20

STANDING COMMITTEE

ON ENERGY

(2001)

THIRTEENTH LOK SABHA

MINISTRY OF COAL

DEMANDS FOR GRANTS

(1999-2000)

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

TWENTIETH REPORT

LOK SABHA SECRETARIAT

NEW DELHI

December, 2001/ Agrahayana, 1923 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON ENERGY (2001)

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2. Shri P.K. Bhandari - Director
3. Shri R.S. Kambo - Under Secretary
4. Shri P.C. Tripathy - Assistant Director

*Ceased to be Member of the Committee w.e.f. 1.9.2001 consequent upon his induction in Union Cabinet

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5. Shri Vijayendra Pal Singh Badnore
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9. Shri Amar Roy Pradhan
10. Shri C.K. Jaffer Sharief
11. Prof. Ummareddy Venkateswarlu

INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorized by the Committee to present the Report on their behalf, present this 20th Report on the Action Taken by the Government on the recommendations contained in the 18th Report of the Standing Committee on Energy (Twelfth Lok Sabha) on the Demands for Grants (1999-2000) of Ministry of Coal.

2. The Eighteenth Report (Twelfth Lok Sabha) of the Standing Committee on Energy was presented to Lok Sabha on 16th April, 1999. Replies of the Government to all the recommendations contained in the Report were received on 21st July, 1999 and these were further updated on 12th April, 2001.

3. The Sub-Committee on Action Taken Reports as well as Standing Committee on Energy considered and adopted this Report at their sittings held on 12th December, 2001.

4. An Analysis of the action taken by the Government on the recommendations contained in the Eighteenth Report of the Committee is given at Annexure-III.

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

New Delhi;	SONTOSH MOHAN DEV
14 December, 2001	Chairman,
23 Agrahayana , 1922 (Saka)	Standing Committee on Energy.

CHAPTER I

REPORT

This Report of the Committee deals with the Action Taken by the Government on the recommendations contained in the 18th Report (12th Lok Sabha) of the Standing Committee on Energy on the Demands for Grants (1999-2000) of the Ministry of Coal which was presented to the Lok Sabha on 16th April, 2001.

2. Action taken notes have been received, from the Government in respect of all the 21 recommendations contained in the Report and these were further updated. These have been categorized as follows:-

(i) Recommendations/Observations which have been accepted by the Government: Sl. Nos. 1, 3, 4, 7, 8, 12, 17, 19

(ii) Recommendations/Observations which the Committee do not desire to persue in view of the Government's replies:
Sl. Nos. 2, 9, 10, 11, 14, 15

(iii) Recommendations/Observations in respect of which the replies of the Government have not been accepted by the Committee:
Sl. Nos. 5, 20, 21

(iv) Recommendations/Observations in respect of which the final replies of the Government are still awaited:
Sl. Nos. 6, 13, 16, 18

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

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

Project Formulation and Implementation

Recommendations Sl. No. 5 & 6 (Para Nos. 2.33 & 2.34)

5. The Committee had observed that Project like Chinakuri (ECL) was withdrawn after incurring an expenditure of Rs. 21.08 crore due to failure of technology of Long Wall Power Support from USSR. Another project Damodar of BCCL was withdrawn after incurring an expenditure of Rs. 19.48 crore due to extensive fire in coal seam. Kottadih project of BCCL was deferred due to fund constraint and Kalidaspur underground of ECL, Bairarnpur PSLW underground and Kundha PSLW underground of SECL for which equipments were purchased from China were delayed pending DGMS approval. The Committee had felt that reasons such as delay in approval of DGMS and technology used for mining should have been examined in detail while preparing the final Detailed Project Report. In view of the good quality of coal available in ECL and BCCL, the Committee had desired that economic viability of these abandoned projects should be examined and steps should be taken to restart these projects. The Committee, therefore, had recommended that the Government to tone up the project management in a bid to complete ongoing projects expeditiously. The Committee had also desired that in-depth analysis of reasons for project-wise delays be gone into and responsibilities for slippages be fixed. The Committee were not convinced with the action of the Government in tracking down the progress of coal projects costing Rs. 100 crore on monthly basis and all projects costing Rs. 20 crore on a quarterly basis, undertaken by the Government, since there was a continuous delay in implementation of coal projects. The Committee had, therefore, recommended that responsibility be fixed on the officials responsible for delay at both planning and implementation stage.

6. In their reply, the Government have stated that Coal India Limited (CIL) is getting project reports for coal mines prepared by CMPDIL. CMPDIL provides necessary

details, after considering the geo-mining risks foreseen. For example, for an underground mine, the degree of detailing is more. Opinion/comments of DGMS are obtained during the formulation of the Project Report. This is with a view to minimize possible delays. However, in spite of these steps, in some cases, DGMS demands additional studies which can be done only when the mine is sufficiently developed. The cause of delays in implementation of projects of BCCL and ECL is, therefore, not related to level of detailing of the Project Report. New projects in ECL and BCCL have not been taken up in view of resource crunch. Available fund is being utilized for completing the ongoing projects. Further, in pursuance of Planning Commission's directive, a Standing Committee under the Chairmanship of Additional Secretary, Coal with one member each from Planning Commission, Department of Expenditure and Department of Programme Implementation has been constituted in the Ministry of Coal to examine all proposals on the Revised Cost Estimates of project costing beyond the delegated powers of Ministry of Coal or its PSUs and to fix responsibility for cost and time overrun in these projects. Major projects are now being sanctioned in two stages. For projects costing Rs. 100 crore and above, in the first stage, as an advance action, an amount upto Rs. 20 crore is sanctioned by the Government for undertaking essential initial activities like, land acquisition and related rehabilitation of land outsees, forest and environmental clearances, surveys for railway lines, roads, culverts, power supply etc. In the second stage, the investment approval to the project is given.

7. The Committee find that CIL is getting project reports of Coal mines prepared by CMPDIL. The later organization provides necessary details, after considering the geo-mining risks foreseen. At times, the opinion/comment of DGMS are obtained during the formulation of the Project Report and only to minimize possible delays, the additional studies of DGMS are being carried out when the mine is sufficiently developed. The Committee are of the view that provision for the proposed additional studies, if any, required to be carried out for underground mines should be covered in original DPR and be carried out simultaneously without causing cost and time overruns in implementation of the projects. The Committee recommend that CMPDIL should update their skills and technique and make use

the ultra-modem tools and equipments while preparing Coal mines project reports. There should be close coordination between CMPDIL and DGMS in the mater of Coal projects. The Committee are of the firm view that the equipments which have already been procured/imported from other countries should not be allowed to lay idle at the project sites and should be properly utilized.

8. The Government have also stated that there is a resource crunch to invest in new projects of ECL and BCCL. In this context, the Committee feel that the projects on which the coal subsidiaries had already incurred expenditure and purchased equipments, etc. should not be abandoned and steps should be taken by the Government to restart these projects. The Committee are satisfied with the constitution of a Standing Committee under the Chairmanship of Additional Secretary, (Ministry of Coal) with one member each from the Planning Commission, the Department of Expenditure and the Department of Programme Implementation to examine proposals on the Revised Cost Estimates of projects costing beyond the delegated powers of the Ministry of Coal or its PSUs and to fix responsibility for cost and time overrun in these projects. However, the reply of the Government is silent about any responsibility fixed so far for cost and time overrun of coal projects. The Committee would await information for the last 2 years in this regard.

Detailed Exploration Programme

Recommendation Sl. No. 7 (Para No. 2.45)

9. The Committee were apprised that budgetary provision for detailed exploration by CIL was decreasing during the last 2 years. The Committee had also observed that budgetary provision for detailed exploration by Neyveli Lignite Corporation was brought down from Rs. 1.69 crore to Rs. 0.64 crore during 1998-99 and no provision exists in the budget of Neyveli Lignite Corporation for detailed exploration to be carried out during 1999-2000. The Committee had regretted to note that although apprehensions have been expressed regarding a large gap between coal production and supply during X plan period, emphasize on detailed exploration were not on the same pace. The Committee

therefore had recommended that detailed drilling for lignite should be carried out in States like Gujarat and Rajasthan where regional exploration work had shown encouraging results and adequate budgetary provision for undertaking detailed exploration be made. Step were needed to be taken by Neyveli Lignite Corporation to explore the possibilities of setting up lignite based power plants, in states other than Tamil Nadu.

10. However, Government; in their reply regarding detailed exploration works by the NCL furnished to the Committee have merely stated that the recommendation of the Standing Committee on Energy have been forwarded to Neyveli Lignite Corporation for consideration and for appropriate action.

11. The Committee are unhappy to observe the indifferent and casual approach of the Ministry of Coal in reacting to their recommendation on Neyveli Lignite Corporation. The Committee would like to reiterate what they had recommended for detailed drilling of lignite in states like Gujarat & Rajasthan where encouraging results were reported. NLC was also directed to set up lignite based power plants in states other than Tamil Nadu. The Committee find that instead of taking concrete action on their advice, Ministry of Coal have merely forwarded their recommendation to NLC for consideration and appropriate action. In the view of the Committee the writ of Ministry of Coal extends not only over coal but also lignite sector and NLC is playing as vital and important role as CIL and its subsidiary. The Committee, expect that Ministry of Coal should have taken due care and caution in responding to their counsel. The Committee would now like to await the response of the Government in regard to the matters concerning NLC.

Setting up of New Coal Washeries

Recommendation Sl. No. 13 (Para No. 2.65)

12. The Committee had observed that 49% of coal produced in the country is of E, F and G grades with high ash content and used in thermal plants. This coal with high ash content not only adversely affected the performance of power plants but also raised problems of disposal of ash and consumers had to pay heavy railway tariff over long distance merely for the high ash contents. The Ministry of Environment and Forest had issued a notification, making it mandatory for thermal power plans located 1000 km from pit head and also those located in urban areas to use beneficiated coal with ash content not exceeding 34% from 1st June, 2001. The Committee were surprised to note that although an investment of Rs. 3000 crore was required for the next 2-3 years to comply with the Government notification, no concrete steps were taken by the Ministry to set-up coal washeries by coal companies or private investors. The Committee were constrained to note that instead of taking steps to set up new washeries, the coal companies were resorting to convert existing coking coal washeries to non-coking coal washeries. The Committee felt that decision of CIL not to commission any washery of its own other than on BOO or BOOT basis was not likely to fructify as the consumer were having the option of getting imported coal with less ash content without making additional investments.

13. The Government in their reply have stated that a High Power Committee with Advisor (Project) Ministry of Coal, CMD, CMPDIL, Director (Tech.), CIL and Director Finance, CIL as members has been set up by CIL to go into details of conversion of coking coal washeries to non-coking coal washeries and setting up of new washeries. The report of the Committee is awaited. The Government have further stated that based on the Ministry of Environment and Forest's notification to use 34% ash coal in the TP'Ss beyond 1000 km from pit head and in urban area or sensitive area or critically polluted areas w.e.f. 1.6.2001, a joint Apex Committee headed by Member (Thermal), CEA has been constituted to monitor/implement the stipulations contained in the Ministry of Environment and Forest's notification. Subsequently a High level Committee under the Chairmanship of Additional Secretary, Ministry of Coal has also been formed to look into the long-term objective of setting up coal washeries with reference to the stipulations in the Ministry of Environment and Forest's notification.

14. The Committee are constrained to note that although an investment of Rs. 3000 crore was required to supply coal of less than 34% ash content to distant consumers as per the Ministry of Environment and Forests' notification w.e.f. 1.6.2001; no concrete action has been taken by the Government to implement the same so far. Coal India Limited has taken a decision not to commission any washery of its own other than on Built Own and Operate (BOO) or Built Own Operate Transfer (BOOT) basis. The Committee find that although setting up of a High Power Committee with Advisor (Project) Ministry of Coal, CMD, CMPDIL, Director (Tech.) CIL and Director (Finance), CIL as members by CIL to go into details of conversion of coking coal washeries to non-coking coal washeries and another High level Committee under the Chairmanship of Additional Secretary, Ministry of Coal to look into the long-term objective of setting up coal washeries with reference to the stipulations in the Ministry of Environment and Forests notification was the right decision by the Government, yet they are dismayed to observe the slow progress by these High Level Committees. The Committee, therefore, recommend that the High Level Committees set up to examine the issues of conversion of coking coal washeries to non-coking coal and setting up of new washeries should finalize their reports at the earliest and this Committee be apprised of the action taken on the recommendations with a time schedule of implementation of the same. The Committee would also like to know the steps taken to encourage setting up coal washeries on BOO and BOOT basis and the resultant outcome thereof.

Use of Royalty

Recommendation Sl. No. 16 (Para No. 2.81)

15. The Committee were perturbed to note that though huge revenue were raised/being raised by the States by way of royalty against the coal extracted through statutory provision of Mines and Minerals (Regulation and Development) Act 1957, the State Government did not invest even a little part of such revenue on developmental activities in and around the coal mines areas, thus, frustrating the purpose of levying

royalty itself. The Committee has desired that the Government should examine the issues of (i) fixing certain ratio of revenue raised by way of royalty for development in coal mine areas, (ii) adjustment of payment of royalty towards dues of the State Governments/SEBs to coal companies by suitable amending the MMRD Act, 1957.

16. In this connection, the Government inter-alia informed that a proposal for adjustment of coal royalty dues of the nationalized coal companies against the coal sale dues of the State Electricity Boards of the respective coal producing states was examined in January, 1992 by the Ministry of Coal in consultation with the department of Legal Affairs, Ministry of Law and Justice. The Department of Legal Affairs, opined that royalty on mineral extracted from the mines is in the nature of a tax. The State has the power to levy taxes on mineral rights subject to any limitation imposed by Parliament by law relating to mineral development by virtue of Entry 50 of the State List in the Constitution of India. Such a tax is a source of revenue received by the Government of a State and is creditable to the Consolidate Fund of the State. No money out of the Consolidated Fund of a State can be appropriated except in accordance with law and for the purpose and in the manner provided in the Constitution. It is stated that the coal royalty is tax for extraction of coal and is creditable to the Consolidated Fund of the concerned coal producing State and no appropriation can be allowed from such Fund without the appropriation being voted by the legislature of the respective State. In view of the legal opinion on the subject, it will not be possible to adjust the coal sale dues from the State Electricity Boards of the respective coal producing States against the royalty dues of the nationalized coal companies payable to such State Government and also to fix certain ratio of revenue raised by way of royalty for development in coal mine areas. The annual budget of a coal producing State is passed by the respective State legislature. The coal royalty earnings of such a State Government is a part of the revenue income of the State Government and is reflected in its annual budget.

17. However, in their reply dated 12.4.2001, the Government have informed that recently a proposal to earmark fifteen percent of the royalty revenue received from coal

by a State Government for developmental works in the areas around the coal mines is under examination. The views of the Coal Producing States have been requested for. While the views of the Government of Andhra Pradesh in the matter has been received, the views of other coal producing States are yet to be received. The Government of Andhra Pradesh have not agreed to such a suggestion. A separate reference was made to the Ministry of Law, justice & Company Affairs, Department of Legal Affairs, who have advised to obtain the views of the coal producing States in the first instance. The concerned stated Governments have again been requested for their considered views in the matter.

18. The Committee appreciate that a proposal to earmark 15% of royalty revenue received for coal by a State Government for development works in area around coal mines, is under examination and views of coal bearing areas/states are being ascertained. The Committee would like to await the outcome thereof.

Implementation of Voluntary Retirement Scheme

Recommendation Sl. No. 18 (Para No. 2.96)

19. The Committee had noted that against 19,680 employees identified as surplus in ECL and BCCL and the Voluntary Retirement Scheme (VRS) to be implemented within three years, the Government had made provision of Rs. 400 crore and had also stated that the targets set would be achieved. The Committee had desired that exercise going on to identify other surplus workers, if any by re-organizing of areas mines and closing of loss-making mines should be completed at the earliest and the Committee be apprised. The Committee also noted the fact that there was decrease in production and off-take from these two coal companies resulting in higher rate of production and desired that this fact should be considered while carrying out the detailed exercise to identify other surplus workers. The Committee had felt that mostly loaders, etc. had opted for VRS which had adversely affected the production in underground mines. The Committee, therefore, stressed that the skilled workers like loaders etc. in underground mines of ECL and

BCCL be discouraged to opt for VRS. The Committee also observed that the ratio of mine workers to white- collar jobs in ECL was 11:1 whereas in BCCL it was 4:1. The Committee had recommended that a study should be carried out and an ideal ratio be fixed in this regard. Besides implementing VRS the Committee stressed that training of workers for up-gradation of skills, for their gainful utilization was needed to be taken up more vigorously in all coal companies and separate funds be provided for the same.

20. In their reply, the Government have stated that the surplus workers have been identified mainly in ECL, BCCL and CCL. As per the last exercise done in April, 1998, the surplus manpower identified in ECL, BCCL & CCL was 12580, 7100 and 5968 respectively. These companies have been asked again to workout the figures of surplus manpower and the results are awaited. The other coal companies are being advised to identify surplus manpower CMPDIL has been entrusted the task to carry out study for an ideal ratio of mine workers to white collar jobs. Action has been taken to formulate a specific plan for workmen so that they can acquire skills for gainful deployment. Action for allocation of funds for such programme has also been initiated.

21. Further, in their updated reply, the Government have stated that the surplus manpower in ECL, BCCL and CCL as on 1.4.2001 has been 8,556, 6,980 and 8,044 respectively.

22. The Committee find that the surplus manpower identified in ECL, BCCL and CCL as on 1.4.2001 which is reported to be 8,556, 6,980 and 8,044 respectively shows that there was an increase in the surplus manpower by about 2000 in CCL during the last 3 years. The Committee would like to know the reasons for this steep increase in surplus manpower in CCL in spite of similar studies carried out in April 1998. Further, the Government have not furnished detailed figures of the skilled and unskilled manpower which is surplus in these subsidiaries. The Committee are dismayed to note that the Government is unaware of the ratio of white collar jobs to mine workers and the work has now been entrusted to CMPDIL to carry out a study, after being pointed out by the Committee. The Committee take a strong note

of it and feel that the Human Resources Development Department in different subsidiaries is not carrying out regular studies relating to the actual requirement of staff in different cadres and recruitments have been done in haphazard manner. The Committee, therefore, cannot but deplore the HRD Department for their inefficiency and expect them to make desired recruitments in a scientific manner. Although, the Committee appreciate that the Government have taken action to formulate a specific plan for workmen so that they can acquire skill for gainful deployment, the Committee would like to know the allocation of funds for these programmes during the last 2 years and would also like to know the details of skilled workers like loaders, etc. in underground mines of ECL and BCCL who have opted for Voluntary Retirement Scheme (VRS). The Committee again stress that these skilled workmen especially in loader category etc. should be discouraged to opt VRS so that the production programme of coal companies does not suffer adversely.

Implementation of 'EMSC' Scheme

Recommendation Sl. No. 20 (Para No. 2.102)

23. Regarding schemes for rehabilitation of four localities in ECL, the Committee observed that against an estimated cost of Rs. 32.52 crore, a provision of Rs. 6 crore had been made during the 2 years of the programme which was targeted to be implemented within 3 years. Similarly, for a scheme for shifting of people from endangered areas of BCCL at a cost of Rs. 33.88 crore sanctioned in May, 1998, only Rs. 6 crore had been allocated for the first two years. The scheme was also scheduled to be completed in 2 years. The Committee could not but deplore the way the Government had sanctioned fund for EMSC Schemes recommended by High Power Committee taking into account the urgency to implement the schemes in a time-bound manner. The Committee felt that the Government should not allocate funds for such schemes in a piecemeal manner and recommended that the Government to prepare a comprehensive plant to fund schemes involving safety of mine workers and people living in and around the endangered mine

areas and stress that funds should be released for these two schemes as recommended and the schemes be completed at the earliest.

24. In their reply, the Government have stated that the status of ad hoc schemes for rehabilitation in ECL for rehabilitation of 4 unstable locations with a sanctioned cost of Rs. 32.52 crore and shifting of people from endangered areas of BCCL with a sanctioned cost of Rs. 33.88 crore. For these two schemes, the actual disbursement till 1998-99 is Rs. 2.00 crore and there is a provision of Rs. 10 crore in the BE 1999-2000. Since, the implementation of these two schemes is dependent upon the (a) willingness of the people to shift to the new sites and (b) extent of cooperation from the State, Government and agencies, hence the likely expenditure during the year 2000-01 and 2001-02 has been obtained from ECL and BCCL. The revised scheme for the programme of shifting of people from most endangered areas of BCCL has an estimated cost of Rs. 58.78 crore. The revised scheme will be submitted to the Government for sanction after approval of BCCL Board.

25. About the present status, the Government have further informed that the rehabilitation of 4 unstable locations in ECL with a sanctioned cost of Rs. 32.52 crore and actual disbursement at BE of 2000-01 was Rs. 0.50 crore. Shifting of people from endangered areas of BCCL with a sanctioned cost of Rs. 33.88 crore, the disbursement at BE 2000-01 was Rs. 5.00 crore. In scheme for ECL, rehabilitation of non-ECL families is only involved. Practically, there is no progress as affected people have not agreed to proposed rehabilitation sides in spite of formation of village committee and people are not willing to shift. As such token fund provision is kept. The scheme about BCCL covered both BCCL employees and non-BCCL families. BCCL has taken up construction of houses for rehabilitation of BCCL employees. The utilization of BE 2000-01 and projected funds for 2001-02 are subject to observance of conditions on sanction letter. CMPDI have furnished a certificate to the effect that conditions of the sanction have been compiled with. A further sum of Rs. 6.30 crore have been released in favour of CMPDIL for disbursement of claim of BCCL. The revised scheme for the programme of shifting of people from most endangered areas of BCCL at an estimated cost of Rs. 58.78 crore has

been recommended by SSRC for approval by the Government. The proposal is under process for EFC/CCEA clearance.

26. The Committee find that the reply of the Government is evasive and unsatisfactory. The Committee note with dismay that the Government is unable to implement the rehabilitation of 4 unstable locations in ECL only due to resistance from the inhabited people to shift. The Committee feel that the Government/ECL have failed to convince people about the danger involved in living in such unstable areas and desire that the Government should take all out steps to educate people and get them shifted by rehabilitating them in safer locations. The Committee are unhappy to learn that for the schemes, which were to be implemented in 2-3 years only a meager token money has been sanctioned/disbursed during the period. The Committee are also unhappy to note that the Government had not taken appropriate action on the implementation of the recommendations of the Committee for immediate release of funds for the rehabilitation schemes. The Committee, therefore, strongly urge the Government to clear all the proposals referred to EFC/CCEA for shifting of people from endangered areas of BCCL as recommended by SSRC and provide sufficient funds immediately and the Committee be apprised thereof.

27. The Committee also observe that after extraction of coal from open cast and under ground mines, these are abandoned and reclamation is not done by the coal companies in time, causing danger to inhabitants of coal bearings areas and nearby villages. The Committee take a strong note of the recent incident of ECL coal mine where 2-3 persons have reportedly died while extracting coal from abandoned mines. The Committee, therefore, recommend that the coal companies should ensure that reclamation of open cast and under ground abandoned mines is completed in a time bound manner. The Committee desire that till the reclamation of such mines is completed, the Government should take necessary steps to ensure that there is no unauthorized mining of coal from abandoned mines.

Anti-Dumping Duty on Import of Coal

Recommendation Sl. No. 21 (Para No. 2.112)

28. The Committee found that coal could be imported freely under Open General Licence (OCL) by the consumers themselves considering their needs and requirements. The Committee had observed that although earlier coking coal was being imported by steel sector to bridge gap between their requirement and indigenous availability and for blending purpose to improve quality but now with the reduced customs duties and availability of cheaper coal with good quality, the coal had been imported by power and cement sectors also. In this connection, the Committee had been informed that Chinese Coke having ash content of 12-16% which was earlier sold at landed price of 100-115 dollars per tonne was being dumped at 90 dollars at ports of Gujarat and Kerala. The Chinese Coke was being dumped at a price much below the cost of production of coke produced in China and a price lower than that prevalent in their domestic market. The Committee were surprised to note that although the Anti-dumping Directorate initially recommended an anti-dumping duties of Rs. 1800/ - per tonne on the import of metallurgical coke from China PR and notification was issued on 6.5.1998, the issue was re-examined and considering the submissions before it, the designated authority recommended the imposition of anti-dumping duty at a level equal to the difference between Rs. 4673 per metric tonne and the landed value of imported met-coke subject to a minimum of Rs. 692 per metric tonne on 30.7.1998. The Committee were dismayed to note that even this recommendation of Anti-Dumping Directorate was not accepted and the Government issued a notification on 28.10.1998 imposing anti- dumping duty calculated at a rate equivalent to the difference between Rs. 4673 and landed value of met-coke per metric tonnes removing the clause for imposition of minimum duty. The Committee had desired the Ministry of Finance to clarify as to why the recommendation of ADD was not accepted. The Committee would also like to know the details of the duty imposed on different quantities of coke imported during 1998-99.

29. In their reply, the Government (Ministry of Finance) have clarified the position regarding imposition of minimum anti-dumping duty as follows:

The issue of imposition of minimum anti-dumping duty was examined in the Ministry of Finance and it was felt that minimum duties are not in conformity with the existing legal provisions i.e. customs Tariff Act and Anti Dumping Rule for the following reasons:-

Section 9A of the Customs Tariff Act, 1975 from which alone the power for the imposition of anti dumping duty is derived, empowers the Central Government to impose anti-dumping duty not exceeding the margin of dumping in relation to the article. In other words, the power to impose duty is qualified. It is not unfettered. According to the recommendation in this case, the anti-dumping duty is equivalent to the difference between Rs. 4673 PMT and the landed value of met- coke subject to a minimum anti-dumping duty of Rs. 692 PMT. Accordingly, even if the landed value in a specific case is equal to Rs. 4673 PMT implying thereby that the margin of dumping is nil, the minimum duty of Rs. 692 would be chargeable. This would make the duty higher than the margin of dumping resulting in violation of the provisions of section 9A. The same would be true of any situation where the difference between Rs. 4673 PMT and the landed value of met-coke is lower than Rs. 692 PMT. The matter has however been referred to the Ministry of Law for their opinion.

30. As regards, details of anti-dumping duty imposed on different quantities of coke imported during 1998-99, the Ministry of Finance have stated that no separate head for anti-dumping duty is available and collection of anti dumping duty are reported alongwith other duties of customs and no break up of anti-dumping duty collected on different quantities of coke during 1998-99 is available. No further status has been received from the Ministry of Finance.

31. From the reply of the Government (Ministry of Finance), the Committee observe that the recommendation of Anti-Dumping Directorate to impose anti-

dumping duty at a level equal to the difference between Rs. 4673 per metric tonne and the landed value of imported met-coke subject to minimum of Rs. 692 per metric tonne on 30.7.1998 was in violation of provision of Section 9A of Custom Tariff Act, 1975 as this would make the dumping higher then the margin of dumping. Since, the Government in their reply have stated that the matter has been referred to the Ministry of Law for their opinion, the Committee expect that the matter would be sorted out at the earliest and desire to know the details thereon. The Committee also desire the Ministry of Finance to create separate head for recording anti-dumping duty not only on coal/coke but also other items. The Committee will await the action taken by the Government in this regard. The Committee find that production of low phosphorous content coal/coke which find use in pig iron and Ferro - Alloy Industry is inadequate to meet the demand of the industry. The import of such low phosphorus coal/coke is inevitable. The Committee find that Anti-Dumping Duty on coal is charged differentially taking into consideration the end use. As a result, industries which make use of low phosphorus coal/coke are put to a disadvantageous position. The Committee, thus, feel that Iron & Steel using coking coal are paying less duty whereas Ferro-Alloy industry importing the same coal for their use are required to pay greater amount of duty. This results in a lot of corruption in Customs Department. The Committee, therefore, recommend that anti-dumping duties on coal should be uniformly applied without insistence on end use. The Committee would like to be apprised of the action of the Government in this regard. The Committee also find that duty is chargeable on the basis of 'in-voicing' and in most of the cases there is 'under-invoicing'. The Committee desire that duty on coal should be subjected on the basis of prevailing inter-national prices, irrespective of invoicing to check this problem.

CHAPTER II

RECOMMENDATIONS / OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation Sl No. 1 (Para No. 2.11)

The Committee are perturbed to note that the Plan Outlay for the Ministry of Coal for the last 3 years is hardly near the targets fixed, thus adversely affecting the existing, on-going and new Coal/Lignite projects. The Central Plan Outlay for the Ministry of Coal for 1998-99 was revised to Rs. 2944.10 crores from Rs. 4212.75 crore. The estimated coal demanded for the year 1998-99 is expected to be 291.55 M.T. (5.7 mt. of middlings) against the projected demand of 325.38 M.T. (7.5 mt. of middlings). The Ministry of Coal have informed that non-materialization of demand projected at the beginning of the year is the main reason for scaling down of Coal Production and Plan Outlay. Other reasons cited by the Government for scaling down of plan are need to re-schedule procurement under International Bank for Reconstruction and Development (IBRD) Loan and to re-work the funds requirements, taking into account the delivery schedule committee by the equipment manufacturers, need to regulate procurement of equipments, delay in supply of specialized mining equipments by Neyveli Lignite Corporation Limited etc. which are basically due to unrealistic demand projections. The committee further note that IEBR component for Coal India Limited, Singareni Collieries Company Limited and Neyveli Lignite Corporate Limited, were never made realistic in the past ~ years. The Coal India Limited IEBR component for the year 1998-99 have been revised to Rs. 1641.50 crore from Rs. 2427.14 crore budgeted. The company could generate internal resources of Rs. 783.34 crore against the Budget Estimates of Rs. 1557.81 crore. Rs. 455.35 crore has been contributed to the IEBR component of CIL through suppliers credit during 1998-99. Similarly, in case of Singareni Collieries Company Limited in 1997-98 the total IEBR component was Rs. 9.74 crore against the budget estimate of Rs. 324.25 crore and in case of Neyveli Lignite Corporate it was Rs. 140.09 crore against the budget estimates of Rs. 448.42 crore during the period. The Committee feel that the Government should take steps to ensure that a IEBR component of coal/lignite companies be projected on realistic basic so as to ensure that the plans of various undertakings do not go haywire because of non-realization of IEBR component year after year. In view of the fact that two subsidiaries of CIL viz. BCCL and ECL being sick because of large workforce and underground mining, the Committee recommended the budgetary support to CIL be enhanced for the current year for revival of these two companies. The Committee are also of the opinion that Government should have withdrawn the budgetary support to CIL in a phased manner and desire that the Government may review total withdrawal of budgetary support especially to Coal India Limited. At the same time, the coal companies should pay greater attention to their commercial operations and equip themselves to meet the threats from international and domestic competition. Although, the Ministry of Coal have stated that certain steps like introduction of cash and carry scheme, securitisation of SEB dues to strengthen the coal companies have been taken, the Committee are of the opinion that taking into account the down-sizing of Plan Outlay year after year, the Government should address to the need to making domestic coal companies viable one basing their investment decisions on realistic demand assessment. The committee desire that the Ministry should re-work their investment plans for Ninth Plan, based on the realistic assessment of demand projections for the same period, and place it before the Committee.

Reply of the Government

It is submitted that the plan outlay of this Ministry is being revised keeping in view the production and demand scenario. The plan outlay of the Ministry is finalized after the finalization of demand of coal, which is a derived demand based on the requirements of the different consumers of coal. The whole exercise relating to finalization of demand and supply of coal is done by Planning Commission after discussions with different coal consumers.

The generation of Internal and Extra Budgetary Resources (IEBR) of the coal Public Sector Undertakings is contingent upon mobilization of resources depending upon various factors. Decline in demand from any consumer results in reduction in need for producing coal and consequently in Plan Outlay. The Ministry has made efforts to arrive at a realistic plan outlay.

The total demand of coal projected by the Planning Commission during the year 1998-99 was estimated to be 325.38 MT. However, actual off-take which materialized was only 282.11 MT. The lower off-take was mainly attributable to low off-take by cement and power sectors. Moreover, reduction in import duty on coal during the past three years has also made imported coal more competitive. These factors led to lower off-take of domestic coal which adversely affected the Internal and Extra Budgetary Resources generation of the coal PSUs.

It is a fact that the picture regarding generation of Internal and Extra Budgetary Resources, finalized at the time of the budget estimate, for Coal India Limited (CIL) and Singareni Collieries Company Limited (SCCL) did undergo a change. With regard to NLC, it may be noted that the actual IEBR generation during the year 1997-98 was Rs. 503.22 crore as against the target of Rs. 448.42 crore. However, only an amount of Rs. 140.09 crore of IEBR was utilized as the actual plan expenditure was Rs. 186.34 crore as against the estimated plan outlay of Rs. 584.77 crore. The Ministry is now optimistic that companies would realize the IEBR targets during the year 1999-2000 unless some major slippages occur.

In regard to providing the budgetary support to CIL for revival of BCCL and ECL, it is submitted that these two companies cannot be revived merely by infusion of capital. These companies have, over a period of time, engaged work force which in size is vastly in excess of their production capabilities. The essential part of any revival programme of ECL and BCCL would be substantial decrease in the workforce of these two companies and closure of the loss making mines. Managements are negotiating with the Trade Unions in order to arrive at a mutually agreeable system by which substantial reduction in the workforce could be effected in a short period of time. However, the Govt. would make all necessary efforts to revive ECL and BCCL on a sustainable basis after appropriate rehabilitation plan for these two companies are worked out.

It may be brought to the notice of the Committee that the Government had approved a package for restructuring the capital and debt profile of CIL and to approve policy support measures for the revival and rehabilitation of subsidiary companies of CIL. Under that package approved in 1996, very substantial financial relief was given by the Government to the subsidiary companies of CIL which have mainly been passed on to Bart Coking Coal Limited (BCCL) and Eastern Coalfields Limited (ECL). One of the important elements of the rehabilitation package was that after receipt of the very substantial financial support and policy measures taken by the Government, subsidiary companies of CIL, including ECL and BCCL, will revive and become financially viable entities. Furthermore, Government has provided budgetary support of Rs. 400 crores in three years viz., 1997-98, 1998-99 and 1999-2000 for the implementation of voluntary retirement scheme in ECL and BCCL. An important aspect of the entire rehabilitation strategy was that after the financial and policy supports being provided by the Government, no further budgetary support would be required by the subsidiary companies of CIL and they will become viable entities, inter-alia, as a result of efficiency improvements which will be brought about in the operations of these PSUs. At this point of time, it does not seem advisable to provide any further budgetary support by the Government to ECL and BCCL except for meeting their requirement for financing the Voluntary Retirement Scheme (VRS) in these two companies which will enable them to downsize their manpower and close their loss making mines.

As far as drawing up a realistic investment plan for the coal sector, vis-a-vis demand for coal is concerned, Ministry of Coal has carried out an exercise to arrive at a realistic assessment of demand for coal which will materialize by the terminal year of the 9th Five Year Plan. The requirement of investments in the coal sector during the 9th Five Year Plan would also need to be revised in view of the recently assessed demand projections. Since the earlier projections of coal demand and investments have become a part of the approved 9th Five Year Plan, the revised assessment of coal demand and the revised investment programme for Ministry of Coal will be taken up with the Planning

Commission at the time of mid-term review of the 9th Five Year Plan which is likely to take place shortly.

[Ministry of Coal, O.M. No. 20011/3/99-IF dated 21 July, 1999]

Further Reply of the Government

The IEBR budget provision for Coal India Limited for the year 1999-2000 was Rs. 2501.50 crore against which the actual expenditure was Rs. 2638.69 crore. BE for the year 2000-01 was Rs. 2703.15 crore against which actual expenditure is only Rs. 1767 crore. Cancellation of Phase-II of World Bank loan for procurement of equipment due to sluggishness in demand is the main reason for less capital expenditure. The budget provision for the year 2001-02 is Rs. 2264.03 crore. The proposed RE is for Rs. 1473.48 crore. The actual expenditure upto September 2001 is Rs. 470.11 crore. For Singareni Collieries Company Limited the IEBR budget provision for the year 1999-2000 was Rs. 155.39 crore against which the actual expenditure was Rs. 108.17 crore. Budget provision for the year 2000-01 was Rs. 263.21 crore against which actual expenditure is Rs. 159.53 crore. Budget provision for the year 2001-02 is Rs. 355.00 crore. The proposed RE is for Rs. 290 crore. Actuals upto September 2001 is Rs. 63.30 crore. For Neyveli Lignite Corporation Ltd. the IEBR Budget provision for the year 1999-2000 was Rs. 670.25 crore against which actual expenditure was Rs. 569.15 crore. Budget provision for the year 2000-01 was Rs. 808.45 crore against which actual expenditure is Rs. 741.98 crore. Budget provision for the year 2001-02 is Rs. 706.12 crore. The proposed RE is for Rs. 896.76 crore. Actuals upto September 2001 is Rs. 254.82 crore.

For the purpose of revival of Bharat Coking Coal Limited (BCCL), Eastern Coalfields Limited (ECL) and Central Coalfields Limited (CCL) the Ministry is providing budgetary support in the form of grants-in- aid for implementation of Voluntary Retirement Scheme in these subsidiaries of Coal India Limited for elimination of surplus manpower. Upto October, 2001, Rs. 635 crore have been released under VRS and more than 25000 persons have been retired.

As far as drawing up a realistic investment plan for the coal sector, vis-a-vis demand for coal is concerned, Ministry had carried out an exercise to arrive at a realistic assessment of demand for coal which will materialize by the terminal year of IX Five Year Plan. During the Mid-Term Appraisal of the IX Five Year Plan, Planning Commission had fixed a target of 370.80 M.T. and 328.86 M.T. for demand and production respectively for the terminal year of IX FYP i.e. 2001-02. Thereafter, during the finalization of Annual Plan 2001-02 of Ministry of Coal, these figures have further been changed to 354.29 M.T. and 324.23 M.T. (indigenous sources) respectively as the demand from power sector has been reduced. This has been done in consultation with Planning Commission. The investment plan as revised during the Mid-Term Appraisal of the IX Five Year Plan stands at Rs. 19143.74 crore.

[Department of Coal, O.M. No. 20011/3/99-1F/Vol. V, dated 28.11.2001]

Recommendation Sl. No. 3 (Para No. 2.24)

The Committee observes the off-take from Rajmahal and Sonepur-Bazari coal mines of Eastern Coalfields Limited could not be materialized at a satisfactory level due to low off-take by Farakka and Kahalgaon super thermal power stations of NTPC. The Committee are surprised to note that no penalty clauses were included in the fuel purchase agreement for failure of supply/off-take by the company and it is only now that such a clause is being proposed to be included in future agreements. The Committee feel that Coal Companies are not functioning on the sound business principles and are only learning from their past mistakes. The Committee expect the Government to take suitable steps to ensure that such a clause should be included in all agreements of coal supplies so that the coal companies can work on sound financial lines.

Reply of the Government

The point raised by the Committee is indeed very correct. Hitherto supplies of coal to the power stations including the power stations of Farakka and Kahalgaon were based on best effort basis. The volume of coal to be lifted by any given power station was determined in the short-term linkage committee. There were no penalty clauses either for short lifting by the power station or short supply by the coal company. In this connection it should be noted that short-lifting or short-supply would also arise due to sub-optimal performance by the Indian Railways and, therefore, the transporters would also have to be a necessary party to such arrangements. As a first step the Government is attempting to move away from the linkage system to supply based on contract. In this regard a draft agreement has been evolved in consultation with the Ministry of Power and the Council of Power Utilities. While these contracts have generally met with the approval of all Power Utilities they are under various stages of finalization and it is expected that by 31.3.2000 all electricity boards/coal companies would enter into such Agreements. As the first step these Agreements lay down system of sampling by an independent authority, payment and quality disciplines. After this system is introduced it would evolve gradually into one where bonus and penalties would also be included. Necessarily the transporters i.e. the Indian Railways or other transporters would also have to be co-opted.

[Ministry of Coal, O.M. No. 20011/3/99-IF dated 21 July 1999]

Further Reply of the Government

National Thermal Power Corporation (NTPC) has concluded agreements in August, 1999 with Coal Companies for supply of coal to all its existing pit-head power plants based on the principles of firm commitment of quantity and quality duly backed up with penalty/ bonus for non-performance. It also includes supply of coal to Farakka & Kahalgaon from Rajmahal fields of ECL.

For the new Thermal Power Stations of NTPC, the draft Coal Supply Agreement is in advance stage of finalization, similarly based on firm commitments for performance, suitably backed up with penalty/bonus clauses.

As the fuel supply agreements are commercial arrangements between the coal companies and the coal consumers, these are negotiated and finalised bi-literary by the concerned parties to the agreements.

[Ministry of Coal, O.M. No. 20011/3/99-ID/Vol. V dated 12.4.2001]

Recommendation Sl. No. 4 (Para No. 2.25)

The Committee are constrained to note that despite the fact that some of the senior officials have been removed/punished for over- reporting of coal stocks, the practice is still continuing in subsidiaries of Coal India Ltd. The Committee would like to know the various incidents of over-reporting in subsidiaries of CIL during the last 3 years and the action taken by the Government against those found responsible for it.

Update Reply of the Government

The coal stock shortage represents the quantity of coal by which the book stock exceeds the measured stock or actual coal stock. The Coal India Limited (CIL) has adopted the following policy for coal stock shortages:-

(i) Where the difference between the book stock and measured stock is within (+/-) 5% of book stock, the shortage or surplus is ignored as this is regarded as survey error. In such cases, the book stock is taken as the closing stock.

(ii) Where the difference between the book stock and measured stock is more than (+/-) 5% of book stock, the measured stock is taken as the closing stock and the difference is treated as stock shortage/surplus.

For all stock shortages beyond 5% of book stock and in excess of 1,000 metric tonnes, disciplinary action is initiated after completion of physical stock verification. CIL has intimated to the Ministry of Coal that during the last five years of 1995-96, 1996-97, 1997-98, 1998-1999 and 1999-2000 the following cases of coal stock shortages beyond the permissible limit of 5% of Book Stock have been detected in Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL) as per the annual measurement conducted by the coal inventory team of CIL Hqrs.:-

Year	Subsidiary Company of CIL	No. of collieries having coal stock shortage	Quantum of coal stock shortage in metric tonnes
1995-96	ECL	6	53679
	BCCL	2	287882
	CCL	4	92453
1996-97	ECL	21	314563
	BCCL	7	485973
	CCL	1	5288
	ECL	6	36460
	BCCL	8	403480
1998-99	ECL		
	BCCL	12	934395
	CCL		
1999-2000	ECL	7	96381
	BCCL	8	212388

In the cases of coal stock shortage beyond the permissible limit of 5% of Book Stock and more than 1,000 metric tonnes, disciplinary action was initiated as per the established norms. CIL has given the following status of the disciplinary action for the coal stock shortage in 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000.

Eastern Coalfields Limited

	1995-96	1996-97	1997-98	1998-99	1999-2000
No. of Officers Involved	16	51	15	Nil	22
No. of cases where action completed and details of action taken					
(a) Censure / Caution/Warning	2	1	4	-	-
(b) Exonerated	-	10	9	-	-
(c) Dropped/Closed	-	9	1	-	3
(d) Penalty awarded	14	31	1	-	-
Sub Total	16	51	15	-	3
Cases Pending	Nil	Nil	Nil	Nil	19

Bharat Coking Coal Limited

	1995-96	1996-97	1997-98	1998-99	1999-2000
No. of Officers Involved	7	20	21	37	22
No. of cases where action completed and details of action taken					
(a) Censure / Caution/Warning	-	5	1	6	-
(b) Exonerated	-	11	5	2	-
(c) Dropped/Closed	2	4	4	9	2
(d) Penalty awarded	1	-	5	-	-
Sub Total	3	20	15	17	2

Cases Pending	4	-	6	20	20

Central Coalfields Limited

	1995-96	1996-97	1997-98	1998-99	1999-2000
No. of Officers Involved	9	5	5	Nil	Nil
No. of cases where action completed and details of action taken					
(a) Censure / Caution/Warning	3	-	-	-	-
(b) Exonerated	2	4	-	-	-
(c) Dropped/Closed	-	-	-	-	-
(d) Penalty awarded	-	-	-	-	-
Sub Total	5	4	-	-	-
Cases Pending	4	1	5	Nil	Nil

[Ministry of Coal, O.M. No. 20011/3/99-IF/ dated 12.4.2001]

Recommendation Sl. No. 7 (Para No. 2.45)

The Committee observe that budgetary provision for detailed exploration by Coal India Limited during 1998-99 were revised to Rs. 53.41 crore from the Budget Estimate of Rs. 60.85 crore. The budget estimate for Rs. 59.55 crore for 1999-2000 is less even than the BE for 1998-99. Similarly, for Neyveli Lignite Corporation, it was brought down from Rs. 1.69 crore to Rs.0.64 crore during 1998-99 and no provision exists in the budget of Neyveli Lignite Corporation for detailed exploration to be carried out during 1999-2000. The Committee regret to note that although apprehensions have been expressed regarding a large gap between coal production and supply during X Plan period, emphasis on detailed exploration has not been on the same pace. The Committee, therefore, recommend that detailed drilling for lignite should be carried out in States like

Gujarat and Rajasthan where regional exploration works have been shown encouraging results and adequate budgetary provision for undertaking detailed exploration be made. Neyveli Lignite Corporation should also explore the possibilities of setting up lignite based power plants, in State other than Tamil Nadu.

Reply of the Government

1. Detailed exploration for coal

(Rs. crore)

	Provision in BE 98-99	Provision in RE 98-99
Drilling in CIL blocks	53.41	53.41
Drilling in non-CIL blocks Total	9.38	4.0
Total	62.79	57.41

(i) Actual drilling conducted during 98-99 alongwith programme for the year 99-2000, coal company-wise, in physical terms in CIL command areas is given in Table -1 & lA (Enclosed)

(ii) From Table-I, it is seen that there is a reduction in the detailed drilling from 2.77 lakhs m achieved in 98-99 to 2.07 lakhs m proposed in 1999-2000, leading to a reduction of about 70,340 m.

(iii) From the study of the company-wise break-up, it is seen that the reduction is mainly on account of the following coal companies.

ECL -12,424 m

CCL	-11,766 m
WCL	-15, 742 m
SECL	-27,064 m

Exploration programme of Detailed drilling 1999-2000

Coal Company	Meterage to Be Drilled in 1998-99					Grand Total
	CMPDI	Other Agencies				
		MECL	State Govt	Pvt. Party	Total	
ECL	26,500				0	26,500
CCL	35,000				0	35,000
WCL	35,500	5,000			5,000	40,500
SECL	49,000	7,500	5,000		12,500	61,500
NCL	10,500				0	10,500
MCL	35,500		2,500		2,500	38,000
NEC				1,000	1,000	1,000
Total	192,000	12,500	7,500	1,000	21,000	213,000

Note:ln SECL, MECL has already drilled 5480 metres in 1998-99 from the work programme of 1999-2000, as agreed upon by SECL.

2. Reasons for reduction in the detailed programme:

The reasons for the reduction in the detailed drilling programme, of CIL are as given below:-

(i) ECL and CCL are facing an acute financial crunch and, hence they have substantially curtailed the budget for the Detailed Drilling.

(ii) Profit making companies namely SECL and WCL have started facing a severe liquidity crunch in 98-99 due to (a) reduction in the off-take (b) curtailment of the production programme and (c) increase in the outstandings. Hence, SECL and WCL have also reduced the provision of funds for detailed drilling during 1999-2000, apprehending liquidity crunch during 1999-2000 also.

(iii) Coal India has reduced its production programme from 268.85 Mts in BE-98-99 to 256.60 Mts in RE 98-99 considering the reduced off-take and outstandings, the production programme for 1999-2000 has been fixed at 259.10 Mts.

(iv) In view of the above, during 98-99 a programme for detailed Drilling in Non-CIL blocks including (a) Departmentally by CMPDI and (b) on contract by MECL was formulated in order utilise the existing resources of Exploration Camps. A Total of 37,500 m. of detailed Drilling was sanctioned by MOC at an estimated cost of Rs. 9.38 crores for the year 1998-99.

The above quantum of drilling has already been completed by CMPDI and MECL during 1998-99. However, Planning Commission reduced the BE provision of Rs. 9.38 crores to Rs. 4.0 crores at RE 1998-99 stage and the balance amount of Rs. 5.38 crores has been provided in BE 1999-2000, as one time grant.

(v) As stated earlier, the quantum of drilling in Non-CIL blocks has already been conducted in 1998-99 by MECL/CMPDI. Therefore, the drilling programme for 1999-2000 is now restricted only to the detailed drilling in CIL blocks to be funded by the coal companies. Planning Commission has declined to provide fund for Detailed Drilling in Non-CIL blocks on the ground that this is a commercial activity and should be supported by private entrepreneur. This is one of the main reasons for the reduction in the total Detailed Drilling programme including CIL and Non-CIL blocks.

(vi) The recommendations of the Standing Committee have been forwarded to NLC for consideration and for appropriate action.

Updated Status

Detailed and Promotional Exploration for coal by CMPDI

Rs. in crore

Type of Drilling	Provision2 in RE 1999-2000	Provisions in RE 2000-01
Detailed Drilling in CIL Blocks	53.85	52.07
Detailed Drilling in CIL Non-Blocks	Nil	MECL-14.83
Promotion Drilling	1.88	3.49
Total	55.73	70.39

(i) At the time of formulation of RE 2000-01, the Detailed Drilling in Non-CIL block was not approved. Subsequently, a fund of Rs. 7.55 crores has been approved for CMPDI for 2000-01. Hence, the fund of Rs. 52.07 crores is RE 2000-01 includes Rs. 7.55 crore for Detailed Drilling in Non-CIL blocks.

(ii) It is seen from the above that RE for 2000-01 for Detailed Drilling in CIL and Non-CIL block and Promotional Drilling by CMPDI is Rs. 70.39 crores as against Rs. 55.73 crores for RE 1999-2000. The increase in provisions are primarily due to additional Rs.14.83 crores provided for Detailed Drilling in Non-CIL blocks by MECL and additional Rs. 1.61 crores (Rs. 3.49 - Rs. 1.88 crores) for Promotional Drilling.

(iii) The programme and actual achievement for 1999-2000 & 2000-01, coal company-wise, in physical terms in CIL and Non-CIL blocks and for Promotion Exploration are given in Tables-1, IA, 1B and IC.

TABLE-l

Exploration Programme of Detailed Drilling
1999-2000

(In Meters)

Coal Companies	Meterage to Be Drilled in 1999-2000					Grand Total
	CMPDI	Other Agencies				
		MECL	State Govt	Pvt. Party	Total	
ECL	26,500				O	26,500
CCL	35,000				O	35,000
WCL	35,500	5,000			5,000	40,500
SECL	49,000	7,500	5,000		12,500	61,500
NCL	10,500				O	10,500
MCL	35,500		2,500		2,500	38,000
NEC				1,000	1,000	1,000
Total	192,000	12,500	7,500	1,000	21,000	213,000

TABLE-1A

Exploration Programme for Detailed and Promotional Drilling by CMPDI for 2000-01

Coal Company	Meterage to be Drilled in 200-01					Grant Total
	Blocks	CMPDIL	Other Agencies			
			MECL	State Govt.	Total	
	2	3	4	5	6	7

ECL	CIL	26,500				26,500
	Non-CIL		32,300		32,300	32,300
Sub Total		26,500	32,300		32,300	58,800
CCL	CIL	13,000				13,000
	Non-CIL	7,000	6,750		6,750	13,750
	Promotional	13,000				13,000
Sub Total		33,000	6,750		6,750	39,750

	2	3	4	5	6	7
WCL	CIL	32,800				32,800
	Non-CIL	2,700	6,500		6,500	9,200
Sub Total		35,500	6,500		6,500	42,000
SECL	CIL	41,800		5,000	5,000	46,800
	Non-CIL	10,200				10,200
Sub Total		52,000		5,000	5,000	57,000
NCL	CIL	10,500				10,500
	Non-CIL		5,200		5,200	5,200
Sub Total		10,500	5,200		5,200	15,700
MCL	CIL	24,400		3,500	3,500	27,900
	Non-ill	10,100				10,100
Sub Total		34,500		3,500	3,500	38,000
Grand Total	CIL	149,000		8,500	8,500	157,500
	Non-CIL		50,750		50,750	80,750

		30,000				
	Promotional	13,000				13,000
	Total	192,000	50,750	8,500	59,250	251,250

TABLE-IB

Actual Achievement of Detailed and Promotional Drilling by CMPDI during 2000-01

Coal Company	Blocks	Meterage to be Drilled in 200-O1 CMPDIL	Other Agencies MECL	State Goyt.	Pvl. Age.	Total	Grant Total
	2	3	4	5	6	7	8
ECL	CIL	27,002					27,002
	Non-CIL	-	34,000			34,000	34,000
Sub Total		27,002	34,000			34,000	61,002
CCL	ClL	14,457					14,457
	Non-ClL	4,809	6,662			6,662	11,471
	Promotional	13,771					13,771
Sub Total		33,037	6,662			6,662	39,699

1	2	3	4	5	6	7	8
WCL	CIL	33,522					33,522
	Non-CIL	1,831	7,045			7,045	8,876
	Promotional	222					222

Sub Total		35,575	7,045			7,045	42,620
SECL	CIL	41,751	710	5,187		5,897	47,648
	Non-CIL	11,420	4,185			4,185	15,605
Sub Total		53,171	4,895	5,187		10,082	63,253
NCL	CIL	11,856					11,856
	Non-CIL	-	5,967			5,967	5,967
Sub Total		11,857	5,967			5,967	17,823
MCL	CIL	24.790		3,518		3,518	28,308
	Non-CIL	10,763					10,763
Sub Total		35,553		3,518		3,518	39,071
NECF	CIL				43	43	43
Total	CIL	153,379	47,640	8,705	43		9,458 162,837
	Non-ClL	28,823	57859*			57,859	86,682
	Promotional	13,992					13,992
Grand Total	Total	196,194	58,569	8,705	43		67,317 263,511

'Includes 10, 219 m. drilled by MEC during 99-2000 in Non-ClL

blocks on their own in anticipation
to the approval of the scheme by the Govt. Not
reported during 99-2000.

Table-1C

Actual Achievement of Detailed Drilling by all agencies and Promotional Drilling by CMPDI during 1999-2000

Coal Company	Actual 1999-2000	2000-01		Variation
		Programme	Actual	(4)-(2)
ECL	27,179	58,800	61,000	33,823
CCL	34,157	39,750	39,699	5,542
WCL	40,850	42,000	42,620	1,770
SECL	62,385	57,000	63,235	868
NCL	10,850	15,700	17,823	6,973
MCL	39,386	38,000	39,071	-315
NEC	928	Nil	43	-885
Total	215,735	251,250	263,511	47,776

Note: 10,219 m. drilled by MECL in Non-CIL blocks during 1999-2000, in anticipation of the approval of the scheme by the Govt. has been included in the achievement of 2000-01, as the funds for the same are provided in 2000-01.

(iv) Table-1C reveals that during 2000-1, there was a programme of Detailed and Promotional Drilling of 2.51 lakh meters by CMPDI and its contractuals agencies and the actual achievement was 2.63 lakh meters as against 2.15 lakh meters drilled during 1999-2000. The increase is primarily due to provision of Detailed Drilling of 50,750 in. in Non-CIL blocks by MECL. CMPDI achieved 1.96 lakh meters of drilling against the target of 1.92 lakh meters during 2000-01, including 1.53 lakh meters in CIL blocks, 0.29 lakh meters in Non-CIL blocks and 0.14 lakh meters in Promotional blocks.

(v) While formulating the Annual Plan for 2000-01, 50,750 m. to be drilled by MECL was not included in the programme of 2000-01 as by that time the sanction for Detailed Drilling in Non-CIL blocks was not communicated. MECL, however, continued the drilling in anticipation to the approval by the Government.

(vi) The proposal of "Perspective Plan for Detailed Drilling Programme in NM-CIL Blocks During 1Xth Plan' has been approved for drilling of 2.67 lakh meters at an estimated cost of Rs. 73.18 crores. The approval of the Govt. was conveyed by MOC vide letter No. 1702216198-CRC dated 26.12.2000 and was received at CMPDI in Jan., 2001.

The phasing of funds and physical meterage for 2000-2001 was proposed as under:

Agency	Drilling (lakh meters)	Funds (Rs. crores)
CMPDI	0.30	7.55
MECL	0.50	14.83
Total	0.80	22.38

Since the approval of the Govt. for Detailed Drilling in Non-CIL blocks was received late (Jan., 2001), CMPDI and MECL continued with the drilling as per the above programme, in order to achieve the drilling target and utilise the fund, MECL had, however, started drilling in Non-CIL blocks Horn Jan., 2000, in anticipation to the approval of the Govt.

Dy. Controller of Accounts, MOC vide his letter No. 23011/2/2000/IF dated 15.1.2001 informed that the funds available during 2000-01 were only Rs. 10.0 crores as against proposed outlay of Rs. 22.38 crores.

At the end of 2000-1, the actual achievement of drilling in Non. CIL blocks has been as under: (In meters)

Agency	Target	Actual achievement		
	2000-01	1999-2000	2000-01	Total
CMPDI	30,000	2,960	28,823	31,783
MECL	50,700	10,219	47,640	57,859
Total	80,700	13,179	76,463	89,642

In view of the position, as explained above, no change in the drilling programme could be affected due to downward revision of the funds during 2000-01. Excess drilling conducted beyond the RE provision of Rs. 10.00 crore will be adjusted from the funds to be provided during 2001-02 and the expenditure will he kept within the total sanction/funds to be released by the Govt. during 2001-02.

(vii) The scheme for Detailed Drilling in Non-CIL blocks for the IX Plan has been approved as on one time grant. Thereafter i.e. from 2002-03 the resources of CMPDI will have to be deployed for Detailed Drilling in CIL blocks and for Promotional Drilling in CIL command areas and the budget provisions will have to be made accordingly.

[Ministry of Coal OM No. 20011/3/99-IF dated 12.4.2001]

Comments of the Committee

(Please See Paragraph 11 of Chapter of the Report)

Recommendation SI. No. 8 (Para No. 2.46)

The Committee have been apprised that a budget provision of Rs. 9.38 crore was made for detailed drilling of 37,5000 meter in Non- CIL Blocks for the 1998-99 has been scaled down to Rs. 4 crore, the targets for the year are stated to be achieved as the provision made for Rs. 5.38 crore during 1999-2000 will utilised for payments towards detailed drilling carried out in 1998-99. In so far as continuation of detailed drilling in Non-CIL blocks is concerned, the Committee are of the view that in the absence of any programme for detailed drilling in Non-CIL blocks, the private investment in coal mining may not be forthcoming since private entrepreneur will not be able to get sufficient data for carrying out mining activities. The Committee, therefore, recommend that the Government should create a fixed rotational fund for carrying out detailed exploration works in Non-CIL blocks for exploiting 5.11 billion tonnes of coal reserves in these blocks. The Committee desire that this fund should also be replenished subsequently after selling relevant data to private investor. The Committee would like to point out that though there may be some gap between the projected and actual demand for the coal during 9th plan, there should not be any slackness in exploration work so that when the demand picks up, the mining can be taken up immediately.

Reply of the Government

Detailed Drilling in Non-CIL Blocks

For Detailed Drilling of 37,5000 meter in the Non-CIL blocks during 98-99, Planning Commission had earlier agreed for a provision of Rs. 9.38 crores in BE 98-99. This provision has been reduced to Rs. 4.00 crore at the RE 98-99 stage and the balance fund of Rs. 5.38 crores has been provided in 99-2000 as one time grant. Planning Commission is of the view that Detailed Drilling in Non-CIL blocks is a commercial activity and should be supported by private entrepreneur, whenever the blocks are allotted to them.

A document titled “Prospect Plan for Exploration for IX Plan Non-CIL blocks under the command area of CIL” was prepared CMPDI in Dec' 97 and was submitted to MOC and Planning Commission. In the above document, detailed drilling of 3.63 lakh meters. In Non-CIL blocks was envisaged at an estimate cost Rs. 91.18 crores during four years of IX Plan i.e. 98-99 to 2001-02. detailed exploration is expected to establish 5.11 BT of Coal - for exploitation.

Secretary (Coal), in SFC meeting held at Delhi on 22.4.99, that the scheme for drilling in Non-CIL blocks for entire- IX plan should be referred to Planning Commission again for favourable consideration. Hon'ble Minister of State for Coal has - to Dy. Chairman, Planning Commission for review and consideration for the scheme Detailed Drilling in Non-CIL However, the request of Ministry of Coal has not yet been by Planning Commission. The matter is being further perused.

Updated Information

Detailed drilling in Non-CIL blocks

During 1998-99 Standing Finance Committee (SFC), chaired Secretary (Coal), approved fund of Rs. 9.38 crores for Detailed- of 37,500m in Non-CIL blocks. While the drilling of 37,661m was completed by CMPDI and MECL during 1998-99 itself, fund Rs. 4.00 crores was released in 1998-99 and Rs. 5.38 crores in 1998-2000.

The scheme for Detailed Drilling in Non-CIL blocks for the entire period of IXth Plan was referred to Planning Commission by Ministry of Coal for their favourable consideration. The proposal for Detailed Drilling in Non-CIL blocks was considered by Expenditure Finance Committee (EFC) on 30th Sept., 2000 for Detailed Drilling of 3.39 lakh meters at an estimated cost of Rs. 91.18 crores. EFC, however, cleared the proposal for Detailed Drilling of 2.67 lakh meters (including drilling of 37,661m conducted during 1998-99) at an estimated cost of Rs. 73.18 crores. The sanction of Rs. 73.18 crores has been communicated by the Govt. vide letter No. 17022/6/98-CRC dated 26.12.2000.

The phasing of physical meterage and funds, agency-wise, as proposed for the total sanction of Rs. 73.18 crores is given as under:

A. Physical Meterage

(In lakh meters)

Agency	98-99	90-00	2000-01	01-02	Total
CMPDI	0.192	Nil	0.300	0.860	1.352
MECL	0.184	Nil	0.507	0.630	1.321
Total	0.376	Nil	0.807	1.490	2.673

B. Funds

(Rs. in crore)

Agency	98-99	90-00	2000-01	01-02	Total
CMPDI	4.45	Nil	7.55	23.56	35.56
MECL	4.93	Nil	14.83	17.86	37.62
Total	9.38	Nil	22.38	41.42	73.18

However, due to delay in approval of the scheme only Rs. 10.00 crore were kept in RE 2001 and have been released. This reduction m RE 2000-01 will be provided in RE 2001-02 so that the total allocation of Rs. 73.18 crores for the 1Xth Plan could be utilized.

CMPDI and MECL have conducted Detailed Drilling of 1.27 lakh m. till 2000-01 as detailed below:

(In meters)

Agency	98-99	90-00	2000-01	Total
CMPDI	19,237	2,960	28,833	51,020
MECL	18,425	10,219	47,640	76,284
Total	37,662	13,179	76,463	127,304

It is proposed to complete the Detailed Exploration involving drilling of 2.67 lakh meters in 34 Non-CIL blocks by the End of IXth Plan i.e. 2001-02. After completion of the Detailed Drilling Geological Reports will be prepared. It is expected that about 3.5 billion tonnes of coal reserves will be brought to 'Proved' reserve category. This will facilitate preparation of Project Reports by Private Sector, without waiting for 2 to 3 years for Detailed Drilling in the blocks allotted to them. The exploration in Non-CIL blocks will also help perspective investors in selection of blocks and reduce time in (a) Detailed Exploration and preparation of Geological Report, (b) Planning mining projects, and (c) Development of project and starting coal mining operations.

[Ministry of Coal OM No. 20011/3/99-IF dated 12.4.2000]

Recommendation Sl. No. 12 (Para No. 2.60)

The Committee have been informed that the Ministry of have reduced freight by 10% on haulage of imported coal for up- country destination from ports. The Ministry of Coal have that although the matter was taken up with the Ministry of Railways with the request that this would not be in the long-term interest of the domestic coal industry and the nation, no action has been taken by Ministry of Railways. The Committee are surprised to note that different Ministries of the Government are working at cross purposes. Whereas coal is considered to be a infrastructure industry and should have been given due encouragement, the Ministry of Railways and Finance are making it unviable checking its growth due to their faulty and ill conceived encouragement to imported coal. The Committee desire that the Ministry of Coal should get these issues re-examined by the Ministry of Finance/Commerce and Ministry of Railways and place the outcome thereof before the Committee.

Reply of the Government

The Committee has expressed their surprise on the move of the Ministry of Railways to reduce freight by 10% on haulage of imported coal for up-country destination from ports. Ministry of Coal has requested Ministry of Railways to review and reconsider this but to no avail. As desired by the Committee, Ministry of Coal has again requested Ministry of Railways and the Planning Commission also to reconsider the issue. The outcome will be placed before the Committee on getting report from the concerned Ministries.

[Ministry of Coal OM No. 20011/3/99-IF dated 21.7.99]

Further Reply of the Government

As on 5.11.1999

The Committee has expressed their surprise on the move of the Ministry of Railways to reduce freight by 10% on haulage of imported coal for up-country destination from ports. Ministry of Coal has requested Ministry of Railways to review and reconsider this but to no avail. As desired by the Committee, Ministry of Coal has again requested Ministry of Railways and the Planning Commission also to reconsider the issue. Ministry of Railways has replied as follows:-

> "In 1998-99, Indian Railways could move only 157.59 MT of coal as against its original loading target of 218 million tonnes (later revised to 201.50 MT) due to less off-take by domestic industries. The transportation capacity of the railways remained idle for want of traffic.

While there was drop in demand for indigenous coal, the ports were flooded with imported coal which are moving to various industries by road. The roadways were moving this traffic to inland destinations at cheaper rate. In order to avoid haulage of empty wagons, Railways had to reduce its freight rate under certain circumstances to make it competitive with the road rates. Through this initiative, Railways could seize a portion of the imported coal traffic, where the landed cost of coal to the consumer was not grossly unfavourable. The quantity moved under concessional rate so far is approximately 6.3 lakh tonnes.

When the target of coal loading was not being achieved due to less offer and the coal traffic at ports were moving mostly by road, Railways had no alternative but to make an endeavour to capture this traffic through quotation of reduced rates temporally. This efforts of the Railways to salvage its finance should not be interpreted as encouragement being given by Ministry of Railways to the import of coal at the cost of indigenous coal industry. Ministry of Railways are however reviewing the continuance of freight concession on imported coal traffic.

Incidentally, Ministry of Railways have decided to allow volume discount on incremental quantity of domestic coal offered for rail transportation. Instruction to this effect will issue shortly".

Reply of the Government

Railways had given 10% rebate on freight for imported coal w.e.f. December' 98 under certain conditions being fulfilled for coal transportation from port to inward destinations. Railways have withdrawn this concessional freight applicable to imported coal 01.04.2000, and now the freight rates are, uniform.

[Ministry of Coal OM No. 20011/3/99-IF Vol. V dated 12.4.2001]

Recommendation Sl. No. 17 (Para No. 2.88)

The Committee observe that a total of 12,530 cases of project affected people in subsidiaries of Coal India Limited pending and out of which 6162 cases are pending only in Coalfields Limited. Taking note of the fact that in the absence of guidelines on settlement of rehabilitation claims, disputes have been handled on proper lines. The Committee, therefore, that some guidelines should be framed to deal with the claims of land oustees in a time bound manner. The Committee also note dismay, the inordinate delay in formulating a National Rehabilitation policy and desire that Government should finalise it without further delay. The Committee recommend that R&R cadre created each coal company a year back to identify Projected Affected (PAP) should submit the report to the Board of Directors, every to enable them to take stock of pending resettlement claims. The Committee have been apprised that steps will be taken to improve R&R package of coal companies as per NTPC package Ramagundam land oustees, enabling payment in cash, in lieu of employment. The Committee would like to await the outcome of next Board meeting of CIL for considering issues regarding compensation package to PAP of coal companies on the lines of NTPC package for Ramagundam and Simhadri land oustees.

Reply of the Government

As reported by Coal India Limited, a Committee consisting of Director (P&IR), CIL, CNM, SECL, CMD, MCL and Director(P), BCCL Has formulated guidelines to deal with the claims of land oustees. The recommendations of the Committee were deliberated at length in the meeting of the CIL Board of Directors held on 25th May'99. The Board gave certain suggestions for modification of the scheme and desired that the same should again be discussed in the CMDs meet and the final recommendations be put up to the Board in the next meeting. The recommendations of the Committee will be discussed in the next CMDs meet and the final recommendations will be placed for approval of the Board of Directors.

As regards settlement of compensation claims of land oustees in Neyveli Lignite Corporation is concerned, N.L.C. is dealing with such cases in a time bound manner. Out of 7388 claims received from land oustees, 5592 cases have already been settled. The remaining 1796 claims are expected to be cleared by 31.12.1999. With regard to recommendation of the Committee on R&R cadre for identification of Project Affected People, recommendation of the Committee will be placed before Board of Directors of NLC for appropriate action.

As regards Singareni Collieries Company Limited is concerned, at present they do not have any PAPs. So far, SCCL have been giving compensation in the form of cash as well as employment to land oustees to the extent practicable. However, in view of surplus manpower, SCCL would like to limit the compensation payable to land oustees to cash component only.

As regards finalisation of National Policy on Resettlement and Rehabilitation of persons or families adversely affected or displaced on account of compulsory acquisition of land formulated by Ministry of Rural Development, Department of Land Resources, the matter is under consideration of a Group of Ministers at present.

[Ministry of Coal OM No. 20011/3/99-IF dated 21.7.2001]

Reply of the Government

The CIL Board in its 183rd meeting held on 16th July, 1999 while modifying the package "A' of existing R&R policy of CIL has approved grant of monetary compensation in lieu of employment as under:

1. The subsidiary companies shall offer monetary/one time cash compensation/financial package as announced by the concerned State Government.

2. In case there is no policy of the State Government compensation/financial package in lieu of employment against land, the monetary/compensation shall be paid on the following basis:

(i) Rs. 1,00,000/- (one lakh) for first acre of land on pro-rata basis subject to a minimum Rs. 25,000/-

(ii) Rs. 75,000/- or pro-rata basis for 2nd and 3rd acre of land

(iii) Rs. 50,000/- on pro-rata basis for land beyond 3 acres.

[Ministry of Coal OM No. 20011/3/99-1-IF Vol V dated 12.4.2001]

Recommendation Sl. No. 19 (Para No. 2.101)

The Committee observe that against an outlay of Rs. 79 crore EMSC scheme during the IX Plan the first three years is only Rs. 15.85 crore. The Budget 1998-99 have been scaled down from 1Zs. 20 crore to Rs. 10 the revised stage. The Committee dismayed to note that 9 the cost of Rs. 29.39 crore were sanctioned in February/March, and the funds allocation were made in BE of 1998-99, considering the time taken for tendering process and equipment resulting in down-sizing the Budget Estimate by crore. The Committee feel that such an exercise be done desire the Government to take necessary steps to make the BE realistic in future.

Reply of the Government

The outlay for EMSC Schemes during IX Plan is Rs. 79 crore.

As per the Mid Term Review, it is seen that the disbursement during the IX Five Year Plan from MoC Rs.76.52 crores. This includes the disbursement already done 97-98, 98-99 and BE provision of 99-2000. Thereafter, the projections have been made for the fund disbursement of Rs.20.53 crores 2000-01 and of Rs. 15.14 crores in 2001-02.

The break up of the total disbursement of Rs. 76.52 crores under the various heads of subsidence, Environment Measures and Subsidence Control is as given below:

(Rs. in lakh)

Head	97-98	98-99	99-00	00-01	01-02	Total
(a) Subsidence Control	271	447	364	336	215	1633
(b) Environment	370	546	621	702	284	2523
(c) Social Mitigation	-	200	1000	1000	1000	3200
(d) Monitoring	-	10	15	15	15	55
Total	641	1203	2000	2053	1514	7411

Closing Balance as on 1.4.99 241

Total	7852

Nine Schemes at the cost of Rs. 2339 crores were put up for approval in the year 1997-98.

In anticipation of the sanction of these 9 schemes, provision was made for these schemes in the year 1998-99. The above 9 schemes were sanctioned by the Govt. in Feb./March'98. Considering their sanction towards the end of 97-98 and considering the long period of tender processing and supply, it was concluded that the expenditure against these schemes in the year 1998-99 would not be the extent of the provision made in BE 98-99.

Rs. 10 crores were lying unutilised with CIL for the years 1992-93 and 93-94 because the institutional arrangement with the State Govt. could not be framed out for implementation of such schemes. The availability of funds was also taken into consideration.

Taking the above two points into consideration, the BE provision of Rs. 20 crore was revised to Rs. 10 crores at the stage of RE 98-99.

Following measures have been adopted to make the Budget Estimate more realistic:

* Scheme-wise Break-up for the Budget Estimate showing the sanctioned cost, duration, disbursement during 97-98, 98-99 and the projections for the BE 99-00 and the year 00-01 & 01-02 for all the schemes concerning (a) Subsidence Control; (b) Environmental Measures; and (c) Social Mitigation Schemes have been prepared.

* The above statement has been prepared after obtaining the (a) Actual expenditure till March, 1999 and (b) Provisions in BE 99-00 from the implementing agencies namely ECL, BCCL and CCL. In order to make the estimates realistic, the budget estimates are duly approved by Director (Tech.) (P&P) of ECL, BCCL and CCL;

Master Plan for ECL & BCCL

Based on the report of the High Level Committee an over all Master Plan needs to prepared for dealing with subsidence and fire problems of Jharia and Raniganj coalfield. The Master Plan will be put up to the National Steering Committee for considering. From this Master Plan projects will be picked up for implementation on priority basis.

[Ministry of Coal, O.M. No. 20011/3/99-IF/Vol. V dated 21.4.2001]

Further Reply of the Government

(a) As per progress up to 1999-2000, BE 2000-01 and provisions for 2001-02, the anticipated disbursement during 9th Five Year Plan is expected to be Rs. 50 crores. The break up of the total anticipated disbursement of Rs. 50 crores under the various sub-heads of the Head "Environmental Measures and Subsidence Control" is given below

Head	Actual Disbursement			BE	Projections	Total
	97-98	98-99	99-00	00-01	01-02	
(a) Subsidence Control	2.71	4.46	1.47	2.72	2.80	14.16
(b) Environment	3.70	5.46	3.10	5.15	4.12	21.53
(c) Social Mitigation	-	2.00	-	5.50	6.50	14.00
(d) Monitoring	-	0.07	0.04	0.15	0.10	0.36
Total	6.41	11.99	4.61	13.52	13.52	50.05

(b) There is no change in the Status in subsequent next 4 paras.

(c) Measures taken to make Budget more realistic:

The updated scheme-wise status with breakup for the Budget Estimate showing the sanctioned cost, disbursement during 97-98, 98-99, 99-00 and for B.E. 2000-01 and projections for the year 2001-02 for all the schemes covering (a) Subsidence Control, (b) Environmental Measures, and (c) Social Mitigation schemes has been prepared to assess funds for each scheme.

The above scheme-wise breakup has been prepared in association with ECL, BCCL and CCL, the implementing agencies.

[Ministry of Coal, O.M. No. 20011/3/99-IF/Vol. V dated 21.4.2001]

Environmental Measures and Subsidence Control (EMSC) Schemes (As on 1.3.2001)

(a) Subsidence Control (Rs. in Crores)

Sl. No.	Title of the Scheme	Date of sanction	Duration & schedule date of completion	Implementing Agency	Approved Cost	Disbursement 97.98	Disbursement 98-99	Disbursement 99.00	B.E. 00-01	Projections 01-02 BE 01-02
1	2	3	4	5	6	7	8	9	10	11
	5tabmsation of inaccessible water logged voids beneath Fatehpur village	3/97	4 Years 31.3.2000(0) 31.3.2001(R)	ECL.	5.00	0.15	-	0.30	0.50	0.30
2.	Stabilization of inaccessible water logged voids beneath Borachak village	3/97	3 years 30.11.98 (0) 31.3.200I(R)	ECL.	4.69	0.15	-	0.25	0.30	Nil
3.	Generation of data and identification of subsidence prone areas in ECL	6/97	3 months 9/97	RI.I/ECL.	0.26	0.1333	-	complete	-	-
4.	Technological Measures for control of Subsidence where feasible in the leasehold of ECL	6/97	9 months 31.3.98	RI.!/ECL.	0.47	0.20	0.0144	complete	-	-
5.	Generation of data and identification of subsidence prone areas in BCCL	6/97	6 months 31.12.97	RI-Il/BCCL.	0.26	0.161	0.1118	complete	-	-

...
...

1.	2	3	4	5	6	7	8	9	1O	11
	Technological Measures for Control of Subsidence where feasible in the leasehold of BCCL	6/97	9 months 31.3.98	RI-II/BCCL	0.48	0.1	0.1	0.0176	-	
7.	Scheme for stabilization .below Kusunda yard at Khas Kusunda Colliery'	10/97	12 months 31-11.98(0) 3O.6.00(R)	BCCL	O.5O	0.1824	0.20	-	0.12	
8.	Scheme for stabilization of Kari Jore at Kusunda. Industry boundary	10/97	6 months 31.5.98 (0) 30.6.99 (R)	BCCL	0.05	0.0543	-	-	-	
9.	Scheme for stabilization of Cbatkali Jore at joyrampur Colliery '	10/97	18 months 31.5.99 (0) 31.12.00 (R)	BCCL	0.47	0.158	0.20	-	-	-
1O.	Scheme for stabilization below Jharia Water Board Tank at East Bhuggatdib Colliery	12/97	2&1/2 Yrs. 31.5.00	BCCL	0.89	0.4193	0336	-	-	-
11.	Stabilization of inaccessible water logged voids beneath Palasban Area (Phase-I)	2/98	3&1/2 Yrs. 30.09.01	ECL	1.88	0.20	055	0.10	0.30	0.60
12.	Stabilization of inaccessible water 1ogged voids beneath Gowala basil (Phase-I)	2/98	3 & 1/2 Yrs. 30.09.01	ECL	1.88	0.20	055	0.10	0.30	0.50

1	2	3	4	5	6	7	8	9	10	11
13.	5tabilisation of inaccessible water logged voids beneath Porarbandh Area (Phase. I)	2/98	3 & 1/2 Yrs. 30.09.01	ECL	1.88	0.20	0.55	0.10	0.30	050
14.	5tabliisation inaccessible water logged voids beneath Pottary Area (Phase-I)	2/98	3&1/2 Yrs. 30.09.01	ECL	1.88	0.20	0..55	0.10	0.30	050
15.	Stabilization of inaccessible water logged voids beneath Bhutdoba Basti (Phase-I)	2/98	3&1/2 Yrs. 30.09.01	ECL	1.88	0.20	0.55	0.10	0.30	0.40
16.	5tabliisahon below Haripur Village (Phase -I)	12/96	3 Years 30.11.99	ECL	1.88		0.75	0.40	0.30	0.00
	Total for Subsidence Control				23.83	2.7083	4.4622	1.4676	2.72	2.80
(b) **Environmental Measures**										
1.	Restoration of abandoned Coal mines in ECL	3/97	5 years 31.3.02	ECL	8.70	0.20	-	2.00	2.40	1.00
2.	Reclamation of mined out areas in CCL	3/97	5 Years 31.3.02	CCL	3.92	9.3209	0.98	-	0.50	0.50
3.	Determination of carrying capacity of Wild Life Habitat with or without mining operations at SCCL	8/97	15 months 30.4.99	SCCL	0.08	0.03	0.0496			

1	2	3	4	5	6	7	8	9	10	11
4.	Investigation of Respirable Particulates and Trace Elements with source identification in Air Environment of Korba	11/97	2&1/2 Years 30.5.2000	TERI	O.36	0.15	0.2072	-		
5.	Scheme for dealing with Fire & Subsidence (South Lodna Fire) at Lodna Coll.	3/98	3 Years 31.3.2001	BCCL	3.34	1.212	0.70	0.50	0.63	0.30
6.	Scheme for dealing with fire and subsidence at Rajapur/South Jharia Colliery	3/98	6 Yrs. 31.3.04	BCCL	4.72	0.6768	1.77	0.30	0.32	0.80
7.	Scheme for dealing with fire and subsidence at Alkusa Colliery	3/98	2 Yrs. 9 months 31.12.00	BCCL	3.68	0.311	1.65	0.30	1.00	1.13
8.	Scheme for dealing with fire and subsidence at Industry Colliery	3/98	6yrs. 31.3.04	BCCL	2.53	O.8002	0.10	-	0.30	0.30
9.	Scheme for reclamation of degraded land in BCCL for the year 2000	2/2000	1 Year 28.02.2001	BCCL	0.39	-	-		-	0.09
	Total for Environmental Measures				27.72	3.7009	5.4568	3.10	5.15	4.12

1.	2.	3.	4	5	6	7	8	9	10	11
(C) Social Mitigation Schemes (Recommended by **HLC)**										
1.	5hifting of people from most endangered areas of BCCL	5/98	2 Yrs. 31.5.00	BCCL	33.88		1.00		5.00	6.00
2.	Rehabilitation of 4 unstable locations in ECL	5/98	3 Years 31.5.01	ECL	32.52	-	1.00		0.5	0.50
	Total For Social Mitigation				66.40	-	2.00	-	5.50	6.50
(d)	Monitoring									
	Co-ordination of EMSC schemes		Continuous	CMPDl	-		0.074	0.0395	0.15	0.10
	Grand Total (A+B+C+D)				117.95	6.4092	11.9930	4.6071	13.52	13.52

Annual Plan 2001-2002 for

Environmental Measures and Subsidence Control (EMSC) **Schemes RE 2000-01 & BE 2001-2002**

(Rs. in crores)

(A) Subsidence **Control**

Sl No.	CMPDI Code	Title of the Scheme	Duration & Schedule date of completion	Approved Disbursement Cost	Total expenditure upto 1.8.00	Proposed BE. 00-01	Reasons for higher or lower demand in R.E 00-01.	Reasons for higher or lower demand in RE 1999-00

					Till 1999-00	In 00-01	Total		B.E.	R.E. 00-01	BE 01-02	Variations of 10% to be explained Remarks	and B.E 2000-01 variation of 10% to be explained.
1	2	3	4	5	6	7	B	9	10	11	12	13	14
1.	EMSC-0l	Stabilization of inaccessible water logged voids beneath Fatehpur Village	4 Years 31.3.2000 (0) 31.3.2001 (R)	5.00	1.87	0.50	2.37	2.00	0.50	0.50	0.30		
2.	EMSC-02	5tabilisation of inaccessible water logged voids beneath Bonachak Village	3 Years 30.11.98 (0) 31.3.2001 (R)	4.69	2.01	0.30	2.31	2.04	0.30	0.30	Nil		
3.	EMSC-10	Scheme for 5tabilisation below Kusunda yard at Khas Kusunda Colliery	12 months 30.11.98(0) 3O.06.00(R)	0.50	0.38	Nil	0.38	0.33	0.12	0.12	-		
4.	EMSC-11	Scheme for Stabilization of	6 months 31.5.98(0)	0.05	0.05	Nil	0.05	0.044	Nil	-	-	Completed in 99-00.	

		Kari Jore at Kusunda-Industry oundary	3O.6.99(R)									
5.	EMSC.12	Scheme for stabilization of Chatkarii Jore at Joyrampur Colliery	18 months 31.5.99(0) 31.12.00(R)	0.47	0.36	Nil	0.36	0.16	Nil	0.11	-	Provision has been made as completion is expected in 00 -01.
6.	EMSC-14	Scheme for stabilization below Jharia Water Board Tank at East Bhuggatdih Coll.	2&1/2 Yrs. 31.5.00	0.89	0.76	Nil	0.76	0.82	Nil	0.06	-	Balance amount to be paid for the scheme completed in Nov. 99 as per completion Report

1.	2	3	4	5	6	7	8	9	10	11	12	13	14
7.	EMSC-15	Stabilisation of inaccessible water logged voids beneath Palasban Area (Phase-I)	3 &1/2 Yrs. 30.09.01	1.88	0.85	Nil	0.85	0.43	0.30	0.00	0.60l	Delay in procurement of P&M and its installation and subsequent delay in start of stowing	
8.	EMSC-16	Stabilisation of Inaccessible water Logged voids beneath Gowala Basti (Phase-I)	3&1/2 Yrs. 30.09.01	1.88	0.85	Nil	0.85	0.47	0.30	0.00	0.50		
9.	EMSC-17	Stabilization of Inaccessible Water logged Voids beneath Porarbandh Area (Ph-I)	3&12 Yrs. 31.09.01	1.88	0.85	Nil	0.85	0.46	0.30l	0.00	0.50		
10.	EMSC.18	Stabilization of Inaccessible Water logged Voids beneath Pottary Area (Ph-I)	3&12 Yrs. 31.09.01	1.88	0.85	Nil	0.85	0.45	0.30	0.00	0.50		

1	2	3	4	5	6	7	8	9	10	11	12	13	14
11.	EMSC-19	Stabilization of Inaccessible water logged voids beneath Bhutdoba Basti (Phase-I)	3 & 1/2 Yrs. 30.09.01	1.88	0.85	Nil	0.85	0.44	0.30	0.00	0.40		
12.	EMSC-26	Stabilization below Haripur Village (Ph-I)	3 Yrs. 30.11.99	1.88	1.15	0.30	1.45	1.15	0.30	0.30	0.00		
Total For Subsidence Control			22.88	10.83	1.10	11.93	8.794	2.72	1.39	2.80			

(B) Environmental Measures

1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	EMSC - 03	Restoration of abandoned coal mines in ECL	5 Yrs. 31.3.02	8.70	3.60	Nil	3.60	2.96	2.40	150	1.00	Though 90% of area is covered, due to non-availability of fire areas for restoration, likely expenditure is expected to be less than projected.	

1	2	3	4	5	6	7	8	9	10	11	12	13	14
2.	EMSC -04	Reclamation of mined out areas in ECL	5 Yrs. 31.3.02	3.92	1.87	Nil	1.87	1.62	0.50	0.54	0.50		
3.	EMSC-20	Scheme for dealing with fire & subsidence (South Lodna Fire) at Lodna Coll.	3 Yrs. 31.3.01	3.34	2.41	Nil	2.41	2.05	0.63	0.63	0.30		
4.	EMSC-21	Scheme for dealing with fire and subsidence at Rajapur /South Jharia Colliery	6 Yrs. 31.3.04	4.72	2.75	Nil	2.75	2.12	0.32	0.32	0.90		VI VJ
5.	EMSC -22	Scheme for dealing with fire and subsidence at Alkusa Colliery	2 Yrs. 9 months 31.12.00	3.68	2.26	Nil	2.26	2.15	1.00	0.60	0.82	Slow progress of activities. The scheme is likely to be completed in 2001-2002	
6.	EMSC-23	Scheme for dealing with fire and subsidence at Industry Colliery	6 Yrs. 31.3.04	2.53	0.90	Nil	0.90	0.79	0.30	0.30	0.70		

1	2	3	4	5	6	7	8	9	10	11	12	13	14
7.	EMSC –27	Scheme for Water logged voids Beneath Bati (Phase-I)	1 Yr. 28.02.01	39.37	Nil	0.30	0.30	Nil	Nil	0.30	0.10	Scheme sanctioned in Feb. 2000 after submission of B.E. 2000-01	
Total for Environmental measures			66.26	13.79	0.30	14.09	11.69	5.15	4.19	4.32			
(C) Mitigation Schemes		**Recommended**	**By HLC)**										
1.	EMC-24	Shifting of people from most endangered areas of BCCL	2 Yrs. 31.5.00	33.88	1.00	Nil	1.00	1.00	5.00	6.00*	**	Implementation held up due to non-acceptance of resettlement terms by habitat. Provisions to be made after this is resolved and permission to release funds is given by MOC.	

1	2	3	4	5	6	7	8	9	10	11	12	13	14
2.	EMSC-25	Rehabilitation of 4 unstable locations in ECL	3 Yrs. 31.5.01		32.52	1.00	Nil	1.00	Nil0.5	0.50	**	Implemen- tation held-up due to non-accep- tance of resettlement terms by habitat. Provision to be made after this is resolved and permission to release funds is given by MOC.	Problem expected to be resol- ved
Total for social mitigation			66.40		2.00	Nil	2.00	1.00	5.50	6.50			
(D) Monitoring													
1.	Co-ordination of EMSC Schemes	Continuous	-		0.1018	0.0482	0.15	0.15	0.15	0.12	0.10		

Grand Total (A+B+C+D)	15554	26.7218	1.4482	28.17	21.634	13.52	12.20	7.22

CHAPTER III

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

Recommendation S1. No.2 (Para No. 2.23)

The Committee find a wide gap between the projection of coal demand assessed by Planning Commission, Ministry of Coal and Coal India Limited. Whereas Coal India has projected the demand of 340.80 m.t. The Planning Commission forecasted at 412.20 mt by 2001. The Planning Commission has observed a demand supply gap of 103.5 mt by the end of 11 th Plan. The Planning Commission has observed that for increasing the domestic production and reducing dependency on imported coal an investment of Rs. 20,000 crore is required for the 9th Plan. The Committee also observed that ministry of Coal have disputed the demand and supply projections made by the Planning Commission. The contention of the Government that offering non-CIL blocks for mining to private investment will help in achieving gaps between the production and demand targets of coal during IX and X is contrary to the present coal production and off-take position from coal mines of CIL subsidiaries. The Committee expect that Ministry of Coal will work more closely with Planning Commission and firm projections of the demand would be made more realistically and suitable strategy would be evolved for adoption by the Government to meet the growing demand domestically.

Reply of the Government

The differences between the assessment made by the Ministry of Coal and the Planning Commission regarding coal demand for the terminal year of IXth Plan have not been resolved, despite efforts on both sides. Ministry of Coal is thus approaching Committee of Secretaries with the full facts of the case, for a considered view on the subject.

[Ministry of Coal, OM No. 20011/3/99-IF, dated 21.7.99]

Further Reply of the Government

A Committee was constituted by the Mac in August 2000 to make a realistic assessment of the demand and supply of coal in the IX, X and XI Plans. After detailed deliberations, the Committee firmed up its recommendations in its Report in September 2000 on the demand and supply estimates of coal for different Plan periods mentioned as below.

IX Plan Demand as estimated during Mid-Term Review and was accepted by the Committee is given below:

Demand	370.80 MT
Supply	328.86 MT
Gap	41.94 MT

Planning Commission has firmed up Demand-Supply Projection for the year 2001-02 i.e. terminal year of IX Plan at the time of finalisation of Annual Plan 2001-02 document, which is. given below:

Demand of Raw Coal	
Availability /Domestic Supply	354.29 MT
CIL	279.00 MT
SCCL	32.38 MT
Others / Captive Mines	11.35 MT
Drawdown of Stock (CIL)	1.50 MT
Total Availability	324.23 MT

Therefore Total Gap = 354.29 - 324.23 = 30.06 MT.

This Total Gap of 30.06 MT will be met from following sources of coal supply:

>	Meghalaya	3.83 MT
>	Import-Coking	11.75 MT
	Non-Coking	14.48 MT
	Total Availability	354.29 MT

X Plan (2002-07)

The demand of coal in the terminal year of Xth Plan i.e. 2006-07 as indicated by the Planning Commission in the IXth Plan document was 544.60 million tonnes. This was very rough estimate. In view of changing scenario and delay in coming-up of a large number of New Power Houses/CPP's demand may be much less. However, Planning Commission has constituted a Working Group on Coal & Lignite for formulation of the Tenth Five Year Plan (2002-07). Firmed up demand and overall supply scenario will be available after receiving final report of the above Committee. The expected domestic coal availability from various sources is given below:-

CIL	350.00 MT
SCCL	36.64 MT
TISCO/IISCO/DVC	7.60 MT
Captive Mining	6.00 MT
Total	400.24 MT

Thus, the gap may be 144.36 MT as per above estimation.

XI Plan (2007-12)

The demand of coal in the terminal year of XI Plan i.e. 2007-12 as indicated by the Planning Commission in its 1Xth Plan document was 775.32 MT. Detailed assessment has not been made so far. In view of changing scenario demand may be much less. The estimated domestic supply/availability scenario as projected by the above committee is given below:

CIL	445.00 MT
SCCL	35.00 MT
TISCO/IISCO/DVC	10.00 MT
Captive Mining	25.00 MT
Total	515.00 MT

Thus, the gap may be 260.32 MT as per above estimation.

For increasing domestic coal production, CIL has identified 113 blocks/sub-blocks for captive mining purpose. Out of these, 26 blocks has already been allotted to various companies of Power, Steel and Cement Sector. More blocks are in the process of identification. Moreover suitable legislative amendment is being considered for allowing captive block owners to sell coal. For this purpose a Committee has been formed to examine and bring about amendments of Coal Mines Nationalization Act for allowing private sector to take up commercial production of coal. To facilitate more private sector participation in coal mining, coal prices have also been deregulated. The effort is to create a competitive environment for the coal industry to grow and flourish.

[Ministry of Coal O.M. No. 20011/3/99-IF/Vol. V, dated 12.4.2001]

Recommendation Sl. No. 9 (Para No. 2.47)

The Committee agree with the views of the Government relating to the constraints of difficult mining and geological condition in North Eastern States. However, they desire that the Government should take necessary steps to carry out detailed drilling in North-Eastern States where mining is generally carried out in an unorganised way by private entrepreneurs to generated a data-base which may encourage private entrepreneurs to invest money.

Reply of the Government

The actual drilling conducted in NEC command area during the last 4 years along with the programme for 1999-2000 is as given below:-

1995-96	887 m
1996-97	1095 m
1997-98	918 m
1998-99	559 m
1999-2000	1000 m

North Eastern Council had funded detailed drilling in the Namchik- Namphuk coalfield of Arunachal Pradesh during the period September 1981 to December 1983 and the detailed drilling was conducted by MECL. CIL funded the detailed drilling in Namchik-Namphuk Coalfield during 1983-1987.

Detailed drilling funded by CIL is being conducted in Makum coalfield, which will be completed in 1999-2000. There is no further requirement of detailed drilling in the Makum coalfield, since substantial reserves have already been proved. Moreover, mines in NEC area of CIL are incurring huge losses and coal production of *0.60* mty has been planned in the BE 99-2000 due to reduced off take of 0.67 mty in 1999-2000.

[Ministry of Coal OM No. 20011/3/99-IF, dated 21.7.99]

Further Reply of the Government

The actual drilling conducted in NEC command area during the last 4 years along with the programme for 1999-2000 is as given below:

1995-96	887 m
1996-97	1095 m
1997-98	918 m
1998-99	559 m
1999-2000	1000 m

Detailed drilling has been completed in most of the potential blocks in Makum Coalfield (Assam), Namchik-Namphuk Coalfield (Arunachal Pradesh) and Dilli-Jeypore Coalfield (Assam). Detailed Drilling has also been completed in the West Darangiri (Simsang Project in Meghalaya). The rest of the coalfields in Assam, Arunachal Pradesh, Nagaland and Meghalaya contain only thin and im-persistent coal seams and do not have much potentiality for opening large mine.

[Ministry of Coal O.M. No. 20011/3/99-IF/Vol. V, dated 12.4.2001]

Recommendation Sl. No. 10 (Para No. 2.56)

About the coal linkages to bulk consumers, Committee have been informed that Power Houses are given from the source of coal depending on quantity required, the logistic of movement by rail or by road and the production capacity of coal mines. The committee pointed out the incident of the supply of more wagons in respect of Bengal EMTA neglecting Standing Linkage Committee (SLC) decision to ensure strict adherence of linkage established resulting in revenue loss of about Rs. 50 crores to ECL during 1998-99. In this regard, the Committee have been informed that the matter was taken up with the Ministry of Railways and Standing Linkage Committee have been directed by Ministry of Coal to regulate the linkage from Bengal EMTA to the linked power stations. The Committee are of the opinion that no timely action is being taken by the Government to implement the linkages established and desire that the incident of favouring one coal company over the other by Ministry of Railways may be examined and the facts be brought to the notice of the Committee within 3 months. The Committee also desires that all linkages established with bulk consumers be strictly followed to avoid recurrences of such incidents in future.

Reply of the Government

Given on 16.7.1999

The Committee's observations regarding movement of coal from Bengal EMTA Mines to the linked power houses in much more quantity than the linkage given by the Standing Linkage Committee because of the incident of the supply of more wagons by Railways in respect of Bengal EMTA mines at the cost of the revenue of ECL. The observation of the Committee has been referred to Ministry of Railways for their comments.

As regards the Committee's observations of not taking timely action by the Government to implement the linkages established, *it* to be submitted that the Standing Linkage Committee reduced the linkage of Bengal EMTA in the next quarter while reviewing the supply made by them to the extent of supply made in excess of the linkage granted to them in the previous quarter. The Government took prompt action to ensure that no undue advantage is taken by any company in supply of coal. However the observation of the Committee to strictly follow the linkages established with consumers is noted.

[Ministry of Coal OM No. 20011/3/99-IF dated 21.7.99]

Further Reply of the Government

With reference to the Committee’s observations regarding movement of coal from Bengal EMTA Mines to the linked power houses in much more quantity than the linkage given by the Standing Linkage

Committee, the Ministry of Railways have clarified their stand as follows: -

> "Power house linkage is a mechanism through which planning for supply and transportation of coal to various power houses is done in advance, keeping in view the requirements of the power house and expected production of coal in various fields. Linkage issued by the Standing Linkage Committee is recommendatory in nature. Actual materailisation of the linkage depends on various factors such as-availability of coal, acceptability of available coal by individual power houses, availability of financial coverage, need for optimizing transport capacity etc. Thus certain deviations from linkage do take place in every quarter in every field, involving every coal company. Today, two different coal companies under the same ministry respond in two different ways, towards an SEB failing to pay up their dues. The one, which continues to supply coal is not considered to be showing any favour, although its action nullifies the punitive measures taken by the other.
>
> Thus within the broad parameters of linkage, every company as well Railways are entitled to reposition themselves to a certain extent to suit their own financial, marketing and operational needs.
>
> The question of favouring Bengal EMTA over Eastern Coalfields Ltd. (ECL), therefore, does not arise. Bengal EMTA is a captive mining company in the joint sector with participation of West Bengal Government. The company, unlike ECL, is permitted to supply coal only to those power houses which are under West Bengal Government. Time and again officials of the West Bengal power Development Corporation, West Government and the State Minister of Power have requested railways to maximize evacuation from Bengal EMTA Colliery, their captive sources. It, perhaps, reduces their cost of producing power. The rate of loading of rakes by M/s. Bengal EMTA being fast, this has also suited Railways objective of optimising utilisation of Bob 'R' wagons the number of which is limited.

This should not be constructed as showing any favour to Bengal EMTA Company. Such action is taken in all fields to optimise utilization of resources, and to maximize despatch of coal to core sector consumers".

With reference to the above observation of Railways, the views of Ministry of Coal are as follows:-

(i) It cannot be taken that the linkage issued by the Standing Linkage Committee is recommendatory in nature. Linkages are finalised in consultation with the producers, transporters and customers. Hence it is incumbent on all concerned to firmly abide by the linkages any departure from linkage requires prior Government approval.

(ii) With reference to the statement made by Railway that two different companies adopt two different ways in the matter of payment to coal bills, it is to be mentioned that this matter is extraneous to the present issue of violation of Standing Linkage Committee decisions, resulting in revenue loss of the ECL.

Further Reply of the Government

The matter was referred to the Ministry of Railways again, and their reply states that certain deviations from linkages are inescapable, inter-alia, due to (i) refusal or inability of power house to accept coal (ii) drop or increase in power generation leading to deviations in linkages (iii) imports by consumers (iv) non-payment of dues by consumers (v) unforeseen situations like breakdown of unloading arrangements, natural calamities, industrial relation problems etc.

The Ministry of Coal has considered the issue again, and feels that certain deviations from linkages cannot be avoided due to various contingencies and constraints at the end of coal companies, coal consumers as well as transporters like Railways.

[Ministry of Coal OM No. 20011/3/99-IF/Vol. V, dated 12.4.2001]

Recommendation Sl. No. 11 (Para No. 2.59)

The Committee observe that with the substantial increase in coal production in Korba (SECL), ib Valley Rajmahal coalfields (ECL) and Talcher (MCL), the Ministry of Coal have identified railway lines at Belpahar Chaturdhara in MCL. Tori-shivepur in CCL, Gevra road- Pendra road in SECL and NTPC, MGR in Rajmahal, ECL to be created during Ninth Plan. The Committee expect the Government to take necessary steps to expedite the setting up of the railways lines and provide funds to establish these lines to effect the evacuation of from these un-exploited coal reserves.

Reply of the Government

The following important rail links were agreed to be created by the Ministry of Railways and Ministry of Coal during the Ninth Plan period :

(i) Rail links to be funded and executed by the Ministry of Railways
  - (a) Gevra Road and Pendra Road line.
  - (b) Sahibganj Loop from NTPC MRC to Pirpainty station in Rajmahal coalfield.

(ii) Rail lines to be funded by Ministry of Coal under CCDA funds
  - (a) Belpahar-Chaturdhara in Ib Valley coalfield.
  - (b) Tori-Shivpur in North Karanpura coalfield.

(iii) Rail siding for Raigarh Coalfield to be funded by the Coal Company

For the Gevra Road-Pendra Road line and in Korba coalfield, the railways have already initiated action for doubling all the lines etc. The likely cost of the work is Rs. 102.50 crores. For the new look in Rajmahal coalfield, the survey work is yet to be taken up by Railways.

For the Railways lines to be funded under the CCDA - Ministry of Railways have decided to take up the Tori-Shivpur for a length of 62.65 kms on priority and have asked for an deposit of Rs. 25 crores. The amount of Rs. 25 crores has been given as advance to CIL during 1997-98 for being passed on to Railways. The updated cost for this railway line is Rs. 268.432 crores.

The proposal for construction of Tori-Shivpur railway line in North Karanpura coalfields of CCL was sent to the Committee on Non-Plan Expenditure on 1.12.98 for approval. Deptt. of Expenditure sought certain clarifications which were replied by MOC on 30.3.99. Department of Expenditure again on 15.4.99 pointed out that proposal was not submitted in the prescribed proforma. The required to be furnished in the prescribed proforma against columns would have to be furnished by the Ministry of railways have been asked to furnish the same to the MOC at the earliest.

[Ministry of Coal OM No. 20011/3/99-IF, dated 21.7.99]

Further Reply of the Government

(I) Rail links to be funded and executed by the Ministry of Railways

(i) Gevra Road and Pendra Road Line-

Construction work for the above line is yet to be started by Railways. Regarding other lines in Korba coalfield, i.e., between Champa-Gevra Road, Railways have already started the work of doubling of line between Gevra & Champa. Double lines have been constructed between Gevra & Baipur. Fly-over of Chainpa is under construction. After completion of the fly-over, doubling of track between Balpur & Champa, will be completed by Railways.

(ii) Sahibganj Loop from NTPC MRC to Pirpainty station in Rahmahal coalfield-

Railways has not started any work, as yet.

(II) Ministry of Coal identified two railway lines which need to be created in the IXth Five Year Plan and to be funded from CCDA funds. These lines are:- Belpahar-Chaturdhara in IB Valley coalfield, MCL and Tori-Shivpur in North Karanpura coalfield, CCL, Ministry of Railways decided to take up the Tori-Shivpur line on priority and asked for an initial deposit of Rs. 25 crores. In the special meeting of CCDA held on 10.3.98 in the Ministry of Coal, CCDA Committee approved the work of the construction of Tori-Shivpur rail line (phase-I) an d approved to advance the Railways Rs. 25 crores during the year 1997-98 for completion of preliminary activities, such as land acquisition, surveying, rehabilitation, and environmental protection measures. In this connection it is pointed out that, it was agreed that the line would belong to Indian Railways and shall also be maintained by them at their cost. It is also pointed out that the prior approval of CNE was not obtained as the advance to CIL was in accordance with the Coal Mines (C&D) Act and Rules framed thereunder and Department of Expenditure was informed about the mechanism adopted for the release of the advance. However, the release of fund by CIL to Railways was subject to approval of the project by competent authority. The matter was immediately taken up with the Railways for furnishing an approved cost estimate of the project. However, even with the best efforts CIL could not secure a proper response from the Railways and consequently CIL refunded Rs. 25 crores in May, 1999.

In their comments Ministry of Finance opined that the project should be treated as planned expenditure and similarly Planning Commission observed that the construction of this Railway line should be treated as planned scheme and Ministry of Railways should sponsor the project for consideration of expanded board of Railways. Ministry of Railways have sanctioned the final locations survey for Tori-Shivpur rail line in North Karanpura in CCL (42.65 km) amounting to Rs. 15.35 lakhs, as a deposit work of Ministry of Coal with the provision that the payment for the survey will be made by Ministry of Coal by cheque to Eastern Railways. This sanction has been issued with the concurrence of Finance Directorate of the Ministry of Railways. Directions were issued to Coal India Ltd., to deposit the amount with Eastern Railways and claiming reimbursement out of CCDA funds. CCL have issued cheque for Rs. 15.35 lakhs in favour of F.A. and CAO (Const.) Eastern Railway, Calcutta on 21.8.2000.

(iii) Rail siding for Raigarh Coalfield to be funded by the Coal Company-Railway siding at Kharsia station was earlier identified. However, the same has been dropped. New Railway siding for Raigarh coal field at Roberston station is now being examined and South Eastern Railway is now preparing the estimate for the same.

[Ministry of Coal OM No. 20011/3/99-IF/Vol V dated 12.4.2001]

Statement showing action Taken on the recommendations/ conclusions contained in the Eighteenth Report of the Standing Committee on Energy.

Recommendation Sl. No. 14 (Para No. 2.66)

Regarding cost of domestic coal, the Committee have been informed that the Indian coal is the cheapest in the world both in absolute terms and in terms of the cost per terms of coal. The cost of domestic coal constitutes only about 40% of the consumer price in comparison to 70% in the case of imported coal. The Committee are surprised to note the action of the Government in continuously reducing import duty not only on the coking coal but also on non-coking coal. The Committee deplore this action of the Government and observe that although the domestic coal companies are saddled with burgeoning stocks, reeling under financial crunch due to payment of high royalty / taxes and non recovery of coal sale dues, yet the Government have given preferential treatment to imported coal giving such concessions. The Committee feel that besides installing more non-coking coal washeries, the Government should consider to impose duty on imported coal equivalent to the rate of royalty paid by domestic coal industry to the States thereby making the domestic coal competitively priced with the imported coal. In the alternative, the Government may consider reducing the rate of royalty payment to various coal producing States to make the domestic coal more competitive and also to improve the financial health of coal companies. It would make an economic sense if the royalty is decided on the basis of the rate on which the coal can be imported. The Committee would like to know the reasons as to why the Government / CIL has not passed on the benefit of reduction in cess on coal by State Government of West Bengal by 20% to the actual consumers. The Committee desire to know the action taken by the Government in this regard within three months.

Reply of the Government

The Ministry of Coal shares the concern of the Standing Committee on Energy regarding the preferential treatment being accorded to the imported coal by reduction of customs duty at a time when the nationalized coal industry is passing through a critical phase characterized by fall in coal demand, non-recovery of massive coal sale dues from the State Electricity Boards (SEBs), hike in railway freight, etc. As a result of the repeated representations from the Ministry of Coal, the rates of customs duty on imported coking and non-coking coal have been raised in the Union Budget (1999-2000) from 3 to 5% and from 15 to 16.5% respectively. Unfortunately, the gain to the domestic coal industry by these increases will be offset by the following decisions taken by the Ministry of Railways:-

(i) Granting 10% rebate on freight of imported coal transported to up-country destinations from the ports.

(ii) Raising the classification of washed domestic coal by one step in train load and wagon load and thereby increasing the freight rates of washed domestic coal.

(iii) Increasing the freight charges of all commodities including coal by 4%.

2. As regards the suggestion of the Standing Committee for imposing a duty on imported coal equivalent to the "rate of royalty paid by the domestic coal industry to the States", it is clarified that royalty is collected by the coal company from the coal consumers (i.e. SEBS, steel companies, cement companies, etc.) and the same royalty collection is paid to the State Government by the coal company. Therefore, the coal company is a conduit for passing on the royalty collection to the State Government. Section 7 of the Coal Mines (Conservation & Development) Act, 1974 provides for levy of additional customs duty on imported coal at a rate equivalent to the rate of excise duty levied on domestic coal under Section 6 of the same Act. As per information received from Ministry of Finance, this additional customs duty is being collected on imported coal. As per the provisions in Section 9 of the Coal Mines (Conservation & Development) Act, 1974 all the collections of excise duty and customs duty levied under Section 6 and Section 7 respectively of the Act have to be utilised for the purposes of conservation of coal, development of coal mines, stowing operations and research work connected with conservation and utilisation of coal. On receipt of the information from Ministry of Finance that the additional customs duty on imported coal is being collected, the Ministry of Coal had written to Department of Revenue and Department of Expenditure in April, 1998 that the proceeds of additional customs duty collected under Section 7 of the above cited Act are required to be spent for the purposes laid down in Section 9 of the Act. No response from Department of Expenditure or Department of

Revenue has so far been received in the Ministry of Coal. There is no legal provision empowering the Central Government to levy a customs duty on imported coal equivalent to the rates of royalty.

3. As regards the alternative suggestion of the Standing Committee for reducing the rate of coal royalty, it is mentioned that the existing royalty rates on coal were fixed in October, 1994 i.e. about five years back. The coal prices have been increased on quite a few occasions since then. Therefore, the percentages of the coal royalty rates to the coal prices of various grades are now lower as compared to the October, 1994 percentages. The Ministry of Coal have been receiving repeated demands from the major coal producing States for increasing the coal royalty rates. Therefore, a reduction of the existing coal royalty rates (which were fixed in October, 1994) is likely to generate protests from the coal producing States.

4. However, a decision has been taken in the Ministry of Coal not to increase the October, 1994 coal royalty rates on following grounds.-

(i) The high rates of railways freight, the low rates of import duty and the preferential railway tariff on imported coal have lead to increased imports of coal. Domestic coal is being out-priced at several locations as a result. Non-coking coal imports have increased more than ten times from 1993-94.

(ii) The pit-head price of Indian coal is among the lowest in the world but the high freight cost and the coal royalty rates have contributed to un-competitiveness of the Indian coal in the country itself. Consequently, an increase in the royalty rates at this stage will render Indian cool even more uncompetitive, deepening the financial distress of the loss making companies like ECL, CCL and BCCL.

(iii) The financial health of the nationalized coal industry is particularly affected by the huge accumulation of the coal sale dues from the SEBs who are also struggling hard to make the both ends meet. The steel industry is also going through a depression and the situation in the cement industry is no better. Any hike in the coal royalty rates will weaken those major coal consuming industries and such a situation will not be in the interest of the national economy.

5. A part of the benefit of reduction of cess in coal by the Government of West Bengal by 20% is being passed on by ECL to all the consumers of coal irrespective of destination. All the nationalized coal mines located in the State of West Bengal are operated by ECL.

[Ministry of Coal OM No. 20011/3/99-IF dated 21.7.99]

Recommendation Sl. No. 15 (Para No. 2.73)

The Committee find that funds earmarked for conservation work including stowing and developments of transport infrastructure in coalfields areas 1-.ave not been utilised. The Ministry of Coal have informed the Committee that Rs. 7.44 crore earmarked for the purpose in 1995-96 could not be ufilised because of non-completion of protective works for the schemes approved by Coal Company Development Authority (CCDA) Committee. The Committee are surprised to note that an amount of Rs. 1.47 crore for stowing and protective works carried out by TISCO during 1995-96 lapsed as this could not be released by 31.3.96. The Committee also observe that during 1996-97 a fund of Rs. 7.8 crore earmarked for transport infrastructure in CCL could not be recommended by CCDA Committee because Central Coalfields Ltd. (CCL) failed to spend amount already released. The Committee are dismayed to note that although Rs. 2 crore have been stated to be released to CIL during 1997-98 for construction of Tori-Shivpur Railway line in North Karanpura Coalfield, the proposal was sent to the Committee on Non-Plan expenditure only in December, 1998 which is pending for approval. The Committee feel that although the Government have released funds for conservation works in coalfield areas, the actual implementation of schemes and utilization of funds is not monitored properly and sanctioned schemes for protective and infrastructure works are delayed. The Committee need not over-emphasize the importance of protective and transport infrastructure in the coal mine areas and desire that the Government should ensure that all the schemes approved by CCDA Committee be timely completed and funds earmarked for the schemes released and utilized. The Committee desire that the Tori-Shivpur line project for which Rs. 25 crore have already been released be implemented at the earliest and the Committee be apprised of the action taken thereon within 3 months.

Reply of the Government

All the subsidiary companies are taking necessary steps to see that CCDA schemes are completed in a time bound manner and funds earmarked for schemes are got released and utilized.

As regards implementation of Tori-Shivpur Rail line project, the proposal for construction of Tori-Shivpur Railway line in North Karanpura coalfields of CCL for which Rs. 25 crores were released to CIL during 1997-98, was sent to Committee on Non-Plan Expenditure on 1.12.98 for approval. The approval is awaited. No fund was released during 1998-99.

Deptt. of Expenditure had sought certain clarifications, which were replied by MOC on 30.3.99. Ministry of Finance (Deptt. of Expenditure) vide their U.O. Note dated 15.4.99 pointed out that the proposal was not submitted in the prescribed proforma. The details enquired to be furnished in the prescribed proforma against various columns would have to be furnished by the Ministry of Railways, who have been asked to furnish the same to the MOC at the earliest.

[Ministry of Coal OM No. 20011/3/99-IF dated 21.7.99]

Further Reply of the Government

The release of fund by CIL to Railways was subject to approval c the project by competent authority. The matter was immediately take, up with the Railways for furnishing an approved cost estimate of the protect. However, even with the best efforts CIL could not secure proper response from the Railways and consequently CIL refunded, Rs. 25 crores in May, 1999.

In their comments Ministry of Finance opined that the project should be treated as planned expenditure and similarly Planning Commission observed that the construction of d-ds railways line should be treated as planned scheme and Ministry of Railways should sponsor the project for consideration of expanded board of Railways. Ministry of Railways have sanctioned the final locations survey for Tori-Shivpur rail line in North Karanpura in CCL (42.65 km) amounting to Rs. 15.35 lakhs, as a deposit work of Ministry of Coal with the provision that the payment for the survey will be made by Ministry of Coal by cheque to Eastern Railways. This sanction has been issued with the concurrence of Finance Directorate of the Ministry of Railway Directions were issued to Coal India Ltd., to deposit the amount with Eastern Railways and claiming reimbursement out of CCDA fund CCL have issued cheque for Rs. 15.35 lakhs in favour of F.A. and CAO (Const.), Eastern Railway, Calcutta on 21.8.2000. This work will be executed only after the approval Expanded Board of Railways.

[Ministry of Coal OM No. 20011/3/99-IF/Vol V dated 12.4.20]

CHAPTER IV

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

Recommendation Sl. No. 5 (Para No. 2.33)

The Committee find that project such as Chinakuri (ECL) was withdrawn after incurring an expenditure of Rs. 21.08 crore. The Government have cited the failure of technology of Long wall power support from USSR, as one of the reasons for shelving this project. Another project viz. Damodar of BCCL too was withdrawn after incurring an expenditure of Rs. 19.84 crore due to extensive fire in coal seam. Kottadih project of BCCL has since been deferred due to funds constraints and Kalidaspur UG of ECL, Bairampur PSLW underground and Kundha PSLW underground of SECL for which equipments were purchased from China, were delayed pending DGMS approval. Madhuband washery project of BCCL has been stated to be delayed by 11 years, the work of which was undertaken by contractors M/s Mining and Allied Machinery Corporation Limited. Other reasons as informed by the Government are problems related to acquisition of land, delay in transfer of forests land, resistance by local population and agitation by contractor's labour to pressurize coal companies to offer them permanent employment which led to slippage in the project schedules. Although, the Committee appreciate the difficulties faced by the Government in timely commissioning of coal projects, they feel that these are not insurmountable. The Committee feel that the reasons such as delay in approval of DGMS and the technology to be used for mining should have been examined in detail while preparing and finalizing detailed project reports. The Committee also observe that projects in ECL have been abandoned after incurring expenditure and no new projects have been sanctioned to improve production. In view of the good quality of coal available in ECL and BCCL, the Committee desire that the techno-economic viability of these abandoned mines be examined and steps be taken by the Government to restart these projects. The Committee are of the view that the projects are not being managed on sound professional lines. The Committee, therefore, recommend that government should tone up the project management in a bid to complete the on-going projects expeditiously. The Committee also desire that besides the departmental enquiry, an independent enquiry be conducted immediately for the fire accident in Madhuband washery of BCCL and the Committee be apprised of the reasons for the fire and action taken by the government on the findings of such enquiry within 3 months.

Reply of the Government

Coal India is getting project reports for coal mines prepared by CMPDIL. CMPDIL provides necessary details, after considering the geo-mining risks foreseen. For example, for an underground mine, the degree of detailing is more. Opinion/comments of DGMS are obtained during the formulation of the Project Report. This it, with a view to minimise possible delays. However, inspite of these steps, in some cases, DGMS demands additional studies, which can be done, only when the mine is sufficiently developed. The cause of delays in implementation of projects of BCCL and ECL mentioned above, is not, therefore related to level of detailing of the Project Report. New Projects in ECL and BCCL have not been taken up in view of resource crunch. Available fund is being utilised for completing the ongoing projects.

To enquire into the incidence of fire in Madhuband washery, the Ministry of Coal has constituted a Committee to enquire into the said incidence vide OM No. 22022/48/98-CRC dated 22.6.1999. The terms of reference are as under:-

(i) What was the cause of fire in Madhuband Washery?
(ii) What was the extent of damages-physical and financial?
(iii) Persons held responsible for the incidence?
(iv) To suggest remedial measures to avoid such mishap?

The Standing Committee on Energy will be appraised after the report of the Enquiry Committee is submitted to the Ministry.

[Ministry of Coal UO No. 20011/3/99-IF dated 21.7.99]

Further Reply of the Government

Ministry of Coal had constituted a Committee to enquire into incidence of fire at Madhuband Washery. The findings of the Committee are as under:

Cause of Fire: Fire broke Out in the main washery feed conveyor on 10.12.98. Cause of fire was the friction between jammed idlers and belt which caused heating of the idlers and subsequently led to fire in the belt of main feed conveyor.

Damage-Physical: Part of conveyor gantry housing 2 nos. of conveyors with 1400 mm wide rubber belting had collapsed. The length of collapsed gantry is about 160 meters. Due to above, the operation of the washery came to a standstill from 10.12.98 (the date of incident) to 11.08.99.

The conveyor gantry No. 902 while failing partly damaged conveyor No. 701 A&B and conveyors No. 703 and 704 (total damaged length 30 meters and 12 meters respectively). Damages caused replacement of about 900 meters of 1400nun belting and replacement of carrier rollers, return rollers, etc. of the belt conveyors, the lagging of conveyor drums were also changed. This had also resulted in a replacement of lighting cables, lighting fittings and control cables. Replacement of damaged monorails, window frames etc., were also to be done.

Damage-Financial: The loss assessed in terms of rebuilding of the damaged conveyors including mechanical, structural and electrical items of the conveyors is Rs. 166.00 lakhs.

Persons had responsible: The matter was critically examined in the Ministry and subsequently forwarded to the CVC for their advice. The Commission has, though not held anyone directly responsible for the incidence, advise the Ministry to issue Advisory Memo to the following officers of the Madhuband Washery.

1.	Shri K. Kumar	Sr. EE (E&M)
2.	Shri N. Saha	SE (CP)
3.	Shri D. Narayan	SE (CP)
4.	Shri M.P. Lala	E/Incharge of Shift
5.	Shri A. Kumar	SE (E&M)
6.	Shri V.K. Bhatia	P.O, Madhuband Washery &
7.	Shri M. Kumar	G.M. (Washery)

The same has been issued.

Remedial measures to avoid such mishaps: The remedial measures suggested by the Committee have mostly been complied with while a few are being implemented.

[Ministry of Coal OM No. 20011/3/99-IF/Vol. V Dated 12.4.2001]

Comments of the Committee

(Please See Paragraphs 7 & 8 of Chapter Iof the Report)

Recommendation Sl. No. 20 (Para No. 2.102)

Regarding schemes for rehabilitation of four localities in ECL, the Committee observe that against an estimated cost of Rs. 32.52 crore, a provision of Rs. 6 crore has been made during the first 2 years of the programme which is targeted to be completed within 3 years. Similarly for a scheme for shifting of people from endangering areas of BCCL at a cost of Rs. 33.88 crore, sanctioned in May, 1998, only Rs. 6 crore have been allocated for the first two years. The scheme was also scheduled to be completed in 2 years. The Committee cannot but deplore the way the Govt. have sanctioned fund for EMSC Scheme recommended by High Power Committee taking into account the urgency to implement the schemes in a time-bound manner. The Committee feel that the Government should not allocate funds for such schemes in a piecemeal manner and recommend that the Government should prepare a comprehensive plan to fund schemes involving safety of mine workers and people living in and around the mine areas and stress that funds should be released for these two schemes as recommended and the schemes be completed at the earliest.

Reply of the Government

Status of ad-hoe schemes of rehabilitation one each at ECL and BCCL of given below:

Sl. No.	Scheme	Sanc. cost	1997-98	1998-99	1999-00	2000-01	2001-02
1.	Rehabilitation of 4 unstable locations in ECL	32.52	-	100	500	500	500
2.	Shifting of people from endangered areas of BCCL	33.88	-	100	500	500	500
	Total			200	1000	1000	1000

For the above two schemes, the actual disbursement till 98-99 is Rs. 2.00 crores an there is a provision of Rs. 10 crores in the BE 99-2000. Since, the implementation of these two schemes is dependent upon the (a) willingness of the people to shift to the new sites and (b) extent of cooperation from the State Govt. and agencies, hence the likely expenditure during the year 00-01 and 01-02 has been obtained from ECL and BCCL. The revised scheme for the programme of shifting of people from most endangered areas of BCCL has an estimated cost of Rs. 58.78 crores. The revised scheme will be submitted to Govt. for sanction after approval of BCCL Board.

Present Status

Sl.	Scheme	Date of	Sanc	Actual Disbursement	BE	Projecti

No.		Sanction	. cost	97-98	98-99	99-00	00-01	ons 01-02
1.	Rehabilitation of 4 unstable locations in ECL	May 1998	32.52	-	1.00	-	0.50	0.50
2.	Shifting of people from endangered areas of BCCL	May 1998	33.88	-	1.00	-	5.00	6.00
	Total		6.40		2.00		5.50	6.50

Note for ECL:

Rehabilitation of non-ECL families is only involved. Practically there is no progress as affected people have not agreed to proposed rehabilitation sites inspite of formation of village committees and people are not willing to shift. As such token fund provision is kept.

Note for BCCL:

This scheme covered both BCCL employees and non-BCCL families. BCCL has taken up construction of houses for rehabilitation of BCCL employees. The utilisation of BE 00-01 and projected funds for 01-02 are subject to observance of conditions of sanction letter. CMPDI have furnished a certificate to the effect that conditions of the sanction have been complied with. A further sum of Rs. 6.30 crore have been released in favour of CMPDIL for disbursement of claim of BCCL.

The revised scheme for the programme of shifting of people from mot endangered areas of BCCL at an estimated cost of Rs. 58.78 crores has been recommended by SSRC for approval by Govt. The proposal is under process for EFC/CCEA clearance.

[Ministry of Coal OM No. 20011/3/99-IF Dated, 12.4.2001]

Comments of the Committee

(Please See Paragraphs 26 and 27 of Chapter I of the Report)

Recommendation Sl. No. 21 (Para No. 2.112)

The Committee find that coal can be imported freely under Open General Licence (OGL) by the consumers themselves considering their needs and requirements. The Committee observed that although earlier coking coal was being imported by steel sector to bridge the gap between their requirement and indigenous availability and for blending purposes to improve quality but now with the reduced customs duties and availability of cheaper coal with good quality, the coal has been imported by power and cement sector also. In this connection, the Committee have been informed that Chinese Coke having ash contents of 12-16% which was earlier sold at landed price of 100-115 dollars per tonne is being dumped at 90 dollars at ports of Gujarat and Kerala. The Chinese Coke is being dumped at a price much below the cost of production of coke produced in China and at a price lower than that prevalent in their domestic market. The Committee are surprised to note that although the Anti-Dumping Directorate initially recommended an anti-dumping duties of Rs. 1800/- per tonne on the import of metallurgical coke from China PR and notification was issued on 6.5.1998, the issue was re-examined and considering the submissions before it, the designated authority recommended the imposition of anti-dumping duty at a level equal to the difference between Rs. 4673 per metric tonne and the landed value of imported met-coke subject to a minimum of Rs. 692 per metric tonne on 30.7.98. The Committee are dismayed to note that even this recommendation of Anti-Dumping Directorate was not accepted and the Government issued a notification on 28.10.98 imposing anti-dumping duty calculated at a rate equivalent to the difference between Rs. 4673 and landed value of met-coke per metric tonne removing the clause for imposition of minimum duty. The Committee would like the Ministry of Finance to clarify as to why the recommendation of ADD was not accepted. The Committee would also like to know the details of the duty imposed on different quantities of coke imported during 1998-99.

Reply of the Government

The Committee has expressed its concern about the increasing dead of import of coal in general and to the dumping of Chinese Coke into the country in particular. It has expressed its surprise on not accepting the recommendation made by the Anti-Dumping Directorate regarding information of anti-dumping duty on Chinese made coke in toto. The para is pointed to Ministry of Finance. A copy of the observation of the Committee has been sent to Ministry of Finance for clarifying to the Committee as to why the recommendation of ADD was not accepted and the details of duty imposed on different quantities of coke imported during 1998-99.

[Ministry of Coal OM No. 20011/3/99-IF Dated 21.7.99]

Further Reply of the Government

Given on 5.11.1999

The above recommendation was sent to Ministry of Finance. They have clarified the position regarding imposition of minimum anti- dumping duty as follows:

The issue of imposition of minimum anti-dumping duty was examined in the Ministry of Finance and it was felt that minimum. duties are not in conformity with the existing legal provisions i.e. Customs Tariff Act and Anti Dumping Rule for the following reasons:-

> "Section 9A of the Customs Tariff Act, 1975 from which alone the power for the imposition of anti-dumping duty is derived, empowers the Central Government to impose anti-dumping duty not exceeding the margin of dumping in relation to the

article. In other words, the power to impose duty is qualified. It is not unfettered. According to the recommendation in this case, the anti-dumping duty is equivalent to the different between Rs. 4673 PMT and the landed value of met coke subject to a minimum anti-dumping duty of Rs. 692 PMT. Accordingly even if the laded value in a specific case is equal to Rs. 4673 PMT implying thereby that the margin of dumping is nil, the minimum duty of Rs. 692 would be chargeable. This would make the duty higher than the margin of dumping resulting in violation of the provisions of section 9A. The same would be true of any situation where the difference between Rs. 4673 PMT and the landed value of metcoke is lower than Rs. 692 PMT. The matter has however been referred to the Ministry of law for their opinion".

As regards details of anti-dumping duty imposed on different quantities of coke imported during 1998-99 the Ministry of Finance have stated that:-

"No separate head for anti-dumping duty is available and collection of anti-dumping duty are reported along with other duties of customs and no break-up of anti-dumping duty collected on different quantities of coke during 1998-99 is available".

Further Reply of the Government

No further status has been received from Ministry of Finance.

[Ministry of Coal OM No. 20011/3/99-IF/Vol. V Dated 12.4.2001]

Comments of the Committee

(Please See Paragraph 30 of Chapter I of the Report)

CHAPTER V

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

Recommendation Sl. No. 6 (Para No. 2.34)

The Committee also desire that in-depth analysis of the reasons for delays project-wise be gone - into and responsibilities for slippages, be fixed. The argument put forward by the Government that they keep track of the progress of coal projects costing Rs. 100 crore on a monthly basis and all projects costing for Rs. 20 crore on a quarterly basis does not appear to be convincing to the Committee, since there is a continuous delay in implementation of coal projects. The Committee are of the opinion that a major chunk of country's resources are involved in coal projects, it becomes all the more important to fix the responsibility for delays in planning and implementation of these projects. The Committee would like the Government to impress upon the State Government to ensure timely acquisition of land, so that projects are not hampered. The Committee also recommend that there should be a close liaison and coordination with various State Government agencies, for expeditious implementation of the projects.

Reply of the Government

In pursuance of Planning Commission's directive, a Standing Committee under the chairmanship of Additional Secretary (Coal with one member each from Planning Commission, Department of Expenditure and Department of Programme Implementation has been constituted in the Ministry of Coal to examine all proposals on the Revised Cost Estimates of projects costing beyond the delegated powers of Ministry of Coal or its PSUs and to fix responsibility for cost and time overrun in these projects.

2. As regards land acquisition problems of the projects, Secretary (Coal has taken up the matter with Chief Secretaries of Bihar, Orissa, Madhya Pradesh & Uttar Pradesh for resolving the forest land and rehabilitation & resettlement problems of coal projects in these States.

[Ministry of Coal OM No. 20011/3/99-IF dated 21.7.99]

Further Reply of the Government

(a) Land acquisition and Rehabilitation: Regular interaction by the Ministry/CIL/Subsidiary companies with State Government/Local authorities takes place with frequent interaction at the level of Secretary (Coal). Coal companies have strengthened their Departmental set-up by inducting suitable officers from the State Government cadres. As a result of these actions, the problem of land acquisition has been eased to some extent.

(b) Further, major project are now being sanctioned in two stages. For projects costing Rs. 100 crores and above, in the first stage, as an advance action, an amount upto Rs. 20 crores is sanctioned by Government for undertaking essential initial activities like, land acquisition and related rehabilitation of land oustees, forest and environmental clearances, surveys for railways line, road, culverts, power supply etc. In the second stage, the investment approval to the project is given.

[Ministry of Coal OM No. 20011/3/99-1F/Vol. V Dated 12.4.2001]

(Please See Paragraphs 7 & 8 of Chapter 1 of the Report)

Recommendation Sl. No. 13 (Para No. 2.65)

The Committee observe that 49% of coal produced in the country is E, F and G grade with high ash content and used in thermal plants. Due to high ash content, this coal not only adversely affects the performance of power plants but also raises problems of disposal of ash at the plants. Moreover, the consumers have to pay heavy railway- tariff over long distances merely for the ash which is sheer wastage. Further, Ministry of Environment and Forests have issued a notification making it mandatory for thermal power plants located 1000 Kms from pit head and also those located in urban areas, sensitive areas to use beneficiated coal with ash content not exceeding 34% from 1st June, 2001. The Committee are surprised to note that although an investment of Rs. 3000 crores is enquired over the next 2-3 years to comply with the Government notification, no concrete steps have been taken by Ministry of Coal to set up coal washeries by coal companies or private investors. The Government have informed that non-coking coal washeries at Piparwar (CCL) and a de-shaling plant at Bina (NCL) has been installed and there is a proposal for 3 more non-coking coal washeries. The Committee are constrained to note that instead of taking steps to set up new washeries, the coal companies are resorting to convert existing coking coal washeries to non-coking coal washeries. The Committee desire that the conversion of Gidi and Dugdha-I coking coal washeries in Central Coalfields Limited and Bharat Coking Coal Limited respectively to non-coking coal washeries which has already been initiated be examined by the Government/Coal India Limited and the Committee be apprised of the position. The Committee feel that decision of CIL not to commission any washery of its own other than on BOO or BOOT basis is not likely to fruity as the consumers have the option of getting imported coal with-less ash content without making any additional investments. The Committee would therefore like Coal India Limited to re-examine its stand on the matter and recommend that the Government should chalk out a plan to set up more coal washeries and take necessary steps to modernise existing washeries to enhance their capacities.

Reply of the Government

A High Power Committee with Advisor (Project) MOC, CMD, CMPDIL, Director (Tech), CIL and Director (Fin), CIL as members have been set up by CIL to go into details of conversion of coking coal washeries to non-coking coal washeries and setting-up of new washeries. The report of the Committee is awaited.

[Ministry of Coal OM No. 20011/3/99-IF Dated 21.7.99]

Further Reply of the Government

(i) Based on MOEF's notification to use 34% ash coal in the TPSs beyond 1000 KM from Pithead and in Urban area or sensitive area or critical polluted areas w.e.f. 1.6.2001, a joint Apex Committee headed by Member (Thermal), CEA has been constituted to monitor/implement the stipulations contained in the MOEF's notification. Subsequently a High level Committee under the Chairmanship of Additional Secy., MOC has also been formed to look into the long-term objective of setting up coal washeries with reference to the stipulations in the MOEF's notification.

(ii) A Committee comprising of Adviser (Projects), MOC, CMD, CMPDIL, Director (Tech), CIL and Director (Finance), CIL was constituted to examine the various aspects of operation of washeries in CCL and particularly in respect of conversion of Kargali Washery for washing non-coking coal. After considering all aspects, the Committee recommended that Kargali Washery may be converted to wash non-coking coal.

(iii) Dugda-I Washery was commissioned in 1961. Normal life of a washery is about 30 years. After through inspection by various Committees including CMPDIL, MECON and BCCL team, this washery was declared unsafe as the existing structures of the plant was beyond renovation/replacement and this washery was closed w.e.f. October' 96 from safety point of view. With the increase in demand for non-coking washed coal for Thermal Power Stations, the middling up-gradation part of this washery was utilised with minor modification for washing non-coking coal and this part of Dugdha-I washery is in operation for washing non-coking coal on trial basis w.e.f. April '99.

[Ministry of Coal OM No. 20011/3/99-IF/Vol. V Dated 12.4.2001]

Comments of the Committee

(Please See Paragraph 14 of Chapter I of the Report)

Recommendation Sl. No. 16 (Para No. 2.81)

The Committee are perturbed to note that though huge revenue has been raised by the States by way of royalty against the coal extracted through statutory provision of Mines and Minerals (Regulation and Development) Act 1957 the State Government are reluctant to invest even a little part of such revenue on developmental activities in and around the coal mines areas, thus, frustrating the purpose of levying royalty itself. The Committee are further dismayed to note the high-handedness of the civil authorities in procuring heavy earth moving equipments of BCCL at the cost of safety of mine workers and non-payment of charges towards their use and damages caused to the equipment for cleaning cities far away from the coal mines. The Committee are surprised to note that a State which has been paid Rs. 682.77 crore during 1996-97 and Rs. 658.95 crore during 1997-98 as royalty by the Central coal company has been stated to be mis-utilizing and misappropriating the equipments and that too at the cost of lives of workers. The Committee feel that the matter should have been taken at the highest level of the Government with State Government of Bihar so as to avoid such unfortunate incidents in future. Besides, taking action by the Government to recover damages in the present case, the Committee desire that the Government should examine the issues of (i) fixing certain ratio of revenue raised by way of royalty for development in coal mine areas (ii) adjustment of payment of royalty towards dues of the State Government/SEBs to coal companies by suitable amending the MMRD Act, 1957. The Committee would like to be apprised of the action taken in this regard within 3 months.

Reply of the Government

In pursuance of observation of the Committee a reference from MoS (C) to Chief Minister of Bihar have been made wherein the observation of Committee have been brought to the notice of State Government for suitable action. The State Government have also been requested to issue directive to civil authorities to immediately pay to BCCL the Hiring charge of HEMM.

A proposal for adjustment of coal royalty dues of the nationalized coal companies against the coal sale dues of the State Electricity Boards of the respective coal producing States was examined in January, 1992 by the Ministry of Coal in consultation with the Department of Legal Affairs, Ministry of Law and justice. A gist of opinion of the Department of Legal Affairs on the proposal is given in the following paragraph.

The Department of Legal Affairs, opined that royalty on mineral extracted from the mines is in the nature of a tax. The State has the power to levy taxes on mineral rights subject to any limitation imposed by Parliament by law relating to mineral development by virtue of Entry 50 of the State List in the Constitution of India. Such tax is a source of revenue received by the Government of a State and is creditable to the Consolidated Fund of the State. No money out of the Consolidated Fund of a State can be appropriate except in accordance with law and for purpose and in the manner provided in the Constitution.

It is stated that the coal royalty is a tax for extraction of coal and is creditable to the Consolidated Fund of the concerned coal producing State and no appropriation can be allowed from such Fund without the appropriation being voted by the legislature of the respective State. In view of the legal opinion on the subject, it will not be possible to adjust the coal sale dues from the State Electricity Boards of the respective coal producing States against the royalty dues of the nationalized coal companies payable to such State Governments and also to fix certain ratio of revenue raised by way of royalty for development in coal none areas. The annual budget of a coal producing State is passed by the respective State legislature. The coal royalty earnings of such a State Government is a part of the revenue income of the State Government and is reflected in its annual budget. Obviously, the Ministry of Coal can have no say in the formulation of annual budget of a coal producing State.

As regards making amendment to the Mines and Minerals (Regulation & Development) Act, 1957 for the above purposes, it is stated that the legal provision on payment of royalty on minerals appears in Section 9 of the Mines and Minerals (Regulation & Development) Act, 1957. The MMRD Act, 1957 is applicable to all minerals including coal. The possibility of any amendment in Section 9 of the MMRD Act, 1957 only for 'coal' in order to implement the recommendations of the Standing Committee is remote since no coal producing state is likely to agree to such amendments. In fact the Department of Legal Affairs, Ministry of Law and justice while giving their above cited opinion in January, 1992 to the Ministry of Coal producing States were not agreeable to the proposal for realization of coal sale dues to the coal companies out of their royalty dues. Lastly, the MMRD Act, 1957 being administered by the Department of Mines, Ministry of Steel and Mines, any amendment to the MMRD Act, 1957 falls under 'allocation of business' of the Department of Mines.

[Ministry of Coal OM No. 20011/3/99-IF dated 21.7.991]

Further Reply of the Government

It is submitted in further reply that recently a proposal to earmark fifteen per cent of the royalty revenue received from coal by a State Government for developmental works in the areas around the coal mines is under examination. The views of the Coal Producing States have been requested for. While the views of Government of Andhra Pradesh in the matter has been received, the views of other coal producing States are yet to be received. The Government of Andhra Pradesh have not agreed to such a suggestion. A separate reference was made to the Ministry of Law, justice & Company Affairs, Department of Legal Affairs, who have advised to obtain the views of the coal producing States in the first instance. The concerned State Governments have again been requested for their considered views in the matter.

[Ministry of Coal OM No. 20011/3/99-IF/Vol. V dated 12.4.2001]

Comments of the Committee

(Please See Paragraph 18 of Chapter I of the Report)

Recommendation Sl. No. 18 (Para No. 2.96)

The Committee note that against 19,680 employees identified as surplus in ECL and BCCL and the Voluntary Retirement Scheme (VRS) to be implemented within three years, the Government have made provision of Rs. 400 crore and have also stated that the target would be achieved. The Committee desire that the exercise going on to identify other surplus workers, if any by re-organisation of areas n-tines and closing of loss-making mines shall be completed at the earliest and the committee be apprised. The Committee note the fact that there is decrease in production and off-take from these two coal companies resulting in higher rate of production and desire that this fact shall also be considered while carrying out the detailed exercise to identity other surplus workers. The Committee understand that it is mostly loaders etc. who are opted for VRS which has adversely affected the production in underground mines. The Committee stress that the skilled workers like loaders etc. in underground mines of ECL and BCCL be discouraged to opt for VRS. The Committee also observe that the ratio of mine workers to white-collar jobs in ECL in 11:1 whereas in BCCL it is 4:1. The Committee recommend that study should be carried out and an ideal ratio be fixed in this regard. Besides implementing VRS the Committee stress that training of workers for up-gradation of skills for their gainful utilisation may be taken up more vigorously in all coal companies and separate funds be provided and a time bound programming be chalked out for the same.

Reply of the Government

The surplus workers have been identified mainly in ECL, BCCL & CCL. As per the last exercise done in April 1998, the surplus manpower identified in ECL, BCCL & CCL was 12580, 7100 & 5968 respectively. These companies have been asked again to workout the figures of surplus manpower and the results are awaited. The other coal companies are being advised to identify surplus manpower.

CMPDIL has been entrusted the task to carry out study for an ideal ratio of mine workers to white collar jobs.

Action has been taken to formulate a specific plan for workmen so that they can acquire skills for gainful deployment. Action for allocation of funds for such programmes has also been initiated.

[Ministry of Coal OM No. 20011/3/99-IF dated 21.7.99]

Further Reply of the Government

The surplus manpower in ECL, BCCL & CCL as on 01.04.2001 has been identified and is as under:

Category	Company			
	ECL	BCCL	CCL	Total
Piece Rated	2,538	3,082	7,889	13,509
Daily Rated	3,446	2,723	49	6,218
Monthly Rated	2,582	1,175	106	3,863
Total	8,556	6,980	8,044	23,590

[Ministry of Coal OM No. 20011/3/99-Vol V dated 12.4.2001]

Comments of the Committee

(Please See Paragraph 21 of Chapter I of the Report)

New Delhi; SONTOSH MOHAN DEV

14 December , 2001

Chairman,

23 Agrahayana , 1923 (Saka) Standing Committee on Energy.

ANNEXURE I

MINUTES OF THE FIRST SITTING OF THE SUB-COMMITTEE 'F' ON ACTION TAKEN REPORTS OF THE STANDING COMMITTEE ON ENERGY (2001) HELD ON 12TH DECEMBER, 2001 IN COMMITTEE ROOM 'C', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Sub-Committee met from 15.00 hrs. to 15.30 hrs.

PRESENT

Shri Sontosh Mohan Dev	-	Chairman
Shri Tilakdhari Prasad Singh	-	Convenor

MEMBERS

3. Shri Vijayendra Pal Singh Badnore
4. Shri Amar Roy Pradhan

SECRETARIAT

1.	Shri P.K. Bhandari	-	Director
2.	Shri R.S. Kambo Director	-	Under Secretary

2. At the outset, the Convenor, Sub-Committee 'F' on Action Taken Reports of the Standing Committee on Energy welcomed the Members to the sitting of the Sub-Committee.

3. The Sub-Committee then took up for consideration the following draft Reports:-

(i) Action Taken Report on the recommendations contained in the 10th Report (Twelfth Lok Sabha) on the subject “Fire and Subsidence Control in Coal Mines”.

(ii) Action Taken Report on the recommendations contained in the 18th Report (Twelfth Lok Sabha) on Demands for Grants (1999-2000) of the Ministry of Coal.

(iii) Action Taken Report on the recommendations contained in the 14th Report (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) of the Department of Atomic Energy.

(iv) Action Taken Report on the recommendations contained in the 15th Report (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) of the Ministry of Non-Conventional Energy Sources.

(v) Action Taken Report on the recommendations contained in the 16th Report (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) of the Ministry of Power.

(vi) Action Taken Report on the recommendations contained in the 17th Report (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) of the Ministry of Coal.

4. The Sub-Committee adopted the aforesaid draft Reports with minor additions/deletions/amendments.

The Sub-Committee then adjourned.

ANNEXURE II

MINUTES OF THE NINETEENTH SITTING OF THE STANDING COMMITTEE ON ENERGY (2001) HELD ON 12TH DECEMBER, 2001 IN COMMITTEE ROOM '62', PARLIAMENT HOUSE, NEW DELHI

The Committee met from 18.00 hrs. to 18.45 hrs.

PRESENT

Shri Sontosh Mohan Dev - Chairman

MEMBERS

2. Shri Basudeb Acharia
3. Shri Prakash Yashwant Ambedkar
4. Shri Vijayendra Pal Singh Badnore
5. Shri Bikas Chowdhury
6. Shri Trilochan Kanungo
7. Shri P.R. Khunte
8. Shri Sanat Kumar Mandal
9. Shri K. Muraleedharan
10. Shri Amar Roy Pradhan
11. Shri Ravindra Kumar Pandey
12. Shri Dalpat Singh Parste
13. Shri B. Satyanarayana.
14. Shri Harpal Singh Sathi
15. Shri Tilakdhari Prasad Singh
16. Shri Manohar Kant Dhyani

17. Shri Aimaduddin Ahmad Khan (Durru)
18. Shri. B.J. Panda
19. Shri Ramamuni Reddy Sirigireddy

SECRETARIAT

1.	Shri P.K. Bhandari	-	Director
2.	Shri R.S. Kambo Director	-	Under Secretary

2. At the outset, the Chairman Standing Committee on Energy welcomed the Members to the sitting of the Committee.

3. The Committee then took up the following draft Reports, already considered and adopted by the Sub-Committee 'F' on Action Taken Reports, for consideration:-

(i) Action Taken Report on the recommendations contained in the 10th Report (Twelfth Lok Sabha) on the subject "Fire and Subsidence Control in Coal Mines".

(ii) Action Taken Report on the recommendations contained in the 18th Report (Twelfth Lok Sabha) on Demands for Grants (1999-2000) of the Ministry of Coal.

(iii) Action Taken Report on the recommendations contained in the 14th Report (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) of the Department of Atomic Energy.

(iv) Action Taken Report on the recommendations contained in the 15th Report (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) of the Ministry of Non-Conventional Energy Sources.

(v) Action Taken Report on the recommendations contained in the 16th Report (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) of the Ministry of Power.

(vi) Action Taken Report on the recommendations contained in the 17th Report (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) of the Ministry of Coal.

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

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

The Sub-Committee then adjourned.

ANNEXURE-III

(Vide Para 4 of the Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE EIGHTEENTH REPORT OF THE STANDING COMMITTEE ON ENERGY

I.	Total No. of Recommendations	21
II.	Recommendations that have been accepted by the Government (vide recommendation at Sl. Nos. 1, 3, 4, 7, 8, 12, 17, and 19).	8
	Percentage of total	38.09%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies. (vide recommendation at Sl. Nos. 2, 9, 10, 11, 14, and 15).	6
	Percentage of total	28.57%
IV.	Recommendations in respect of which reply of the Government has not been accepted by the Committee (vide recommendation at Sl. Nos. 5, 20 and 21).	3
	Percentage of total	14.28%
V.	Recommendations in respect of which final replies of the Government are still awaited (vide recommendation at Sl. Nos. 6, 13, 16 and 18).	4
	Percentage of total	19.04%