

COMMITTEE ON PETITIONS

(FOURTEENTH LOK SABHA)

THIRTY THIRD REPORT

MINISTRY OF COAL



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

November, 2007/Agrahayana, 1929 (Saka)

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(FOURTEENTH LOK SABHA)
MINISTRY OF COAL

(Presented to Lok Sabha on 30.11.2007)



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COMPOSITION OF THE COMMITTEE ON PETITIONS

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6. Shri V.P. Gupta — *Under Secretary*

THIRTY THIRD REPORT OF THE COMMITTEE ON PETITIONS
(FOURTEENTH LOK SABHA)

INTRODUCTION

I, the Chairman, Committee on Petitions, having been authorized by the Committee to present the Report on their behalf, present this Thirty Third Report of the Committee to the House on the Petition regarding non-implementation of Rehabilitation Policy, 1989 of Government of Orissa by Mahanadi Coalfields Limited (MCL).

2. The Committee considered and adopted the draft Thirty Third Report at their sitting held on 27th November, 2007.

3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;
27 November, 2007
6 Agrahayana, 1929 (Saka)

PRABHUNATH SINGH,
Chairman,
Committee on Petitions.

REPORT

PETITION REGARDING NON-IMPLEMENTATION OF REHABILITATION POLICY, 1989 OF STATE GOVERNMENT OF ORISSA BY MAHANADI COALFIELDS LIMITED (MCL) AND OTHER RELATED ISSUES

On 30th August, 2005, Shri Dharmendra Pradhan, MP presented to Lok Sabha a petition signed by S/Shri Kalindi Samal and Chittaranjan Pradhan, Talcher, District Angul, Orissa regarding non-implementation of Rehabilitation Policy-1989 of State Government of Orissa by Mahanadi Coalfields Limited (MCL) and other related issues (Annexure-I).

2. In his petition, the petitioner submitted the following points:—

- (i) Non-implementation of Rehabilitation Policy-1989 of State Government of Orissa by MCL, a subsidiary of Coal India Ltd. (CIL).

According to the policy, the landoustees and project affected people by industry, mining or anything else have to be properly compensated by the company by whom they are affected as per the Rehabilitation and Resettlement Policy of State Government of Orissa.

As part of the rehabilitation, apart from monetary compensation for loss of properties, Orissa Government's Policy also makes it clear that family members of landoustees would be provided jobs in the company. But the MCL is refusing to do that.

- (ii) Environment in coal mining belts of the State is deteriorating and drinking water has emerged as a major problem due to large-scale mining and massive tree cutting.

The petitioner stated that during the last summer, the temperature in Talcher town in Angul District soared to 53 degree celsius. While the situation was normal few years ago the life of the people in the region has become difficult during the summer days. A thorough environmental survey and preparation of environmental master plan for the people residing in these areas by highly professional agency, needs to be carried out.

- (iii) Severe Scarcity of Coal affecting local Small Scale Industries (SSI) and local coal consumers due to faulty sales policy of MCL.

Earlier 5 percent of total coal produced in Orissa were put in Open Sales Scheme (OSS) and local people, most of whom were landoustees were trading in the coal in order to meet their domestic requirement. This coal were used by SSIs, brick kilns, chuda bhatias and even by domestic consumers for cooking etc. However, coal prices have gone up because of introduction of E-auction by MCL. With E-auction, big companies are booking the entire

coal available and SSI and domestic consumers are not in a position to get coal. According to the petitioner, the existing policy can even adversely affect industrialization process of the State.

The Petitioner, therefore, requested for early implementation of Rehabilitation and Resettlement Policy of State Government of Orissa by MCL, proper survey and environmental master plan for coal mining areas and provision of coal supply keeping in view the need of SSIs and domestic sector.

3. The Ministry of Coal were requested on 13th September, 2005 to furnish their comments on the issue raised in the petition. However, the Committee did not receive any comments from the Ministry.

4. The Committee, thereafter, took oral evidence of the representatives of the Ministry of Coal on 13th December, 2005.

5. At the outset, the Committee desired to know about the reasons for not implementing the Rehabilitation Policy of State Government of Orissa. Responding to this, the witness, Secretary, Ministry of Coal submitted as under:—

"Four types of priorities have been shown in the Rehabilitation Policy of the Government of Orissa. What priority should be fixed for giving employment to the persons whose land will be acquired. According to the information received from MCL, if any vacancy occurs in any project of MCL, the job employment is provided as per priority. But employment could only be provided; if there is a vacancy in MCL for this job. If vacancy is not available for the job, one cannot be given salary after employing him without any job. Therefore, there is a provision in the Rehabilitation Policy of CIL that if it is not possible to provide employment, since there is no vacancy, then compensation for land is given in lieu of the employment. Apart from this, it also depends on the fact that how many acres of land have been acquired by any company of CIL, and compensation is given for that. It is not possible and it is also not necessary that every person whose land is acquired, should be provided with employment. Employment could only be provided when there is a vacancy in MCL for such job and such person is needed in the Company. As per the information received from MCL, the persons who have been displaced from their land have either been provided with employment or cash compensation. There may be such cases where land is required."

6. When asked about the method of deciding the priorities for giving jobs to the oustees under the scheme of the State Government, the witness stated:—

"Sir, in Category 'A', it is:

Those who sustain loss of house, homestead and, at least, 1/3rd of the agricultural holdings.

In Category 'B', it is:

Those who sustain loss of either 3 acres of non-irrigated land or 2 acres of irrigated land—and employment of second priority basis.

In Category 'C', it is :

Those who sustain loss of either house or homestead land or the entire agricultural holding—employment according to availability.

In Category 'D', it is :

Those who sustain loss of more than 1/3 of the agricultural holding—employment according to availability.

In Category 'E', it is :

Other displaced families—rehabilitation through self-employment schemes."

7. Explaining about the compensation or employment given by MCL to the land losers, the witness submitted:—

"Our stand is that in respect of land which we have taken possession of, we have given compensation to everybody. There are people whose land we have not yet physically taken possession of. If we have not taken physical possession of land, then the question of not giving does not arise. They are in the process of being taken over. As and when land is taken over, we will give them whatever compensations is there."

8. In a written communication dated 26th September, 2005 about the compensation package granted to the Project Affected Families (PAFs), the Ministry of Coal submitted as under:—

"Compensation against the land is assessed as per the existing market value as on the date of notification under Section 4(i) of the relevant Act under which the land is acquired. In addition to the market value, the following amounts are also paid as a part of compensation:

- (a) 30% of the market value as solarium.
- (b) Escalation at the rate of 12% of the market value per annum from the date of notification under Section 4(i) till the date of award.
- (c) Interest at the rate of 9% per annum for the 1st year and 15% per annum for the subsequent period from the date of award till the date of payment.
- (d) Besides, as per R&R Policy of Coal India Limited, MCL is offering cash compensation in lieu of employment to the land oustees at the rate of Rs. 1,00,000/- per acre for the 1st acre of land and at the rate of Rs. 75,000/- for the 2nd & 3rd acre of land and at the rate of Rs. 50,000/- per acre beyond 3 acres of land subject to a minimum of Rs. 25,000/- to any land oustee."

9. The Committee asked as to what facilities were given to the displaced people whose land have been acquired for the project. At this, the witness responded as under:—

"Sir, the persons whose agricultural land is acquired, are given compensation for their land as per the rate fixed by the State Government. We take possession

after that we give the compensation as per the valuation of land and house and in addition to that we also give a plot of 100sq. meter in rehabilitation village where all facilities of roads, water are being provided there. Persons who do not take the plot are provided a lumpsum of about Rupees 60 thousand."

10. In a written note dated 26th September, 2005 regarding compensation in terms of monetary benefit and employment, the Ministry of Coal informed as under:—

"So far, 931 PAFs have been resettled at resettlement site and 1945 families have been given cash grant for sites of their own choice and the total number of such families thus comes to 2876.

Besides 105 number of persons have been given monetary cash compensation in lieu of employment since 2001 when the Coal India's norm was implemented by MCL.

Employment was provided to the land losers as per the provision of R&R Policy of Government of Orissa, 1989. Till date 3219 number of employment has been provided to the land losers since formation of MCL."

11. The Committee asked whether any alternative arrangement was made for the settlement of the land losers after taking their land. At this, the witness stated as under:—

"Before taking their lands we allot them 100 Sq. meter plot. We provide them the cost of their houses as compensation. We provide them shifting allowance and so many facilities. When they construct their houses at the allotted plot, then we take their lands."

12. The Committee desired to know the number of days after which the money is paid to a person whose house has been taken over and the time margin given to him for taking possession. The witness commended as under:—

"It varies, sometimes it takes time more than one year, but normally it takes six months."

He further added:—

"We have resettled 931 people in rehabilitation Village and 1945 people have taken money, which is Rs. 60,000/- a person."

13. The Committee pointed out that when the agriculture land is taken over from an individual, all his sources of livelihood are finished. The Committee desired to know about any provision for alternative employment for them, where the Government is not in a position to give employment due to non-availability of job vacancy. At this, the witness replied as under:—

"For this there are two three ways in CIL policy first one is that they are given additional cash compensation in addition to compensation provided under the land acquisition Act. This cash compensation is given to them as per the graduated scale."

The witness further added:—

".....In addition to compensation, he is also given an amount of Rupees One Lakh for the first acre of land and for the next two acres of land Rs. 75,000/- per acre is given. It means if someone loses three acres of land and he does not get employment he will get Rupees two lakh and fifty thousand in addition to cost of the land. In this case he will get at least Rs. 25,000/-. It means if someone loses 100 Sq. meter land and if the cost is even Rs. 5000/-, he will be in position to get at least Rs. 25,000/-."

14. On the point concerning deterioration of environment in coal mining belts and the problem of drinking water in the area, the Committee wanted to know about the steps taken by the Government to improve the environment as well as the problem of drinking water in such areas and the results of such steps. Responding to this, the witness stated as under:—

"Sir, for the environment protection MCL have set up so many plants in the last 10 years and the study report submitted by MCL through satellite imagery shows that the green cover have improved quite a lot from that which already existed in this area. From that point of view MCL have made much investments and efforts for environments improvement in this area. So, instead of forest degradation, satellite imagery has recorded forest improvement."

15. In response to a query as to whether any survey is conducted in this regard from time to time, the witness replied:—

"Yes Sir, in this regard, it has been replied that green cover has increased by 500 percent from 1989 to 2003."

16. In a written note, the Ministry of Coal commented on the weather temperature in the area as under:—

"As per Indian Meteorological Department observatory situated at Angul the data of maximum temperature at IMD Station Angul is given below:

Year	Maximum Temperature in °C	Date/Month
1994	44.5	May
1995	43.3	April
1996	45.3	May
1998	46.9	May
1999	46.1	April
2000	44.1	April
2001	45.5	10th May
2002	44.7	12th May
2003	44.5	29th May
2004	44.9	17th April
2005	45.8	13th June

From the above it can be observed that maximum temperature is varying between 43.3 degree Celsius to 46.9 degree Celsius in last 11 years. There is no steady increase or decrease. In 2005 the maximum temperature was 45.8 degree Celsius on 13.06.05 as against 46.9 degree Celsius in May 1998. Further on perusal of old data,it is observed that the maximum temperature has reached 47.2 degree Celsius on 28th May 1921 and 46 degree Celsius on 6th June 1958 in Angul.

It may be added here that in Angul district besides MCL mines there are so many IPPs (Integrated Power Projects), CPPs (Captive Power Projects) Steel & Sponge Iron Plans."

17. In response to a question, as whether massive tree cutting and large scale mining are the causes for the deterioration of the environment surrounding the area, the Ministry commented as under:—

"From the data provided against point No. 12, it is clear that coal mining has not contributed to rise in temperature in the area. Satellite pictures show that there has been an increase of 500% in new green cover area from the year 1989 to 2003. In the year 1989, 196 ha. was under new green cover which increased to 664 ha. in the year 1999 and finally to 993 ha. in 2003....."

18. Regarding the problem of drinking water in the areas surrounding coal mining belts and the efforts made by the Government to improve the environment and to solve the problem of drinking water in such areas, the Ministry submitted in their written reply as under:—

"Apparently there is no reduction in rainfall in the Talcher coalfields. However, potable water supply is arranged by MCL on demand by villages during summer. A scheme amounting to Rs. 20.66 crore has already been passed by MCL board for permanent drinking water supply in 19 villages around coal belt in Talcher coalfields."

All possible efforts for environmental protection measures are being carried out by MCL which includes following:—

- (a) Dust suppression through water sprinkling at all the dust generating points/ stretches.
- (b) Large Scale Application of eco-friendly surface miner which totally eliminate drilling, blasting and crushing operation as required in the conventional mining. 45% of the coal production during 2004-05 was through surface miner.
- (c) Technical and biological reclamation of the external overburden dumps and backfilled area.
- (d) De-coaled voids are developed as a huge rain water harvesting lagoons which is very helpful in ground water recharge.
- (e) Green cover area has been increased by 500% from 1989 to 2003".

19. During the course of evidence, the witness also stated as under:—

"Normally speaking, coal mining per se does not increase temperature of any area. The use of coal, the burning of coal by thermal power plants increases the temperature. Mining of Coal per se is not an activity that increases the temperature. It is a basic general information that mining activity does not increase the heat."

20. When the Committee pointed out that the temperature has increased due to deforestation, the witness responded as under:—

"For this the reply is that the forest cover has increased due to coal mining. Forest cover, after coal mining, has increased continuously."

21. The Committee wanted to know about the arrangements made by the Government for supply of coal keeping in view the demand of the small scale Industries (SSIs) and local coal consumers. At this, the witness stated as under:—

"First I will brief you why Government initiated such option and thereafter come to what is being done for the small scale industries. There have been two policies of the Government regarding the distribution of coal. Coal consumers have been divided into two categories—core sector and non-core sector. Power, Steel and Cement industries are covered under core sector while rest of industries are covered under non-core Sector. In recent years 3-4 more industries have also been included in the core sector and these industries are given priority in distribution of coal. This coal is provided to them at notified rates. After meeting the requirements of coal of above industries, remaining coal goes to non-core sector. Moreover there were two three procedures under which coal was provided to the non-core sector. First, there were given linkage to non-core consumers like Bickets and producers of smokeless coal, which were given linkages by Coal India fixing per months quantum of coal to them. These consumers used to get registered themselves through industries and were usually sponsored by the State Governments. Those who would come first in open sales category, were provided coal."

22. When asked as to whether there was any criteria for customers who would be catered to first, the witness stated as under:—

"No, those who would come first were provided coal. However it has been witnessed during the last 20-25 years that they have not used the coal instead they have sold the same in market at higher rates after taking it from Coal India. Large number of industries have been indulging in such malpractices and not utilizing the coal for which they were given the same. In this regard Coal India have conducted the surveys through its own officials as well as the authorities of State Government and cancelled linkages of such consumers. It has been found that linkage companies are not functioning rather they are indulging in black-marketing. A number of complaints have been received in this regard. After taking bribes factories are shown as one functioning but in reality factories remain non-operational. Usually there are complaints that coal is not being

properly utilized. There used to be a policy of first come first serve in OSS wherein powerful person got the coal but genuine persons were deprived of the same. The Government have adopted the open bidding system so that black money goes to coal India instead to individuals."

The witness also added:—

".....Sir, I may submit that this is not black-marketing. Black-marketing is something which is against law. Something which is being done in terms of law is not black-marketing. It is a question of money, which is going illegally to some people individually. If it is coming to a public sector company, it cannot be called black-marketing."

23. Explaining the reasons for discontinuance of OSS, the Ministry in their written reply stated as under:—

"The scheme of OSS has been discontinued as there were many shortcoming in the scheme. The scheme was dominated by the vested interests/coal mafias and muscle power vitiating the solemn of coal marketing. Therefore, the Government has introduced the scheme of E-auction which is more transparent, consumer friendly and convenient *vide* letter No. 23011/30/2004-CPD dated 08.04.2005 of MOC."

24. Replying to a question about ramifications of the discontinuance of the said scheme on the common public, the Ministry commented as under:—

"The brick sector consumers forming a sizable chunk of the non-core sector as well as eminent persons/associations representing their interests had expressed their unhappiness with the then OSS model on the plea that they were not able to access coal requirements under the OSS due to blocking by traders and vested interests."

25. Elaborating the reasons for introduction of E-auction, the Ministry stated as under:—

"The Hon'ble High Court of Kolkata in its judgment dated 13.5.2004 set aside the existing policy for distribution of coal to non-core consumers based on distinctions of sponsorships and linkages and had directed distribution of coal through the Open Sales Schemes of CIL except wherever commitments had been made for supply. Since the entire sale of coal to the non-core through the system of OSS would have resulted in blatant black marketing and mafia operation, CIL considered it appropriate to file a SLP in the Hon'ble Supreme Court where CIL sought leave of the Hon'ble Court in devising a transparent and equitable policy of coal distribution to all the non-core sector consumers, making use of modern technology, through the electronic auction route. The objective was also to put an end to rant seeking. E-auction of ten million tonnes of coal will help Coal India Ltd. in developing its pricing and marketing strategy.

Under the E-auction, open to all bidders registered with the two auction portal, bidders have the advantage of opting for desired grade of required quantity of

coal from any source by chosen means of transportation. Since transaction can be done on line by even bidder located distantly from pit head of coal companies the system reduces the potential element of cartilisation and physical intimidation of weaker parties intending to participate in the process. Consumer who have no official access to coal through linkage etc or those who have additional requirements and who had to entirely depend on black market will now be able to draw their coal from coal companies."

26. Responding to a question as to whether E-auction has benefited big companies and adversely affected the small scale industries and the local consumers, the Ministry commented as under:—

"It is misconceived to assume that the E-auction has been benefiting big companies and has adversely affected the small scale industries and the local consumers. Under the scheme any consumers whether linked or non-linked and non-consumer/trader can purchase coal. The E-auction scheme has opened outlets for the small consumers to draw their coal requirements. The genuine non linked consumers and the SSI industries who had no official source of supply of coal and were solely dependent on the black market, now have an official channel for supply of coal under E-auction scheme. The scheme has eliminated bogus consumers who were drawing coal at notified price and black marketing."

27. On being inquired as to whether the Government has conducted any survey as to how many people are involved in black-marketing, the witness responded as under:—

"Sir, at one time there were 7000 linkages for non-core sector. After inspection, it reduced to 2200. This means that people between 2200 to 7000 were involved in black-marketing. If these people were purchasing coal through block-marketing, people running small scale industries were purchasing all the quantum of coal and purchasing it high price in black-marketing."

28. Regarding the steps taken by the Government to meet the requirement of Small Scale Industries (SSIs) and local consumers in view of E-auction, the Ministry submitted as under:—

"In order to meet the requirement of the SSI and the local consumers the Ministry of Coal, Government of India has earmarked 0.422 M.T. per annum *vide* letter No. 23011/30/2004-CPD dated 08.04.2005 through Orissa Small Industries Cooperative Limited (OSICL), State Government nodal agency and National Co-operative Consumer's Federation of India Limited (NCCF), an agency working under the aegis of Ministry of Consumer Affairs and Public Distribution, Government of India. The State Government undertaking and NCCF has been given responsibility to distribute coal to small and tiny consumers and the local consumers. As per the direction of MoC *vide* letter No. 23011/30/2004-CPD dated 20.07.2005, the OSICL and NCCF shall be supplied coal at the floor price (*i.e.* 20% above the notified price of a particular grade)."

29. Explaining about the objective of E-auction system, the witness stated as under:—

"Our objective for adopting the E-auction system was not to earn more profits. Our main objective is to have transparent system so that there should not be any black marketing of coal. Every one should have the liberty to purchase coal from the place he wants to. There was a system of linkage. Previously, every person was unable to purchase coal from the place he wanted to."

The witness also mentioned:—

"I want to put forward one more point. We wrote to the State Government that besides E-Auction we would also supply 5 million tones of coal, through various State Government companies to the small industries. It means that the persons who are unable to participate in auction, this provision is made for them. a provision is made to supply 2 million tonnes of coal through National Co-operative Consumer Federation and 3 million tonnes through the notified State Government companies to small scale industries at concessional rates."

30. The Ministry of Coal *vide* their communication dated 21st March, 2006 submitted their clarification and detailed information giving breakups of Project Affected Families (PAFs) as under:—

"The total number of PAFs is approximately 9383. This figure is from the date of starting of projects of MCL and includes projects which have been started even before the inception of MCL.

Out of this, category-wise details of 2783 PAFs are not available in respect of IB Valley and Lakhanpur areas as these cases are of period prior to the formation of MCL and introduction of categorization system as per Government of Orissa R&R scheme 1989. MCL is still in the process of considering the cases of new mines like Bhubaneswari, Kaniha, Kulda and Natraj. The figures have still not been firmed up.

A total of 6506 employment have been provided to land losers from the year 1983 till date, of which 3287 are prior to formation of MCL in 1992 and 3219, after formation of MCL. In addition, 131 persons have been offered one time cash grant in lieu of employment. Thus, the total number of employment and cash compensation works out to 6637.

PAFs under category "C" & "D" land losers are to be provided employment subject to availability of vacancy Category "E" land losers are not eligible for employment as per Orissa Government R&R norms.

Further, it is clarified here that 5947 Project Affected Families (PAFs) as reported earlier, are those families, who are required to be shifted from their existing dwelling houses and re-settled elsewhere, since the beginning of projects in MCL. Out of these 5947 PAFs, now 1048 have been resettled in re-settlement sites and 1945 PAFs have taken Cash Compensation in lieu of plot at Re-settlement site. Therefore, number of PAFs yet to be resettled is 2954. These PAFs have not

been displaced and they are continuing in their existing dwellings. They will be provided R&R benefits before actual displacement.”

31. In a written note dated 21st March, 2006 submitted by the Ministry of Coal regarding mechanism for offering speedy compensation to the land oustees by MCL under the norms of R&R Policy, the Committee have been informed as under:—

"The tenancy land is acquired under the provisions of two Acts viz. land Acquisition Act 1894 & Coal Bearing areas (Acquisition & Development) Act, 1957. In case of LA Act, entire acquisition process is undertaken by the Land Acquisition Authority of the State Government. As per the provision of LA Act, the LA Authorities conduct survey of the villages where land is to be acquired to ascertain the ownership of the land and the details of families from whom land is to be acquired. For the purpose of assessment of compensation for the land and structure thereon sales statistics of the relevant period is collected from the local registry Office. After analyzing the available sales statistics the market rate of land is determined. For valuation of the structures, schedule of Rates of State PWD and CPWD are applied. Measurement of the structures is done by Civil Engineering Personnel of State Government who are considered as expert in the job.

For the land acquired under CBA (A & D) Act, Central Government appoints Competent Authorities for assessment of compensation by a notification in the Government of India Gazette. CGMs/GMs of the areas of MCL have been delegated the powers by the Central Government for determination of compensation *vide* S.O. No. 1454 dated 12.05.1999. Concerned CGMs/GMs of the areas appoint a committee consisting of Persons from Revenue, Mining, Civil Engineering and Finance Department for assessment of compensation. The Committee conducts 'Yadast' by visiting the houses of the concerned land losers to ascertain the ownership of the land and details of the land losing families. In this survey, representative of District Administration is also associated. The procedure for assessment of compensation is same as stated above for proceedings under the Land Acquisition Act. The Committee, after collecting sales statistics from the local Registry office and analyzing the same, submits its recommendation to the CGM/GM for approval and thereafter the compensation roll is sent to the Government of India, Ministry of Coal, for approval. For each and every village, separate compensation rolls are prepared by the Committee to land owners through State/District Authorities in case of land acquired under LA Act and directly to land owners by concerned Estate Manger/Dy. Estate Manager of Area in case land acquired under CBA (A & D) Act.

As and when land is required for mining operation, family survey of land losers is conducted jointly by MCL and State Government Officials for ascertaining land lost by the families and eligibility of employment as per Government of Orissa R & R norms is worked out. The cases of eligible persons are sponsored by the District Administration for employment. This is scrutinized again at Headquarter level and subsequently approved by Collector of the concerned

District. Thereafter, the cases are put up for approval of the Functional Directors of MCL and on approval, offer of appointment is issued."

32. Thereafter, the Committee took further oral evidence of the representatives of the Ministry of Coal and State Government of Orissa on 31st March, 2006.

33. The Committee pointed out that in the last meeting held on 13th December, 2005 there was a detailed discussion about the number of project affected people and the number of people who had been provided with the compensation/job. The Committee were not convinced with the figures given and the reply of Company and the Ministry. There was also a substantial difference in the number of PAFs. The Committee, therefore, wanted to know as to whether any way has been found out by Coal India Limited in this regard. At this the Secretary, Ministry of Coal stated as under:—

"So far as the number is concerned the position of number has been cleared in recent reply and it is also correct that these data are based on the data received from Mahanadi Coal Fields Limited. I was told that the data has been provided in consultation with State Government. Thereafter if you deem appropriate you can get them verified from State Government so that we can find that there is no difference between the data."

The witness from Mahanadi Coalfields Limited clarified as under:—

"The figure has been shown as 5947. There had been some dispute above it. But the figure depicts the number of families supposed to be resettled. But the new figures presented now are 9383 which shows the total number of the families affected by the projects. As there are A,B,C,D, and E categories, they have to be given categorywise in Orissa.... secondly, before the policy had been framed some employment opportunities had been provided in 1989 also, and the number of such people has been included therein. That is the reason of difference between the data."

In this context, the witness from State Government of Orissa submitted as under:—

"He gave the number of families which have been affected by the projects and the figure now is 9,383. This is the number of families which have been displaced on account of the activities of MCL. Our most immediate and the most burning problem is regarding employment. Actually, out of these families, 6,026 persons are eligible for employment under MCL. This has been pursued with the project authorities from time to time. We have got a number of monitoring committees as per the National Policy of Resettlement and Rehabilitation which is prescribed by the Ministry of Rural Development of the Government of India. This is called the model policy and this is also adopted and improved by us. That model policy says that this is the barest minimum that should be given and you have to improve upon this policy. Accordingly, we have different policies for different projects from time to time. According to the 1989 policy, the project is supposed to give employment as per eligibility guidelines and 6,026 persons are to be given employment. Out of them, we still have 1,856 persons who are still waiting

for employment. And many of them are waiting for employment since 1990. This is a very big problem. We are facing a lot of problems and agitation in this regard. We are facing law and order problems also in that area. This problem is there in some other parts of the State also and unfortunately the problem is more accentuated in public sector undertakings like Rourkela Steel Plant and others. So, it is imperative that these people are given employment as quickly as possible."

34. When the Committee inquired about the number of people out of 9383 affected persons, who have got employment, the witness from State Government stated as under:—

"So far, employment has been given to 4,170 persons. These people have been given employment and others are still waiting for employment directly under MCL. The major problem is regarding employment."

35. The Committee wanted to know the details about the action being taken by the Ministry in connection with employment of remaining people as well as the progress made in that direction and the time by which it was likely to be completed. Replying to this, the witness from the Ministry stated as under:—

"I would like to submit that as the Hon'ble MP has rightly started that the CM has written a letter to PM in this matter and after some time, I got a letter from the Chief Secretary of the State wherein some instances have been given which proves that decision has not been adhered to which was taken by the local level Committee of Mahanadi Coal Fields. I am looking into the matter. I had some dialogue with Chief Secretary of Orissa in this regard. I hope that all things will be settled. In the matter of employment, I would like to say that as per the existing policy of Coal India Ltd. jobs will be provided to these people only and if jobs are not readily available then there may arise some problems. But we are trying to liaise with the State Government and solve the Problem."

36. When the Committee inquired as to whether the company has been contemplating to make any alternative arrangement in lieu of the job to the people who have not been given jobs and still waiting for the same since long. At this, the witness stated as under:—

"As I have submitted we will give jobs to these people only subject to availability. If there are no jobs then how can we provide them, problem is this only."

37. On enquiring about the concrete action undertaken by the Government or the MCL to settle the problems of affected people, the witness stated as under:—

"As far as Orissa is concerned there is a Committee at local level under the Chairmanship of Commissioner. We try to abide by all the decisions taken by the Committee. Secondly, you have stated regarding making alternative arrangement until jobs are provided to these people. We are deeply considering thereupon. We are trying to bring such a scheme so that their problem may be solved."

38. Responding to the suggestion of the Committee to solve the problem by holding a meeting with officials of State Government of Orissa and MCL, the witness stated as under:—

"We will discuss at the earliest. Some time back there was blockage in Orissa. At that time the Hon'ble Minister had a discussion with CM. He had told that he will

visit there himself and discuss the matter. I will try to solve the problem by having a discussion with Chief Secretary of the State."

The witness further stated:—

"We will try in the direction within a month after having a meeting with State Government. We may get it solved, we cannot assure this time but we will try by holding a meeting."

39. The Committee asked about the number of affected persons who have still been left out without any compensation? Replying to this, the witness from MCL stated as under:—

"Sir, so far as the compensation is concerned, there are three kinds of compensation."

The witness further added:—

"Sir, number one is that we give the valuation of the land. Number two is that we give job. Number three is that either we give a plot in lieu of the house or give some cash compensation. These are three major benefits that we give. When agricultural land is taken by us, we do not take it unless we pay the compensation, plus interest, etc. If the village is far away, the village will be acquired after some time. When it is acquired then we give the value of the structure, the allotment of plot in resettlement village and all that.

.....in some of the cases where the persons are to be resettled or have not been resettled the village is not acquired and they continue to live there. Secondly, we want to shift the people to a resettlement village and they are not ready to go. They may have partly gone in the sense that if there are five project affected families, three have shifted and two have not shifted....."

40. Commenting on the report of MCL, the witness from the State Government of Orissa submitted as under:—

"Sir, the copy presented before the Hon'ble Committee is not available with me. I have not been able to present report but I would like to present some facts of my District before the Hon'ble Committee. According to the 1989 Policy of the Orissa Government Land losers have been divided in four categories *i.e.* A,B,C, & D. According to the Government Policy A & B Categories of land losers are entitled to get employment on priority basis. C & D Categories will get employment only in case of availability. 1026 people have not got employment so far in category A in Talcher area of my District Angul. 53 people have not been given employment in category B. Hon'ble Member wanted to know from the officials of MCL as to how many affected people have not yet been resettled. According to information available with me these are 1160. Such people in the Talcher area of Angul District alone who are yet to be resettled. Their land has been acquired but their resettlement is still awaited."

41. The witness from the State Government of Orissa informed the Committee as under:—

" I have some more issue, which I would like to submit before the Committee. The problem is not exactly on account of lack of employment. Employment is a big problem but again there are some other issues. The Chief Secretary has written to the Hon'ble Coal Secretary and this letter has given in detail the kind or the variety of problems that we are facing in our State on account of non-implementation of R&R Policy. I would like to mention that the R&R Policy of the Orissa Government is one of the best in the country. We have adopted the model policy of the Government of India and we have tried to improve upon that and this has been accepted by most of the industries. But, unfortunately, this has not implemented by a number of industries, by most of the Government undertakings like the steel plants and other industries and also Defence.

I also appeared before the Standing Committee of Parliament on Defence a few weeks back and I submitted before the Committee if the Policy of the State Government is not fully implemented by the Government of India agencies, it will be difficult for us to enforce it on the private industries. Recently we had a very unfortunate development in Kalinganagar on the second of January. The problem was mostly on account of employment and some other benefits of rehabilitation. There also, the blame should largely go the Government of India Undertaking which is set up there. There is an urgency that we have to address, and all the agencies—different projects—which are set up by the Government of India must commit themselves to the full implementation of the R&R Policy. After Kalinganagar incident, the Hon'ble Chief Minister has appointed a Group of Ministers. They are looking into the policy and they are trying to improve upon that. I would suggest that all the Government of India undertakings must go by the policy of the State which is authorised by the Ministry of Rural Development. My submission is that these issues are to be addressed. Particularly in case of coal-mining we have got another draconian law, which is creating a lot of resentment and also agitation. We have got the Coal Bearing Areas Act under which the State administration is not aware as to which areas are going to be acquired and whether compensation has been paid in time or not, and we are not aware of the quantum of compensation. I would like to submit that no land should be acquired for mining purposes under Coal Bearing Areas Act because it is a law, which is very old and regressive. The moment Section 4 (i) is notified, the value of the land and its structure is freezed. Even if the land is taken up for 25 or 30 years, the owner of the land or the house will get compensation as it existed at that point of time. we have got the instances where the notification was done way back in 1979 and people are still waiting for getting compensation. And they will be getting compensation, as it existed in 1979. These are the issues which can be addressed at the high level meeting and I request the Hon'ble Coal Secretary to kindly have a discussion in Bhubaneswer may be in the next 10 or 15 days if he finds time. It is because we are facing a lot of agitation. On 5th of April, there is a lot of agitation. It is true that agitation is causing losses to the Coal India, But the bigger problems are lack of public order and disturbance in the

civil life over there. I would again like to appeal that the meeting should take place as early as possible."

42. Responding to this, the witness from the Ministry of Coal stated as under:—

"As I have already stated that we will arrange a meeting within one month, but now I will see that the meeting is held within fifteen to twenty days."

43. The Committee were informed by the Ministry of Coal *vide* their communication dated 15th September, 2006 about the details of the action taken/efforts made by CIL with Government of Orissa for rehabilitation/resettlement of displaced persons by way of employment/compensation or other alternatives, as under:—

"CIL/MCL is in regular touch with the Government of Orissa for rehabilitation/resettlement of displaced persons by way of holding meetings with the Rehabilitation Officer, the Collector of the concerned Districts and the Revenue Divisional Commissioner (ND), Sambalpur. Besides holding meetings with the officials stated above, for monitoring the Rehabilitation/resettlement benefits being provided to the displaced persons, the Government of Orissa has constituted two Rehabilitation/Advisory Committee (RAC)—one for Angul District and other for Jharsuguda and Sundargarh District under the Chairmanship of the Revenue Divisional Commissioner (Northern Division), Sambalpur in which the local MPs, MLAs, Collectors and SPs of the concerned districts and CGM/GMs of area and CMD, MCL are members. The Meetings of RAC are held regularly and issues of R&R of displaced persons are monitored and reviewed and grievances of the displaced persons are redressed.

Issues which require intervention of the State Government are discussed at the level of the Principal Secretary of the Government of Orissa and Chief Secretary of the Government of Orissa.

Upto 31.3.2006, MCL has provided 6713 employments and offered cash compensation in lieu of employment to 137 persons; thus a total 6850 Project Affected Families (PAFs) have been provided employment and cash compensation in lieu of employment.

Similarly, out of 5947 PAFs required to be settled by MCL, a total of 3097 PAFs have been settled of which 1048 have been resettled at resettlement colonies and 2049 PAFs have been settled at the sites of their own choice after each family having received one time cash grant in lieu of resettlement plot @ Rs. 60,000. Resettlement of the remaining PAFs is also being made by MCL.

Regarding the meeting which was to be fixed with State Government in a month for solution of the problem, a meeting was to be held on 14.6.2006 at the level of the Chief Secretary to the Government of Orissa at Bhubaneswer and was to be attended by Secretary (Coal), Government of India besides officials of Coal India Limited and MCL. The meeting could not be held on schedule and was deferred. Subsequently, another meeting was fixed for 29th August, 2006 but this was also cancelled due to visit of Hon'ble Prime Minister to Orissa. Meeting is likely to be held soon."

44. The Ministry of Coal *vide* their Communication dated 15th September, 2006 have submitted status/outcome of the meeting regarding full implementation of R&R Policy of Government of Orissa and review of Coal Bearing Areas Act as under:—

"It may be mentioned that under CBA Act, though the land is acquired for a project for its entire life span spreading over 10 to 40 years, MCL do not take physical possession of acquired land without payment of due compensation or displace anyone from their dwelling houses without providing suitable resettlement site or without paying cash grant in lieu of resettlement plot. Land losers are not put to loss because they continue to enjoy all benefits of their land and house till they give possession to MCL. Besides compensation, they are paid solatium @ 30% and interest @ 9% for the first year from the date of notification under Section 9(1) of the said Act and @ 15% for the subsequent years till date of payment."

45. In response to an Unstarred Question No. 1193 Minister of State for Coal has stated that the sale of coal through E-auction introduced in the year 2004-05 has been discontinued as per the directions of Hon'ble Supreme Court. Coal India Limited has, in the interim, put in place E-booking scheme to ensure that the supply of coal to non-linked consumers does not suffer.

Observations/Recommendations

46. The Committee note from the submissions of the petitioners that land oustees and Project Affected Families (PAFs) are not being properly rehabilitated and resettled by Mahanadi Coalfields Ltd. (MCL), a subsidiary of Coal India Ltd. (CIL) as per rehabilitation Policy, 1989 of the State Government of Orissa. According to the petitioners, the land oustees and PAFs, apart from monetary compensation, also need to be provided jobs in the company. However, the MCL has refused to provide jobs to the family members of land oustees. The petitioners have also stated that the environment in coal-mining belts of the State has deteriorated due to large scale mining and massive tree cutting. During the last summer, temperature soared to 53 degree celsius in Talcher town in Angul district. According to the petitioners, the life during summer was normal a few years ago but the same has now become difficult for the people in the region. The petitioners have further stated that earlier 5 per cent of total coal produced in Orissa were used to be put in Open Sales Scheme (OSS) and local people most of whom land oustees, used to trade in coal to meet their domestic requirement. However, coal prices have gone up due to introduction of E-auction by the MCL as big companies are booking the entire coal available. This has resulted in scarcity of coal for domestic consumers and for Small Scale Industries (SSI).

47. The Committee note that the Rehabilitation and Resettlement Policy of the State Government of Orissa came into effect from 2nd January, 1989. As per the policy, a family/person is eligible for rehabilitation if all the land of the family or more than 1/3rd agriculture land alongwith homestead land or only homestead land has been acquired. In addition to this, the person losing dwelling house also needs to be resettled in resettlement colony provided with all the civic amenities like approach road, street light, school building, health centre, recreation centre, drinking water, pond, tank, play ground, veterinary centre shopping complex, etc. All these facilities

are to be provided at the cost of the coal project. Displaced persons unwilling to shift to resettlement site provided by the coal projects can settle in a place of their own choice for which a cash compensation of Rs. 60,000 is provided in lieu of the plot. Besides, they are to be compensated for the land and structure acquired as per the rules framed by the Government from time to time. As per the 1989 policy of the State Government of Orissa, the land losers have been divided into five categories *i.e.* A,B,C,D, & E. As per the policy, land losers in A & B categories are entitled to get employment on priority basis. PAFs under C & D categories will get employment only in case of availability of vacancy. Category 'E' land are not eligible for employment as per norms of the State Government of Orissa.

48. About the compensation package granted to the PAFs, the Committee were informed that the compensation against the land is assessed as per the market value as on the date of notification under which land is acquired. As per the rehabilitation policy of the State Government of Orissa, employment to the persons whose land has been acquired is given as per the priority subject to availability of vacancy. If it is not possible to provide employment due to non-availability of vacancy, then compensation for land is given in lieu of the employment. Cash compensation in lieu of employment is offered to the land oustees @ Rs. 1,00,000 per acre for the 1st acre of land and @ Rs. 75,000 for 2nd and 3rd acre of land and at the rate of Rs. 50,000 per acre beyond 3 acres of land subject to a minimum of Rs 25,000 to any land oustee. During the course of 11 evidence, the Committee were also informed that the compensation as per the valuation of land and house is given after possession of land. In addition, a plot of 100Sq. meter is also provided in rehabilitation village where all facilities of roads, water are being provided and persons who do not take the plot are provided a lump sum amount of Rs. 60,000 as stated above. According to the MCL, they do not take possession of acquired land without payment of due compensation or displace anyone from his dwelling house without providing suitable resettlement site or without paying cash grant in lieu of resettlement plot. Land losers are not put to loss because they continue to enjoy all benefits or their land and house till they give possession to MCL.

49. The Committee were initially informed that there were 5947 PAFs. Then the Ministry come up with the new figure that the total number of PAFs is approximately 9383. According to the Ministry, this figure is from the date of starting of projects of MCL and includes projects which were started even before the inception of MCL. Out of this, the details of categories of 2783 PAFs are not available in respect of IB valley and Lakhanpur areas as these cases pertain to the period prior to the formation of MCL and introduction of categorization system as per the State Government of Orissa R&R policy, 1989. The figures have still not been firmed up During the course of evidence of the Ministry, the Committee were informed that out of the 9383 number of families which have been displaced on account of the activities of MCL, 6026 persons are eligible for employment under MCL and according to 1989 policy, the company is supposed to give employment as per eligibility criteria/guidelines. However, out of these, 1856 persons are still waiting for employment under MCL and many of them have been waiting for employment since 1990. This has resulted in agitation by affected families and created a big law and order problem. Subsequently, in their

written submission, the Committee were informed that upto 31-3-2006, MCL has provided 6713 employments and offered cash compensation in lieu of employment to 137 persons. Thus, a total of 6850 PAFs have been provided either employment or cash compensation in lieu of employment. It was clarified that 5947 PAFs, as reported earlier, are those families, who are required to be shifted from their existing dwelling houses and re-settled elsewhere since the beginning of projects in MCL. Out of 5947 PAFs required to be settled by MCL, a total of 3097 PAFs have been settled, of which 1048 have been resettled at resettlement colonies and 2049 PAFs have been settled at the sites of their own choice after each family having received one time cash grant in lieu of re-settlement plot @ Rs.60,000. Re-settlement of the remaining PAFs *i.e.* 2850 is also being made by MCL.

50. The Committee are constrained to note that the matter is being kept pending for years together and no sincere efforts were made to resolve the issue by the parties concerned. The Committee are not satisfied with the clarifications given by the Ministry on the issue regarding the total number of PAFs. At one stage, the figure quoted in respect of PAFs was 5947 and now the number works out to be 9383. The Committee, are therefore, anguished to observe that even after 14 years of formation of MCL, the Government/company could not establish the exact number of PAFs along with categorization as per policy of the State Government of Orissa. In the absence of categorization, PAFs could not be given the requisite and timely compensation as per the policy. There still remains a large chunk of PAFs who have not been provided any kind of compensation. This only goes to show the callous and casual attitude of the authorities concerned on this issue. The Committee strongly deplore this approach of the authorities concerned and recommend that sincere and concerted efforts should be made involving all agencies including the State Government to find out the exact number of PAFs. The exercise of identifying the PAFs should be completed expeditiously and their cases be settled within a fixed time frame. The Ministry of Coal should closely monitor the matter and take stringent action against the delays on the part of MCL. The Committee also recommend that all PAFs be compensated adequately and rehabilitated, particularly in cases of displacement and in case no regular jobs are available in the company, then an alternative temporary arrangement should be worked out immediately so that every displaced family is provided with a job and such families should always be given preference while engaging labourers by the company directly or indirectly through contractors, for their emergent or day to day affairs.

51. During the course of evidence, the Committee were informed that the moment acquisition of land is notified under Section 4 (i) of the Coal Bearing Areas (CBA) Act the value of the land and its structure is frozen and as a result thereof, even if the land is taken up after 25 or 30 years, the owner of the land or the house will get compensation as it existed at that point of time. The Committee were also informed that there are instances where notifications were issued way back in 1979 and the people are still waiting for compensation and if they are granted any compensation then the same will be given to them as it existed in 1979. It was also clarified that under CBA Act, though the land is acquired for a project for its entire life span spreading over 10 to 40 years, MCL do not take physical possession of acquired land without payments of due

compensation or displace anyone from their dwelling houses without providing suitable resettlement site or without paying cash grant in lieu of resettlement plot. Land losers are not put to any loss because they continue to enjoy all benefits of their land and house till they give possession to MCL. Besides compensation, they are paid solarium @ 30% and interest @ 9% for the first year from date of notification under section 9(1) of the said Act and @ 15% for the subsequent years till date of payment. The Committee are not satisfied with the explanation adduced by the Ministry/Company on the issue. There can not be any doubt that the cost of land and property would appreciate manifold over the years and therefore, the benefit being granted to the land oustees as per norms prevalent at the time of notification can not be commensurate with the value of the land/property of the land oustees at the time of acquisition of the land/property by the company. The Committee therefore, strongly recommend that the land of the owner should not be notified by the company for acquisition unless the company has made advance planning for usage of the land for coal mining activities and formulated a comprehensive package to compensate the land oustees and also made an alternative arrangement for their immediate resettlement. The Committee are of the view that as far as possible, efforts should be made to offer land as compensation against the land of the land oustee. In case this is not possible, then the amount of compensation should be worked out after taking into account all relevant factors like fertility of land, appreciation of the value of the land over the years etc. upon the time of actual acquisition of land by the company.

52. As regards the second issue concerning the deterioration of environment in coal mining belts and the problem of drinking water in the area, the Committee were informed that MCL has made huge investments and efforts for improvement of environment in the area. They have planted a large number of plants during the last ten years for the protection of environment and as a result thereof, the study report submitted by MCL through satellite imagery shows that the green cover has improved quite a lot. According to them, the green cover in the area has increased by 500 percent from 1989 to 2003. In their written submission, the Committee were also informed that from the data supplied by the Indian Meteorological Department Observatory situated at Angul, the maximum temperature varied between 43.3° to 46.9° during the last 11 years. In 2005, the maximum temperature was 45.8°C on 13.06.2005. The maximum temperature was 47.2°C on 28.05.1921 and 46 °C on 06.06.1958 in Angul. The Committee observe that the data collected and the comparative analysis given by the Ministry do not pertain to Talcher but relates to Angul, which is 40 kms away from the coal mining belts. According to the Ministry, apparently there is no reduction in rainfall in the Talcher Coalfields. However, potable water supply is arranged by MCL on demand by villagers during summer. The Committee were also informed that a scheme amounting to Rs. 20.66 crore has been approved by MCL Board for permanent drinking water supply in 19 villages around coal belt in Talcher Coalfields. The Committee are of the view that the coal mining activities certainly do have its impact on the environment surrounding the coal mining areas particularly due to deforestation resulting in various problems like pollution, increase in temperature, shortage of drinking water, adverse impact on the health of human beings and other habitats of the area. The Committee appreciate that the Government

have taken certain steps to protect the environment of the coal mining belts. However, the Committee feel that these steps are not adequate enough in the matter. The Committee recommended that sincere and concerted efforts need to be undertaken by the Government/Company for afforestation and protection of environment surrounding coal mining belt of the area. The progress made as a result thereof should be monitored and reviewed regularly and necessary corrective steps/measures should be taken from time to time to check degradation of forest cover and deterioration of environment surrounding the coal mining areas. The Committee feel that the Company cannot shun their corporate social responsibility which includes supply of adequate and permanent potable water to the people of the coal mining area. The Committee were informed that MCL has enunciated a scheme for drinking water supply to the villagers surrounding coal belts of the area. The Committee would like that the said scheme should be implemented on priority basis in order to solve the problem of potable water in the area permanently. There is no doubt that the coal mining activities adversely affect the health of the people residing in the vicinity of the coalfields. The Committee, therefore, recommend that MCL should earmark certain percentage of their profit for corporate social responsibility to take care of the health of the affected people and take measures to provide free medical treatment to the poor and downtrodden people of the area.

53. On the issue of faulty sales policy of MCL resulting in severe scarcity of coal to small scale industries and domestic consumers the Committee were apprised that coal consumers have been divided into two categories-core sector and non-core sector. Power, Steel and Cement industries are covered under-core sector. While rest of the industries are covered under non-core sector. In recent year 3-4 more industries have also been included in the core-sector. Coal is provided to them at the notified rates. After meeting the requirement of these industries, the remaining coal goes to non-core sector. Coal is provided through linkage to non-core consumers like bickets and producers of smokeless coal, which are given linkages fixing per month quantum of coal to them. These consumers used to get registered themselves through industries and were usually sponsored by the State Government. According to the Ministry, a large number of industries did not use the coal for purposes for which it was given by the CIL and instead they sold the same in the open market at higher rates. In this regard, CIL alongwith officials of State Government conducted a survey of such industries and it was found that these industries remained non-operational and there were complaints against them that coal supplied to them was not actually being utilised by them. The Government, therefore, cancelled linkages of such consumers indulging in malpractices. Under OSS, there used to be a policy of first come first serve wherein powerful persons used to get coal but genuine persons were deprived of the same. the Government, therefore, adopted open bidding system. However, the said scheme was discontinued as the same was dominated by the people with vested interests and coal mafias and people with muscle power vitiated the system of coal marketing. Against this background, the Government introduced the scheme of E-auction which is transparent, consumer friendly and convenient. In order to meet the requirement of the SSI and the local consumers, the Government has earmarked 0.422 MT per annum *vide* letter No. 23011/30/2004 CPD dated

08.04.2005 through Orissa Small Industries Cooperative Limited (OSICL), State Government Nodal Agency and National Cooperative Consumer's Federation of India Limited. (NCCF), an agency working under the aegis of Ministry of Consumer Affairs & Public Distribution, Government of India. The State Government undertakings and NCCF have been given responsibility to distribute coal to small consumers and the local consumers. The OSICL, and NCCF are supplied coal at the floor price *i.e.* 20% above the notified price of a particular grade.

54. During the course of evidence, it was explained that the objective behind adopting the E-auction system is not to earn profit but to have a transparent system so that there is no blackmarketing of coal and every one has the liberty to purchase coal from the place of one's choice. It was also explained that besides E-auction, 5 million tonnes of coal is also supplied to the small industries at concessional rates through various State Government companies which are unable to participate in auction. 2 million tonnes of coal is supplied through NCCF and 3 million tonnes through the notified State Government companies to small scale industries.

55. The Committee are not convinced with the explanation given by the Ministry that E-auction has helped in checking black marketing of coal. The Committee are of the considered opinion that the introduction of system of E-auction has in fact, only helped the black marketeers as they could now get coal conveniently through E-auction from anywhere in the country and sell it in the open market and in the process, the small scale industries or the poor consumers have been adversely affected. If it is possible to book online the demand for coal, the poor people running small industries could also be asked by coal mafias to stay away from the bid or E-auction utilising the same technology. The Committee, therefore, strongly feel that the E-auction is not beneficial for the small and the medium entrepreneurs and rather it helps the big investors or coal mafias in the field. Instead of taking strong and effective action against such elements, the Government found it convenient to introduce a system which has adversely affected SSIs and local consumers. The Committee note with satisfaction that realizing the impracticability and inconvenience caused to the SSIs and the local consumers, the Ministry/Company has withdrawn the sale of coal through E-auction and has, in the interim, put in place E-booking scheme. The Committee, therefore, recommend that a new or revised mechanism regulating the sale of coal should be formulated which should adequately take care of interests of the SSIs and the local consumers. The Committee also desire that the Ministry should take all possible measures with the help of State Governments and all concerned agencies to check black marketing of coal by coal mafias and also taking strong action such people indulging in black marketing of coal. The Committee would like to be apprised of the action taken by the Government in this regard.

NEW DELHI;
27 November, 2007

6 Agraphayana, 1929 (Saka)

PRABHUNATH SINGH,
Chairman,
Committee on Petitions.

LOK SABHA

PETITION No. 8

(Presented to Lok Sabha on 30.8.2005)

To

Lok Sabha,
New Delhi.

The humble petition of S/Shri Kalindi Samal and Chittaranjan Pradhan residents of Talcher, District Angul, in the State of Orissa.

SHEWETH

We the undersigned petitioners want to draw your attention to the following facts:—

A. Non-implementation of Rehabilitation Policy—1989 of Govt. of Orissa by Mahanadi Coal Fields Ltd. (MCL) a subsidiary of Coal India Ltd.

The Rehabilitation and Resettlement policy of Government of Orissa makes it clear that land oustees and project affected people by industry, mining or any thing else have to be properly compensated by the company by whom they are affected.

As part of the rehabilitation apart from monetary compensation for loss of properties, Orissa Government's policy makes it clear that, family members of land oustees would be provided jobs in the company. But the MCL is refusing to do that.

B. Due to large scale mining and massive tree cutting, environment in coal mining belts of the State is deteriorating and drinking water has emerged as a major problem

During last summer temperature in Talcher town in Angul district soared to 53 degree Celsius. For the people in the region life is going out of gear in the summer days, while the situation was normal few years ago. A thorough environmental survey and preparation of environmental master plan for the people residing in these areas by highly professional agency, may be carried out.

C. Severe scarcity of coal is hitting local Small Scale Industries (SSIs) and local coal consumers due to faulty sales policy of MCL

Earlier 5 per cent of total coal produced in orissa were put in Open Sales Scheme (OSS) and local people, most of whom were land oustees were trading in the coal in order to meet their domestic requirement.

SSIs, brick kilns, chuda bhatias and even domestic consumer who used coal in cooking etc. were looking to this coal. However, coal prices have gone up because of introduction of E-auction by MCL. With E-auction, big companies are booking the entire coal available and SSI and domestic consumers are not in a position to get coal. This can even adversely affect industrialization process of the State.

Accordingly your petitioners pray that:—

- (A) Early implementation of Rehabilitation & Resettlement Policy of Government of Orissa by MCL.
- (B) Proper survey and environmental master plan for coal mining areas.
- (C) Provision of coal supply keeping in view the need of SSIs and domestic sector.

And your petitioners as in duty bound shall every pray :

Sl. No.	Name of the Petitioners	Addresses	Signatures
1.	Shri Kalindi Samal	AT/PO Santhapada Talcher, Distt. Angul.	Sd/-
2.	Shri Chittaranjan Pradhan	Village-Gobara, South Balanda Talcher, Distt.-Angul.	Sd/-

Countersigned by Shri Dharmendara Pradhan, M.P.

ANNEXURE-II

MINUTES OF THE TWENTY-SIXTH SITTING OF THE COMMITTEE ON
PETITIONS (FOURTEENTH LOK SABHA)

The Committee on Petitions sat on Tuesday, 13th December, 2005 from 1700 hrs. to 1845 hrs. in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

PRESENT

Shri Prabhunath Singh — *Chairman*

MEMBERS

2. Shri N.S.V. Chitthan
3. Dr. M. Jagannath
4. Shri Suresh Kurup
5. Smt. Nivedita Mane
6. Shri Dharmendra Pradhan
7. Shri Jyotiraditya Madhavrao Scindia
8. Shri Vijoy Krishna

SECRETARIAT

1. Shri A.K. Singh — *Director*
2. Shri U.B.S. Negi — *Under Secretary*
3. Shri M.S. Jaspal — *Assistant Director*

WITNESSES

Representatives of the Ministry of Coal

1. Shri Parkash Chandra Parakh — Secretary, Ministry of Coal
2. Shri Pradeep Kumar — Addl. Secretary, Ministry of Coal
3. Mohd. Salamuddin — Director (Personnel)
4. Shri Shashi Kumar — CMD, Coal India Ltd.
5. Shri Partho Bhattacharya — CMD, Bharat Coking Coal Ltd. (BCCL)
6. Shri D. Chakraborty — CMD, Eastern Coalfields Ltd. (ECL)
7. Shri A.K. Jyotishi — Director, Ministry of Coal
8. Shri D.C. Garg — Director (Personnel), BCCL
9. Shri A. Sharma — CMD, MCL

2. At the outset, Chairman welcomed the representatives of the Ministry of Coal and drew their attention to Direction 55(1) of the Directions by the Speaker regarding confidentiality of the proceedings.

3. The Committee, thereafter, took evidence of the representatives of the Ministry of Coal on the Petition regarding non-implementation of Rehabilitation Policy—1989 of Government of Orissa by Mahanadi Coal Fields Ltd. (MCL) and other related issues.

4. The following important points were discussed by the Committee :—

- (i) The details of the compensation/employment given by MCL to the land oustees;
- (ii) The reasons for non-implementation of the rehabilitation policy of Government of Orissa by MCL;
- (iii) The criteria adopted to decide priorities to implement the rehabilitation policy;
- (iv) The mechanism formulated by the Government for speedy compensation in terms of mandatory benefits and employment to the land oustees or project affected families by MCL;
- (v) The efforts/steps taken by the Government to improve the environment as well as availability of drinking water in Talcher town and neighbouring areas;
- (vi) The details about the sale of Coal to Small Scale Industries under Open Sales Scheme; and
- (vii) The details about E-auction scheme and steps taken by the Government to meet the requirement of Small Scale Industries and local consumers in view of E-auction.

7. The Chairman directed the Secretary to send written replies to the queries of the Members on which information was not readily available with them.

8. A copy of the verbatim proceedings of the sitting of the Committee was kept on record.

The witnesses then withdrew.

The Committee then adjourned.

ANNEXURE-III

MINUTES OF THE THIRTY FOURTH SITTING OF THE COMMITTEE ON
PETITIONS (FOURTEENTH LOK SABHA).

The Committee on Petitions sat on Friday, 31st March, 2006 from 1200 hrs. to 1440 hrs. in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Prabhunath Singh — *Chairman*

MEMBERS

2. Shri N.S.V. Chitthan
3. Dr. M. Jagannath
4. Adv. Suresh Kurup
5. Shri Dharmendra Pradhan
6. Shri Jyotiraditya Madhavrao Scindia
7. Shri Vijoy Krishna

SECRETARIAT

1. Shri P. Sreedharan — *Joint Secretary*
2. Shri A.K. Singh — *Director*
3. Shri U.B.S. Negi — *Under Secretary*
4. Shri M.S. Jaspal — *Assistant Director*

WITNESSES

Ministry of Coal

1. Shri H.C. Gupta — *Secretary*
2. Shri Abhiram Sharma — *CMD, MCL*
3. Shri Pradeep Kumar — *Addl. Secretary*
4. Shri Rajiv Sharma — *Joint Secretary*
5. Shri B.K. Panda — *Director & Commissioner, CMPFO*
6. Shri H.C. Agarwal — *Director*
7. Shri Shashi Kumar — *CMD (CIL)*
8. Mohd. Salimuddin — *Director (P), BCCL*

9.	Shri P.S. Bhattacharyya	—	CMD (BCCL)
10.	Shri D.C. Garg	—	Director (P), BCCL
11.	Shri D. Chakraborty	—	CMD, ECL
12.	Shri A. Chattopadhyay	—	Director (P), ECL
13.	Shri Suresh Kumar Vashishth	—	District Magistrate, Angul, Orissa
14.	Shri Tarun Kanti Mishra	—	Principal Secretary, (Deptt. of Revenue) Govt. of Orissa

2. At the outset, Chairman welcomed the representatives of the Ministry of Coal and drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings. The Chairman also drew attention to Direction 95 which clearly stipulates that the Committee shall also meet as often as necessary to consider representations, letters, telegrams from various individuals, associations etc. which are not covered by the rules relating to petitions and give directions for their disposals.

3. Thereafter, the Committee took oral evidence of the representatives of the Ministry of Coal on the following petitions/representations:—

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- (ii) Petitions from Shri Kalindi Samal and Shri Chittaranjan Pradhan, Talcher, Orissa and presented by Shri Dharmendar Pradhan, M.P. regarding non-implementation of Rehabilitation Policy, 1989 of Government of Orissa by Mahanadi Coal Fields Ltd. (MCL) and others;

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II. Petitions from Shri Kalindi Samal and Shri Chitaranjan Pradhan, Talcher, Orissa and presented by Shri Dharmendra Pradhan, M.P. regarding non-implementation of Rehabilitation Policy, 1989 of Government of Orissa by Mahanadi Coal Fields Ltd. (MCL) and others.

The following issues/points were discussed by the Committee:—

- (i) the number of land oustees or project affected families and the number of families settled;
- (ii) the details of the compensation/employment given by MCL to the land oustees;
- (iii) policy of rehabilitation and resettlement for project affected families;
- (iv) alternate arrangement in lieu of job/employment; and
- (v) efforts made by the Government to settle the project affected people.

4. The Committee asked the witness to send the replies on points or demands which were not supplied or readily available with them during the evidence, within, the stipulated period.

5. A copy of the verbatim proceedings of the sitting of the Committee was kept on record.

The witnesses then withdrew.

The Committee then adjourned.

ANNEXURE-IV

MINUTES OF THE SIXTY NINTH SITTING OF THE COMMITTEE ON PETITIONS
(FOURTHEENTH LOK SABHA).

The Committee on Petitions sat on Tuesday, 27th November, 2007 from 1500 hrs. to 1645 hrs. in Chairman's Room No. 45 (II), Gound Floor, Parliament House, New Delhi.

PRESENT

Shri Prabhunath Singh — *Chairman*

MEMBERS

2. Shri Shingada Damodar Barku
3. Shri N.S.V Chitthan
4. Shri Anant Gangaram Geete
5. Shri C. Kuppusami
6. Adv. Suresh Kurup
7. Kunwar Jitin Prasada
8. Shri Paras Nath Yadav

SECRETARIAT

1. Shri A.K. Singh — *Director*
2. Shri U.B.S. Negi — *Deputy Secretary-I*
3. Shri H.R. Kamboj — *Deputy Secretary-II*
4. Shri V.P. Gupta — *Under Secretary*

At the outset, the Committee considered and adopted the following Reports without any modification:—

- (i) Thirty Second Report on Petition requesting for grant of temporary status to the daily wagers working in Central Mining Research Institute, Dhanbad to get the wages and other facilities at par with the other casual workers, presented to Lok Sabha by Shri Basudeb Acharia, M.P.;
- (ii) Thirty Third Report on Petition regarding non-implementation of Rehabilitation Policy, 1989 of Government of Orissa by Mahanadi Coalfields Limited (MCL), presented to Lok Sabha by Shri Dharmendra Pradhan, M.P.; and

- (iii) Thirty Fourth Report on Petition requesting for payment of pay revision arrears for the period from 01.01.1992 to 31.12.1998 to VRS employees of Instrumentation Limited, Kota, Rajasthan, presented to Lok Sabha by Shri Basudeb Acharia, M.P.

2. The Committee also authorised the Chairman to finalize and present the Reports to the House.

The Committee then adjourned.