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

FOURTEENTH LOK SABHA

MINISTRY OF COAL

**DEMANDS FOR GRANTS
(2008-09)**

THIRTY-FIRST REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2008 / Chaitra, 1930 (Saka)

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COAL AND STEEL
(2007-2008)

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DEMANDS FOR GRANTS
(2008-09)

Presented to Lok Sabha on 16.4.2008

Laid in Rajya Sabha on 16.4.2008



LOK SABHA SECRETARIAT
NEW DELHI

April, 2008/Chaitra, 1930 (Saka)

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	(i)

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

Dr. Satyanarayan Jatiya—*Chairman*

MEMBERS

Lok Sabha

2. Shri Hansraj G. Ahir
3. Shri D. K. Audikesavulu
4. Shri Hiten Barman
5. Shri Bansagopal Choudhury
6. Shri Chandra Shekhar Dubey
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SECRETARIAT

- | | | |
|---------------------|---|-----------------------------|
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| 3. Shri A.S. Chera | — | <i>Director</i> |
| 4. Shri Raj Kumar | — | <i>Deputy Secretary</i> |
| 5. Shri R.K. Sharma | — | <i>Committee Officer</i> |

§ Assumed the charge of the office of the Minister of State in the Ministry of Tribal Affairs on 6.4.2008.

@ Retired *w.e.f.* 9th April, 2008.

Disqualified *w.e.f.* 26th March, 2008 under Tenth Schedule of the Constitution of India.

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 Thirty-First Report (Fourteenth Lok Sabha) on Demands for Grants (2008-09) relating to the Ministry of Coal.

2. The Demands for Grants of the Ministry of Coal were laid on the table of the House on 19th March, 2008. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal and Steel are required to consider the Demands for Grants of Ministries/Departments under their provisions and present reports on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Coal on 26th March, 2008.

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

5. The Report was considered and adopted by the Committee at their sitting held on 11th April, 2008.

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

NEW DELHI;
11 April, 2008
22 Chaitra, 1930 (Saka)

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

PART I
CHAPTER I
REPORT

Introductory

Coal is the most abundant fuel resource in India. It is the prime source of energy and perhaps the largest contributor to the industrial growth of the country. It is a crucial and enduring element in a modern, balanced energy portfolio, providing a bridge to the future as an important low cost and secure energy solution to sustainability challenges. India is one of the biggest coal producers in the world with an annual production of over 400 million tonne. Coal meets about two-third of India's commercial energy needs and accounts for about 75% of national power production. More than two-third of coal production is used for generating thermal power. The remaining is consumed by industries like cement, steel, fertilizers, chemical, paper, transport sector and the households. The Ministry of Coal is, therefore, engaged in developing coal resources of the country in a manner so that requirements of coal of above consuming sectors are met in full and their dependence on oil/imported coal is minimised.

1.2 The main subjects allocated to the Ministry under the Government of India (Allocation of Business) Rules, 1961, as amended from time to time, are exploitation and development of coking coal and non-coking coal and lignite deposits in India; all matters pertaining to production, supply, distribution and pricing of coal; development and operation of coal washeries; low temperature carbonization of coal and production of synthetic oil from coal; Administration of Coal Mines (Conservation and Development) Act, 1974, Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, Coal Bearing Areas (Acquisition and Development) Act, 1957, Mines and Minerals (Regulation and Development) Act, 1957, the Coal Mines Provident Fund Organisation; and administration of Public Sector Enterprises dealing with coal and lignite.

1.3 The Ministry of Coal has, under its direct administrative control, the following two Public Sector Undertakings;

- (i) Coal India Ltd. (CIL), and
- (ii) Neyveli Lignite Corporation Ltd. (NLC)

1.4 Coal India Ltd., having headquarters at Kolkata, is the holding Company with seven producing subsidiaries and one planning and design subsidiary, viz:—

- (i) Eastern Coalfields Limited (ECL), Sanctoria (West Bengal)
- (ii) Bharat Coking Coal Limited (BCCL), Dhanbad (Jharkhand)
- (iii) Central Coalfields Limited (CCL), Ranchi (Jharkhand)
- (iv) Northern Coalfields Limited (NCL), Singrauli (Madhya Pradesh)
- (v) Western Coalfields Limited (WCL), Nagpur (Maharashtra)
- (vi) South Eastern Coalfields Limited (SECL), Bilaspur (Chhattisgarh)
- (vii) Mahanadi Coalfields Limited (MCL), Sambalpur (Orissa)
- (viii) Central Mines Planning & Design Institute Ltd. (CMPDIL), Ranchi, (Jharkhand)

1.5 The Singareni Collieries Company Limited (SCCL) incorporated as a public limited company in 1920, became a Government Company in 1956 with headquarters at Kothagudem in Andhra Pradesh. The Company is a joint undertaking of Government of Andhra Pradesh and Government of India. The share capital of this Company is held by the Government of Andhra Pradesh and Government of India in the ratio of 51:49 respectively. This Company is engaged in the exploitation of coal reserves in the State of Andhra Pradesh.

Coal Controller's Organisation, Kolkata

1.6 The statutory functions performed by Coal Controller's Organisation, a subordinate office, are checking of quality of coal including settlement of complaints *vis-a-vis* grading and quality of coal despatches, adjudicating claims on grade; regulatory authority to grant permission for opening and reopening of seams and mines; distribution of coking as well as non-coking coal; disposal of objections received under the Coal Bearing Areas (Acquisition & Development) Act, 1957 and collection and publication of statistical information on coal and lignite in pursuance to Statistics Act, 1955.

Coal Mines Provident Fund Organisation (CMPFO), Dhanbad

1.7 Coal Mines Provident Fund Organisation (CMPFO) is an autonomous body set up under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948. CMPFO administers the Coal Mines

Provident Fund Scheme, 1948, the Coal Mines Deposit Linked Insurance Scheme, 1976 and Coal Mines Pension Scheme, 1998. All these schemes have been formulated under the provision of the Act of 1948.

1.8 The detailed Demands for Grants of the Ministry of Coal for the year 2008-09 were presented to Lok Sabha on 19.3.2008. The Ministry in Outcome Budget (2008-09), while detailing the Budget Estimates and the Plan Outlay of the Ministry of Coal and Coal PSUs also brings out the quantifiable deliverables and physical outputs along with the timelines for both the Plan and Non-Plan schemes operated in the Ministry of Coal. The new initiatives and policy measures on the new coal distribution policy, fresh e-auction scheme, revision in the Coal Royalty Rate, the formation of Coal Ventures International (Special Purpose Vehicle of the Central Public Sector Undertakings including Coal India Limited) etc. are also brought out in the Outcome Budget 2008-09. In addition, the Outcome Budget also addresses the issues relating to measures to increase coal production through Emergency Coal Production Plan and Captive Coal Block allocation.

1.9 The Committee have examined in-depth the detailed Demands for Grants of the Ministry of Coal for the year 2008-09. The Committee approved the Demands presented by the Government, subject to their observations/recommendations which are contained in the succeeding chapters.

CHAPTER II

STATUS OF IMPLEMENTATION OF RECOMMENDATIONS CONTAINED IN THE TWENTY-THIRD REPORT OF THE STANDING COMMITTEE ON COAL AND STEEL ON DEMANDS FOR GRANTS (2007-08) OF THE MINISTRY OF COAL

The Standing Committee on Coal and Steel had presented their Twenty-third Report on Demands for Grants (2007-08) of the Ministry of Coal on 27th April, 2007. The Committee presented their Twenty-eighth Report on Action Taken by the Government on recommendations contained in the Twenty-Third Report of the Committee on Demands for Grants (2007-08) of the Ministry of Coal on 7th January, 2008. Out of 22 recommendations given by the Committee in their Twenty-eighth Report, 20 recommendations (Nos. 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22) were accepted by the Government. In respect of Recommendation No. 7, the reply of the Government was not accepted by the Committee. In respect of Recommendation No. 4, reply of the Government was interim in nature.

2.2 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. The Committee desire that the Ministry of Coal should furnish final reply to the Recommendation No. 4 which was categorized as of interim nature. The Committee would like to be apprised of the Action Taken in this regard.

CHAPTER III

ANALYSIS OF THE DEMANDS FOR GRANTS (2008-09) OF THE MINISTRY OF COAL

A. Plan and Non-Plan Outlays

The budgetary allocations (BE & RE) of the Ministry of Coal for the financial year 2007-08 and BE for 2008-09 under the capital and revenue heads are as under:—

(Rs. in crore)

Major Head	BE 2007-08			RE 2007-08			BE 2008-09		
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total
Revenue	250.00	38.00	288.00	377.00	45.00	422.00	300.00	45.50	345.00
Capital	—	—	—	—	—	—	—	—	—
Total	250.00	38.00	288.00	377.00	45.00	422.00	300.00	45.50	345.00

3.2 When asked about the reasons for increase in the plan outlay for the year 2007-08 at RE stage, the Ministry of Coal stated as under:—

“There has been increase in plan outlay at RE stage in two schemes namely Conservation and Safety in Coal Mines and Development of Transportation Infrastructure in Coalfield. Pending the decision to consider these schemes as Plan schemes, only a token provision was made at BE stage. However, on the basis of the decision taken by Ministry of Finance in the Inter-Ministerial meeting in September, 2007, to treat these schemes as plan schemes, RE provision has been increased as per the commitment made on the proposals submitted by the coal companies. As a result, the Plan Outlay for the year 2007-08 was enhanced from the BE figure of Rs 250.00 crore to Rs 377.00 crore at RE stage”.

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

- (i) Promotional/Regional Exploration
- (ii) Research & Development

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

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

(Rs. in crore)

Sl. No.	Name of the Scheme	2007-08			2008-09 BE
		BE	RE	Amount Released	
1.	Research and Development	22.54	12.86	12.86	10.00
2.	Promotional/ Regional Exploration	63.59	64.15	34.99	30.00
3.	Detailed Drilling in Non-CIL Blocks	104.50	43.84	40.00	60.00
4.	Environmental Measures and Subsidence control (EMSC)	31.12	28.22	17.99	10.00
5.	Conservation and Safety in Coal Mines	0.01	165.00	74.38	135.00
6.	Development of Transportation Infrastructure in Coalfields	0.01	45.00	11.93	21.80

Note:—Proposals for Rs.74.22 crore for Conservation and Safety in Coal Mines and Rs. 14.44 crore for Development of Transportation Infrastructure in Coalfields are under process.

3.4 In the Plan Outlay 2008-09, provision has been made for— (i) Regional Exploration (Rs. 30.00 crore), Environmental Measures and Subsidence Control (EMSC) (Rs. 10.00 crore), Research and Development (S&T) (Rs. 10.00 crore) and Detailed Drilling (Rs. 60.00 crore). Provision of Rs. 3.00 crore has been made for Information Technology. It is proposed to provide more IT equipments especially to cater the need for digital imaging solutions so that more and more work is assigned through IT. The budget provision will also be utilized for further strengthening the IT infrastructure of the Ministry for creating more online working environment. The amount of Rs. 30.00 crore being 10%

of the Plan Outlay has been kept, as per mandatory requirement, for development of NE Region.

In addition to above, a provision of Rs. 135 crore and Rs. 21.80 crore each has been kept for the two schemes, namely 'Conservation and Safety in Coal Mines' and 'Development of Transport Infrastructure in Coalfield Areas' respectively.

3.5 On the point of reasons for variations the Ministry of Coal in a written reply stated as under:—

“In case of Promotional Exploration Scheme shortfall in fulfilment of targets has resulted in lesser expenditure; in case of Detailed Drilling in Non-CIL Blocks the expenditure has fallen short due to delay in finalising the outsourcing part of drilling; in case of EMSC the shortfall in expenditure is due to delay in implementation of some of the schemes and associated R&R problems; in case of Conservation and Safety in Coal Mines and Development of Transportation Infrastructure in Coalfields the disbursement of Rs. 74.22 crore and Rs. 14.44 crore for two schemes respectively is under process”.

3.6 When enquired about the funds proposed by the Ministry of Coal and approved by the Planning Commission during 2008-09, the Ministry has furnished the following information:—

Sl.No.	Name of the Scheme	2008-09 BE	
		Proposed by MOC	Approved by Planning Commission
1.	Research and Development	21.00	10.00
2.	Promotional/ Regional Exploration	66.90	30.00
3.	Detailed Drilling in Non-CIL Blocks	138.72	60.00
4.	Environmental Measures and Subsidence Control (EMSC)	25.69	10.00
5.	Conservation and Safety in Coal Mines	300.00	135.00
6.	Development of Transportation Infrastructure in Coalfields	50.00	21.80
	Total	602.31	266.80

3.7 When asked about the reasons for which the Planning Commission has not accepted the outlay proposed by the Ministry, the Ministry has furnished the following:-

“In the Plan discussion for the proposal of this Ministry for 11th Plan held on 21st May 2007 under the Chairmanship of Sr. Adviser, Planning Commission, the Gross Budgetary Support (GBS) requirement for various plan schemes of Ministry of Coal was agreed to at Rs. 5867.76 crore in their proposal. However, finally the GBS approved by the Planning Commission during the 11th Plan was only Rs. 1326.00 crore which is only about 22% of the amount agreed earlier in the discussions at the level of Adviser, Planning Commission. The matter has again been taken up with the Planning Commission. The outlay for 2008-09 has also been reduced correspondingly in view of the lower amount available for the 11th Plan”.

3.8 When asked whether the amount provided by the Planning Commission is sufficient to meet requirements, the Ministry in their post-evidence reply has stated as under:-

“The amount provided by the Planning Commission for the Central Scheme for 2008-09 is only 44% of the proposed outlay of Rs. 602.31 crore and as such as is not sufficient to meet the requirement of this Ministry”.

3.9 When asked whether the reduction in plan outlay has any impact on implementation of the schemes, the Ministry in their post-evidence reply stated as under:-

“The drastic reduction in availability of funds will have an adverse impact on the proposed important and urgent activities in the fields of exploration, Jharia and Raniganj action plan and towards conservation and safety in coal mines”.

3.10 The Budget Estimates, Revised Estimates and Actual expenditure for the past two years and budget estimates for the current year are as under:-

(Rs in crore)

Year	Plan			Non-Plan		
	BE	RE	Actual	BE	RE	Actual
2005-06	152.05	255.00	228.49	65.02	104.64	102.48
2006-07	168.71	300.00	269.52	67.00	67.50	62.82
2007-08	250.00	377.00	104.68*	68.00	75.00	40.17**

For 2007-08, the Actuals are as on 29.02.2008.

* Sanctions for release of amount of Rs 97.67 crore has been issued in March, 2008.

** Sanctions for release of amount of Rs 6.54 crore has been issued in March, 2008.

3.11 When asked about the reasons for not utilizing the amount provided at 2007-08 RE stage and on what basis the amount has been increased to Rs. 377 crore at RE stage from BE Rs. 250 crore, the Ministry stated as under:-

“There has been increase in plan outlay at RE stage in two schemes namely Conservation and Safety in Coal and Mines and Development of Transportation Infrastructure in Coalfields areas to the tune of Rs. 209.98 crore against the token BE provision of Rs. 2 lakh. In the other four major plan schemes namely, R&D Regional Exploration, Detailed Drilling in Non-CIL blocks and Environmental Measures and Subsidence Control, BE of Rs. 221.75 crore has been reduced to Rs. 149.07 crore. However, on account of the increase in RE stage in the two plan schemes mentioned about there has been overall increase in plan outlay at RE stage.

The reasons for not utilizing the amount provided in RE stage for the three schemes have been given in reply to point 2 above. As stated in reply to point 3 above, proposal for releasing Rs. 74.22 crore for conservation and safety in coal mines and Rs. 14.40 crore for Development of Transportation Infrastructure in Coalfields areas have already been put up for the approval of competent authority”.

3.12 As regards reasons for variations in the RE and the actual spending during 2007-08, the Ministry of Coal has informed the Committee that out of the RE 2007-08 amounting to Rs. 377.00 crore, an amount of Rs. 202.35 crore has already been released in March, 2008. Thus, the budget is not likely to be spent in full excepting some minor savings in some of the Administrative Heads.

3.13 The details of plan outlay proposed by the Ministry and actually provided by the Planning Commission during the years from 2005-06 to 2007-08 are as under :

Schemes	2005-06		2006-07		2007-08	
	Proposed by MOC	Approved by Planning Commission	Proposed by MOC	Approved by Planning Commission	Proposed by MOC	Approved by Planning Commission
1	2	3	4	5	6	7
Science & Technology (S & T)	18.31	20.08	21.09	21.09	22.54	22.54
Regional Exploration	49.88	49.88	60.00	60.00	63.59	63.59
Detailed Drilling	17.31	18.81	11.61	11.61	195.93	104.50

1	2	3	4	5	6	7
Env. Mgmt & Subsidence Control	44.86	44.86	55.92	55.90	31.12	31.12
Conservation & Safety in coal mines	117.00	0.00	0.00	0.01	135.00	0.01
Development of transport infrastructure in coalfield areas	135.79	0.00	0.00	0.01	75.00	0.01
Coal Controller's Office	0.22	0.22	0.22	0.22	0.22	0.23
Information Technology	10.91	3.00	3.00	3.00	11.90	3.00
Voluntary retirement scheme	96.50	0.00	0.00	0.00	0.00	0.00
North-Eastern Region	54.53	15.20	16.87	16.87	59.48	25.00
Total (Departmental Schemes)	545.31	152.05	168.71	168.71	594.77	250.00

3.14 When asked about the reasons for providing less funds by the Planning Commission during these years, the Ministry stated as under:

“During the years 2005-06 and 2006-07, Planning Commission has not provided funds at BE stage for the two schemes *viz.* Conservation and Safety in Coal Mine and Development of Transport Infrastructure in Coalfields Areas on account of the difference of opinion between the Planning Commission and the Ministry of Finance on treating the schemes from Plan or Non-plan side. The Ministry of Finance has provided additional funds at RE stage for both the schemes during all the three years. However, a final view to treat both the above schemes from plan side was taken in the Inter-Ministerial meeting held in September, 2007 under the Chairmanship of Secretary (Expenditure), Ministry of Finance”.

11th Five Year Plan

3.15 The scheme wise 11th Plan outlay proposed by the Ministry of Coal, as recommended by Planning Commission and as approved by National Development Council (NDC) is furnished in the table below:-

(Rs. in crore)

Sl. No.	Name of the Scheme	XI Plan Outlay		
		Proposed by MOC	As initially recommended by Planning Commission	As finally approved
1	2	3	4	5
1.	Research and Development	100.00	100.00	75.35
2.	Promotional/Regional Exploration	383.50	376.43	164.02

1	2	3	4	5
3.	Detailed Drilling in Non-CIL Blocks	893.89	882.29	472.94
4.	Environmental Measures and Subsidence control (EMSC)	4642.88	2807.12	155.34
5.	Conservation and Safety in Coal Mines	692.95	693.01	170.67
6.	Development of Transportation Infrastructure in Coalfields	972.65	972.71	277.63
	Total	7685.87	5831.56	1315.95

3.16 When enquired about reduction of funds by the Planning Commission during 11th Plan, the Secretary, during the evidence stated as under:-

“.....we placed a proposal of Rs. 7685 crore before the Planning Commission which was about six schemes. Initially they approved Rs. 5831 crore but later on due to constrained of resources they reduced the funds to Rs. 1315 crore. Because of this reason when we demanded Rs. 600 crore for 2008-09 then they reduced the funds for this year also. We wrote twice to the Planning Commission and also held meetings in this regard. They admitted that more funds are required and discussions are going on in this connection”.

3.17 The Committee note that the Ministry of Coal had proposed Rs. 7685.87 crore for 11th Five Year Plan but the Planning Commission which initially recommended Rs. 5831.56 crore has finally approved only Rs. 1315.95 crore. As a result, there was less allocation of funds for the Central Scheme for the years 2007-08 and 2008-09. On the one hand, the Ministry has been suffering from drastic cut in 11th Plan outlay, on the other hand, they were unable to utilize even the revised plan outlay of Rs. 250 crore in 2007-08 fully. Needless to say that allocation of sufficient funds for the Ministry and utilization is of paramount importance when the nation is striving for energy needs. It is obvious that, the steep reduction in 11th Plan outlay and under-utilization of funds will hinder the growth and development of the Coal industry. The Committee, therefore, urge upon the Ministry to approach the Planning Commission for more allocation of funds for the 11th Plan and also additional funds at RE 2008-09 so that the Central Schemes could be implemented smoothly.

Research and Development Programme

3.18 The BE 2007-08 for Research and Development (R&D) has been reduced from Rs. 22.54 crore to Rs. 12.86 crore at RE stage and further reduced to Rs. 10 crore at BE 2008-09.

3.19 When asked about the reasons for continuous reduction of funds under R&D at the RE stage and also at BE for 2008-09, the Ministry stated as under:-

“The main reason for downward revision of outlays has been delay in tendering process and subsequent cancellation of one of the high value project namely installation of Modular Demonstration Plant at Swang Washery in CCL; delay in appointment of consultant in UCG project of NLC; delay in procurement of equipment etc. Further, as against the Ministry of Coal proposed outlay of Rs. 21 crore in BE 2008-09, Planning Commission has approved only Rs. 10 crore”.

3.20 When asked about the details of the schemes/projects which could not be taken up/completed for which provision of funds was made under R&D scheme during 2007-08, the Ministry of Coal stated as under:-

“Rs. 10.00 crore (approx.) of BE 2007-08 could not be utilized due to delay in implementation of the projects namely,

- (1) Installation of modular demonstration plant at Swang Washery CCL (an amount of Rs. 5 crore provided in BE 2007-08 could not be spent due to repeated re-tendering).
- (2) Characterization of rock and explosives parameters for optimal explosives energy utilisation in opencast blasting (Rs. 9 lakh only could be spent out of a BE provision of Rs. 1 crore in 2007-08 mainly due to delay in procurement of imported equipment).
- (3) Coal Bed Methane Recovery and its commercial utilization (Rs. 2.00 crore out of a provision of Rs. 4.5 crore in BE 2007-08 could be spent due to delay in procurement of equipment).
- (4) Under Coal Gasification and its utilisation for power generation studies in Lignite deposit of Rajasthan (amount of Rs. 1 crore provided in BE 2007-08 could not be utilised due to delay in appointment of international consultant).

- (5) Fly ash characterization for mine voids reclamation (only Rs. 16 lakh out of a provision of Rs. 1.25 crore in BE 2007-08 could be spent due to delay in procurement of specialised equipment).

In these projects delay is mainly due to single tender/re-tendering for procurement of equipment and also design and fabrication of experimental set up which are not readily available in the market.

3.21 When enquired about the R&D Projects spilled over from 10th Plan to 11th Plan their present status along with the estimated cost and the actual expenditure incurred thereon, the Ministry stated as under:-

“Out of 36 projects spilled over from X Plan to XI Plan, 10 projects have been completed and one project was terminated till 18th March 2008. Rest of 25 projects are progressing as per schedule. However, out of these 25 projects there are 15 projects which have duration of 3-4 years and were sanctioned during later half of the X Plan period and hence, these have been shifted to XI Plan. The project-wise details of total 36 projects along with their estimated cost and actual expenditure incurred with other details are furnished at **Annexure -1**”.

3.22 When further enquired about details of R&D Projects are proposed to be taken up during 11th Plan, the Ministry replied as under:-

“Nine projects have so far been sanctioned during the first year of XI Plan. These projects are progressing as per schedule. The estimated cost of these projects is Rs. 16.35 Crore and the duration of implementation of these projects is 3 years. The details of these projects are provided at Sl. Nos. 13, 14, 15, 17, 23, 24, 32, 37 and 38 in Annexure-2. It is expected that 30 more projects would be added during the remaining period of the XI Plan which would include the projects on (i) Underground coal gasification, (ii) Hydraulic mining, (iii) Highwall mining (iv) R&D for thick and steep seam mining, (v) R&D projects on Coal bed methane, etc. The total outlay of these would be around Rs. 50 crore”.

3.23 The Committee have been given to understand that out of 36 Research and Development (R&D) projects spilled over from 10th Plan to 11th Plan, 24 projects are still under various stages of implementation. The Committee regret to observe that when the R&D projects have been inordinarily delayed, further reduction of funds

at RE 2007-08 to Rs. 12.86 crore from BE of Rs. 22.54 crore due to delay in tendering process etc. and lesser allocation of funds of Rs. 10 crore in BE 2008-09 would further adversely affect the timely implementation of the projects. The Committee are constrained to point out that the Ministry have failed to give due importance to R&D projects because of complex procedures. As R&D projects play a vital role for optimal utilization of resources, the Committee desire the Ministry to pursue all the R&D projects vigorously and allot additional funds therefor in 2008-09 at RE stage.

Environmental Measures and Subsidence Control (EMSC)

3.24 There are 18 EMSC schemes under implementation out of which 4 schemes are for environmental measures, 9 schemes are for subsidence Control, 2 schemes are for rehabilitation and 3 schemes are for fire control. Details of these schemes are provided in **Annexure-II**.

3.25 For Environmental Measures and Subsidence Control (EMSC), the funds during 2007-08 at the RE stage have been reduced to Rs. 28.22 crore from BE Rs. 31.12 crore and a provision of Rs. 10.00 crore has been made for 2008-09 (BE).

3.26 When asked about the reasons for reducing funds during 2007-08 at the RE stage from Rs. 31.12 crore to Rs. 28.22 crore and further reduction of funds to Rs. 10 crore at BE 2008-09, the Ministry of Coal stated as under:-

“The main reasons for shortfall in fund utilization have been non finalization of R&R policy for the rehabilitation scheme EMSC-25 and Fire Control Schemes due to land dispute and court case. Progress of subsidence control schemes has been slow due to stoppage of work by villagers and difficulty in drilling/ stowing in densely populated areas”.

3.27 When asked about the actual expenditure incurred during 2007-08 on EMSC, the Ministry of Coal stated as under:-

“The actual expenditure/release of fund in 2007-08 has been Rs. 17.99 crore against RE provision of Rs. 28.22 crore. Further, for 2008-09, as against Ministry of Coal proposed out lay of Rs. 25.69 crore in BE, Planning Commission has provided only Rs. 10 crore”.

3.28 The Committee are concerned to note that out of Rs. 28.22 crore allocated for Environmental and Subsidence Control (EMSC) at the RE 2007-08, only Rs. 17.99 crore has been actually utilized so

far due to non-finalization of Rehabilitation & Resettlement (R&R) Policy. For BE 2008-09 as against Rs. 25.69 crore proposed by the Ministry, the Planning Commission provided only Rs. 10 crore. The Committee are dismayed to note that the implementation of EMSC Schemes has been adversely affected due to delay in finalisation of R&R Policy and lesser utilization of earmarked funds. The Committee, therefore, recommend the Ministry to finalise the R&R Policy at an early date and also allocate more funds for time-bound implementation of EMSC Schemes.

Detailed Drilling

3.29 Exploration for coal and lignite in the country is carried out in two stages i.e. the Regional Exploration and Detailed Exploration. The regional exploration for coal is carried out by the Government organisations whereas detailed exploration is largely undertaken by coal companies.

The Detailed Exploration is carried out in potential areas identified through Regional/Promotional Exploration. Such blocks are taken up for detailed drilling to bring the reserves into Proved category to increase the confidence level. The Geological Reports of such detailed exploration form the basis of Mine Feasibility Studies/Mining Plans and formulation of Project Reports for mining. Some of the Captive Mining block allocatees are also undertaking detailed drilling in blocks allotted to them as per the guidelines of Ministry of Coal. In addition, the Ministry of Coal Plan scheme of Detailed Drilling in non-CIL Blocks aims at covering exploration of the blocks in order to reduce the time lag between allotment and development of blocks. The scheme is continuing on plan-to-plan basis and it is envisaged to undertake 13.50 lakh metre of drilling in 46 Non-CIL blocks during the XI Plan with an outlay of Rs. 893.89 crore.

3.30 A provision of Rs. 104.50 crore was made for Detailed Drilling during 2007-08 which was drastically reduced to Rs. 43.84 crore. Now a provision of Rs. 60.00 crore has been made for the year 2008-09.

3.31 When asked about the reasons for curtailing the Budget Estimates drastically at RE stage for 2007-08, the Ministry stated as under:-

“It was planned to take up 1.86 lakh meter drilling at BE in 2007-08 including 1.61 lakh meters of drilling through outsourcing and 0.25 lakh meters through departmental means with an outlay of Rs. 104.50 crore. However, the outsourcing mode could not be

realised due to delay in tendering process as a result of which the target of drilling in RE stage was revised to 0.775 lakh meters comprising of 0.475 lakh meter through departmental means and 0.3 lakh meter through outsourcing thereby revising the outlay to Rs. 43.84 crore in RE 2007-08. The likely achievement of drilling is 0.47 lakh meters (entirely departmental). The amount released for the scheme till March, 2008 has been Rs. 40 crore”.

3.32 When asked about the reasons for increasing the BE for the 2008-09 to Rs. 60.00 crore as compared to RE 2007-08, the Ministry stated as under:—

“The tendering process is in advanced stage of finalisation for outsourcing of drilling and it is planned to take up drilling programme of 2.49 lakh meters in 2008-09 comprising of 0.49 lakh meter through departmental means and 2 lakh meters through outsourcing. Keeping this in view MOC has proposed an outlay of Rs. 138.72 crore for BE 2008-09. However, Planning Commission has pruned it down to Rs. 60 crore only as a result of which the proposed drilling programme may need to be revised from 2.49 lakh meter to 1.08 lakh meter (0.49 lakh meter departmental and 0.59 lakh meter through outsourcing)”.

3.33 When asked as to why tendering process could not be finalised in time, the Ministry stated as under:—

“After receiving ‘in principle’ approval of Ministry of Coal for outsourcing in May, 2007, Board of Directors of CMPDIL approved open tendering in June, 2007. Action for opening tenders was initiated and placed before the Board of Directors of CMPDIL in August, 2007 who recommended the matter for consideration and approval of Board of Directors of CIL. It was approved by the CIL Board in September, 2007. The phase-I tender for 5 non-CIL blocks was floated in October, 2007. Re-tendering was done after pre-bid meeting and offer opened in December, 2007. Thus delay in the tendering process for outsourcing has resulted in lower utilisation of funds.

3.34 It was pointed out that the amount of Rs. 40 crore released till March, 2008 for drilling 0.47 lakh meter is on higher side as compared to RE Rs. 43.84 crore meant for drilling 0.775 lakh meter. The Ministry which was asked to clarify the position has stated as under:—

“The plan outlay in the BE 2007-08 for Detailed Drilling was Rs. 104.50 crore to achieve a target of 1.5 lakh meter of drilling in

non-CIL blocks. This target includes both departmental and outsourcing component. The estimate was revised to Rs. 43.84 crore at RE stage and the target was scaled down accordingly. However, the tendering was delayed for outsourcing and consequently only departmental drilling of 0.47 lakh meters is likely to be achieved”.

3.35 The state-wise programme of detailed drilling in 2008-09 BE is given below:

(in metres)

Sl.No.	Mode	State	2008-09 BE	
			Initially proposed Target	Modified Target
1.	Departmental	Jharkhand	19000	19000
2.		Maharashtra	8000	8000
3.		Madhya Pradesh	7000	7000
4.		Orissa	15000	15000
	Sub-total dept.		49000	49000
5.	Outsourcing	Chhattisgarh	150000	58500
6.		Jharkhand	50000	-
	Sub-total outsourcing		200000	58500
	Total		249000	107500

3.36 When asked whether Central Mines Planning and Design Institute Ltd. (CMPDIL) will be able to achieve the said targets, the Ministry of Coal stated as under:—

“Since the tendering process for outsourcing of drilling activity is in advanced stage of finalisation, CMPDIL is confident to achieve the said targets”.

3.37 When asked what action has been taken by CIL to achieve the outsourced target of 30,000 meters, the Ministry of Coal stated as under:—

“Due to the time involved in the tendering process, the target for outsourcing of 30,000 meters of detailed drilling during 2007-08 is

not likely to be achieved. It has been proposed to distribute the 30,000 meters in the remaining four years of XI Plan so as to meet the plan target of 13.50 lakh meters of exploratory drilling”.

3.38 According to the Ministry, the detailed drilling in coal mines is carried out to increase the coal reserves. The Committee have been given to understand that the provision made for this purpose during 2007-08 was drastically reduced to Rs. 43.84 crore from Rs. 104.50 crore as there was delay in tendering process and the drilling target of 1.86 lakh meter was revised to 0.775 lakh metre. What is more concerning is the fact that the outlay for 2008-09 has also been reduced to Rs. 60 crore as against the proposed outlay of Rs. 138.72 crore, which has forced the Ministry to revise the drilling target to 1.08 lakh metre from 2.49 lakh metre. The Committee are inclined to conclude that the drilling targets are not being met due to continuous reduction of funds and delay in tendering process. The Committee, therefore, recommend the Ministry to simplify and expedite the tendering processes and ensure additional funds for achieving the drilling targets.

B. Investments in Public Sector Undertakings (PSUs)

The investment in PSUs under the Ministry of Coal 2007-08 was Rs. 5049.69 crore. It was reduced to Rs. 4516.97 crore at RE stage. Now a provision of Rs. 6597.00 crore has been made for the year 2008-09. The company-wise allocations are as under:—

(Rs. in crore)

Company	2007-08 (BE)		2007-08(RE)		2008-09 (BE)	
	IEBR	Total	IEBR	Total	IEBR	Total
NLC						
Power	1211.14	1211.14	1233.28	1233.28	1945.00	1945.00
Lignite	795.83	795.83	696.72	696.72	772.00	772.00
Total	2006.97	2006.97	1930.00	1930.00	2717.00	2717.00
CIL	2472.14	2472.14	2066.97	2066.97	3214.70	3214.70
SCCL	570.58	570.58	520.00	520.00	665.30	665.30

Coal India Ltd. (CIL)

4.2 The BE 2007-08 for CIL has been reduced from Rs. 2472.14 to Rs. 2066.97 crore at RE stage. Now a provision of Rs. 3214.70 crore has been made for the year 2008-09.

4.3 When asked the reasons for reducing the BE at RE stage for the year 2007-08, the Ministry stated as under:—

“In RE Stage, the progress of the activities for which capital assessment was made in BE is reviewed and RE is arrived at considering the activities or part thereof which can be completed within the financial year. RE is assessed after one year of assessment of BE and during this period some of the activities or part thereof do not materialize as foreseen at BE stage”.

The reduction in RE stage takes place due to the following reasons:

- Delay in acquisition of land and obtaining forest land clearances
- Delay in rehabilitation
- Delay in finalization of tenders/cancellation of tenders

4.4 When asked whether any scheme of CIL was affected due to reduction of IEBR in RE 2007-08, the Ministry in their written reply has stated as under:—

“In CIL, funding the projects is done entirely through the internal resources and there is no budgetary support from Govt. of India. No scheme/project has been affected due to reduction in IEBR in RE '07-08. as generation of surplus fund is more than investment proposed in RE 07-08”.

4.5 To a query about time and cost overruns on the projects, the information furnished by the Ministry is given below:—

“There are 98 ongoing projects costing more than Rs. 20 cr. An amount of Rs. 662.76 cr. were allotted for these projects in Annual Plan 2007-08. During RE Stage it was reduced to Rs. 580.65 cr. after analyzing the status of implementation of these projects. However, while analyzing the project-wise allocation it is seen that major reduction has been noticed in the following projects:

Sl.No.	Project	Capacity (Mty)	Capital (Rs. crs.)	Sch. Compln.	Investment (Rs. crs)			Remarks
					BE 2007-08	RE 2007-08	Reduction	
1	2	3	4	5	6	7	8	9
1.	Karo OC	3.50	96.53	Mar.-10	15.85	2.58	13.27	Reduction of investment is due to non-availability of land.
2.	Konar OC	3.50	74.53	Mar.-11	11.65	0.47	11.18	
3.	Jhanjra Aug.UG	0.44	93.60	Mar.-10	42.28	15.78	26.50	Work order for construction of Strata bunker issued in Jan'08
4.	Jhanjra LW UG	1.70	287.17	Mar.-10	32.45	0.2	32.25	Delay in finalisation of Global tender – Modified global tender for PSLW under approval.
5.	Rajmahal Expn. OC	6.50	50.08	Mar.-10	12.87	4.4	8.47	PIB note for revised PR sent to MOC with partial outsourcing option in Sep.-07 for Rs. 227.01 crs for approval for difficulty in implementing the project as per provision in the earlier sanctioned PR.

1	2	3	4	5	6	7	8	9
6.	Hingula-II Expn. Ph-I OC2.00	89.78	Mar-09	47.79	17.75	30.04	Low investment mostly because of delay in procurement of equipment.	
7.	Dipka Expn. OC	10.00	856.59	Mar-10	65.00	34.18	30.82	Equipment procurement delayed due to delay finalisation of tender LOI could be issued only in Feb.'08
8.	Gevra Expn. OC	13.00	1339.69	Mar-10	120.00	92.53	27.47	-
9.	Junad Extn. OC	0.60	38.75	Mar-11	21.50	0.005	21.495	Delay in approval PR. The project has been approved in Nov.'07.

As per present assessment these projects are expected to be completed within scheduled time and cost parameters.

4.6 When asked what has been the actual utilization of funds in 2007-08 with the reasons for variations, if any, the Ministry of Coal stated as under:—

“Actual expenditure in FY 2007 – 08 (till Feb. 2008) is Rs. 1492.70 crore against the budgeted capital of Rs. 2472.14 crore (BE). However, anticipated expenditure in 2007–08 will be around Rs. 2066.97 Crore (RE). The reasons for variation are as under:

During estimation of capital requirement, 100% of requirement for all activities to be taken up during the year is considered to avoid difficulty in obtaining budget concurrence. But, all the activities have not materialized for various reasons like delay in acquisition of land and obtaining forest land clearances, delay in finalization of tenders/cancellation of tenders etc.”

4.7 When enquired about the reasons for increasing the BE 2008–09 as compared to RE 2007–08, the Ministry has stated as follows:

“BE 2008–09 has been done at 100 % budget requirements for all activities to be taken up during the Financial Year 2008–09 to avoid difficulty in obtaining budget concurrence”.

4.8 The actual generation of IEBR by CIL during the 10th Plan was Rs. 21,203.24 crore against the Budget Estimate of Rs. 14,316 crore.

When asked about the Budget Estimate for the 11th Five Year Plan for the generation of IEBR by CIL, the Ministry in their reply has stated as under:—

(Rs. crore)

Year	Generation of IEBR
2007-08	5723.96
2008-09	7130.41
2009-10	8585.62
2010-11	9741.96
2011-12	9602.94
TOTAL	40784.89

Physical Performance

4.9 Targets and achievements in respect of coal production in CIL for the years 2005-06 and 2006-07 are as under:—

CIL	2005-06		2006-07	
	Target	Actual	Target	Actual
Coal Production (Mt)	343.00	343.39	363.80	360.91

4.10 CIL has achieved targets of coal production in 2005-06. However, in 2006-07, there has been a marginal slippage. This is mainly due to interrupted/irregular supply of explosives which is a vital input for coal production and in some cases coal production was constrained due to huge accumulation of coal stocks.

4.11 The physical target for coal production in respect of CIL has been fixed at 384.51 MT. There may be marginal shortfall in the achievement of physical target. Anticipated achievement may be about 99% of the target. The major cause of slippages in respect of physical target (coal production) are due to:—

- (a) Delay in acquisition of land and obtaining forestland clearances.
- (b) Production from Rajmahal OCP suffered badly due to lack of adequate departmental HEMM capacity, land constraints and backlog in OB removal.

- (c) Law and Order problem affecting coal production and off-take in existing mines and also posing problems in commencing work in projects approved with outsourcing option.

Regarding less capital expenditure than budgeted estimate, it may be mentioned that estimate of capital requirement is done at 100% of requirement for all activities to be taken up during the next year to avoid difficulty in obtaining budget concurrence. But then, all the activities do not materialize for various reasons as stated above. This results in slippage in budget utilization also.

Neyveli Lignite Corporation Ltd. (NLC)

4.12 The BE 2007-08 for NLC has been reduced from Rs. 2006.97 to Rs. 1930.00 crore at RE stage. Now a provision of Rs. 2717.00 crore has been made for the year 2008-09.

4.13 When asked about the reasons for increase in allocation of funds during BE 2008-09 as compared to RE 2007-08, the Ministry replied as under:—

“Following new sanctioned projects are under implementation.

Project	Sanctioned Cost	Anticipated Cost	Actuals upto Feb.'08	RE 2007-08	BE 2008-09
MINE II Expn (4.5 MTPA)	2,161.28	2,295.93	1,156.08	600.00	650.00
TPS II Expn (500 MW)	2,030.78	2,453.57	999.24	700.00	750.00
Barsingsar Mine (2.1 MTPA)	254.07	254.60	139.49	65.00	78.00
Barsingsar TPS (250 MW)	1,114.18	1,626.09	668.12	425.00	645.00
Total	5,560.31	6,630.19	2,962.93	1790.00	2123.00
Other new projects & provision for geology etc..				140.00	594.00
Total				1930.00	2717.00

Based on the progress in the projects under implementation and likely sanction of Tuticorin TPS, allocation of funds for 2008-09 has been increased as compared to R.E.2007-08.

4.14 About the reasons for increasing budget estimate for the year 2008-09 to Rs. 2717 crore from Rs. 1930.00 crore(RE) for the year 2007-08, the Ministry has furnished the following information:—

“Plan Outlay in BE 2007-08, RE 2007-08 and BE 2008-09 are tabulated below:

(Rs in crore)

Projects	BE 2007-08	RE 2007-08	Actual Apr-Feb	BE 2008-09
(a) Projects under Implementation				
Mine II Expansion	586.28	600.00	463.50	650.00
TPS II Expansion	719.41	700.00	579.18	750.00
Barsingsar Mine	117.87	65.00	62.69	78.00
Barsingsar TPS	427.33	425.00	380.02	645.00
Sub-Total (a)	1850.89	1790.00	1485.39	2123.00
Tuticorin TPS	30.00	100.00	6.98	500.00
Other New Projects	126.07	40.00	13.74	94.00
Grand Total	2006.97	1930.00	1506.11	2717.00
% of (a) on Total	92	93	99	78

Based on the progress in the projects, Outlay was marginally reduced in RE 2007-2008.

Following four Major Projects which were sanctioned in the year 2004 are in advanced stages of implementation and are likely to be commissioned in 2009

- Mine II & Thermal Power Station II (TPS II) Expansion at Neyveli.
- Barsingsar Mine and Thermal Power Station (TPS) at Barsingsar, Rajasthan.
- PIB has cleared the Tuticorin project and the GOI sanction is expected during the year.

After taking into account the progress in the Projects sanctioned, the Plan Outlay for BE 2008-09 was fixed at Rs 2717.00 crore. NLC is confident of achieving the Plan target in the year 2008-09”.

4.15 To a query about actual utilization of funds in 2007-08 with the reasons for variation, if any, the Ministry replied as under:—

“The Plan outlay & actual utilization of funds till Feb. 2008 is given below:—

(Rs in crore)

	BE 2007-08	RE 2007-08	Actuals upto Feb. 2008 (2007-08)
Coal	795.83	696.72	534.99
Power	1,211.13	1233.28	971.12
Total	2,006.96	1930.00	1506.11

Nearly 85% of the target has been achieved upto Feb.'2008. and 78% has been achieved when compared to RE 2007-08. The reasons for shortfall in outlay are:

Delay in supply and erection in Main Plant and switchyard packages of TPS II Expansion by BHEL.

Delay in supply & erection of Mining equipments by suppliers of Mine-II Expn.”.

4.16 When asked whether any scheme of NLC has affected due to reduction of IEBR in 2007-08, the Ministry in their written reply has stated as follows:—

“Though there is some reduction in RE 2007-08 none of the schemes of NLC was affected in 2007-08. IR available for funding projects was Rs. 4738 crore including the carry forward surplus from the earlier years. Of this amount a sum of Rs. 607 crore was used to fund the plan outlay of Rs. 1930 crore. No scheme was affected for want of funds as NLC has adequate resources”.

4.17 The Committee note that Internal and Extra Budgetary Resources (IEBR) for Coal India Ltd. (CIL) has been reduced from Rs. 2472.14 crore at BE 2007-08 to Rs. 2066.97 crore at RE stage. However, a provision of Rs. 3214.70 crore has been made for the year 2008-09. The reasons advanced by the Ministry for reduction at RE 2007-08 stage are stated to be delay in acquisition of land, obtaining forest land clearances, delay in rehabilitation and finalisation of tenders etc. Similarly, the Neyveli Lignite Corporation Ltd.(NLC) reduced IEBR allocation from Rs. 2066.97 crore at 2007-08

BE stage to Rs. 1930.00 crore at 2007-08 RE stage. However, at 2008-09 BE stage this allocation has again been increased to Rs. 2717.00 crore. It is thus evident that the funds provided at BE stage are more which are not utilized subsequently. The Committee have been time and again emphasizing the need for preparation of realistic estimates as far as possible and avoid major reduction of funds later on. The Committee are, however, constrained to note that coal PSUs are still preparing inflated Budget Estimates and reducing the same at RE stage. The Committee would like to urge upon the PSUs to prepare realistic estimates in future and desire the Ministry to facilitate the CIL and NLC in implementing of the schemes.

C. Coal Production

Coal India has taken the following steps to increase indigenous production:—

- (i) 118 mining projects are envisaged to be undertaken during 11th Plan with envisaged capacity of 266.98 Mty. and by the terminal year (2011-12) of 11th Plan period, capacity addition would be order of 127.06 Mty.;
- (ii) Improvement in equipment utilization;
- (iii) All new mines being planned with mechanization; and
- (iv) Increasing productivity in both underground and opencast mines.

5.2 When asked about the progress made so far in achieving the production targets, the Ministry of Coal has replied as under:—

“There is expected to be a marginal shortfall. Now anticipated production for the year 2007-08 is about 99% of the target of 384.50 million tonnes. Major reasons for shortfall are lower production in ECL, particularly in Raj Mahal Project”.

5.3 When enquired how much funds have been allocated and spent during 2007-08 for mechanization of mines, the Ministry of Coal has stated as under:—

“The subsidiary-wise details of funds allocated in the 1st year of 11th plan period *vis-a-vis* the expenditure made up to Feb. 2008 during 2007-08 has been indicated below both in respect of HEMM for opencast mines & P&M for underground mines

A. For HEMM (Opencast mines) in 2007-08.

(Rs. in crore)

Company	Funds allocated for the 1st year of 11th plan period	Funds spent up to Feb. 2008
ECL	56.87	39.05
BCCL	75.00	60.00
CCL	231.00	128.57
WCL	80.00	38.40
NCL	183.10	128.82
SECL	212.35	116.82
MCL	131.41	17.33
TOTAL	969.73	528.99

B. For P & M (Underground mines) in 2007-08

(Rs. in crore)

Company	Funds allocated in 2007-08	Funds spent up to Feb. 2008
ECL	207.08	64.53
BCCL	103.50	54.68
CCL	41.41	7.47
WCL	40.00	27.66
SECL	105.00	51.96
MCL	11.00	8.18
TOTAL	507.99	214.48

5.4 CIL has prepared an Emergency Coal Production Plan in view of increase in demand of coal. Salient features of the plan are given below:—

- (i) 16 opencast projects/mines have been identified (3 in CCL, 6 in NCL, 3 in SECL and 4 in MCL) where production from existing mines/projects can be enhanced at a higher level yielding additional production of 71.30 Mt.
- (ii) The envisaged investment for the increased production in about Rs. 3462.27 crore.

5.5 When asked in how many projects/mines out of 16 identified opencast projects/mines production has been started, the Ministry of Coal stated as under:—

“Out of the 16 projects, 15 projects have been approved and 14 projects have commenced production. One project *i.e.* Khadia OC Expansion of NCL is awaiting Forestry Clearance to get Government approval”.

5.6 The Ministry has informed that out of Rs. 3462.27 crore earmarked for 11th Plan, Rs. 471.97 crore has been allotted for 2007-08 and out of which Rs. 386.14 crore has already been spent till January, 2008. Rs. 1158.68 crore has been proposed in BE 2008-09.

5.7 During the evidence, the Committee discussed the Coal Distribution Policy and related issues including supply of coal to small scale industries.

5.8 The Committee have been informed that mechanization and modernisation of mines are being carried out to increase coal production. However, mechanization of mines has been severely affected due to lesser utilization of funds by the subsidiaries of Coal India Ltd. in 2007-08. Under Heavy Earth Moving Machinery (HEMM)—opencast mines the utilization is only Rs. 528.99 crore upto February, 2008 as against the allocation of Rs. 969.73 crore. Similarly, for P and M (Underground mines) the amount spent so far during 2007-08 is only Rs. 214.48 crore as against Rs. 507.99 crore. The Committee would like to emphasize the Ministry that sincere efforts should be made for optimal utilization of funds so that coal production is substantially enhanced. At the same time, the Ministry ought to ensure that employment opportunities in the coal sector are generated in proportion to increase in coal production.

It has been brought to the notice of the Committee that Small Scale Industry is facing problem in getting adequate quantity of coal at reasonable prices. The Committee, therefore, desire that the Ministry should take appropriate steps for uninterrupted supply of coal to the Small Scale Industry.

Illegal Mining

5.9 The Committee have been informed that illegal mining is mostly taking place in old and abandoned mines, small and isolated patches, out crop areas and areas which are not in the leasehold areas of public sector coal companies. Due to clandestine nature of illegal mining activities, the exact quantum of coal so mined cannot be ascertained.

5.10 However, following the raids conducted by the security personnel of the concerned coal companies and joint raids with law and order authorities of the concerned State Governments, the quantity of coal recovered and value thereof (approximate) during the last three years are as under:—

Company	2005-06		2006-07		2007-08 (prov. upto Jan'08)	
	Qty. recovered (Approx.) (te.)	App. Value (Rs. lakh)	Qty. recovered (Approx.) (te.)	App. Value (Rs. lakh)	Qty. recovered (Approx.) (te.)	App. Value (Rs. lakh)
1	2	3	4	5	6	7
Eastern Coalfields Ltd.	2481	24.31	3528	35.28	1967	19.67
Bharat Coking Coal Ltd.	639	10.41	63	0.97	41	0.62

1	2	3	4	5	6	7
Central Coalfields Ltd.	532	5.65	404	4.04	410	7.20
Northern Coalfields Ltd.	Nil	Nil	Nil	Nil	Nil	Nil
Western Coalfields Ltd.	27	0.28	39	0.41	41	0.8
South Eastern Coalfields Ltd	43	0.48	541	7.15	40	0.6
Mahanadi Coalfields Ltd.	Nil	Nil	Nil	Nil	0	0
North Eastern Coalfields	Nil	Nil	Nil	Nil	0	0
Total	3722	41.13	4575	47.85	2499	28.89

5.11 When enquired about the steps being taken by the Government to check illegal mining, the Ministry has stated as under:—

“First Information Reports (FIRs) are lodged by the units/Areas/ Central Industrial Security Force (CISF) officials of the coal companies whenever cases of illegal mining of coal are detected. After lodging of FIRs, prosecution cases are launched and contested by the State Governments/Police.

In addition, the following measures are taken to address the issue of illegal mining:—

- (i) At the initiative of Government of India, Joint Action Committees involving State Governments and coal companies are formed to take effective steps for prevention of illegal mining. Task Force at State & District levels are formed in problem areas which review the action on regular basis;
- (ii) Further, coal companies also undertake preventive measures such as filling up of rat holes, digging of trenches, erection of concrete walls, fencing with barbed wire, deployment of security and intensive patrolling of the areas etc.; and
- (iii) A Committee has been constituted under the Chairmanship of the Minister of State for Coal to address the problem of illegal mining of coal”.

5.12 The Committee have been informed that the Ministry have taken various measures such as the setting up of Joint Action Committee involving State Governments and coal companies, Task Force at State and the District levels and a Committee under the Chairmanship of Minister of State for Coal to mitigate the problem

of illegal mining of coal. Despite these above measures, cases of illegal mining of coal are still increasing day by day causing huge loss to the exchequer. The Committee, therefore, recommend that the Ministry should strengthen/monitor the mechanism to prevent illegal mining.

Regulator for Coal Sector

5.13 The Government has appointed Administrative Staff College (ASC) as a consultant to examine the need of an independent regulator for coal sector.

5.14 When enquired whether the Consultant has submitted its report to the Government and if so the salient features thereof and action taken thereon, the Ministry has stated as under:—

“The Energy Coordination Committee headed by the Prime Minister *inter-alia* decided in its 6th Meeting held on 27.3.2006 that the Planning Commission will prepare a transit path in order to operationalise the pricing mechanism for Coal Sector and to prepare a paper on a Regulator for Coal Sector.

The Planning Commission, in turn, requested this Ministry to appoint a consultant for preparing the Coal Regulatory Bill. Accordingly, the Administrative Staff College of India (ASCI) was appointed as Consultant. ASCI after having discussions with the stake holders submitted its report on 17.10.2007 which is being examined by the Government. The salient features of the report are as follows:—

- (i) The report recommends appointment of Independent Coal Regulator;
- (ii) The regulator is consist of a Chairman and four other members. The Chairman/Members should have expertise in their respective fields like—Technical activities of the coal industry, Finance, Law, Economics and Management/Public Affairs; and
- (iii) The main functions of the Regulatory Authority would be— Approval of mining plan, Monitoring and enforcement of conditions in Mining Plan, Setting up of performance standards, Determination of price of coal, Mine closure, and land reclamation etc.

The Report was sent to Coal India Ltd. (CIL), Neyveli Lignite Corporation Ltd. (NLC) and Singareni Collieries Company Ltd.

(SCCL) for their views/comments on the recommendation of the consultant ASCI. The comments have been received. Simultaneously, the request was also sent to the Planning Commission, at whose instance the study was commissioned, for their comments and also to Ministry of Power for their comments. The comments from the Planning Commission and the Ministry of Power are awaited. Once the comments are received, the matter would be put up for decision of the Government”.

5.15 The Committee note that the Consultant, Administrative Staff College of India which was appointed at the instance of the Planning Commission, to examine the need of an independent regulator for coal sector has submitted its Report to the Government. The Committee also note that the various coal PSUs from which comments were sought on the said Report by the Ministry of Coal have submitted their comments. However, the matter is still pending as comments from the Planning Commission and the Ministry of Power are awaited. The Committee would like the Ministry to expedite the process for setting up of an independent regulator for coal sector so that the coal sector should not suffer.

NEW DELHI;
11 April, 2008
22 Chaitra, 1930 (Saka)

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

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS OF
THE STANDING COMMITTEE ON COAL AND STEEL
CONTAINED IN THE REPORT

Sl. No.	Reference Para No. of the Report	Observations/Recommendations
1	2	3
1.	2.2	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. The Committee desire that the Ministry of Coal should furnish final reply to the Recommendation No. 4 which was categorized as of interim nature. The Committee would like to be apprised of the Action Taken in this regard.
2.	3.17	The Committee note that the Ministry of Coal had proposed Rs. 7685.87 crore for 11th Five Year Plan but the Planning Commission which initially recommended Rs. 5831.56 crore has finally approved only Rs. 1315.95 crore. As a result, there was less allocation of funds for the Central Scheme for the years 2007-08 and 2008-09. On the one hand, the Ministry has been suffering from drastic cut in 11th Plan outlay, on the other hand, they were unable to utilize even the revised plan outlay of Rs. 250 crore in 2007-08 fully. Needless to say that allocation of sufficient funds for the Ministry and utilization is of paramount importance when the nation is striving for energy needs. It is obvious that, the steep

1	2	3
		<p>reduction in 11th Plan outlay and under-utilization of funds will hinder the growth and development of the Coal industry. The Committee, therefore, urge upon the Ministry to approach the Planning Commission for more allocation of funds for the 11th Plan and also additional funds at RE 2008-09 so that the Central Schemes could be implemented smoothly.</p>
3.	3.23	<p>The Committee have been given to understand that out of 36 Research and Development (R&D) projects spilled over from 10th Plan to 11th Plan, 24 projects are still under various stages of implementation. The Committee regret to observe that when the R&D projects have been inordinarily delayed, further reduction of funds at RE 2007-08 to Rs. 12.86 crore from BE of Rs. 22.54 crore due to delay in tendering process etc. and lesser allocation of funds of Rs. 10 crore in BE 2008-09 would further adversely affect the timely implementation of the projects. The Committee are constrained to point out that the Ministry have failed to give due importance to R&D projects because of complex procedures. As R&D projects play a vital role for optimal utilization of resources, the Committee desire the Ministry to pursue all the R&D projects vigorously and allot additional funds therefor in 2008-09 at RE stage.</p>
4.	3.28	<p>The Committee are concerned to note that out of Rs. 28.22 crore allocated for Environmental and Subsidence Control (EMSC) at the RE 2007-08, only Rs. 17.99 crore has been actually utilized so far due to non-finalization of Rehabilitation & Resettlement (R&R) Policy. For BE 2008-09</p>

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as against Rs. 25.69 crore proposed by the Ministry, the Planning Commission provided only Rs. 10 crore. The Committee are dismayed to note that the implementation of EMSC Schemes has been adversely affected due to delay in finalisation of R&R Policy and lesser utilization of earmarked funds. The Committee, therefore, recommend the Ministry to finalise the R&R Policy at an early date and also allocate more funds for time-bound implementation of EMSC Schemes.

5.

3.38

According to the Ministry, the detailed drilling in coal mines is carried out to increase the coal reserves. The Committee have been given to understand that the provision made for this purpose during 2007-08 was drastically reduced to Rs. 43.84 crore from Rs. 104.50 crore as there was delay in tendering process and the drilling target of 1.86 lakh meter was revised to 0.775 lakh metre. What is more concerning is the fact that the outlay for 2008-09 has also been reduced to Rs. 60 crore as against the proposed outlay of Rs. 138.72 crore, which has forced the Ministry to revise the drilling target to 1.08 lakh metre from 2.49 lakh metre. The Committee are inclined to conclude that the drilling targets are not being met due to continuous reduction of funds and delay in tendering process. The Committee, therefore, recommend the Ministry to simplify and expedite the tendering processes and ensure additional funds for achieving the drilling targets.

6.

4.17

The Committee note that Internal and Extra Budgetary Resources (IEBR) for Coal India Ltd. (CIL) has been reduced from

Rs. 2472.14 crore at BE 2007-08 to Rs. 2066.97 crore at RE stage. However, a provision of Rs. 3214.70 crore has been made for the year 2008-09. The reasons advanced by the Ministry for reduction at RE 2007-08 stage are stated to be delay in acquisition of land, obtaining forest land clearances, delay in rehabilitation and finalisation of tenders etc. Similarly, the Neyveli Lignite Corporation Ltd.(NLC) reduced IEBR allocation from Rs. 2066.97 crore at 2007-08 BE stage to Rs. 1930.00 crore at 2007-08 RE stage. However, at 2008-09 BE stage this allocation has again been increased to Rs. 2717.00 crore. It is thus evident that the funds provided at BE stage are more which are not utilized subsequently. The Committee have been time and again emphasizing the need for preparation of realistic estimates as far as possible and avoid major reduction of funds later on. The Committee are, however, constrained to note that coal PSUs are still preparing inflated Budget Estimates and reducing the same at RE stage. The Committee would like to urge upon the PSUs to prepare realistic estimates in future and desire the Ministry to facilitate the CIL and NLC in implementing of the schemes.

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5.8

The Committee have been informed that mechanization and modernisation of mines are being carried out to increase coal production. However, mechanization of mines has been severely affected due to lesser utilization of funds by the subsidiaries of Coal India Ltd. in 2007-08. Under Heavy Earth Moving Machinery (HEMM)—open cast mines the utilization is only Rs. 528.99 crore upto February, 2008 as against the allocation of Rs. 969.73 crore.

1	2	3
		<p>Similarly, for P&M (Underground mines) the amount spent so far during 2007-08 is only Rs. 214.48 crore as against Rs. 507.99 crore. The Committee would like to emphasize the Ministry that sincere efforts should be made for optimal utilization of funds so that coal production is substantially enhanced. At the same time, the Ministry ought to ensure that employment opportunities in the coal sector are generated in proportion to increase in coal production.</p> <p>It has been brought to the notice of the Committee that Small Scale Industry is facing problem in getting adequate quantity of coal at reasonable prices. The Committee, therefore, desire that the Ministry should take appropriate steps for uninterrupted supply of coal to the Small Scale Industry.</p>
8.	5.12	<p>The Committee have been informed that the Ministry have taken various measures such as the setting up of Joint Action Committee involving State Governments and coal companies, Task Force at State and the District levels and a Committee under the Chairmanship of Minister of State for Coal to mitigate the problem of illegal mining of coal. Despite these above measures, cases of illegal mining of coal are still increasing day by day causing huge loss to the exchequer. The Committee, therefore, recommend that the Ministry should strengthen/monitor the mechanism to prevent illegal mining.</p>
9.	5.15	<p>The Committee note that the Consultant, Administrative Staff College of India which was appointed at the instance of the Planning Commission, to examine the need of an independent regulator for coal sector</p>

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has submitted its Report to the Government. The Committee also note that the various coal PSUs from which comments were sought on the said Report by the Ministry of Coal have submitted their comments. However, the matter is still pending as comments from the Planning Commission and the Ministry of Power are awaited. The Committee would like the Ministry to expedite the process for setting up of an independent regulator for coal sector so that the coal sector should not suffer.

ANNEXURE I

LIST OF COAL S&T PROJECTS SPILLED OVER FROM XTH PLAN TO XITH AND THEIR STATUS

(Rs. in lakh)

Sl. No	Name of the Project	Agency	Financial Outlay	Actual Disbursement	Rev./Sch. Date of Compl.	Present Status
1	2	3	4	5	6	7
1.	Optimisation of pillar parameters for development and final highly inclined seams at SCCL mines—MT/115	SCCL & NIRM	24.96 S&T Grant - 19.96 Cont SCCL - 5.00	16.2	Dec. 2007	Completed
2.	Development of support guidelines for depillaring panels in Indian coal mines—MT/126	CMRI	21.78	21.5	Dec. 2006	Completed
3.	Effect of production blasts on ground water and geo technical properties on pit-wall and dump stability in Open pit coal mines—MT/129	CMRI	36.24	35.00	Feb. 2007	Completed
4.	Studies on the advance detection of fires in coal mines with special reference to SCCL-MT/130	Andhra Univ. & SCCL	166.5088	163.60	Nov. 2007	Completed and Report is awaited
5.	Application of high pressure water injection for hard roof management at Churha West Colliery, SECL-MT/132	CMRI & SECL	58.8 MoC - 55.90 Cont SECL - 2.90	52.25	Dec. 2007	Completed and Report is awaited

1	2	3	4	5	6	7
6.	Stability of parting between coal pillars workings in level contiguous seams during depillaring - MT/137	CMRI	50.54	42.00	Sep. 2008	On-going
7.	A study on effect of underground blasting on surface structures <i>vis-a-vis</i> standardisation of blast vibration damage threshold - MT/138	CMRI	30.388	30.00	Sep. 2006	Completed
8.	Efficacy of rock bolt in underground fire zones and water bearing excavations - MT/139	Anna Univ.	88.205	40.00	Oct. 2008	On-going
9.	Indigenous development of prototype longwall supports (Chock-shield) - MT/143	SCCL	148.00 MoC - 117.50 Cont. SCCL - 30.50	117.00	Nov.2008	On-going
10.	Development of a micro-seismic monitoring system for stability analysis of UG mine workings under Difficult to cave roof conditions - MT/145	CMRI & ECL	47.849	40.00	Sep. 2008	On-going
11.	Characterisation of rock and explosive parameters for optimal explosive energy utilisation in opencast blasting- MT/146	CMPDI & CMRI	270.37 For CMPDI - 206.15 For CMRI - 64.22	55.90	Mar. 2010	On-going
12.	Model studies on the efficiency of gravity blind back filling method and evaluation of a pre-jamming indication parameters - MT/147	IIT Kharagpur	14.766	14.766	Mar. 2007	Completed
13.	Development of an experimental subterranean robot(SR) for feasibility study of robotic application in underground coal mines - MT/148	CMERI, Durgapur, CMPDI & CMRI	89.168 For CMERI- 85.168 For CMPDI- 2.00 For CMRI- 2.00	79.00	Jun.2008	On-going

1	2	3	4	5	6	7
14.	Establishment of standard method for assessment of incendivity of 32mm dia permitted explosive- MT/149	CMRI	41.19	33.00	Sep.2009	On-going
15.	Underground coal gasification and its utilisation for power generation studies in lignite deposit of Rajasthan (Phase - I) - MT/150	NLC	1125.00 MoC - 562.50 Cont. DST - 375.00 Cont. NLC - 187.50	220.00	Aug. 2009	On-going
16.	Investigation of cavability of overlying strata and development of guidelines of support capacity for longwall faces - MT/151	CMRI, NIRM, ISM, CMPDI SECL, SCCL, ECL & BCCL	455.566 For CMRI - 200.142 For NIRM - 187.91 For ISM - 57.514 For CMPDI - 10.00	220.00	Oct.. 2008	On-going
17.	Development of room temperature sensors for methane using carbon nanotubes and nanofibres - MT/152	Jadavpur University & ISM	84.634 For Jadavpur - 63.78 For ISM - 13.16	78.00	Oct.. 2008	On-going
18.	Coal bed methane recovery and its commercial utilisation - CE/27	CMPDI & BCCL	9242.70 UNDP/GEF - 4143.70 UNDP/India - CCF-545.10 ONGC Co-Sharing - 1215.70 GoI Cash (S&T Grant) -1805.80 GoI Kind - 699.40 Part of the Revenue - 833.0 Cost met out of the income generated from the project	1536.04	Dec. 2008	On-going

1	2	3	4	5	6	7
19.	Installation of Modular Demonstration Plant at Swang Washery (CCL) with Column flotation for upgradation of fine coal and horizontal travelling belt filter for its better recovery - CP/38	CMPDI & CCL	1238.00 For CMPDI - 938.00 Cont. CCL - 300.00	54.45	Oct. 2008	Terminated
20.	Application of Vorsyl separator for recovery of clean coal from middlings and rejects-CP/42	RRL(Bhopal) & CMPDI	125.40 For RRL(B)- 85.40 S&T part - 54.765 Cont. DST- 30.365 For CMPDI - 40.00	50.79	Dec. 2008	On-going
21.	Development of user friendly models for design and operation of jigs and heavy media cyclones for treatment of different coals - CP/43	RRL, Bhopal ISM & CMPDI	61.14 For RRL (B) - 34.22 For ISM - 14.22 For CMPDI - 12.70	41.88	Feb. 2009	On-going
22.	Development of cheap, energy efficient by product coke oven for production of hard coke for steel/metallurgical use - CU/46	CFRI & CMPDI	286.67 For CFRI - 240.60 For CMPDI - 46.07	235.06	May 2008	On-going
23.	Development of process / technique for potential utilisation of less matured non-coking coal for making hard coke by utilising stamp charging - CU/47	CFRI & CMPDI	98.88 For CFRI - 92.80 For CMPDI - 6.08	52.00	Jun. 2007	Completed
24.	Agglomeration formation in reducing condition in pressurised fluidised bed gasification (PFBG) with Low rank high ash coals - CU/48	CFRI , CET, Osmania Univ. & CMPDI, Ranchi	338.58 For CFRI - 283.48 For CET - 42.71 For CMPDI - 12.39	272.22	Dec. 2008	On-going

1	2	3	4	5	6	7
25.	Development of a process for the production of activated carbon from Neyveli Lignite - CU/49	NLC & RRL Trivandrum	98.6 For NLC - 22.70 For RRL (T) - 75.90	70.00	Mar. 2007	Completed
26.	Direct sourcing of coal for value added chemicals-CU/51	CFRI & IICT, Hyderabad	70.3 For CFRI-32.30 For IICT-38.00	57.00	Apr.2008	Completed and Report is awaited
27.	Development of cost effective high performance highway using fly ash composite - EE/19	NLC & Anna Univ.	38.10 For NLC - 22.10 For Anna Univ. - 16.00	28.55	Dec. 2006	Completed
28.	Development of emission factors for various mining machineries and operations in opencast coal mines - EE/27	CMPDI	78.01	49.55	Mar. 2008	On-going
29.	Environmental impact of subsidence movements caused due to caving on ground water and forest cover in Godavari Valley Coalfields - EE/28	CMRI & SCCL	72.03 MoC - 60.83 Cont. SCCL - 11.20	30.00	Sep. 2007	Completed and Report is awaited
30.	Studies on the impact of atmospheric biotic/abiotic particulates on the environment of Jharia Coalfield and their abatement strategies - EE/29	CFRI	33.90	25.50	Oct.2007	Completed
31.	Fly ash characterisation for mine void reclamation - EE/30	CMPDI	287.684	11.91	Oct. 2008	On-going
32.	Development of suitable biological waste water treatment technology through constructed wetlands for treatment of acid mine drainage from coal projects - EE/31	CMPDI	78.62	22.62	Jun.2009	On-going

1	2	3	4	5	6	7
33.	Studies on the use of Bottom slag in crop. production - EE/32	NLC & TNAU	92.3244 For NLC-31.35 For TNAU-51.9744 Cont. NLC- 9.00	60.00	Oct. 2007	Completed
34.	Environmental clean up and remediation of coal mining overburden sites of Tirap Collieries, Assam - EE/33	RRL,Jorhat	18.90	15.00	Oct. 2008	On-going
35.	Investigation into low cost linear for disposal of coal ash in abandoned opencast mine - EE/34	CMRI	39.00	34.00	Sep. 2009	On-going
36.	Study on blasting dust management system in an opencast coal mine - EE/35	NIRM,MCL& NCL	48.33	25.00	Sep. 2009	On-going
□	□	□	□	□	□	□

ANNEXURE II

PRESENT STATUS OF EMSC SCHEMES UNDER IMPLEMENTATION

(Rs. in Lakhs)

(A) Environmental Measures

Sl.No.	EMS Code	Company	Name of the Scheme	Starting Date/ Yr.	Revised Date of Completion	Approved Cost (by MOC)	Approved BE 2007-08	Amount likely to be Disbursed in 2007-08	Total Amount Disbursed till Jan. 2008	Revised BE 2008-09 (Appr. by PC)	Target	Present Status: Achievement upto Jan. 2008
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	EMSC-21	BCCL	Scheme for dealing with fire and subsidence at Rajapur/ South Jharia colliery	1.4.1998	30.6.06	471.87	50.00	0.00	376.68	0.00	Sand Stowing-77000 cu.m. No. of Bore Holes-179 Blanketing Fire area-2.5 lakh cu.m. up to X Seam on fire by OB Matti Transportation for blanketing-0.95 lakh cu.m.	Sand Stowing-29951 cu.m. No. of Bore Holes-113 Blanketing Fire area-5.09 lakh cu.m. upto combined seam floor Matti Transportation for blanketing-0.20 lakh cu.m. Scheme is under progress However, draft PR has also been prepared as fire has travelled below X seam to combined seam (V, VI, VII & VIII seam) Revised scheme is being prepared.

1	2	3	4	5	6	7	8	9	10	11	12	13
2.	EMSC-22	BCCL	Scheme for dealing with fire and subsidence at Alkusa colliery	1.4.1998	31.5.07	368.39	20.00	0.00	368.00	0.00	Sand Stowing Target: 50000 cum Filling an Blanketing Target : 2.62 lakhs cum	Sand stowing-Comp : 8950 cum. Filling and Blanketing Comp. 1.73 lakhs cum. Scheme is under progress: Project time extended up to May 07 by BCCL Board on 21.4.2006
3.	EMSC-23	BCCL	Scheme for dealing with fire and subsidence at Industry Colliery (Kusunda Area)	1.4.1998	31.3.08	253.30	40.00	0.00	130.00	0.00	Evacuation-391 houses Sand Stowing-35000 cu.m. Surface blanketing 132000 cu.m. Drilling Bore Holes-180	Evacuation-286 houses Sand Stowing-48581 cu.m. Surface blanketing-Nil Bore Holes-103 Scheme is in progress. Drilling and sand flushing completed. Rehabilitation of persons in progress Surface sealing nut required since the patch is proposed to be worked by open cast mining
4.	EMSC-34	BCCL	Scheme for reclamation of degraded land in Govindpur, Katras and P.B. area (125 ha.)	1.8.2005	31.3.09	66.25	12.00	12.00	54.00	10.00	Plantation in 125 Ha.	Plantation done in 80 Ha. Balance work is in progress through DFO, Dhanbad
			Sub Total (A)			1159.81	122.00	12.00	928.68	10.00		

B. Subsidence Control

Sl.No.	EMSC Code	Company	Name of the Scheme	Starting Date/ Yr.	Revised Date of Completion approved by MOC/ Company Board	Approved Cost (by MOC)	Approved BE 2007-08	Amount likely to be Disbursed in 2007-08	Total Amount Disbursed till Jan. 2008	Revised BE 2008-09	Target	Present Status: Achievement upto Jan. 2008
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	EMSC-01	ECL	Stabilisation of inaccessible waterlogged voids beneath Fatehpur village	1997	31.12.08	499.43	100.00	0.00	397.00	0.00	Sand Stowing Phase-I-20000 cu.m. Phase-II-20000 cu.m. Phase-III-20000 cu.m.	Sand Stowing-Comp-53436 cu.m. Phae-I and Phase-II have been completed. Phase-III is under progress ECL Board has approved time extension upto 31.12.2008.
2.	EMSC-15	ECL	Stabilisation of inaccessible waterlogged voids beneath Palasban Area	1998	31.12.09	187.77	30.00	0.00	85.00	0.00	Sand Stowing Target-20000 cu.m.	Sand Stowing-Comp-7909 cu.m. Scheme is under progress. Due to local villagers' objection work was stopped for a long time extension upto 31.12.2009.
3.	EMSC-016	ECL	Stabilisation of inaccessible waterlogged voids beneath Gwala Basti	1998	30.6.08	187.77	30.00	30.00	185.00	0.00	Sand Stowing Phase-I-20000 cu.m. Phase-II-26000 cu.m.	Sand Stowing-Comp-55920 cu.m. Scheme is under progress. Additional stowing of 20000 cu.m. (approved by ECL Board) is going on satisfactorily.
4.	EMSC-18	ECL	Stabilisation of inaccessible waterlogged voids beneath Pottary Area	1998	30.6.08	187.77	15.00	15.00	160.00	0.00	Sand Stowing Phase-I-20000 cu.m. Phase-II-20000 cu.m.	Sand Stowing-Comp-36033 cu.m. Additional stowing of 2000 cu.m. with unspent amount of phase-I in progress.

1	2	3	4	5	6	7	8	9	10	11	12	13
5.	EMSC-26	ECL	Stabilisation of inaccessible waterlogged voids beneath Hariapur Village	1998	31.12.09	187.77	25.00	0.00	165.00	0.00	Sand Stowing Phase-I-20000 cu.m. Phase-II-15000 cu.m.	Sand Stowing-Comp-37953 cu.m. Phase-I has been completed. Phase-II is under progress at a satisfactory rate ECL Board has approved time extension for stowing 7800 cu.m. up to 31.12.2009.
6.	EMSC-29	ECL	Stabilisation of inaccessible waterlogged voids beneath Senotoria village and other areas	2001	31.12.09	478.38	100.00	70.00	225.00	0.00	Sand Stowing Target-40000 cu.m.	Sand Stowing-Comp-31315 cu.m. Scheme is under progress. Several times local villagers have stopped the work. Stowing rate is slow due to overlying thickly populated village.
7.	EMSC-31	ECL	Stabilisation of inaccessible waterlogged voids beneath Jeebnepara village, Vivekanand School, Satgram area	2005	31.8.09	140.19	50.00	0.00	20.00	0.00	Sand Stowing Target-92000 cu.m.	Tendering for stabilising work is in progress. ECL Board has approved time extension upto 31.8.2009.
8.	EMSC-32	ECL	Stabilisation of inaccessible waterlogged voids beneath Narsamuda village phase-I	2005	31.8.09	202.00	50.00	20.00	40.00	0.00	Sand Stowing Target-336000 cu.m.	Drilling bore holes in progress.
9.	EMSC-33	ECL	Stabilisation of inaccessible waterlogged voids beneath Aluthia/Bharatchak Phase-I	2005	31.8.09	212.23	50.00	20.00	40.00	0.00	Sand Stowing Target-546000 cu.m.	Drilling bore holes in progress.
			Total			2283.31	450.00	155.00	1317.00	0.00		

C. Rehabilitation (Social Mitigation)

Sl.No.	EMSC Code	Company	Name of the Scheme	Starting Date/ Yr.	Revised Date of Completion approved by MOC/ Company Board	Approved Cost (by MOC)	Approved BE 2007-08	Amount likely to be Disbursed in 2007-08	Total Amount Disbursed till Jan. 2008	Revised BE 2008-09	Target	Present Status: Achievement upto Jan. 2008
1.	EMSC-24	BCCL	Shifting of people from most endangered areas of BCCL	1998	31.3.09	6109.00	1500.00	1500.00	4142.00	950.00	Shifting of BCCL families-1500 nos. Shifting of non-BCCL families-3100 nos.	BCCL houses constructed-344, BCCL people shifted=204 Construction of 900 non-BCCL houses is in progress by HSCL at Belgoria Mauza. Work order for construction of balance 2200 houses awarded to NBCC and construction is also in progress at Belgoria Mauza.
2.	EMCS-25	ECL	Rehabilitation of four unstable locations in ECL	1998	31.3.08	3252.49	700.00	100.00	2350.00	0.00	Samadiah village, Refugee Basti, Harishpur village and Kenda village, Total no. of houses-1123	Demographic survey has been completed by ADDA. ADDA has been provided Rs. 50 lakhs advance for the job for the remaining work. Due to non finalisation of policy for rehabilitation, progress is very Low.
Sub Total (C)						936.149	2200.00	1600.00	6492.00	950.00		

8 D. Fire Control Schemes

Sl.No.	EMSC Code	Company	Name of the Scheme	Starting Date/ Yr.	Revised Date of Completion approved by MOC/ Company Board	Approved Cost (by MOC)	Approved BE 2007-08	Amount likely to be Disbursed in 2007-08	Total Amount Disbursed till Jan. 2008	Revised BE 2008-09	Target	Present Status: Achievement upto Jan. 2008
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	RCFS-01	BCCL	Scheme for control of fire and subsidence for protection of Dhanbad-Patherdih Railway line at Lodna (N) and Bagdidi Colliery	2001	30.06.09	635.23	100.00	0	144.00	0.00	Procurement of P&M Nitrogen infusion-Target: Nitrogen foam compound 63072 litres.	Indent : under progress Dhanbad-Patherdih railway line is dismantled. PR has been revised by CMPDIL for protection of pits. Scheme is under implementation.
2.	RCFS-02	BCCL	Scheme for dealing with fire for protection of Adra-Gomoh Railway line at Block-II OCP and Phularitand colliery	2001	31.8.2010	578.41	100.00	0.00	320.00	0.00	Procurement of P&M Block-II side Drilling bore holes-Target: 39 nos. Stowing Target: 25200 cum Filling quarry edge: 750000 cum Surface sealing Target: 85775 cum. Water pool to be started after OB filling. Phularitand side Drilling bore hole-Target: 143 nos. Stowing Target: 46600 cum.	Procurement of P&M completed except fire tender. Tender finalised for borehole drilling and work awarded. Tendering for stowing in process. Quarry edge done 371616 cum Surface sealing & water pool-To be started after OB filling. Phularitand side Drilling bore hole-tendering under process. Stowing-proposal approved. Tendering in process. Water pool to be started after OB filling. The original scheme was for dealing with fire in XI & XII seams. Fire has also propagated to XIII seam. A proposal for dealing with fire in XIII seam was approved by BCCL Board on 12.9.2005.

1	2	3	4	5	6	7	8	9	10	11	12	13
3.	RCFS-03	BCCL	Scheme for dealing with fire for protection of Chatkari jore at Jeenagora/Bararee colliery	2001	31.8.08	769.82	100.00	0.00	430.00	0.00	Procurement of P&M Drilling bore holes in XI, XII, XIII seams target-2915 m. Stowing in XI, XII, XIII seams: Target-21000 cum. Earth filling/cutting rock and hard soil/stone pitching etc. Target-69913 cum. Surface sealing: Target-74000 cum. Quarry filling: Target-1008400 cum. Water pool: to be started after filling.	Procurement of P&M Completed. Drilling bore holes in XI, XII, XIII seams in progress. Stowing in XI, XII, XIII seams: To be done after drilling of boreholes. Earth filling/cutting rock and hard soil/stone pitching etc. 12579m3 done. Surface sealing: 5526 m3 done. Quarry filling & Water pool: to be started later. Diversion affected due to land dispute. The matter is sub-judice in Lower Court, Dhanbad.
Sub Total (D)						1983.46	3000.00	0.00	894.00	0.00		
(E) Co-ordination of EMSC Schemes							40.00	40.00	156.97	40.00		
Grand Total (A+B+C+D+E)						14788.07	3112.00	1807.00	9788.65	100000		

ANNEXURE III

MINUTES OF THE SITTING OF THE STANDING COMMITTEE
ON COAL AND STEEL HELD ON 26TH MARCH, 2008 IN
COMMITTEE ROOM 'C', PARLIAMENT HOUSE ANNEXE,
NEW DELHI

The Committee sat from 1100 hours to 1330 hours.

PRESENT

Dr. Satyanarayan Jatiya — *Chairman*

MEMBERS

2. Shri Hansraj G. Ahir
3. Shri Chandra Shekhar Dubey
4. Shri Chandrakant B. Khaire
5. Dr. Rameshwar Oraon
6. Shri Dalpat Singh Paraste
7. Shri Raghuraj Singh Shakya
8. Shri Ali Anwar
9. Shri Bashistha Narain Singh

SECRETARIAT

1. Shri Ashok Sarin — *Joint Secretary*
2. Shri A.S. Chera — *Director*
3. Shri Raj Kumar — *Deputy Secretary*

WITNESSES

1. Shri H.C.Gupta, Secretary Ministry of Coal
2. Dr. S.P. Seth, Addl. Secretary -do-
3. Shri Rajiv Sharma, Addl. Secretary -do-
4. Shri K.S. Kropcha, Joint Secretary -do-
5. Shri Sanjiv Mittal, JS & FA -do-
6. Shri P.R. Mandal, Advisor (Project) -do-
7. Shri Kailash Pati, Economic Adviser -do-
8. Shri K. Mathivanan, Director -do-

9. Shri P.S. Bhattacharya, CMD	Coal India Ltd.
10. Shri V.K. Malhotra, Liaison Officer	-do-
11. Shri A.K. Paul, CMD	Bharat Coking Coal Ltd.
12. Shri B.K. Sinha, CMD	South Eastern Coalfields Ltd.
13. Shri D.C. Garg, CMD	Western Coalfields Ltd.
14. Shri S.R. Uppadhyay, CMD	Mahanadi Coalfields Ltd.
15. Shri V.K. Singh, CMD	Northern Coalfields Ltd.
16. Shri R.P. Ritolia, CMD	Central Coalfields Ltd.
17. Shri A.K. Singh, CMD	Central Mines Planning & Design Institute Ltd. (CMPDIL).
18. Shri S. Chakravarty, CMD	Eastern Coalfields Ltd.
19. Shri Jayaraman, CMD	Neyveli Lignite Corporation Ltd.
20. Shri N.C. Jha, Director, (Tech.)	Coal India Ltd.
21. Shri S. Bhattacharya, Director (F)	Coal India Ltd.
22. Shri R. Mohan Das, Dir. (P&IR)	Coal India Ltd.
23. Shri K. Ranganath, Dir. (Marketing)	Coal India Ltd.
24. Shri J.N. Prasanna Kumar, Dir. (F)	Neyveli Lignite Corporation Ltd.

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

3. Thereafter, the representative of the Ministry of Coal gave a visual presentation on Demands for Grants (2008-09) of the Ministry of Coal followed by briefing by the Coal Secretary on PSUs, focus areas and initiatives and key policies concerns. The points discussed during the sitting broadly related to the issues such as, allocation of funds during 11th Plan; implementation of on-going schemes; coal

production; allotment of coal mines; coal distribution policy; development of new coal mines; generation of employment in coal sector; outsourcing of labour in coal PSUs; illegal coal mining; Rehabilitation and Resettlement (R&R) policy, etc.

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

The Committee then adjourned.

ANNEXURE IV

MINUTES OF THE SITTING OF THE STANDING COMMITTEE
ON COAL AND STEEL HELD ON 11TH APRIL, 2008 IN
COMMITTEE ROOM '62', PARLIAMENT HOUSE, NEW DELHI

The Committee met from 1530 hrs. to 1650 hrs. to consider and adopt the Reports on Demands for Grants (2008-09) pertaining to the Ministries of Coal, Mines and Steel.

PRESENT

Dr. Satyanarayan Jatiya — *Chairman*

MEMBERS

2. Shri Hiten Barman
3. Shri Chandrakant B. Khaire
4. Shri Faggan Singh Kulaste
5. Shri Raghuraj Singh Shakya
6. Shri Rewati Raman Singh
7. Shri Anirudh Prasad *Alias* Sadhu Yadav
8. Shri Ali Anwar

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri Ashok Sarin — *Joint Secretary*
3. Shri A.S. Chera — *Director*
4. Shri Raj Kumar — *Deputy Secretary*

2. At the outset, the Chairman, Standing Committee on Coal and Steel welcomed the Members to the sitting of the Committee.

3. The Committee then considered and adopted the following Draft Reports with some additions/deletions/modifications:

- (i) Report on Demands for Grants (2008-09) of the Ministry of Coal.
- (ii) ** ** ** **
- (iii) ** ** ** **

4. The Committee authorized the Chairman to finalise the Reports after making consequential changes arising out of factual verification by the concerned Ministries and to present these Reports to both the Houses of Parliament during the current Session.

The Committee then adjourned.

**Does not pertain to this Report.