is expected to be completed by March, 1998 as per the revised schedule of completion. The project produced 0.69 mt. of coal during 1994-95.

(b) **Reasons for delay:**

- i) Delay in acquisition of forest land.
- ii) Non-materialisation of complete procurement programme of longwall equipment from Russia.

(c) **Action taken to expedite implementation:**

- (i) As a result of close follow-up with the state Govt. of West Bengal, immediate land required for the project has since been acquired.
- (ii) CIL has transferred two long wall equipment from other mines, one has been commissioned and the other is being refurbished for installation during 1996-97.

2. Satgram UG (ECL)

(a) **Status of implementation:** Initial delay occurred in finalisation of global tender in sinking of shafts. subsequent delay occurred due to local disturbances created by the workers of M/s Kopex. the shaft sinking contractor, demanding employment. The longwall equipment was to be procured by March, 95. Part supply has since been received from MAMC. Supply of balance equipment is now expected to be completed by Sept. '96. Most of the construction activity have been completed. The project produced 0.12 mt during 1994-95.

(b) Reasons for delay:

- (i) Law and order problem created by workers of contractor, M/s Kopex.
- (ii) Delay in supply to longwall equipment by M/s MAMC.

(c) Action taken to expedite implementation:

Law and order problem at site has since been resolved. (ii) The matter of early supply of balance long wall equipment was finalised with MAMC by CIL after settling the demand of escalation made by MAMC.

3. Pootkee Balihari UG (BCCL)

(a) **Status of implementation:** Due to adverse geo-mining conditions encountered during in seam development of the project. revised project report for 1 mty has been formulated with mechanised Bord & Pillar instead of mechanised long wall mining envisaged originally. Most of the construction activities have since been completed and the project produced 0.36 mt of coal during 1994-95. The delay of 12 months resulted due to slow execution of contractual jobs awarded to M/s TSL for erection of head frame and M/s HEC/BHEL for installation of winders. The project is now anticipated to be completed by March, 96.

(b) Reasons for delay:

- (i) Slow execution of contractual jobs by M/s TSL, M/s HEC/BHEL

(c) Action taken to expedite implementation:

Matter of slow execution of erection of head frame and installation of winders by the agencies mentioned above has been taken up by the Ministry of Coal with the administrative Ministry i.e. Deptt. of Heavy Industry.

4. Madhuband washery (BCCL)

(a) Status of implementation: The project is being implemented by M/s MAMC on turn-key basis. As per approved Revised Cost Estimate, Commissioning of this washery was to be done by March, 95. Uptill now 90% progress has been achieved. The project has suffered delay due to slow progress on the part of M/s MAMC and their sub-contractor M/s HSCL. As per commitment now given by M/s MAMC, the construction work would be completed by December 95 and trial run of the washery would be undertaken in the month of January 1996. Further 25.70 ha. of forest land is urgently required for loading section of the washery complex. The matter of early release of this land has been taken up with the Ministry of Environment & Forest on a number of occasions but the issuance of final order of MOEF is still awaited.

(b) Reasons for delay:

- (i) Delay in turn-key execution by M/s MAMC.
- (ii) Delay in release of 25.70 ha. of forest land by MOEF/State Govt. of Bihar.

(c) Action taken to expedite implementation:

- (i) Monthly monitoring of the progress of construction has been undertaken by the Ministry of Coal for close follow-up of the pace of construction.
- (ii) Ministry of Coal has repeatedly taken up the issue with MOEF for issuance of final order for transfer of 25.70 ha. of forest land in favour of BCCL.

5. Dudhichua OC Expn. (NCL)

(a) Status of Implementation: The first phase of 5 mty was financed by the World Bank and the project was completed one year ahead of schedule. Financing of Expansion Project has also been posed to the World Bank. But till now this has not materialised. Implementation of this project is suffering due to shortage of funds. The project also suffered delay due to non-release of 555 ha. of forest land by the State Govt. of U.P.

Govt. of India, Ministry of Environment & Forest had cleared the proposal of 555 ha. of forest land in U.P. side on 30.7.90 and release order was issued by the State Govt. of U.P. in January, 1991. Physical possession of this land could not be handed over by the State Forest Deptt. due to non-availability of land for compensatory afforestation. After vigorous follow up by NCL, CIL, and the MOC at various levels, the land for compensatory afforestation could be identified by the State Govt. of Uttar Pradesh in Sept., 1994 and the physical possession of land has only been made available by the State Forest Deptt. on 3.9.95. The project is expected to be completed by March, 1999 after a delay of one year.

(b) Reasons for delay:

- (i) Delay of over 5 years in release of forest land on the part of State Govt. of U.P.
- (ii) Constraint in fund availability.

(c) Action taken to expedite implementation:

- (i) In a meeting held in the Ministry of Coal on 12.5.1995. NCL/ CIL has been advised to arrange adequate funds for this project by way of re-allocation, if necessary.

6. Khadia Opencast (NCL)

(a) Status of implementation : The implementation of project has been delayed due to non-availability of 750 ha. of Forest land and delay in rehabilitation of project affected persons. The forest land case was clubbed with requirement of Dudhichua project and the position of physical handing

over of this land in same as that explaining in case of Dudhichua project. Physical Possession of 750 ha. of Forest Land has been obtained along with the requirement of Dudhichua project.

In this project 773 families were identified for shifting. Survey of the Families was done jointly by the State Govt. U.P. and HCL. State Govt of U.P., Constituted a Rehabilitation cell in January, 1986 with Distt. Magistrate as Chairman and local M.P, MLA, etc and the representatives of NCL, NTPC and UPSEN as members of the Cell to look into the problems of rehabilitation. As the land for rehabilitation was not available near Khadia Project, Rehabilitation site had been developed in proximity to Bina project of NCL in Uttar Pradesh. However, villagers insisted that the plots of rehabilitation should be near Khadia project.

New site within the project was identified and Action Plan for shifting families in a planned manner was drawn up by the Rehabilitation Cell. In spite of best efforts made by NCL only 245 families including 63 families of Dudhichua project could be shifted from Khadia project. 528 families are yet to be shifted for which assistance of the State Govt. is needed.

Most of the major construction activities have been completed and efforts have been made to complete the project by March, 96. The project produced 2.10 mt of coal during 1994-95.

(b) Reasons for delay:

- i) Delay of over 5 years in release of forest land on the part of State Govt. of U.P. and rehabilitation of 773 families.

(c) Action taken to expedite implementation:

Assistance of State Govt. of UP has been sought to rehabilitate the remaining 528 families.

7. Belpahar OC (MCL)

(a) Status of implementation: All the activities of the project except construction of railway siding and coal handling plant have since been

completed and the project is achieving the targetted capacity of 2 mty. Delay in construction of railway siding is due to delay in acquisition of forest land. The construction of railway siding is progressing in parts of land already in possession of the coal company. MCL has paid Rs. 80.82 lakhs towards payment of cost for afforestation. Construction of railway siding/CHP is expected to be completed by march, 96.

(b) Reasons for delay:

- i) Delay in transfer of 103.52 ha. of non-forest land for the purpose of compensatory afforestation by the State Government of Orissa.

(c) Action taken to expedite implementation:

Matter of early transfer of non-forest land is being followed up by the coal company.

8. Goleti longwall (SCCL)

(a) Status of implementation:

This project was envisaged for collaboration with the erstwhile USSR. Due to non-materialisation of the Russian collaboration and the constraint of funds during VIII Plan period, this project was given a low priority in allocation of the available funds.

In view of the meagre expenditure (less than 4% of the sanctioned capital) incurred so far even after consuming over 60% of the gestation period, construction of this project is being re-considered.

9. Extn. life of TPS-I (NLC)

(a) Status of implementation:

The LEP for NLC TPS-I project (600 MW) consisting of three units of 100 MW each and six units of 50 MW each was sanctioned by the Government in March'92 at a capital cost of Rs. 315.23 crs. As per the schedule, the project was to be completed by 31st March'96.

Units No. 1 & 9 have since been renovated and commissioned in July '94 and Sept. '94 respectively. LOI for units 2 & 8 has been issued on 7.11.94. Other units could be taken up for renovation in phases. The LEP project will now be got completed by 31st March '97. However, as confirmed by NLC management, prices in respect of this LEP work will remain firm till the extended schedule of commissioning.

If the entire LEP works on unit 2 to 8 (450 MW) is to be completed before 31.3.96, it will necessitate shutdown to all the units from 2 to 8 at the same time for a period of 8 to 9 months. The total availability of generation from TPS-I during the period will then be only 150 MW and it may not be possible to generate more than 900 MW per annum which will drastically affect the profits of the company and also the power supply to TNEB. Also, as per studies undertaken by BHEL, the balance units can be safely operated till 1997.

(b) Reasons for delay:

Delay on the part of contractor M/s Technoprom export of Russia in starting the jobs due to political developments in the then USSR.

B. MEDIUM PROJECTS

10. Kalidaspur UG (ECL)

(a) Status of implementation:

The project was originally scheduled for completion by March, 1993. However revision of the project report had to be done as Director General of Mines Safety did not permit extraction of coal of this degree-III gassy mine by Board and Pillar method with caving. Instead they insisted on stowing. A revised project report for 0.54 mty. has been formulated and approved by the Public Investment Board in Feb. 95. The project construction is progressing satisfactorily as per RPR and is expected to be completed by revised schedule *i.e.* March, 1998. The project produced 0.12 mt. of coal during 1994-95.

(b) Reasons for delay:

The scope of the project was changed on safety considerations.

(c) Action taken to expedite implementation:

RPR has accordingly been formulated and has been approved by PIB.

11. Amritnagar UG (ECL)**(a) Status of implementation:**

The project was scheduled for completion by March, 94 and is now expected to be completed by March, 97. Revised Project Report had to be formulated as the longwall technology envisaged was not found feasible. West side Narainkuri Seam could not be developed due to bad roof conditions and also due to varying thickness of Bogra and Satgram seams. As per RPR only Bogra seam will be worked by Mechanised Bord and Pillar method. The project yielded 0.18 mt. during 1994-95.

(b) Reasons for delay:

Adverse geo-mining conditions revealed during in-seam development of the project.

(c) Action taken to expedite implementation:

RPR has been formulated for a derated capacity of 0.33 mty.

12. Sarpi UG (ECL)**(a) Status of implementation:**

This project was scheduled for completion by March, 95 but due to adverse geo-mining conditions now the project is expected to be completed by March, 1999. RPR at a derated capacity of 0.60 mty. had to be formulated due to thinness of coal seams. In the RPR, R-VIII B2 & R-VIII T1 seams have been excluded because of not having adequate reserves for economical exploitation. Project construction activities are progressing accordingly and during 1994-95 coal production from this project was 0.20 mt.

(b) Reasons for delay:

Adverse geo-mining conditions revealed during in-seam development of the project.

(c) Action taken to expedite implementation:

RPR has been formulated taken into consideration the change of

geo-mining conditions.

13. JK Nagar UG (ECL)

(a) Status of implementation:

Due to adverse geo-mining conditions, longwall technology as envisaged in the original Project Report could not be implemented. Instead, Revised Project Report based on Board and Pillar method has been formulated and is under approval. The project has yielded 0.15 mt. of coal during 1994-95.

(b) Reasons for delay:

Adverse geo-mining conditions revealed during in-seam development of the project.

(c) Action taken to expedite implementation:

RPR has been formulated.

14. Bhalgora UG (BCCL)

(a) Status of implementation:

Initially the project was delayed due to delay in sinking of a new pit (300m depth) by M/s Cemendia. The technology of mine has been changed to mechanised Board and Pillar instead of originally envisaged longwall technology on cost consideration. As such RPR (0.70 mty.) has been formulated and is under approval. The project yielded 0.51 mt. during 1994-95 and is expected to be completed by March, 96.

(b) Reasons for delay:

Delay in shaft sinking by Cemendia.

(c) Action taken to expedite implementation:

The Contract with M/s CEMENDIA had been terminated and the balance jobs were awarded to M/s BGML.

15. Captive Power Plant Moonidih (BCCL)

(a) Status of implementation:

Turn-key contract was awarded to M/s BHEL in April, 1987 for installation and commissioning of the power plant. The project is delayed

due to slow progress of M/s BHEL in its execution. Both the units have been individually tested and synchronised with DVC system for short duration. However, the plant could not run on a sustained basis, as the coal crushers could not achieve rated capacity and size of feed. M/s BHEL look up modification works of coal handling plant in Sept. '94 and completed in May '95. Trial run of unit-I was again taken in June '95. The deficiencies observed during the trial run are being attended to by M/s BHEL. The next trial run is expected to be taken up in October, 95.

(b) Reasons for delay:

Slow progress on the part of turn-key contractor *i.e.* M/s BHEL.

(c) Action taken to expedite implementation:

Close follow up with M/s BHEL and its administrative Ministry.

16. Rohini OC (CCL)

(a) Status of implementation:

All the activities of the project have been completed except physical possession of forest land acquisition. Forestry Advisory Committee of MOEF in its meeting held in Feb. 95 has cleared 72.98 ha. of forest land for entire life of the project, subject to acceptance of land for compensatory afforestation. The land for compensatory afforestation has been identified. It comprises of 54.07 ha. of GMK land and 34.58 ha. of tenancy land. This land is under possession of CCL. RCCF, Bhubaneshwar desired that a certificate from the State government should be issued for transfer of this land to forest Deptt.. Steps have been taken for the same. The project yielded 0.58 mt. of coal during 1994-95. The project is expected to be completed by March, 96.

(b) Reasons for delay:

Delay in acquisition of forest land.

(c) Action taken to expedite implementation:

CCL is pursuing the matter with the State Government of Bihar for early transfer of forest land cleared by MOEF.

17. Captive Power Plant, Kathara (CCL)

(a) Status of implementation: The project is under turn-key execution

by M/s BHEL and the delay in commissioning is due to slow pace of progress on the part of M/s BHEL. Both the units have been individually tested and synchronised with DVC system for short duration. However, the plant could not run for longer period due to inability of CHP to provide desired quantity (160 tph) of coal of (-) 6 mm feed to boiler. The final commissioning is dependent on CHP modification. During the meeting held on 17.06.94 at CIL, Calcutta M/s BHEL had given commitment that the modification of CHP and balance jobs will be completed by October '94 and the plant would be commercially operational by November '94. During the site review on 17.1.95, Director, BHEL changed the date of commissioning as 3/95. Although the plant is running intermittently, final commissioning after removal of deficiencies is awaited.

(b) Reasons for delay:

Slow progress on the part of turn-key contractor i.e. M/s BHEL.

(c) Action taken to expedite implementation:

Close follow up with M/s BHEL and its administrative Ministry.

18. Phusro Jarangdih Railway Line Diversion Project (CCL)

(a) Status of Implementation: The delay in this project is due to problems of land acquisition and rehabilitation of project affected persons. After vigorous follow-up, most of the land could be acquired. However land belonging to Railways has been found to be encroached. Railways are trying to evict the encroachers. All the activities of the project are expected to be completed by June 97 as against the original schedule of March, 95.

(b) Reasons for delay:

Delay in acquisition of land.

(c) Action taken to expedite implementation:

Close interaction with State Govt. of Bihar is being maintained by CCL.

19. Bangwar UG (SECL)

(a) Status of implementation:

The project was initially delayed due to delay in acquisition of forest land. Due to adverse geo-mining conditions encountered during underground development, RPR has been formulated and is under approval derating the project capacity. Derated project would be completed by March, 96. The project yielded 0.20 mt during 1994-95.

(b) Reasons for delay:

- (i) Delay in handing over of forest land by the State Govt. of M.P.
- (ii) Adverse geo-mining conditions encountered during in seam development.

(c) Action taken to expedite implementation:

- (i) Land has since been acquired.
- (ii) RPR at derated capacity has been formulated and is under approval

20. Saonar UG (WCL)

(a) Status of implementation:

The property of the project is highly disturbed geologically which needed more intensive exploration during the time of implementation of this project. Project capacity was de-rated in the proposed RPR to 0.54 mty. which has been approved by WCL Board in January, 1995. The project produced 0.43 mt. during 1994-95. The project is expected to be completed by March, 96.

(b) Reasons for delay:

Adverse geo-mining conditions.

(c) Action taken to expedite implementation:

RPR has been formulated and approved by WCL Board.

21. Tandsi UG (WCL)

(a) Status of implementation:

Initially drivage of inclines were delayed due to adverse geo-mining conditions. Drivage of inclines 1 and 2 has since been completed and the project yielded the coal production of 0.21 mt during 1994-95. Drivage of incline 3 and 4 is in progress. The project is expected to be completed by Sept. 96.

(b) Reasons for delay:

Drivage of incline was delayed due to bad roof conditions.

(c) Action taken to expedite implementation:

Adequate supporting was carried out in parts of inclines with bad roof condition.

22. Durgapur Rayatwari UG (WCL)**(a) Status of implementation:**

The construction of the project was delayed as part of the mine had been sealed off due to spontaneous combustion underground. Re-opening of the sealed off area has been completed in August '95. The project has yielded about 0.28 mt of coal production during 1994-95 and is likely to be completed by March, 96.

(b) Reasons for delay:

Spontaneous heating underground.

(c) Action taken to expedite implementation:

Timely sealing off followed by re-opening had been carried out by WCL.

23. Vakilpalli Block-A (SCCL)**(a) Status of implementation:**

Supply of longwall equipment package in full by M/s MAMC, scheduled by June, 93 is yet to materialise. This is presently the most critical activity. As per latest commitment made by MAMC, the equipment is expected to be supplied completely by October '95. The longwall equipment is expected to be commissioned by December '95. The project is expected to be completed by March '96..

(b) Reasons for delay:

Delay in supply of longwall equipment by M/s MAMC.

(c) Action taken to expedite implementation:

Issue taken up with M/s MAMC for early supply of longwall equipment.

APPENDIX VI

Outstanding Dues As on 13.5.1995

Provisional
(Rs. in Crores)

| Name of SEBs/ Power Utilities | Disputed | Undisputed | Total |
|----------------------------------|----------|------------|--------|
| BSEB | 19.52 | 23.01 | 42.53 |
| UPSEB | 135.04 | 252.45 | 387.49 |
| OSEB | 16.76 | 0.92 | 17.68 |
| PSEB | 174.93 | 56.80 | 231.73 |
| TNEB | 137.53 | 26.21 | 163.74 |
| HSEB | 134.47 | 18.30 | 152.77 |
| RSEB | 28.62 | 13.01 | 41.63 |
| MSEB | 378.39 | 77.08 | 455.47 |
| MPEB | 22.00 | 85.41 | 107.41 |
| GEB | 47.40 | 72.48 | 119.88 |
| WBSEB | 1.89 | 168.42 | 170.31 |
| WBPDC | 5.77 | 219.01 | 224.78 |
| APEB | 14.23 | 4.36 | 18.59 |
| KPCL | 6.19 | -0.73 | 5.46 |
| DPL | 11.19 | 73.21 | 84.40 |
| DVC | 76.38 | 181.56 | 257.94 |

| Name of SEBs/ Power Utilities | Disputed | Undisputed | Total |
|----------------------------------|----------|------------|---------|
| DESU | 35.27 | 34.12 | 69.39 |
| BTPS | 234.41 | 213.41 | 447.82 |
| NTPC | 149.01 | 132.75 | 281.76 |
| CESC | 2.68 | 2.12 | 4.80 |
| AEC | 16.29 | 2.02 | 18.31 |
| Others | 7.56 | 3.32 | 10.88 |
| Total | 1655.53 | 1659.24 | 3314.77 |

APPENDIX VII

Government of India
Ministry of Steel, Mines and Coal
(Department of Coal)

No. 23011/16/85-CPD

New Delhi, the 12th August, 1985

CIRCULAR

SUBJECT: *Stocking Policy of Coal India Limited*

The rising pithead stocks in coal companies under Coal India Limited have been causing concern and the matter has attracted attention at the highest level. Whereas efforts are being made at various levels to bring down stocks of coal by increased despatches, the question of regulating stocks in future has been under consideration for quite some time. The Planning Commission have also desired that a rational stocking policy for coal companies under Coal India Limited should be chalked out.

The matter has been examined in this Department and it has been decided that the following guidelines shall govern the stocking policy of companies under CIL.

1. For a subsidiary company as a whole the company's stock at pit-head should be equal to one month's production.
2. At each colliery the pit-head stock should not exceed three months production and
3. Collieries should always carry at their pit-heads sufficient stocks to enable them to load timely the available number of wagons.

Strict adherence to the above guidelines should be ensured and the stock position in collieries should be put up before the Board of Subsidiary

Companies and that of Coal India Limited periodically to see that the guidelines are being adhered to. The defaults if any, should be promptly reported to the Government.

Sd/-

(Swaran Singh)

Under Secretary to the Govt. of India.

Copy for compliance to:

1. CMD, CIL, Calcutta
2. CMD, ECL, Sanctoria
3. CMD, WCL, Nagpur
4. CMD, BCCL, Dhanbad
5. CMD, CCL, Ranchi

APPENDIX VIII

Coalfields Wise Production Projection

(In million tonnes)

| Company | Coalfield | Target 1995-96 | Projection 1996-97 |
|-----------------------|----------------|-------------------|-----------------------|
| ECL | Raniganj I | 7.64 | 19.53 |
| | Mugma/Salanpur | 3.59 | 3.45 |
| | Rajmahal | 8.52 | 10.02 |
| Subtotal, ECL | | 29.75 | 33.00 |
| BCCL | Jharia | 29.36 | 31.46 |
| | Raniganj | 0.09 | 0.09 |
| | Mugma | 1.05 | 1.05 |
| Subtotal, BCCL | | 30.50 | 32.60 |
| CCL | Giridih | 0.58 | 0.38 |
| | W. Bokaro | 3.62 | 3.73 |
| | E. Bokaro | 11.08 | 10.68 |
| | Ramgarh | 2.50 | 2.60 |
| | N. Karampura | 5.02 | 5.29 |
| | N. Karanpura | 12.41 | 12.65 |
| Subtotal, CCL | | 35.00 | 35.40 |
| NCL | Singrauli | 35.00 | 39.00 |
| WCL | W. Valley | 16.90 | 18.04 |
| | Umrer | 2.37 | 2.22 |
| | Patharkhera | 2.60 | 2.36 |
| | Penchkanhan | 3.70 | 3.57 |
| | Kamptee | 2.68 | 2.81 |
| Subtotal, WCL | | 28.25 | 29.00 |

(In million tonnes)

| Company | Coalfield | • Target 1995-96 | Projection 1996-97 |
|-----------------------|-----------|---------------------|-----------------------|
| SECL | CIC | 19.69 | 20.00 |
| | Korba | 31.06 | 33.00 |
| Subtotal, SECL | | 50.57 | 53.00 |
| MCL | IB Valley | 10.90 | 12.84 |
| | Talcher | 19.85 | 23.16 |
| Subtotal, MCL | | 30.75 | 36.00 |
| NEC | NEC | 1.00 | 1.00 |
| Total CIL | | 241.00 | 259.00 |

APPENDIX IX

Projected
Fields

Despatch From Korba, IB And Talcher

(Figs. in Million Tonnes)

| Company/Field | Mode | Anticipated 1995-96 | Provisional 1996-97 |
|---------------|--------|------------------------|------------------------|
| SECL/Korba | Rail | 13.00 | 18.37 |
| | Others | 18.00 | 16.50 |
| Total | | 31.00 | 34.87 |
| MCL/IB | Rail | 9.80 | 11.83 |
| | Others | 1.54 | 1.67 |
| Total | | 11.34 | 13.50 |
| MCL/Talcher | Rail | 13.58 | 14.50 |
| | Others | 5.09 | 10.78 |
| Total | | 18.67 | 25.28 |

APPENDIX X

List of 38 Localities in Raniganj Coalfield of West Bengal Declared as Unsafe by Apex Monitoring Committee

| <i>S. No.</i> | <i>Name of Unstable Localities</i> | <i>Whether Located within ECL's Leasehold Area</i> | <i>Name of Erstwhile Private Colliery</i> |
|---------------|------------------------------------|--|---|
| 1. | Haripur Village | Yes | Haripur Colliery |
| 2. | Dhanganpati | Yes | Khas Kajora Colliery |
| 3. | Palasban Village | Yes | Madanpur Colliery |
| 4. | Kuldanga Village | Yes | South Parasea Colliery |
| 5. | Kenda Village | Yes | Central Kenda Colliery |
| 6. | Santhal Basti (Belbaid) | Yes | PK Chaterjee's Colliery |
| 7. | Dhasal Village | Yes | Dhasal Colliery |
| 8. | Kumar Bazar | Yes | Kumarbazar Colliery |
| 9. | Porarbandh | Yes | Porarbandh Colliery |
| 10. | Pottary | Yes | Potery Colliery |
| 11. | Arun Talkies | Yes | Raniganj Colliery |
| 12. | Gowala Bastee | Yes | Krishna Coal Co. |
| 13. | Hurmadanga Village | Yes | Central Jamuria Colliery |
| 14. | Old Egara Village | Yes | Egra Colliery |
| 15. | Nandi Village | Yes | Nandi Colliery |
| 16. | Jamuria Bazar | Yes | Jamuria 5&6 Pits |

| <i>S. No.</i> | <i>Name of Unstable Localities</i> | <i>Whether Located within ECL's Leasehold Area</i> | <i>Name of Erstwhile Private Colliery</i> |
|---------------|-------------------------------------|--|---|
| 17. | Jamuria Village | Yes | Jamuria 7&8 Pits |
| 18. | Shibpur Village | Yes | Shibpur Colliery |
| 19. | Chattimdanga | Yes | Rana No.3 Incline |
| 20. | Kumardiha Village | Yes | Kumardia Cilliery |
| 21. | Bhutdoba | Yes | Bhutdoba Colliery |
| 22. | Balirambagan | Yes | Baliram Ghusick |
| 23. | Hindusthan Pilkington Glass Factory | Yes | North Ghusick |
| 24. | Ushagram Village | Yes | New Ghusick |
| 25. | Reckitt Colman | Yes | South Jayramdanga |
| 26. | Borachak Village | Yes | Borachak Colliery |
| 27. | Fatepur Village | Yes | Fetepur Colliery (Upkar Colliery Pvt. Ltd) |
| 28. | Narsamunda Village | Yes | Narsamunda Colliery |
| 29. | Bonbiddi Village | Yes | Dhjndabad Colliery |
| 30. | Aluthia/Bharatchak Village | Yes | Patmohana Colliery |
| 31. | Chottodhemo Village | Yes | Gangutia Colliery |
| 32. | Kendua Village | No | Begunia Colliery |
| 33. | Pankiary | Yes | Ganguta Colliery |
| 34. | Sanctoria Village | Yes | Sanctoria Colliery |
| 35. | Jonakpura Village | No | Begunia Colliery |

| <i>S. No.</i> | <i>Name of Unstable Localities</i> | <i>Whether Located within ECL's Leasehold Area</i> | <i>Name of Erstwhile, Private Colliery</i> |
|---------------|------------------------------------|--|--|
| 36. | Falsadanga | No | |
| 37. | Begunia Village | No | |
| 38. | Barakar Town | No | |

APPENDIX XI

Extracts of Minutes of the first sitting of the action taken Sub-Committee of Standing Committee on Energy held on 6.9.1995

The Sub-Committee sat from 15.00 hrs. to 16.15 hrs.

PRESENT

Shri Shiv Charan Mathur - Convenor

MEMBERS

2. Shri Parasram Bhardwaj
3. Shri P.C. Chacko
4. Shri Khelan Ram Jangde
5. Shri Vilas Muttemwar
6. Shri Khelsai Singh
7. Shri S. Thofa Subba Rao
8. Shri Parmeshwar Kumar Agarwalla
9. Shri Bhubaneswar Kalita
10. Shri M. Rajasekara Murthy
11. Shri Rajni Ranjan Sahu

SECRETARIAT

1. Shri G.R. Juneja - *Deputy Secretary*
2. Shri A. Louis Martin - *Under Secretary*

At the outset, the Convenor, welcomed the members to the first sitting of the Action Taken Sub-Committee. The Sub-Committee then took up for consideration the draft Action Taken Report on the recommendation contained in the 21st Report of Standing Committee on Energy on Demands for Grants (1995-96) of Ministry of Coal. The Sub-Committee felt that some of action taken replies furnished by the Ministry are evasive and decided to have discussions with the representatives of Ministry of Coal to elicit further information before finalising the Action Taken Report.

2. ** ** **

3. The Sub-Committee, thereafter, decided to meet again in the last week of September, 1995 to take oral evidence of representatives of the Ministry of Coal.

The Sub-Committee then adjourned.

** Para 2 of the minutes relating to consideration of Action taken Report relating to Ministry of Power by the Sub-Committee is not included

APPENDIX XII

Minutes of the second sitting of the Action Taken subcommittee of Standing Committee on Energy held on 26th sept., 1995.

The subcommittee sat from 15.00 hrs. to 16.30 hrs.

PRESENT

Shri Shiv Charan Mathur -*Convenor*

MEMBERS

2. Shri Parasram Bhardwaj
3. Shri P.C Chacko
4. Shri Khelan Ram Jangde
5. Shri Khelsai Singh
6. Shri S. Thota Subba Rao
7. Shri Arjun Singh Yadav
8. Shri Parmeshwar Kumar Agarwalla
9. Shri Bhubaneswar Kalita
10. Shri T.Venkatram Reddy
11. Shri Rajni Ranjan Sahu
12. Smt. Kamla Sinha

SECRETARIAT

1. Shri G.R. Juneja - *Deputy Secretary*
2. Shri A. Louis Martin - *Under Secretary*

List of Representatives

1. Shri M.P Modi, Secretary, Ministry of Coal.
2. Shri B.N. Makhija, Addl. Secretary.
3. Shri Vivek Mehrotra, Joint Secretary & Financial Adviser.
4. Shri R.K Sachdev, Adviser (Projects).
5. Shri J. Harinarayan, Joint Secretary.
6. Shri G.B. Mukherji, Joint Secretary.
7. Shri P.K. Sengupta, Chairman, Coal India Ltd.
8. Shri T.K. Deb, Director Technical, Coal India Ltd.

The Sub-Committee took oral evidence of the representatives of Ministry of Coal in connection with the Action Taken Replies received on the 21st Report of the Committee on Demands for Grants (1995-96) of Ministry of Coal.

2. The important points discussed by the Sub-Committee are as follows:

- (i) guidelines for project planning and implementation;
- (ii) formulation of perspective plan for coal sector;
- (iii) subsidence control and stowing operation;
- (iv) position regarding pit-head stocks.

3. A copy of the verbatim proceedings of the Sub-Committee has been kept on record.

The Sub -Committee then adjourned.

APPENDIX XIII

Extracts of Minutes of the Fourth Sitting of the Action Taken Sub-Committee of Standing Committee on Energy held on 6.12.1995

The Sub-Committee sat from 15.00 hrs. to 15.45 hrs

PRESENT

Shri Shiv Charan Mathur - *Convenor*

MEMBERS

2. Shri Parmeshwar Kumar Agarwalla

SECRETARIAT

1. Shri G.R. Juneja - *Deputy Secretary*
2. Shri A. Louis Martin - *Under Secretary*

The following Draft Action Reports were placed before the Action Taken Sub-Committee for consideration and adoption.

- i. Draft Report on Action Taken by Government on the recommendations contained in the 21st Report of Standing Committee on Energy (1995-96) on Demands for Grants (1995-96) of Ministry of Coal.

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2. The Sub-Committee, however, could not consider the draft reports for want of quorum. The Sub-Committee, nevertheless Suggested that the comment at Para No.17 of Chapter-I of the Draft Action Taken Report may be so modified as to emphasise that it should be the sole responsibility of Coal companies to take appropriate remedial and preventive measures in areas which fall within the lease hold of Coal companies although the

occurrence of subsidence is due to pre-nationalisation mining activities and illegal mining operation. The funds available under Coal Mines Safety and Conservation Act should be utilised by Coal companies for control of mine fires and subsidence.

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The Sub- Committee then adjourned

** Paras 1 (ii), (iii) and 3 of the Minutes relating to consideration of Action Taken Reports pertaining to Ministry of Power and procedural minutes respectively are not included.

APPENDIX XIV

Minutes of the Tenth sitting of the standing Committee on Energy held on 18th December, 1995.

The committee sat from 16.00 hrs. to 16.30

PRESENT

Shri Jaswant Singh -*Chairman*

MEMBERS

2. Shri Khelsai Singh
3. Shri K.P.Reddiah Yadav
4. Shri Arjun Singh Yadav
5. Shri Virender Singh
6. Shri Anil Basu
7. Shri Rajesh Kumar
8. Shri Chitta Basu
9. Smt. Dil Kumari Bhandari
10. Shri Dipankar Mukherjee
11. Smt. Ila Pant
12. Shri Rajni Rajan Sahu
13. Smt. Kamla Sinha

SECRETARIAT

1. Shri G.R. Juneja - *Deputy Secretary*
2. Shri A. Louis Martin - *Under Secretary*

APPENDIX XV

(*Vide* Para 6 of Introduction)

Analysis of Action Taken by Government on the recommendations contained in the Twenty-First Report of the Standing Committee Energy (Tenth Lok Sabha)

| | | |
|------|---|------|
| I. | Total No. of recommendations made | 11 |
| II. | Recommendations that have been accepted by the Government (<i>vide</i> recommendations at SI. Nos. 1, 2, 3, 4, 5, 6, 9, 10 and 11) | 8 |
| | Percentage of total | 72.7 |
| III. | Recommendation which the Committee do not desire to pursue in view of the Government's replies (<i>vide</i> recommendation at SI. No. 5) | 1 |
| | Percentage of total | 9.1 |
| IV. | Recommendations in respect of which replies of the Government have not been accepted by the Committee (<i>vide</i> recommendation at SI. Nos. 7 & 8) | 2 |
| | Percentage of total | 18.2 |
| V. | Recommendations in respect of which final replies of the Government are still awaited. | Nil |