

28

**STANDING COMMITTEE ON
COAL AND STEEL
(2007-2008)**

FOURTEENTH LOK SABHA

MINISTRY OF COAL

**DEMANDS FOR GRANTS
(2007-08)**

*[Action Taken by the Government on the Recommendations contained in
the Twenty Third Report of the Standing Committee on
Coal and Steel (Fourteenth Lok Sabha)]*

TWENTY-EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2007 / Agrahayana, 1929 (Saka)

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Presented to Lok Sabha on 7.12.2007

Laid in Rajya Sabha on 7.12.2007



LOK SABHA SECRETARIAT
NEW DELHI

December, 2007/Agrahayana, 1929 (Saka)

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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations/Observations that have been accepted by the Government	14
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	41
CHAPTER IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	42
CHAPTER V Recommendations/Observations in respect of which final replies of the Government are still awaited	44

ANNEXURES

I. Minutes of the Third sitting of the Standing Committee on Coal and Steel (2007-08) held on 5th December, 2007....	45
II. Analysis of Action Taken by the Government on the Recommendations contained in the Twenty Third Report of the Standing Committee on Coal and Steel (Fourteenth Lok Sabha)	47

COMPOSITION OF THE STANDING COMMITTEE
ON COAL AND STEEL (2007-08)

Dr. Satyanarayan Jatiya—*Chairman*

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2. Shri Hansraj G. Ahir
3. Shri D.K.Audikesavulu
4. Shri Hiten Barman
5. Shri Bansagopal Choudhury
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Rajya Sabha

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30. Shri Bashistha Narain Singh
31. Shri Yashwant Sinha*

SECRETARIAT

- | | | |
|-----------------------|---|-----------------------------|
| 1. Shri S.K. Sharma | — | <i>Additional Secretary</i> |
| 2. Shri P.K. Bhandari | — | <i>Joint Secretary</i> |
| 3. Shri A.K. Singh | — | <i>Director</i> |
| 4. Shri Shiv Singh | — | <i>Deputy Secretary</i> |

* Nominated *w.e.f.* 6.9.2007 *Vice* S/Shri Surendra Lath, MP and Ajay Maroo, MP

INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Twenty Eighth Report (Fourteenth Lok Sabha) on Action Taken by the Government on the recommendations contained in the Twenty Third Report of the Standing Committee on Coal and Steel (Fourteenth Lok Sabha) on "Demands for Grants (2007-08) of the Ministry of Coal".

2. The Twenty Third Report (Fourteenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 27th April, 2007. Replies of the Government to all the recommendations contained in the Report were received on 16th August, 2007.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 5th December, 2007.

4. An analysis on the Action Taken by the Government on the recommendations contained in the Twenty Third Report (Fourteenth Lok Sabha) of the Committee is given at **Annexure-II**.

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

NEW DELHI;
5 December, 2007

14 Agrahayana, 1929 (Saka)

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

CHAPTER I

REPORT

This Report of the Committee deals with Action Taken by the Government on the recommendations contained in the Twenty-Third Report (Fourteenth Lok Sabha) of the Standing Committee on Coal and Steel (2006-07) on "Demands for Grants (2007-08) of the Ministry of Coal" which was presented to Lok Sabha on 27.4.2007.

1.2 Action Taken Notes have been received from the Government in respect of all the recommendations contained in the Report. These have been categorized as follows:—

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

Sl. Nos. 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22.

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

Sl. No. NIL

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

Sl. No. 7

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

Sl. No. 4

1.3 The Committee desire that final reply in respect of the recommendation which has been categorized as interim reply by the Committee should be furnished to the Committee at the earliest.

1.4 The Committee desire that utmost importance should be given to the implementation of recommendations accepted by the Government. In case, it is not possible for the Government to implement any recommendations(s) in letter and spirit for any reasons, the matter should be reported to the Committee in time with reasons for non-implementation.

1.5 The Committee now deal with the Action Taken by the Government on some of their recommendations/observations made in the Twenty-Third Report.

I. Environmental Measures and Subsidence Control

Recommendation (Sl. No. 6, Para No. 3.19)

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

1.7 The Ministry in its reply has stated that the schemes taken up under the plan head of EMSC are part of the Master Plan prepared on the basis of the recommendations of high level committee in 1996. It is a fact that there have been some constraints in successful implementation of these schemes mainly on account of Resettlement and Rehabilitation (R&R) problems. However, a detailed Action Plan has been formulated on the basis of the Master Plan covering Jharia & Raniganj coal fields and the same is under consideration of Government. A note for COS has been circulated for a decision on the Action Plan. The salient features of the Action Plan are:

Jharia Coalfield of BCCL

- (i) The existing 67 nos of fires are proposed to be controlled/ extinguished by implementing 45 numbers of fire projects in 12 years time with a total investment of Rs. 2152.51 crore.

- (ii) Total 595 number of sites are proposed to be resettled. Total number of houses to be rehabilitated has been estimated at 98314 and they include both BCCL houses as well as non-BCCL/private houses.

BCCL houses	:	44155
Non-BCCL houses	:	
(Authorised Private)	:	29444
Un-authorised (Encroachers)	:	23847
Others (religious structures, schools, Post office etc.)	:	868
Total	:	98314

- (iii) The houses from the endangered area to be rehabilitated in 4 to 5 satellite townships in non coal bearing areas along the periphery of Jharia Coalfield. The total investment has been estimated at Rs. 4185.94 crore to be spent in 12 years time frame.
- (iv) The rehabilitation of BCCL houses shall be the responsibility of BCCL. Rehabilitation of Non-BCCL houses from the endangered areas shall be the responsibility of State Govt. of Jharkhand and necessary fund will be made available to the state Govt. by BCCL.
- (v) An authority namely Jharia Rehabilitation and Development Authority (JRDA) has been constituted by State Govt. under the Chairmanship of Commissioner North Chotanagpur for the purpose of rehabilitation on non-BCCL houses.
- (vi) A Demonstration Scheme for shifting of 3100 non-BCCL houses (un-authorised) is under implementation at Belgoria mouza where work is in progress for which a total fund of Rs. 16.4 crores has already been made available to JRDA till date.
- (vii) Since 1997-98, 9 (nine) Environment Measures & Subsidence Control (EMSC) schemes and 4 (four) Rehabilitations & Control of Fire and Subsidence (RCFS) were sanctioned for a total outlay of about Rs. 42 crores.
- (viii) 7 EMSC schemes have been completed, 3 RCFS schemes are under implementation and 1 RCFS scheme dropped due to dismantling of Dhanbad. Patherdib Rly. Line.

- (ix) 3100 non-BCCL houses are under construction under Demonstration Scheme and 900 houses are expected to be completed by July, 2007.
- (x) BCCL is shifting its own 'employees from endangered area to safer place.

Raniganj Coalfield of ECL

(i) Total Capital investment	Rs. 2300.42 crores
(ii) No. of sites proposed to be rehabilitated Including on-going scheme	139
(iii) No. of houses to be rehabilitated	33196
(iv) Time frame for implementation	10 years
(v) Estimated capital requirement	Rs. 2256.82 crores
(vi) Diversion of rail/road covers a length of 4400 Meters at 7 locations	Rs. 7.72 crores
(vii) For dealing with fire at 7 locations covering an Affected area of 755 ha.	Rs. 35.88 crores

1.8 Keeping in view the slow pace of implementation of different schemes under Environment Measures and Subsidence control, the Committee had desired the Ministry of Coal to review the schemes, prioritize them and prepare a comprehensive plan for their implementation so that allocated funds provided for the purpose might be utilized. The Ministry in its reply has admitted that though there have been some constraints in successful implementation of these schemes, a number of schemes have been taken up as part of 'Master Plan' prepared on the basis of the recommendation of High Level Committee in 1996. The Ministry has further stated that it has prepared an Action Plan covering Jharia and Raniganj coalfields and the same is under the consideration of the Government. The Committee, however, note that the progress made in this regard has been far from satisfactory. Out of 9 Environmental Measures and Subsidence Control (EMSC) schemes and 4 Rehabilitation and Control of Fire and Subsidence (RCFS) schemes sanctioned during 1997-98, 7 EMSC schemes have been completed, 3 RCFS schemes are under implementation and one RCFS scheme has been dropped due to dismantling of Dhanbad Patherdib Railway Line. The Committee are extremely anguished at this man made suffering being inflicted upon inhabitant of coal bearing areas due to inefficient handling of the situation by the coal companies. The Committee are constrained

to feel that the schemes which are vital for the people of the area have taken 10 to 12 years for completion. The Committee desire the Ministry to initiate measures to ensure the completion of the ongoing schemes within a short time frame as to obviate hazardous living conditions of the people in the vicinity of these projects.

1.9 The Committee are dismayed to note that scant attention has been paid to the recommendations of the High Level Committee made in 1996 as most of them are either not implemented or being implemented at snail's pace manner. The Ministry have not indicated any time schedule within which the 'Master Plan' is to be completed. The Committee desire the Ministry to constitute a 'Expert Group' to review the working of the said 'Master Plan' to see how far this has been useful and the time by which it would be completed. The Committee should be kept informed of the working of the proposed 'Expert Group'.

II. Science and Technology Project

Recommendation (Sl. No. 7, Para No. 3.23)

1.10 The Committee noted that the Budget Estimates(BE) for Research and Development(R&D) activities under Science & Technology (S&T) grant of Ministry of Coal amounting to Rs. 21.09 crore for the year 2006-07 were reduced drastically to Rs. 6.00 crore at the RE stage and actual utilization was only Rs. 7.61 crore. The fund utilization by the coal companies for the R&D activities during the entire 10th Plan Period had also not been upto the mark. Out of a total of Rs. 81.08 crore provided during the 10th Five Year Plan for R&D activities, the coal PSUs could utilize Rs. 50.94 crore which comes to 62.82%. As far as implementation of the R&D projects was concerned, out of 47 projects sanctioned during 10th Plan, the coal PSUs could complete only 15 projects, 1 project was terminated and rest of the 31 projects have spilled over to the 11th Plan Period. The reasons advanced by the Ministry of Coal for the lower allocations and even lesser utilization of funds generally pertained to delay in procurement of imported equipments, delay in award of contracts, etc.

1.11 The Committee were dismayed to note that the R&D projects, which do have a direct and immediate impact on the growth of coal industry, had been a neglected area. Not only the budgetary allocations for R&D activities had been very low as compared to the total turn over of the industry but also the utilization of the same had been

very poor resulting in non-completion of the projects within the scheduled time. The Committee did not approve of the delays for the simple fact that barely 1/3rd of the projects sanctioned during 10th Plan could be completed. The Committee felt that Central Mine Planning and Design Institute (CMPDI), which is the nodal agency for coordination and monitoring of coal S&T projects funded by the Ministry of Coal and also projects funded by CIL, had failed in delivering the targeted results. The Committee, therefore, impressed upon the Ministry of Coal to have an adequate control and supervision over the agencies responsible for the implementation of the various R&D projects to avoid time and cost overrun and ensure full utilization of funds. The Committee further desired that the Ministry of Coal should introduce a stringent system of accountability and responsibility in dealing with Coal S&T projects by the various research and academic institutes who have been assigned research work.

1.12 The Ministry in its reply has stated that the out of the 47 projects approved during X Plan, 15 nos. of projects have been completed and one project was terminated.

1.13 The S&T project duration normally varies from 2-4 years. There are 15 projects which have duration of 3 to 4 years and were sanctioned during later half of the Xth plan period. These projects have been shifted to XI Plan as on-going projects without any time overrun. However, 16 nos. of projects which were scheduled to be completed within X Plan could not be completed and got extended due to various reasons like delay in procurement of imported equipment, delay in getting statutory permission/environmental clearance etc.

1.14 Extension of time for any of the S&T projects is granted only after detailed deliberations by the sub-committee concerned of Standing Scientific Research Committee (SSRC) and extension is normally of specified duration along with updated activity plan.

Steps taken to facilitate timely completion of the projects:

- (i) Progress of S&T projects is monitored by CMPDI and reviewed by SSRC sub-committees and SSRC headed by Secretary, Ministry of Coal. Progress of the projects is also monitored by periodic visits to the implementing institutes by the officials of S&T Department of CMPDI to monitor/coordinate the implementation of projects.

- (ii) To obviate the delay in field trials due to non-availability of mining faces/sites, CMPDI extends help to implementing agencies in selecting alternative sites for field trials.
- (iii) Progress reports (both physical and financial) as received from implementing agencies on a quarterly basis are reviewed by CMPDI. The causes of delay, if any, are discussed in detail and remedial measures are suggested.

1.15 The Committee had earlier desired the Ministry to introduce a stringent system of accountability and responsibility in dealing with coal S&T projects since out of 47 S&T projects sanctioned during 10th Plan, only 15 projects could be completed. The Ministry has informed the Committee that the S&T projects duration normally varies from 2-4 years. The Committee regret to note that despite project duration of 2-4 years and monitoring by Central Mines and Planning Design Institute Ltd. (CMPDIL) and Standing Scientific Research Committee (SSRC), 32 projects have still not been completed. It was for this reason that the Committee had desired the Ministry to introduce stringent system of accountability and responsibility for implementation of S&T projects. However, the Ministry is silent on this matter. The Committee, therefore, would like to reiterate their recommendation in this regard.

1.16 The Committee had also impressed upon the Ministry to have an adequate control and supervision over CMPDIL for the implementation of various S&T projects. Though the Ministry has stated that CMPDIL monitor the projects, extends help to implementing agencies in selecting alternative sites for field trials and review the progress reports quarterly received from implementing agencies, much needs to be done to further improve the working of this premier agency. The Committee, therefore, desire the Ministry/ Coal India Ltd. to take adequate measures to make CMPDIL a more professional and effective organisation for time bound implementation of various S&T projects. There is also an urgent need to carefully select the subjects for S&T projects. These should be to solve practical problems faced by various coal companies in mining the coal and in improving the quality & quantity of the mined coals, their gasification, etc. so that the production can be increased.

III. Emergency Coal Production Plan

Recommendation (Sl. No. 12, Para No. 4.20)

1.17 The Committee noted that in view of increase in demand of coal, Coal India Ltd. (CIL) has prepared an 'Emergency Coal Production

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

1.18 The Ministry in its reply has stated that the Coal India Limited under "Emergency Coal Production Plan" has identified 16 opencast projects/mines where production from the existing mines/projects will be enhanced to a higher level yielding additional 71.3 Mt. Besides this following steps have also been taken to increase coal production:

- 130 coal blocks have been allotted to different consumers to be operated by private/public sector for captive end uses/ commercial mining.
- To reduce the gap between demand and supply of coal, 119 mining projects of Coal India Limited and 25 mining projects of Singareni Collieries Company Limited are envisaged to be undertaken in XI Plan.
- Improvement in equipment utilization and mechanization/ modernization of existing mines.

1.19 Since there were perennial problems adversely affecting the timely completion of coal projects, the Committee had desired the Ministry to prepare a contingency plan to find quick solution to the problems. In a reply the Ministry has stated that Coal India Ltd. (CIL) under "Emergency Coal Production Plan' has identified 16 opencast projects/mines where production from the existing mines/ projects will be enhanced to a higher level yielding additional 71.3 mt coal. The Ministry has further stated that 130 coal blocks

have been allotted to different consumers and 144 coal mining projects are envisaged to be undertaken during 11th Plan to reduce the gap between demand and supply of coal. Although the Ministry has informed that with improvement in utilisation of equipments and mechanization /modernization of existing mines will increase the coal production. The Ministry has not identified the problems hampering the development of coal mines and coal projects. The Committee feel that since the coal blocks being allotted by the Ministry of Coal are not being developed as per schedule and the completion of various coal projects lagging far behind, it is doubtful whether the ambitious 'Emergency Coal Production Plan' to accelerate coal production would bring the desired results. The Committee would, therefore like to stress that the Coal India Ltd. should focus on bridging the gap between demand and supply of the coal by increasing the production from the identified 16 opencast mines, optimum utilisation of men and machinery and ensuring early production from the allotted captive coal blocks.

IV. Coal Gasification

Recommendation (Sl. No. 16, Para No. 6.23)

1.20 The Committee had been informed that coal gasification is the process of converting coal through reactions with gasifying media like air, oxygen, steam or mixture of these into a gaseous product. The gasification of coal is possible both at surface and underground. The underground coal gasification offers a potential economic means of extracting energy from deep seated deposits which were not amenable to conventional physical extraction economically. The Committee found that a pilot project at Merta lignite deposit found to be technologically feasible for studies for techno-economic evaluation was taken up but later on suspended in view of the chances of contamination of aquifers lying above and below of the lignite seam. The Committee were dismayed to note that another project taken up in collaboration with United Nations Development Programme (UNDP)/Global Environment Facility at Moonidih and Sudamdih mines of Bharat Coking Coal Ltd. in Jharia Coalfields, sanctioned on 15 September, 1999 with the project duration of 5 years, is still under development. The Committee noted that recently CIL had entered into MoUs with Oil & Natural Gas Corporation (ONGC) and Gas Authority of India Ltd. (GAIL) to jointly pursue the underground coal gasification and recovery of Coal Bed Methane (CBM). The Committee were unhappy to note that the underground coal gasification and recovery of CBM for its commercial utilization was taken up as a National Project in early 80's but even

after the lapse of about 25 years, no significant achievement had been made. A number of projects taken up by the Government to recover CBM, were still at data generation stage and no appreciable achievements had been made. The Committee have been further informed that economic viability of UCG was yet to be assessed by CIL which could be made after generation of data from the pilot study. The Committee were constrained to note that even the regulatory framework for underground coal gasification programme had still not been put in place. In view of above, the Committee desired the Ministry of Coal to expedite its efforts to complete the pilot projects within the scheduled time so that the valuable coal reserves at deep seams which are not amenable to conventional physical extraction economically, were exploited by converting them into gases.

1.21 The Ministry in its reply has stated the followings:—

- (i) The Underground Coal Gasification (UCG) was taken up as a national project in the early 80's. However, on the apprehension of contamination of ground water, the S&T project in the selected pilot project site of Merta Road Lignite Deposit for ascertaining the techno-economic viability of the project was not pursued after May, 1995.

In most of the countries world over, the activities related to UCG are in developmental stage. Neyveli Lignite Corporation has taken up an UCG project under S&T funding in lignite deposits in Rajasthan in September, 2005, but the project is delayed due to delay in appointment of consultant even though a global tender was floated. CIL has entered into an agreement with ONGC in Feb.'2005 to pursue UCG through an Memorandum of Understanding (MoU). Out of the 5 blocks identified for UCG by CMPDI, only one block Kasta was selected in January 2006 by Soviet experts, appointed by ONGC, for generation of additional data for evaluating its suitability for pilot scale studies of UCG. CMPDIL/CIL has taken up the job related to generation of additional data, which may be available by December 2008. CIL/CMPDIL is also examining possibilities of identification of additional blocks for taking up UCG in the command areas of CIL.

Directives for expeditious efforts for taking up of pilot projects of UCG have been noted for action.

- (ii) Ministry of Coal has taken initiatives for encouraging the coal gasification technology by participation of private

entrepreneurs. Recently, MoC has notified production of syn-gas obtained through coal gasification (underground and surface) and coal liquefaction to be end uses under the provisions of coal Mines (Nationalisation) Act 1973.

- (iii) The Coal Bed Methane (CBM) policy was formulated by Govt. of India in the year 1997 after which impetus on development of CBM in the country has started. So far, 26 CBM blocks involving resource of 1.45 TCM have been allotted by Directorate General of Hydrocarbons (DGH) on behalf of Ministry of Petroleum and Natural Gas in 3 rounds of bidding where work is progressing in terms of agreed minimum work programme between the respective parties and Govt. of India
- (iv) A collaborative demonstration project on Coal Bed Methane Recovery & Commercial Utilization is under implementation at Moonidih and Sudamdih mines of BCCL, Dhanbad in Jharia coalfield. The revised schedule completion of project is December' 2007. The envisaged activities are in progress as per revised schedule and utilization of CBM/Coal Mine Methane (CMM) is likely to be demonstrated by December' 2007.

1.22 Since the projects taken under Underground Coal Gasification (UCG) has been taking considerable time to materialize, the Committee had recommended the Ministry to make efforts to complete the pilot projects within the schedule time. The Ministry in its reply to the Committee has admitted that UCG was taken up as a National project of Merta Road Lignite Deposit in the early 80's and had to be abandoned in 1995 on the apprehension of contamination of ground water. The Committee consider it as glaring lapse as about 15 years were taken to ascertain the techno-economic viability of the project before abandoning it. It has further been stated that Neyveli Lignite Corporation (NLC) has taken up an UCG project under S&T funding in lignite deposit in Rajasthan. The Committee desire the Ministry/NLC to complete the required formalities of approval of consultant and obtaining techno-economic feasibility at the earliest so that the project is completed as per schedule. The Committee also desire that other Coal Bed Methane (CBM) projects and a collaborative demonstration project on Coal Bed Methane Recovery and commercial utilisation at Moonidih and Sudamdih mines of Bharat Coking Coal Ltd.(BCCL) should be accorded utmost priority and completed on time.

V. Safety in Coal Mines

Recommendation (Sl. No. 18, Para No. 7.30)

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

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

1.25 The Ministry in its reply has stated that the Observations & recommendations made by DGMS officials are strictly followed by Mine Management and monitored by Sr. Officials of the area and Internal Safety Organization (ISO) of the company. It may be noted that over the years since nationalization, safety status of coal mines of CIL has improved and rate of accident has shown a down ward trend. The rate of fatalities per million tonne of output in Coal India Ltd. has come down from 2.62 in the year 1975 to 0.17 in the year 2007. CIL has constituted an expert committee to ensure proper specification/ selection and procurement of safety related equipment in CIL. At times DGMS approval is required for procurement of indigenous as well as imported equipments. Top Management also monitors the timely procurement of safety items by follow up at different levels.

1.26 The Committee note that safety in coal mines has remained a major concern which has not been adequately addressed so far resulting in fatal accidents. The Committee had therefore, desired the Ministry to take all the corrective measures to improve the safety standards in the coal mines and special attention to be given for the procurement of required equipments. The Ministry of Coal has informed the Committee that Coal India Ltd. (CIL) has constituted an 'Expert Committee' to ensure proper specification/selection and procurement of safety related equipments in CIL. The Committee understand the adverse conditions under which the miners are required to work and any slackness in the safety related matters could be catastrophic. The Committee need not emphasise that safety in coal mines not only boost up the moral of workers but also helps in creating congenial atmosphere for coal production. The Committee hope that the 'Expert Committee' constituted in this regard would work in right perspective and bring about accident free atmosphere in Coal India Ltd. The Committee are extremely concerned of increasing frequency of fatal accident and greater loss of human lives and desire the Ministry to fix responsibility for such mishaps and take stringent punitive action against the guilty officers.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 1, Para No. 22)

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

Action Taken

The replies of the Government were not accepted by the Standing Committee in respect of Recommendations No. 6 and 12 of 15th Report.

Recommendation No. 6 of 15th Report

A Standing Committee under the chairmanship of Secretary (Environment & Forests) has been constituted to periodically review the progress of environmental and Forest clearances on coal projects for the XI Five Year Plan and to evolve strategies and measures needed to expedite the process of forestry and environmental clearances. The Committee comprises of Secretary (Coal) as the Convener and Chief Secretaries of M.P., Jharkhand, West Bengal, Chhattisgarh, Maharashtra and Orrisa as members. The first meeting was held on 27.07.07.

Recommendation No. 12 of 15th Report

For cost-effective project implementation in coal projects, outsourcing of coal as well as OB is being increasingly recommended at various forums. Outsourcing is done only for additional capacity building and not at the cost of capacity of departmental fleet and equipments. However, departmental option is being considered as a fall back option in case outsourcing option is not effective or possible due to IR issues.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 2, Para No. 3.12)

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

Action Taken

In BE 2006-07, provision of Rs. 37.00 crore and Rs. 168.71 crore was made as Non-plan and Plan expenditure respectively. The Non-plan allocation was enhanced to Rs. 37.50 crore and Plan allocation was enhanced to Rs. 300.00 crore at RE stage. The Ministry of Finance has granted Supplementary Grant of Rs. 131.21 crore in the end of December, 2006 for augmenting the budget provisions for the two CCDA Schemes namely (i) Conservation and Safety in Coal Mines, and (ii) Development of Transport Infrastructure in Coalfield Areas. Exemption from the provisions of FRBM Act on expenditure in the last quarter of the financial year as also EFC process was obtained from Ministry of Finance in February, 2007. The Ministry of Finance has approved re-appropriation of savings under other Heads for augmenting the funds for the above schemes only on 28.03.2007. Accordingly, by the end of 2006-07 (as on 31.03.2007), out of a Non-plan provision of Rs 37.50 crore, Rs 36.34 crore was spent which is about 97% of the total Non-plan provision. Out of total RE provision of Rs 300.00 crore for Plan expenditure, Rs. 269.37 crore has been spent. An amount of Rs 30.00 crore earmarked for NE Region as per requirement has been transferred to Non-lapsable Pool of Central Government. Thus, the total expenditure as on 31.3.2007 was Rs. 299.37 crore out of the RE provision of Rs. 300.00 crore which is 99.76% of RE provision in the Plan side.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl No. 3, Para No. 3.13)

The Committee are equally unhappy to note that the performance of the coal companies in utilizing the allocations made for the centrally

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

Action Taken

a. During X Plan the BE provision of Rs. 1156.71 crores was revised to Rs. 1122.01 crores at RE stage.

b. A sum of Rs. 105.09 crores (in RE) was earmarked in the X Plan for NE provision, which could not be utilized. This unutilized amount was transferred to Non-Lapsable pool of Central Government.

c. The actual expenditure for X Plan of Rs. 850.50 crores is based on the utilization of fund made during the year 2006-07 up to 20th March 2007. In between 20th March and 31st March 2007 a sum of Rs. 85.52 crores was utilized. Hence the actual expenditure for the X Plan shall be Rs. 936.02 crores. Thus, revised allocations for the X Plan was Rs. 1122.01 crores (including NE provision of Rs. 105.09 crores) and the actual utilization was Rs. 936.02 crores. The percentage utilisation of funds (excluding NE provision) was 92.04%.

d. Promotional (regional) Exploration in Coal & Lignite: During the Mid Term review, the X Plan scheme allocations were revised to Rs. 261.55 crore with 6.9 lakh metre of Promotional (regional) drilling in coal & lignite sectors. The targeted drilling included additional drilling of 90 thousand metre as compared to original proposal of 6.0 lakh m. As against this the cumulative expenditure in the X Plan was Rs. 206.19 cr. (78.84%). And actual drilling achieved was 6.288 lakh mt (91.13%). Main reasons for this short fall have been delay in commencement of Indian Integrated Coal Resources Information System

(ICRIS), Integrated Lignite Resources Information System (ILRIS) & Coal Bed Methane (CBM) Studies and some constraints in Rajasthan due to heavy rains and difficult geological formation encountered in the field and law & order problems in some of the areas.

e. Targets of drilling in 2006-07 could not be met due to the reason such as programme of promotional drilling was facing difficulties in execution mainly due to unprecedented rains in Rajasthan area (water logging in Barmer Sector), poor occurrence of lignite in Bikaner-Nagpur Sector, failure to take up drilling in Gujarat area (lack of State Govt. permission) and difficult geological formations and law & order conditions encountered.

f. A sum of Rs. 63.59 crore has been provided in 2007-08 RE (ex-NE) for Promotional Scheme. Executing agencies have drawn a programme to achieve the targeted drilling etc., which will lead to utilization of fund.

g. Detailed Drilling in Non-CIL Blocks: As against the Xth Plan target of 2.83 lakh meter of drilling with Rs. 93.84 cr. Of outlay, the actual expenditure has been Rs. 93.84 cr. and actual drilling has been 2.84 lakh mt. The provision of Rs. 104.15 crore for undertaking 1.86 lakh metre of drilling in 2007-08 has been made. This envisages outsourcing of substantial amount of drilling as it is beyond the drilling capacity of CMPDI. For this, process of outsourcing has been initiated by CMPDI.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 5, Para No. 3.15)

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

Action Taken

Amounts collected by the subsidiary companies of CIL in the last 3 years is furnished in the table below:

(Figures in Rs. crores)

Company	2004-05	2005-06	2006-07
ECL	271.77	253.26	288.55
BCCL	226.20	217.52	259.95
WCL	399.72	417.93	456.62
SECL	774.70	812.43	909.23
NCL	489.58	513.27	527.18
CCL	414.25	386.92	379.59
MCL	651.46	619.82	797.66
NEC	6.88	11.21	11.62
Total CIL	3234.59	3232.38	3630.43

The outlay proposed and actual disbursement of this scheme in the budget of 2006-07 was as under:

(Rs. crore)

	BE	RE	Amount disbursed
Conservation and Safety in Coal Mines	0.01	180.00	180.00
Development of Transport Infrastructure in coalfield areas	0.01	13.81	13.81

For 2007-08, a token provision of Rs. 1 lakh each has been kept in BE 2007-08 for both the schemes pending decision of taking up these schemes under plan or non-plan head. However, the envisaged requirement for both the schemes during 2007-08 is Rs. 210 crores (Rs. 135+75 crores) which will be taken care at RE stage.

For these two schemes an outlay of Rs. 1665.60 crs. has been proposed during the XI plan period as per details given below:

Scheme	Amount in Rs. (crore)
1. Conservation & safety	692.95
2. Development of Transport Infrastructure in Coalfield Areas	972.65
Total:	1665.60

Section 9 of CM(C&D) Act, 1974 empowers the Govt. to disburse, in each financial year, a sum not exceeding the net proceeds from such collection during preceding year or years to the coal companies under the two major heads *viz.* "Conservation & Safety in Coal mines" (for conservation of coal coupled with allied safety aspects in mines) and Development of Transport infrastructure in Coalfield areas (for facilitating quick despatch of mined coal from mine pit head to consumer end). For this purpose, Section 10 of CM(C&D) Rules, 1975 provides to constitute the self regulatory Committee called the "Coal Conservation & Development Advisory Committee" (CCDAC) to advise the Central Government on procedure and manner of the disbursement of the net proceeds of duties of excise Section 12 provides for the disbursement of SED lying in credit with the Govt. on the recommendation of the CCDAC.

In each financial year, coal companies apply to the CCDAC with concrete proposals with a clear mention of programme for implementation of each of the proposed jobs and corresponding financial involvement under each of the major schemes to be undertaken during the year. The CCDAC accepts those proposals, which are admissible for reimbursement as per guidelines framed by the Committee. Subsequently after the job has actually been done, the coal companies submit claims on each of the two schemes. This is the target of the Coal companies. In each half year, on the basis of recommendation on various claims by HODs of the coal companies through certified check list, the Sub-Committee of the CCDAC examines all the claims strictly in the light of guidelines framed by the CCDAC under respective head and recommends the admissible claims (out of those being applied by the coal companies) to the CCDA. These claims are finally scrutinized by the CCDAC before recommending the admissible reimbursable claims to the Govt. for necessary release of fund to assist the coal companies as reimbursement towards the jobs actually done and expenditure incurred by the coal companies. This is

the achievement of the coal companies enjoying Govt. assistance. However, the actual reimbursement is limited to certain percentage of the actual *viz.* 75%, 90% and 70% in case of stowing, protective works and road infrastructure development from second half year period of 2005-06. The rate of assistance prior to this was limited to 60%, 75% and 50% respectively. R&D and Rail projects enjoy 100% CCDA assistance from the Govt.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 6, Para No. 3.19)

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

Action Taken

The schemes taken up under the plan head of EMSC are part of the Master Plan prepared on the basis of the recommendations of high level committee in 1996. It is a fact that there have been some constraints in successful implementation of these schemes mainly on account of Resettlement & Rehabilitation (R & R) problems. However, a detailed Action Plan has been formulated on the basis of the Master Plan covering Jharia & Raniganj coal fields and the same is under consideration of govt. A note for COS has been circulated for a decision on the Action Plan. The salient features of the Action Plan are:

Jharia Coalfield of BCCL

- (i) The existing 67 numbers of fires are proposed to be controlled/extinguished by implementing 45 numbers of fire projects in 12 years time with a total investment of Rs. 2152.51 crores.
- (ii) Total 595 number of sites are proposed to be resettled. Total number of houses to be rehabilitated has been estimated at 98314 and they include both BCCL houses as well as non-BCCL/private houses.

BCCL houses	:	44155
Non-BCCL houses	:	
(Authorised Private)	:	29444
Un-authorised (Encroachers)	:	23847
Others (religious structures, schools, Post office etc.)	:	868
<hr/>		
Total	:	98314

- (iii) The houses from the endangered area to be rehabilitated in 4 to 5 satellite townships in non coal bearing areas along the periphery of Jharia Coalfield. The total investment has been estimated at Rs. 4185.94 crores to be spent in 12 years time frame.
- (iv) The rehabilitation of BCCL houses shall be the responsibility of BCCL. Rehabilitation of Non-BCCL houses from the endangered areas shall be the responsibility of State Govt. of Jharkhand and necessary fund will be made available to the state Govt. by BCCL.
- (v) An authority namely Jharia Rehabilitation and Development Authority (JRDA) has been constituted by State Govt. under the Chairmanship of Commissioner North Chhotanagpur for the purpose of rehabilitation on non-BCCL houses.
- (vi) A Demonstration Scheme for shifting of 3100 non-BCCL houses (un-authorised) is under implementation at Belgoria mouza where work is in progress for which a total fund of Rs. 16.4 crores has already been made available to JRDA till date.
- (vii) Since 1997-98, 9 (nine) Environment Measures & Subsidence Control (EMSC) schemes and 4 (four) Rehabilitations &

Control of Fire and Subsidence (RCFS) were sanctioned for a total outlay of about Rs. 42 crores.

- (viii) 7 EMSC schemes have been completed, 3 RCFS schemes are under implementation and 1 RCFS scheme dropped due to dismantling of Dhanbad. Patherdib Rly. Line.
- (ix) 3100 non-BCCL houses are under construction under Demonstration Scheme and 900 houses are expected to be completed by July, 2007.
- (x) BCCL is shifting its own 'employees from endangered area to safer place.

Raniganj Coalfield of ECL

(i) Total Capital investment	Rs. 2300.42 crores
(ii) No. of sites proposed to be rehabilitated Including on-going scheme	139
(iii) No. of houses to be rehabilitated	33196
(iv) Time frame for implementation	10 years
(v) Estimated capital requirement	Rs. 2256.82 crores
(vi) Diversion of rail/road covers a length of 4400 Metres at 7 locations	Rs. 7.72 crores
(vii) For dealing with fire at 7 locations covering an Affected area of 755 ha.	Rs. 35.88 crores

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Comments of the Committee

(Please *see* Para Nos. 1.8 and 1.9 of Chapter-I of the Report)

Recommendation (Sl. No. 8, Para No. 3.24)

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

AND

Recommendation (Sl. No. 9, Para No. 3.25)

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

Action Taken

The approved budget and disbursement for R&D activities during IX, X & XI Plans is as under —

(Rs. in crore)

Plan	Approved Budget	Actual Expenditure
IX Plan	80.0	24.97
X Plan	100.0	51.42
XI Plan	100.0 (Proposed)	

From the above figures of approved budget and corresponding disbursement made during the IX and X Plan period, it is evident that no project has suffered due to lack of fund. Considering the expected disbursement for projects in hand and the expected research projects in XI Plan period, a provision of Rs. 100.0 crore has been made for XI plan period. As of now under R&D head the research projects are received from various research/academic institutes on the basis of their perceptions of the industry. In case less No. of research projects are received from these institutes, the approved funds for the R&D activities are under-utilised. At the same time total investment for R&D is also rather low.

It is, to mention that the Working Group on Coal & Lignite has recommended the following new areas for R&D in coal sector during XI Plan:

Insitu coal gasification, coal liquefaction, carbon sequestration, CBM/CMM, etc. in addition to other areas of interest to industry such as coal preparation, underground mining, environment management, opencast mining, high wall mining, safety etc. These identified subjects are going to be very prominent in our pursuit of Clean Coal Technology as well as supplementary energy resources.

Ministry of Coal has taken initiatives to involve more research/ academic institutes for quality and innovative R&D projects. CMPDI has been advised to float Expression of Interest (EOI) for undertaking the identified R&D work under S&T Scheme from established R&D/ Scientific Institutes, academic institutions, other organisations engaged in manufacture/supply of mining equipment/accessories or related mining and allied services/activities. It is hoped that these steps will considerably improve industry oriented R&D activities and also total investment for it.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 10, Para No. 4.15)

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

Action Taken

Coal India Limited(CIL) spent approximately Rs. 7220.24(Prov.) during Xth Plan period and not Rs. 6944.61 crore as mentioned, which is about 50.45% of the approved outlay and 65.79% of the revised outlay for the period.

Similarly CIL utilised Rs. 2071.70 crore(Prov.) during 2006-07 and not Rs. 1796.07 crore as mentioned, which come to about 67.62% of BE and 85.61% of RE for this year.

The major reasons for low fund utilization are given below:—

- (i) Budget estimates provide 100% allocation against different activities to avoid difficulty in obtaining budget concurrence. All activities do not take place due to various reasons resulting in shortfall in budget materialization.
- (ii) Delay in project implementation due to difficulties in land acquisition including physical possession because of demand for employment.
- (iii) Delay in rehabilitation due to reluctance of PAPs to leave homestead land and variation in CIL's R&R Policy with that of different State Governments.
- (iv) Delay in project implementation due to delay in approval of PR, EMP clearance and forestry clearance.
- (v) Delay in procurement of major equipment due to delay in finalization of tender/need for re-tendering.
- (vi) Projects originally taken up with the departmental option but subsequently implemented with outsourcing option.

The planned steps of CIL to improve capital utilization are as under:—

- (i) A high-powered Committee under the Chairmanship of Secretary(Coal) has been constituted for effectively improving the fund utilization. First meeting of the Committee was held on 12.3.2007.
- (ii) Probabilistic projections of capital estimates to be given in future.
- (iii) A Committee has been formed for Standardization of NITs for quicker procurement action.
- (iv) A Committee has been formed for streamlining procedure for "Survey off" equipment.
- (v) Steps are being taken to make re-appropriation of fund much simpler.

In addition, CIL envisages that following steps to improve fund utilization:—

- (i) Task force by difference State Governments to facilitate land acquisition process.

- (ii) Uniform R&R Policy to be acceptable to all States.
- (iii) Environmental and forestry clearance simultaneously processed.
- (iv) Single Stage forestry clearance which will reduce the overall time to less than two years.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 11, Para No. 4.16)

The Committee, however, note that during this period of Tenth Plan, CIL has been able to achieve its physical targets of coal production. From a production level of 279.56 million tonne (mt) during the terminal year *i.e.* 2001-02 of Ninth Plan, CIL produced about 360.00 mt during the terminal year of Tenth Plan. Though CIL had been able to achieve 100% coal production targets, yet there remained a wide gap of about 41.79 mt between All India coal demand and supply during the terminal year of Tenth Plan. The Committee feel that the progress of implementation of the various projects under the jurisdiction of CIL for development and exploitation of coal resources has been far from satisfactory. The Committee are pained to find that CIL had been facing various procedural problems since the beginning of the 10th Plan and the same could not be overcome by the end of the Plan by the Ministry/CIL. Had CIL chalked out a plan to settle the various issues relating to implementation of coal projects, the gap between the demand and supply would have been abridged to a great extent. The Committee are anguished to note that though a High Level Monitoring Committee, under the Chairmanship of Secretary, Coal exists in the Ministry, no significant improvement has been noticed in the projects development. The Committee, therefore, recommend the Ministry of Coal to chalk out a time frame for settling the various bottlenecks which are adversely affecting the timely development and implementation of coal projects so that the funds allocated for the various projects are utilized optimally.

Action Taken

There has been a delay in approving X Plan projects initially due to lengthy procedure for appraisal and approval prescribed earlier. Continuous efforts had been taken by Ministry of Coal to simplify the procedure. As a result of which two stage of appraisal/approval *viz.* in-principle approval by Planning Commission and Pre-PIB have been dispensed with. This has facilitated early approval of coal projects in the last two years of X Plan.

A high level monitoring committee under the chairmanship of Secretary (Coal) has also been constituted for effectively improving and overseeing the fund utilization. 1st meeting of the committee has been held on 12.3.2007 and the 2nd meeting on 17.04.2007. Following measures were chalked out for setting the various bottlenecks which are adversely affecting the timely development and implementation of coal projects so that the funds allocated for the various projects are utilized optimally :

1. A high level committee has been set up at CIL to facilitate
 - a. Timely procurement of equipment.
 - b. Development of a standard NIT which can be used across all the subsidiaries of CIL.
2. To process EMP clearance simultaneously with the proposal for forestry clearance so that both can be obtained in a reasonable time.

Forestry clearance is to be expedited by MoEF through single stage clearance *i.e.* after payment of fees as per demand and without repeating the entire process through various levels at stage-II. Further CIL, NCL, MCL, SECL and WCL have been accorded Mini Ratna status. This will give them enhanced delegation of powers.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 12, Para No. 4.20)

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

of various consuming sectors, the Committee desire that the Ministry of Coal to identify various difficulties which check coal production and prepare a contingency plan to find out quick solution to these problems.

Action Taken

Coal India Limited under "Emergency Coal Production Plan" has identified 16 opencast projects/mine where production from the existing mines/projects will be enhanced to a higher level yielding additional 71.3 mt. Besides this following steps have also been taken to increase coal production.

- 130 coal blocks have been allotted to different consumers to be operated by private/public sector for captive end uses/commercial mining.
- To reduce the gap between demand and supply of coal, 119 mining projects of Coal India Limited and 25 mining projects of Singareni Collieries Company Limited are envisaged to be undertaken in XI Plan.
- Improvement in equipment utilization and mechanization/modernization of existing mines.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Comments of the Committee

(Please *see* Para No. 1.19 of Chapter-I of the Report)

Recommendation (Sl. No. 13, Para No. 5.28)

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

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

Keeping in view the non-development of captive coal blocks by a large number of allottees even after lapse of a considerable time, the Committee in their 8th Report, had desired that further allotment of captive coal blocks should be put on hold and new allotments considered only after the system is fine-tuned. The Committee are sad to note that the Ministry of Coal had completely ignored their recommendations and made allotment of about 65 coal blocks thereafter.

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

Action Taken

The Committee in para 5.28 has observed that some of the coal blocks allotted as back as 1998 to 2000 have still not been developed and only 8 coal blocks have started producing coal. In this regard, it is submitted that Ministry had already informed the Committee that out of 19 coal blocks allotted up to 2002, 11 have already come into production and six more are expected to commence production during 2007. This fact is already recorded in para 5.24 of 23rd Report of the Standing Committee.

The 8th Report of the Committee was submitted during the year 2004-05. The position has since improved on account of the measure taken by the Ministry such as intensive monitoring being done on regular intervals, prescription of time-bound milestones, introduction of bank guarantee deposit system etc. It is expected that the number of coal blocks coming into production would increase considerably during the XI Plan period. The Working Group on Coal and Lignite, constituted by the Planning Commission, has estimated coal production of 104 million tonnes by 2011-12 (terminal year of XI Plan) from these coal blocks. Also, as the economy has been growing at the rate of

more than 8%, there was a huge demand for allocation of new coal blocks from the critical infrastructure sectors such as, power, steel and cement. Therefore, it was not possible to put the whole process of allocation on hold, as this would have jeopardized the pace of economic growth in the medium and long term.

The process of grant of mineral concessions is governed by the provisions of the Coal Mines (Nationalisation) Act, 1973 and the Mines and Minerals (Development & Regulation) (MMDR) Act, 1957 and the Rules made thereunder. Entities permitted to carry on coal mining in India under the Coal Mines (Nationalisation) Act follow the provisions of the MMDR Act and rules made thereunder for acquiring mineral rights, mining lease and other matters related to mineral administration. The procedure for approval of mining plan, grant of prior permission before execution of mining lease etc. is being followed as per the stipulations contained in the MM(D&R) Act and Mineral Concession Rules. The procedures as laid down in the statute cannot be dispensed with. However, within the extant legal framework, concerted efforts are made by this Ministry to streamline and expedite the process of allocation of coal blocks. This is borne out by the fact that 86 coal blocks were allocated during 2005-06, against the total allocation of 130 coal blocks since 1993.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 14, Para No. 5.29)

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

Action Taken

A study was carried out through the Indian School of Mines, Dhanbad of the functioning and operations of the Coal Controller's Organization. Based on the recommendations of the study, it is

contemplated that the role, functions and duties of the Coal Controller's Organization would be reviewed and the Organization would be suitably restructured.

It is noticed that the monitoring being done by the Coal Controller's Organization at present is quite effective.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 15, Para No. 5.30)

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

Action Taken

It needs to be recognized that coal mining has a long gestation activity. It takes 3 to 4 years to develop an opencast mine and another 1 or 2 years more to develop an underground mine. It takes further 2 to 3 years to attain the optimal rated capacity of the mine. A number of statutory clearances (forest, environment, water etc.) are required to be obtained from various authorities at the State and Central Government levels. Large areas are required for mining operations and acquisition of land for mining purposes is becoming increasingly difficult and sensitive. There are problems associated with resettlement and rehabilitation issues. Virtually the same difficulties are also associated with the development of linked end use projects. More over, for the new players entering the coal mining arena, it is not the area of their core competence. Therefore, it would take greater effort and time for the new players to organize the pre-mining clearances and to develop the coal blocks. However, the coal blocks are at different stages of development, and as mentioned earlier, by the end of the XI Plan, these blocks are expected to contribute coal production of about 104 million tonnes. Ministry of Coal will closely monitor this. Wherever wilful and deliberate delays in the development of coal blocks and end use projects are detected, the Ministry will not hesitate to de-allocate the coal blocks.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 16, Para No. 6.23)

The Committee have been informed that coal gasification is the process of converting coal through reactions with gasifying media like air, oxygen, steam or mixture of these into a gaseous product. The gasification of coal is possible both at surface and underground. The underground coal gasification offers a potential economic means of extracting energy from deep seated deposits which are not amenable to conventional physical extraction economically. The Committee find that a pilot project at Merta lignite deposit found to be technologically feasible for studies for techno-economic evaluation was taken up but later on suspended in view of the chances of contamination of aquifers lying above and below of the lignite seam. The Committee are dismayed to note that another project taken up in collaboration with United Nations Development Programme(UNDP)/Global Environment Facility at Moonidih and Sudamdih mines of Bharat Coking Coal Ltd. in Jharia Coalfields, sanctioned on 15 September, 1999 with the project duration of 5 years, is still under development. The Committee note that recently CIL has entered into MoUs with Oil & Natural Gas Corporation(ONGC) and Gas Authority of India Ltd.(GAIL) to jointly pursue the underground coal gasification and recovery of Coal Bed Methane(CBM). The Committee are unhappy to note that the underground coal gasification and recovery of CBM for its commercial utilization was taken up as a National Project in early 80's but even after the lapse of about 25 years, no significant achievement has been made. A number of projects taken up by the Government to recover CBM, are still at data generation stage and no appreciable achievements have been made. The Committee have been further informed that economic viability of UCG is yet to be assessed by CIL which can be made after generation of data from the pilot study. The Committee are constrained to note that even the regulatory framework for underground coal gasification programme has still not been put in place. In view of above, the Committee desire the Ministry of Coal to expedite its efforts to complete the pilot projects within the scheduled time so that the valuable coal reserves at deep seams which are not amenable to conventional physical extraction economically, are exploited by converting them into gases.

Action Taken

(i) The Underground Coal Gasification (UCG) was taken up as a national project in the early 80's. However, on the apprehension of contamination of ground water, the S&T project in the selected pilot project site of Merta Road Lignite Deposit for ascertaining the techno-economic viability of the project was not pursued after May, 1995.

In most of the countries world over, the activities related to UCG are in developmental stage. Neyveli Lignite Corporation has taken up an UCG project under S&T funding in lignite deposits in Rajasthan in September, 2005, but the project is delayed due to delay in appointment of consultant even though a global tender was floated. CIL has entered into a agreement with ONGC in Feb.'2005 to pursue UCG through an Memorandum of Understanding (MoU). Out of the 5 blocks identified for UCG by CMPDI, only one block Kasta was selected in January 2006 by Soviet experts, appointed by ONGC, for generation of additional data for evaluating its suitability for pilot scale studies of UCG. CMPDIL/CIL has taken up the job related to generation of additional data, which may be available by December 2008. CIL/ CMPDI is also examining possibilities of identification of additional blocks for taking up UCG in the command areas of CIL.

Directives for expeditious efforts for taking up of pilot projects of UCG have been noted for action.

(ii) Ministry of Coal has taken initiatives for encouraging the coal gasification technology by participation of private entrepreneurs. Recently, MOC has notified production of syn-gas obtained through coal gasification (underground and surface) and coal liquefaction to be end uses under the provisions of Coal Mines (Nationalisation) Act 1973.

(iii) The Coal Bed Methane (CBM) policy was formulated by Govt. of India in the year 1997 after which impetus on development of CBM in the country has started. So far, 26 CBM blocks involving resource of 1.45 TCM have been allotted by Directorate General of Hydrocarbons (DGH) on behalf of Ministry of Petroleum and Natural Gas in 3 rounds of bidding where work is progressing in terms of agreed minimum work programme between the respective parties and Govt. of India.

(iv) A collaborative demonstration project on Coal Bed Methane Recovery & Commercial Utilization is under implementation at Moonidih and Sudamdih mines of BCCL, Dhanbad in Jharia coalfields. The revised schedule completion of project is December, 2007. The envisaged activities are in progress as per revised schedule and utilization of CBM/Coal Mine Methane (CMM) is likely to be demonstrated by December, 2007.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Comments of the Committee

(Please *see* Para No. 1.22 of Chapter I of the Report)

Recommendation (Sl. No. 17, Para No.6.24)

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

Action Taken

CMPDI/CIL is executing the work related to development of CBM in Jharia and Raniganj blocks allotted to the consortium of ONGC-CIL as per the schedule envisaged in the contract with the Govt. The action plan for development of UCG will be prepared after generation of additional data in Kasta Block and its evaluation for suitability of pilot scale studies by Soviet experts.

For developing under ground lignite gasification in country NLC has taken up two projects, one under Coal-S&T scheme funded by Ministry of Coal, Dept. of Science & Technology (DST) & NLC, and the other project under NLC-ONGC joint venture.

STATUS OF UCG COAL—S&T PROJECT

As UCG is a technology for which technical know how is not available within country, NLC has floated Global tender for appointment of consultant to the project. The tendering process is underway for appointment of Consultant. The duration of the project is 49 months and the total approved cost is 11.25 crore. The Raneri Lignite block in Bikaner district of Rajasthan is tentatively identified for undertaking the UCG Pilot Study.

STATUS OF UCG STUDY UNDER NLC – ONGC, MOU

Under NLC – ONGC - MOU on Underground Coal Gasification study, a number of Lignite blocks were studied, considering the suitability parameter to take up the pilot UCG study. Finally, Tadkeshwar block in South of Gujarat and Hodu-Sindhari block in Barmer district in Rajasthan have been selected for forwarding the details to Skonsechisky Institute of Mining, Russia (SIM) for further study. However, it was felt that the available data is not adequate as per the SIM's requirement. Accordingly exploration to generate additional data is underway and is expected to be completed in another 4 months.

COAL BED METHANE (CBM)

In view of the deep seated occurrence and vast potential of Lignite resources of Mannargudi area, the block is expected to contain CBM resources and NLC has identified this block for CBM exploration and development. NLC has already applied to Ministry of Coal for allotment of the block. The Govt. of Tamil Nadu has proposed to recommend to DGH for allotment of the block in favour of NLC. Once this block is allotted to NLC further action would be initiated for CBM exploration and development.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 18, Para No. 7.30)

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

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

Action Taken

Observations and Recommendations made by DGMS officials are strictly followed by Mine Management and monitored by Sr. Officials

of the area and Internal Safety Organization (ISO) of the company. It may be noted that over the years since nationalization, safety status of coal mines of CIL has improved and rate of accident has shown a downward trend. The rate of fatalities per million tonne of output in Coal India Ltd. has come down from 2.62 in the year 1975 to 0.17 in the year 2007. CIL has constituted an expert committee to ensure proper specification/selection and procurement of safety related equipment in CIL. At times DGMS approval is required for procurement of indigenous as well as imported equipments. Top Management also monitors the timely procurement of safety items by follow up at different levels.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Comments of the Committee

(Please *see* Para No. 1.26 of Chapter-I of the Report)

Recommendation (Sl. No. 19, Para No. 7.31)

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

Action Taken

Most of the accidents can be attributed to human failure due to non-compliance of statutory provisions as laid down in law. Special precautions are taken to guard against danger from fires, explosion, inundation and roof fall. Safety audit is carried out for all mines. Safety Audit is a continuous process. Fresh Safety Audit in 373 mines of CIL subsidiary companies is being done with special attention on inundation, fire, strata control and spontaneous heating in the current year *i.e.* 2007. The recommendations of Safety Audit completed earlier are also being monitored at the highest level.

The status of safety audit was also reviewed in the 30th meeting of the Standing Committee on Safety in Coal Mines held on 27-6-2007 under the Chairmanship of Minister of State for Coal.

Regular inspection of the mine workings are being done by the officials of mine, ISO and Directorate General of Mines Safety (DGMS). The deficiencies pointed out against danger are rectified promptly.

Risk assessment and management is being practiced by all coal companies to address the safety issues with an aim to achieve Zero harm to miners.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 20, Para No. 7.32)

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

Action Taken

Punitive actions against the officials are being initiated by the coal companies on the basis of departmental inquiry. DGMS also initiate disciplinary action against the persons held responsible for the mine accidents on the basis of their enquiry.

Courts of Enquiry to look into the mine accidents are constituted by Ministry of Labour & Employment under the provisions of Mines

Act, 1952. Ministry of Labour & Employment has been informed about the views of the Committee regarding fixing the responsibility of the inspecting organisations.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 21, Para No. 7.33)

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

Action Taken

The issue of utilization of safety budget is being discussed and reviewed by Coal India Limited (CIL) and Ministry of Coal regularly.

In the recently held 42nd meeting of CIL Safety Board on 22.06.07, Chairman, CIL advised all companies to scrutinize the budget provisions for safety and efforts should be made for 100% utilization of allocated funds.

The issue of utilization of safety budget was discussed in detail in the 30th meeting of the Standing Committee on Safety in Coal Mines held on 27-6-2007 under the Chairmanship of Minister of State for Coal. Coal companies have reported that they are taking all possible

measures for full utilization of Safety Budget. All companies were advised to make need based safety budget and there should be no constraint for budget for safety.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Recommendation (Sl. No. 22, Para No. 7.34)

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

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

Action Taken

To ensure the correctness of mine plans, regular check surveys & co-relation surveys are being done and location of mines are established as per National Grid. Regarding re-deployment of manpower, action is being taken as per need and it is a continuous process. The specific action taken by coal companies in this respect are given below:

ECL: The mining plans of all the existing mines have been updated & connected to the national grid and has been verified by a technical team of ECL.

Surplus manpower (male) has been identified and some of them have been diverted to other mines for gainful utilisation and for balance manpower action is being taken and this is a continuous process.

Safety Audit of current mines conducted during last few years has assessed same constraints and recommended precaution to be taken. Accordingly, operation in seven mines have been suspended in recent past and in few mines action for suspension of operations are under

process *i.e.* by replacing three shifts working to two and one then finally suspending total operations keeping safety aspect in view.

BCCL: BCCL inherited 218 (two hundred eighteen) nos. of mines at the time of nationalization and after detailed deliberations small mines were amalgamated. At present 85 mines are in existence. Check surveys of working seams in mines of BCCL have been done and check survey of non-working approachable areas is in progress.

Total nos. of mines, where check survey has been done in working seam:	68
Total nos. of mines, where check survey has been done in non-working seam:	9
Total nos. of mines, where check survey has been done by external agencies:	6
Total nos. of mines, where check co-relation survey has been done by external agencies:	69 pits/ 42 mines.

Manpower spread on account of amalgamation and other activities are redeployed gainfully and it is routine process.

CCL: In CCL all the mines are connected with National Grid and location of mines and Mining maps are updated and kept properly. Regular Check survey is also being made in all mines of CCL.

SECL: Mine Plan of all mines of SECL are being updated regularly with advancement of mine working. Need based gainful redeployment of work force is being done as when required in the mines of SECL.

MCL: Mine plans are quarterly updated and check survey is being done as per statute. The manpower of closed mines is redeployed in other mines.

WCL : In operational command Area of WCL, there is no mine whose location is not accurately known on the plans of WCL & which can not be reorganized due to geo-technical and socio-political reasons.

Thus with respect to the above, no corrective action is required in WCL.

The observation of the committee is noted for compliance.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

CHAPTER III

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

-NIL-

CHAPTER IV

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

Recommendation (Sl. No. 7, Para No. 3.23)

The Committee note that the Budget Estimates (BE) for Research and Development (R&D) activities under Science & Technology (S&T) grant of Ministry of Coal amounting to Rs. 21.09 crore for the year 2006-07 were reduced drastically to Rs. 6.00 crore at the RE stage and actual utilization is only Rs. 7.61 crore. The fund utilization by the coal companies for the R&D activities during the entire 10th Plan Period has also not been upto the mark. Out of a total of Rs. 81.08 crore provided during the 10th Five Year Plan for R&D activities, the coal PSUs could utilize Rs. 50.94 crore which comes to 62.82%. As far as implementation of the R&D projects is concerned, out of 47 projects sanctioned during 10th Plan, the coal PSUs could complete only 15 projects, 1 project was terminated and rest of the 31 projects have spilled over to the 11th Plan Period. The reasons advanced by the Ministry of Coal for the lower allocations and even lesser utilization of funds generally pertained to delay in procurement of imported equipments, delay in award of contracts, etc.

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

accountability and responsibility in dealing with Coal S&T projects by the various research and academic institutes who have been assigned research work.

Action Taken

Out of the 47 projects approved during Xth Plan, 15 Nos. of projects have been completed and one project was terminated.

The S&T project duration normally varies from 2-4 years. There are 15 projects which have duration of 3 to 4 years and were sanctioned during later half of the Xth plan period. These projects have been shifted to XIth Plan as on-going projects without any time overrun. However, 16 Nos. of projects which were scheduled to be completed within Xth Plan could not be completed and got extended due to various reasons like delay in procurement of imported equipment, delay in getting statutory permission/environmental clearance etc.

Extension of time for any of the S&T projects is granted only after detailed deliberations by the sub-committee concerned of Standing Scientific Research Committee (SSRC) and extension is normally of specified duration along with updated activity plan.

2. Steps taken to facilitate timely completion of the projects:

- (i) Progress of S&T projects is monitored by CMPDI and reviewed by SSRC sub-committees and SSRC headed by Secretary, Ministry of Coal. Progress of the projects is also monitored by periodic visits to the implementing institutes by the officials of S&T Department of CMPDI to monitor / coordinate the implementation of projects
- (ii) To obviate the delay in field trials due to non-availability of mining faces/sites, CMPDI extends help to implementing agencies in selecting alternative sites for field trials.
- (iii) Progress reports (both physical and financial) as received from implementing agencies on a quarterly basis are reviewed by CMPDI. The causes of delay, if any, are discussed in detail and remedial measures are suggested.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

Comments of the Committee

(Please *see* Para Nos. 1.15 and 1.16 of Chapter-I of the Report)

CHAPTER V

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

Recommendation (Sl. No. 4, Para No. 3.14)

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

Action Taken

The matter has been taken up with Ministry of Finance and Planning Commission for resolving the issue once for all. The decision is awaited.

[Ministry of Coal O.M. No. 20011/11/2007-IF, dated 08.08.2007]

NEW DELHI;
5 December, 2007
14 Agrahayana, 1929 (Saka)

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

ANNEXURE I

MINUTES OF THE THIRD SITTING OF THE STANDING
COMMITTEE ON COAL AND STEEL (2007-08) HELD ON
5.12.2007 IN COMMITTEE ROOM 'E', PARLIAMENT
HOUSE ANNEXE, NEW DELHI

The Committee met from 1530 hrs. to 1600 hrs.

PRESENT

Dr. Satyanarayan Jatiya—*Chairman*

MEMBERS

2. Shri Hansraj G. Ahir
3. Shri Hiten Barman
4. Shri Bansagopal Choudhury
5. Shri Chandra Shekhar Dubey
6. Shri Chandrakant B. Khaire
7. Dr. Rameshwar Oraon
8. Shri Dalpat Singh Paraste
9. Smt. Ranjeet Ranjan
10. Smt. Karuna Shukla
11. Shri Ali Anwar
12. Shri Swapan Sadhan Bose
13. Shri Jai Narain Prasad Nishad
14. Shri B.J. Panda
15. Shri Bashistha Narain Singh

SECRETARIAT

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

2. At the outset, Chairperson, welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the

following draft Reports on Demands for Grants (2007-08) of the Ministries of Coal, Mines and Steel:—

(i) Action Taken by the Government on the recommendations contained in the Twenty Third Report (Fourteenth Lok Sabha) of the Standing Committee on Coal and Steel (2006-07) on "Demands for Grants (2007-08)" of the Ministry of Coal.

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

(iii) ** ** ** ** **

4. The Committee adopted the aforesaid Draft Reports with minor additions/deletions/amendments.

5. The Committee authorised the Chairman to finalise these Reports after making consequential change arising out of factual verification by the concerned Ministries and to present the same to both the Houses of Parliament.

The Committee then adjourned.

**Does not pertain to this Report.

ANNEXURE II
(Vide Para 4 of Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON
THE RECOMMENDATIONS CONTAINED IN THE TWENTY
THIRD REPORT OF THE STANDING COMMITTEE
ON COAL AND STEEL

I.	Total No. of Recommendations made	22
II.	Recommendations that have been accepted by the Government (<i>vide</i> recommendation at Sl. Nos. 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22)	20
	Percentage of total	90.90
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies	NIL
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee (<i>vide</i> recommendation at Sl. No. 7)	01
	Percentage of total	4.54
V.	Recommendations in respect of which final replies of the Government are still awaited (<i>vide</i> recommendation at Sl. No. 4)	01
	Percentage of total	4.54