TWENTY-FOURTH REPORT

STANDING COMMITTEE ON ENERGY
(2001)

(THIRTEENTH LOK SABHA)

MINISTRY OF COAL

DEMANDS FOR GRANTS
(2001-2002)

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

Presented to Lok Sabha on....................

Laid in Rajya Sabha on ....

LOK SABHA SECRETARIAT
NEW DELHI

December, 2001/Agrahayana, 1923 (Saka)

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

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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 authorised by the Committee to present the Report on their behalf, present this 24th Report on the Action Taken by the Government on the recommendations contained in the 17th Report of the Standing Committee on Energy on the Demands for Grants (2001-02) of the Ministry of Coal.

2. The Seventeenth Report of the Standing Committee on Energy was presented to Lok Sabha on 19th April, 2001. Replies to the Government to all the recommendations contained in the Report were received on 27th August, 2001 from the Ministry of Coal and 13th September, 2001 from the Ministry of Labour.

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 Seventeenth 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;
December 14, 2001
Agrahayana 23, 1923 *(Saka)*

SONTOSH MOHAN DEV,
Chairman,
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 17th Report (13th Lok Sabha) of the Standing Committee on Energy on the Demands for Grants (2001-02) of the Ministry of Coal which was presented to the Lok Sabha on 19th April, 2001.

2. Action Taken notes have been received from the Government in respect of all the 30 recommendations contained in the Report. These have been categorized as follows:-

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

Sl. No. 5, 6, 10, 14, 25, 26 and 29

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

Sl. No. 1, 8, 9, 19, 24 and 30

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

Sl. No. 2, 3, 4, 11, 15, 16, 17, 18, 20, 21 and 22

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

Sl. No. 7, 12, 13, 23, 27 and 28

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

Recommendation (Sl. No. 2, Para No. 2.28)

5. The Committee had observed the large-scale under-utilisation of funds in various projects of Singreni Colliery Company Limited (SCCL). The projects had been delayed due to non-procurement of machinery for open cast as well as underground projects. These were delayed due to faulty design, non-sanction of projects, spontaneous heating, ventilation constrains, etc. Further, the projects of Neyveli Lignite Corporation (NCL) were delayed on account of delay in awarding the contracts, packages and supply of materials. Taking note of the administrative nature of the reasons, the Committee had observed that project planning and formulation machinery in the Ministry of Coal had totally failed. The Committee had recommended that corrective steps should be taken and project formulation and implementation machinery in the Ministry of Coal should be toned up. The Government should also prioritise the projects by re-organising the available infrastructure and resources at their disposal.

6. The Government in their reply, *inter alia* have stated that the coal projects are implemented by the coal companies of Coal India Limited (CIL), SCCL and NLC. Major coal projects *i.e.* projects costing Rs. 100 crore and above are sanctioned by the Ministry of Coal in two stages. In the first stage, advance action is sanctioned by the Government for undertaking essential initial activities like land acquisition and related rehabilitation of land oustees, forest and environmental clearances, surveys for railway line, roads, conveyors, power supply, etc. In the second stage, the investment approval to the project is accorded after examination and scrutiny of the proposal by the Inter-Ministerial Group, Public Investment Board and Cabinet Committee on Economic Affairs. All instructions in the matter of formulation of project proposals issued by the Government from time to time are circulated to the coal companies to enable them to keep themselves abreast of the subject and for compliance. Sophisticated geological and geophysical exploration and interpretation techniques are being progressively introduced for better forecasting of geomining conditions.

7. As regards monitoring of the projects, it has been stated by the Government that a nodal officer is appointed as soon as Advance Action Plan for the project is sanctioned. In the coal companies, a three-tier structure for monitoring the projects i.e. at colliery level, area level and headquarter level is in existence. Coal companies send flash reports based on which advice is given to the coal company/ remedial action is taken with concerned Departments. Review of major coal projects *i.e.* projects costing Rs. 100 crore and above is conducted on quarterly basis by an Inter-Ministerial Committee headed by Secretary (Coal) and having members from Planning Commission, Department of Expenditure, Ministry of Statistics and Programme Implementation and Ministry of Environment and Forests. Ministry of Statistics and Programme Implementation forward monthly flash report and quarterly exception report. They are also acted upon by the Ministry of Coal. At times, the implementation of major projects is subjected to review by a Cabinet Secretariat and by PM's Office. Based on the results of the above-reports/reviews, appropriate directions are given by the Ministry of Coal to the coal companies for taking timely remedial action to overcome the constraints. Timely, availability of land and environment/forestry clearance, wherever required, being crucial for successful implementation of projects, constant interaction is made by the coal company/Ministry of Coal with the Ministry of Environment and Forests as also with the State Government authorities for expediting the same. Regular and periodical exercises are carried out in the matter of prioritization of projects by the companies. Updation/modification is carried during Annual Plan/Action Plan exercise every year/mid-term appraisal in addition to periodic reviews.

8. **The Committee note that the Government have put in place a number of groups/Committees to monitor the projects in Coal Sector. But in spite of all these arrangements, there are slippages in the Coal projects resulting in under-utilisation of funds and delays etc. The Committee feel that there is a need to review the efficacy of such groups/Committees themselves lest they should be a cause of such a malice instead of remedying it. It seems the project implementing authorities are merely content with sending various types of reports to their higher-ups instead of actual implementation of project.**

Schemes on Environmental Measures and Subsidence Control

Recommendation (Sl. No. 3, Para No. 2.42)

9. Regarding different schemes on Environment Measures and Subsidence Control (EMSC) being implemented, the Committee had observed that there are as many as 16 schemes sanctioned under Subsidence Control, out of which only 6 have been completed. The rest are stated to be under various stages of implementation. Further, the position of schemes under 'Environment Measures' and 'Social Mitigation' were not better. For Rehabilitation Control of Fire and Subsidence, a new cell was created in the year 1999-2000 and a capital outlay of Rs. 16 crore was proposed. These Schemes got delayed and a provision of Rs. 6.89 crore was made only during the year 2000-01. A token amount of Rs. 50 lakh was provided as Revised Estimates. The Committee had expressed their unhappiness over the fact that even after 30 years of nationalisation of mines in 1972, 16 out of 70 fires were still raging in Jharia Coalfields. The Government's inability to utilize the budget had revealed the utter lack of urgency. Taking serious note of the delay in implementation of various schemes on control of fire, environment measures, subsidence and social mitigation, the Committee had opined that there had been deficiencies in the planning, formulation and implementation of these schemes. The Committee had also recommended that the Government should review the schemes without any further delay and implement them without harping on lack of resources.

10. In their reply, the Government have stated that there are 27 schemes under Environment Measures and Subsidence Control. Out of these 27 schemes, 16 are under sub-head 'Subsidence Control', 9 are under 'Environment Measures' and 2 are under 'Social Mitigation'. Out of 16 Subsidence Control schemes 7 have already been completed and 3 are likely to be completed during 2001-02. Out of 9 Environment measure Schemes only 2 have been completed and 2 are likely to be completed during 2001-02. 3 new Environmental Measures and Subsidence Control schemes and 4 Rehabilitation, Control of Fire and Subsidence schemes costing Rs. 30 crore have been recommended by the 33rd Standing Scientific Research Committee (SSRC).

11. The following projects were considered and approved by Standing Scientific Research Committee (SSRC) in its meeting held on 16.05.2001.

EMSC

(i) Reclamation of degraded land in BCCL—Total cost—Rs. 0.94

(ii) Stabilisation at Sanctoria, ECL—Total cost Rs. 4.78 crore

(iii) Stabilisation between Batamore & Bus stand—Total cost Rs. 0.27

12. Under 'Social Mitigation Schemes' for shifting of people from most endangered area of CCL by May, 2000 with an estimated cost of Rs. 33.88 crore, Rs. 1 crore have been disbursed and the work is stated to be in process. Similarly, for rehabilitation of 4 unstable areas of ECL which was to be completed by May, 2001, against a sanctioned amount of Rs. 32.52 crore, only Rs. 1.00 crore have been sanctioned.

RCFS

(i) Dealing with fire for protection of Adra-Gomoh rail line at Block-II & Phularitand—Total cost Rs. 5.78 crore.

(ii) Control of fire and subsidence for protection of Dhanbad Patherdih line at Lodna—Total cost Rs. 6.35 crore.

(iii) Dealing with fire for protection of Chatkari Jore at Bararee/ Jeenagora—Total cost Rs. 7.70 crore.

(iv) Dealing with fire for protection of Dhanbad-Patherdih rail line at Bararee-Total cost Rs. 5.77 crore.

13. **The Committee find that the reply of the Government is evasive and entirely unsatisfactory. The Committee note with dismay that the Government has only elaborated the various 'Environmental Measures and Subsidence Control Schemes' (EM&SC) to be implemented in coal mines area and the reply is silent about various deficiencies in implementation of EM&SC Schemes and steps taken by the Government to review and prioritise them for implementation. The Committee have found that the progress of 27 approved schemes under Environmental Measures and Subsidence Control is far from satisfactory. The Committee are further constrained to note that under Social Mitigation Schemes of BCCL for shifting of people from most**

endangered areas of BCCL, as against sanction cost of Rs. 33.88 crore, only Rs. 1 crore has been disbursed till March, 2001. For rehabilitation of 4 unstable area of ECL, against a sanctioned amount of Rs. 32.52 crore, only Rs. 1 crore has been disturbed. The Committee are sad to note that despite their repeated recommendations to rehabilitate people from most endangered area of BCCL and ECL, no tangible action has been taken by the Government and only a token amount has been disbursed till March, 2001. The Committee are unhappy to note the way, the Government have taken action on the implementation of the recommendations of the Committee and desire that Committee be apprised of the action taken by the Government for immediate implementation of EM&SC Schemes. The Committee have been informed that two schemes on stabilization of subsidence and rehabilitation of people, have been sanctioned by Central Government. The Committee would like to be apprised to the detail of the schemes, including funds made available for the purpose. The Committee desire that the scheme be implemented in a fixed time frame. The Committee would also like to emphasisse that Standing Scientific Research Committee, which plan, programme, budget and oversee the implementation of R&D projects, should meet frequently to appraised R&D Projects. The Committee would like to know the ideal time required for appraised of projects by Standing Scientific Research Committee, the delay, in appraisal of EMSC projects by SSRC at their sitting held on 16.5.2001. The Committee would also like to be informed of the details of RCFS scheme under implementation, if any.

Fire & Subsidence Control and Environment Management

Recommendation (Sl. No. 4, Para No. 2.43)

14. Taking note of the entire Fire & Subsidence Control and Environment Management in subsidiaries of the Coal India Limited, the Committee had desired that a separate Authority should be formed to take care of fire and subsidence problem in all the existing and abandoned coal mines of CIL and its subsidiaries. The Committee had recommended that this Authority would also take special care of Resettlement and Rehabilitation (R&R) of Project Affected Tribal Families (PATF) so that these people do not take recourse to agitational means.

15. The Government in their reply have stated that the Environment Department headed by GM and assisted by other officials is functioning in all its subsidiaries. Necessary measures are being taken for speedy implementation of EMSC Schemes. CMPDIL is a nodal agency for releasing funds. Regarding R&R policy, the Government have stated that CIL has a well-defined R&R policy vetted by the Ministry which is being religiously followed.

16. The Committee do not approve the action of the Ministry of Coal, in not responding to their suggestion of separate Authority in Coal India Limited to take care of Fire Subsidence Control and Works relating to Environment Management Plans in existing and abandoned coal mines. The Committee are of the firm view that progress in Fire Subsidence Control is far from satisfactory. The restoration of ecology in existing and abandoned coal mines is also not on the expected lines in spite of placement of senior officers in the rank of GM to oversee such works. Reiterating their earlier recommendation, the Committee desire that such an Authority should be set up without any further delay so that works on Fire Subsidence Control & Environment Management Plan could be taken up on war-footing.

Development Works in Coal Mines

Recommendation (Sl. No. 5, Para 2.53)

17. The Coal Conservation and Development Advisory Committee (CCDA) is entrusted with the conservation efforts of coal companies by undertaking sand stowing operations for safety of coal mines, protective works and development of transportation infrastructure in coal fields areas. The Committee had observed that in respect of 161 mines closed down due to various reasons, stowing and protective works had not been completed in a number of cases. Although OSD had reportedly been posted to monitor sand stowing and protective works, the position in field has not undergone any change and malpractices are reported in regard to reimbursement of sand stowing, etc. The Committee had, therefore, desired that the cases of reimbursement of schemes for sand stowing, protective works, construction of roads in coalfields should be probed by an independent body. The Committee were further unhappy to note that 3 railway lines, namely, Tori Shivpur in CCL, Belpahar-Chaturdhara in MCL and Gerva-Pendra Road in Korba coalfields identified for completion in 9th Plan were yet to be finalized. The Committee had recommended that the Government should review the work of CCDA to make it more responsive and desired that the details of development of road, railway, sand stowing and protective works in each coal subsidiary with targets fixed and actual achievements for the last 3 years be appraised to the Committee.

18. Regarding 3 railway lines, namely, Tori Shivpur in CCL, Belpahar-Chaturdhara in MCL and Gerva-Pendra Road in Korba coalfields, the Government have informed the Committee that the Railways have agreed to fund Gerva-Pendra road project and remaining 2 projects are to be funded by the Ministry of Coal. The Tori-Shivpur line decided to be given priority in view of the vast potential of North-Karanapur coalfield the logistical sources of coal supply to North India Power Station. The Survey works for Tori-Shivpur line is in progress and will be completed by November, 2001 and the construction will be completed in 4 years *i.e.* by 2006. Eastern Railways had demanded Rs. 21.60 lakh to undertake the survey work and the money has been deposited by CCL promptly. A statement of sand stowing operations in different companies indicate that against the targets of Rs. 48.00 crore during 1998-99 the claims by coal companies were Rs. 127.90 crore. Similarly, during 1999-2000 and 2000-01 against the targets of Rs. 46.50 crore and 56.80 crore, the claims were Rs. 128.39 crore and Rs. 129.39 crore respectively. However, as per the guidelines of the Ministry of Coal, sections were Rs. 44.87 crore during 1999-2000 and Rs. 62.09 crore during 2000-01.

19. The Committee are sad to note that the reply of the Government is silent about recommendation of the Committee to get the matter probed through some independent body, about the malpractices reported in reimbursement of claims of sand stowing. The Committee take a strong note of it and desire that the Government should to apprise the action taken in this regard to the Committee immediately. The Committee are further perturbed to note that the rail infrastructure which was to be developed and completed during 9th Plan there even the survey works has yet to be started. In view of the slow progress of the accept the reply furnished railway lines in different coalfields, the Committee cannot but deplore the functioning of the Ministry of Coal and urge the Government to take immediate steps to strengthen the infrastructure as targeted.

Recommendation (Sl. No. 6, Para No. 2.54)

20. The Committee had observed that budgeted funds for community and peripheral development by various coal subsidiaries remained un-utilised. The Committee had, therefore, desired to be apprised of the funds sanctioned, actual utilization and the reasons for slippages for different activities during the last 3 years by the coal subsidiaries and recommended that the Government should take corrective action for proper utilization of such funds.

21. In their reply, the Government have *inter-alia* stated that the budget allocation in respect of community and peripheral development activities for 1997-98 exceeded the amount budgeted. However, the budget allocation during 1998-99, 1999-2000 and 2000-01, against the budget allocations of Rs. 1380 lakh, 1116 lakh and 1288.22 lakh, the actual expenditure were Rs. 966.28 lakh, 855.37 lakh and 853.34 lakh respectively. The major reasons for slippages and under-utilisation of funds are reported to be procedural delay in awarding of work, delay of contractor, delay by finalisation of action plan by the members, fund constraints and other local problems.

22. **The Committee are dismayed to note that although the Government have given the desired information *viz.* budget allocation and expenditure incurred along with major reason with slippages/ under-utilisation of funds for community and peripheral development of various coal subsidiaries, the reply of the Government is silent about the corrective action taken by them so that funds allocated during the year could be effectively utilized. The Committee find that there exist substantial variations between budgeted amount and actual expenditure in some of the subsidiaries like ECL, BCCL, CCL and NCL over the years. In the opinion of the Committee, the Peripheral Development Schemes have been designed and formulated in pursuance of Social Objective's Policies of PSUs. The Social Objective of PSUs shall be lost if such schemes are not implemented in the right earnest. The Committee, therefore, desire that Government should take concrete actions to overcome these problems, which are of administrative nature and apprise the Committee of the outcome.**

Allocation for S&T/R&D Projects

Recommendation (Sl. No. 7, Para No. 2.66)

23. Regarding budget allocation for Science and Technology/ Research and Development (S&T/R&D) Projects, the Committee had observed that there was gradual reduction since 1998-99. Further, against budgetary allocation of Rs. 9.87 crore during 1997-98 for S&T Projects only Rs. 4.56 crore could be expended. Similarly, as against budgetary allocation of Rs. 33.39 crore and Rs. 20.52 crore during 1998-99 and 1999-2000, only Rs. 5.49 crore and Rs. 4.34 crore respectively have been utilized. The Committee had felt that R&D/S&T Projects being very vital for the survival of any sector in a highly competitive world

the reasons for reduced budgetary allocation and slow progress of ongoing S&T/R&D coal projects be gone into and corrective steps should be taken thereon. The Committee had opined that there was an urgent need to review the whole gamut of formulation and sanction/approval of S&T/R&D projects so that delay could be minimized and had recommended that there is a need to review the constitution and working of Standing Scientific Research Committee (SSRC) and its Sub-Committees to make them result-oriented.

24. In their reply, the Government have *inter alia* stated that the budget estimates for S&T/R&D Projects is made on the basis of progress of on-going projects, likely approval of new projects by SSRC and position indicated by project proponents. Slow progress of on-going projects and delay in approval of new projects in time have resulted in variation in Budget Estimates (BE) and Revised Estimates (RE) as well as low disbursement of funds. A demonstration project for beneficiating low volatile-coking coal for use in steel plants be installed at Golukdih of BCCL costing Rs. 30.55 crore could not be established due to non-awarding of the work. Whereas Rs. 23.88 crore and Rs. 7.18 crore were provided in BE of 1998-99 and 1999-2000 respectively. Another project of coal-bed Methane recovery and its commercial utilization at the cost of Rs. 76.88 crore and for which Rs. 0.90 crore and Rs. 9.09 crore were provided in BE in 1998-99 and 1999-2000 respectively could also not be utilized.

25. For the slow progress of S&T/R&D Programme, the Government have stated the reasons such as dependence upon National Research Laboratory, Academic Institutions, etc., the unrealistic costing and time estimates proposed at the time of formulation, delay in recruitment of research personnel and procurement of imported equipment, etc.. The SSRC has deliberated and laid down guidelines regarding formulation, implementation, monitoring and dissemination of research findings and these guidelines have recently been revised and have been made more comprehensive.

26. While examining the various reasons for delay in implementation of S&T Project, the Committee were concerned to note the delay in sanctioning of S&T Project and had desired that the constitution and working of SSRC should be reviewed and its Sub-Committees be made more result-oriented. In the opinion of the Committee, the coal sector is in dire need of R&D/S&T back-up. However, there seems to be a lack of coordination amongst the

various units/bodies associated with the research projects in coal sector. As a result of which R&D/S&T Projects are not forthcoming. Administrative inaction has also delayed such projects. The Committee have taken note of some of the measures in expediting the pace of R&D/S&T projects. The Committee, would like to await the outcome of such measures. At the same time, the Committee would reiterate their earlier recommendations of reviewing the working of CMPDIL, SSRC and their Sub-Committees, so that these becomes meaningful instruments for expediting R&D/S&T projects.

Mechanization of Under Ground Mines

Recommendation (Sl. No. 11, Para No. 2.97)

27. Regarding mechanization of under-ground mines, the Committee had observed that Coal India Limited (CIL) produces only 34% of its underground production through mechanization as against 10% in other coal producing countries. The Committee, had, therefore, recommended the need for a blue-print to be drawn up to achieve the desired level of mechanization of under-ground mines with the equipment and technology found successful and economically viable. Taking note of the fact that out of proved coal reserves about 56% are extractable by under-ground mines and remaining 44% by open cast mining, the Committee had recommended that a long-term prospective production programme of open cast and underground mining should be framed for the successive Plan period.

28. In their reply, the Government *inter alia* have stated that historical manual board and pillar method is prevalent in most of the under-ground mines in India considering the geo-mining conditions in the coal mines geo-mining conditions like seam thickness, inclination through presence of water/fire in overlaying seams, surface features, etc. restrict application of high productive mechanized mining methods. Regarding mechanization of under-ground mines after nationalization the Government have stated that the board and pillar method, side discharge loader and load haul dumper are being used for mechanized coal loading at the face replacing manual loading. Conveyor are being used for coal transportation replacing rope haulage, mechanized long-wall system has been introduced in suitable conditions and at present 11 Powered Spot Long Walls are in operations. The under-ground production has increased from the level of 10.5 MT in 1990-91 to 25.89 MT in 2000-01 in CIL. Short wall mining for faster extraction of developed pillars has been proposed and is likely to be introduced within a year or so and more Powered Support Long Wall faces are also being considered for introduction in suitable places. It is expected that with this mechanized under-ground production is likely to increase to 40 MT by the end of 9th Plan.

29. The reply of the Government that geo-mining conditions like seam thickness, inclination through presence of water/fire in overlaying seams, surface features, etc. which restrict application of high productive mechanized mining methods is not acceptable to the Committee. The Committee feel that although these conditions may hinder the pace of speedy mechanization of under-ground mines, the Government should come up with a blue-print on the mechanization of under-ground mines in a time-bound manner as suggested by the Committee. The Committee would like the Government to step up their R&D efforts to counter geological surprises at various places. The Committee would like to know the details of the mines where short wall mining for faster extraction of coal by developed pillar has been proposed and is likely to be introduced in the near future. The Committee would also like to know the details of places where Powered Support Long Wall faces considered for introduction. The Committee would like to know the detailed action plan for implementation of these technologies and the likely expenditure to be incurred thereon. The Committee would, however, like to recommend that before the introduction of the technology, the geo-mining conditions of coal mines should be ascertained.

Coal Stock Shortages

Recommendation (Sl. No. 15, Para No. 2.124)

30. The Committee had observed that the coal stock shortage beyond 5% of the book stock in excess of 1000 MT were being investigated into by the Departmentally constituted Committee and write-off action and book adjustment were made in accordance with the recommendations of the Departmental Committee only after the approval of the Board of the company. The shortage of 10,000 tonnes in a colliery and 50,000 tonnes in a company is being sent to CIL with the recommendation of the company Board for the decision by the CIL Board. The phenomena of shortage was more prevalent in 3 subsidiaries of CIL *viz.* ECL, CCL and BCCL and from 1995-96 to 1999-2000 shortages have been of the order of more than 90,000 MT, valuing more than Rs. 50 crore. The Committee were surprised to find that in spite of such cases having been examined by R.N. Mishra

Committee on BCCL, 1992, CCL 1994 and ECL 1993, the cases of shortages had risen unabated. The Committee had felt that the ceiling of 5% (+/-) of book stock and excess of 1,000 MT shortages are too liberal and give leverage to unscrupulous elements to resort to corrupt practices. The Committee had, therefore, recommended that the Government should review the ceiling downward preferably to a level of 1-2% (+/-) of book stock or 200 MT of shortages. The Committee had also recommended that a fool-proof method be devised to reduce and finally eliminate the incidence of shortages and desire that inquiry into such cases should be finalized with in a fix time period schedule of 6-8 months so that effective action is taken against the guilty at the earliest.

31. According to the Government CIL has submitted the present ceiling of 5% variation and 1000 MT shortages is against measures tolerance, given the nature of operations involved in coal mining operations. There are chances of error in instrument, human errors in taking measurement, irregular shapes and sizes, continuous plying of loaded tippers/dumpers, etc. The ceiling has been fixed on the basis of recommendations of the Balram Panigarhi Committee. Regarding system of monitoring and taking the measurement of coal stock, the Government have stated that monthly measurement of coal stock are being done by the Colliery Authorities and a quarterly measurement by respective area. Where as the half yearly measurement by the subsidiary company are carried and the annual measurement by CIL and sample measurement by outside agency like IBM and SCCL, etc. are being carried at various levels. To evolve an effective accounting system to manage coal stock and an outside independent agency is also proposed to be engaged as consultant. Expression of interest has been submitted by 3 firms and after examination price bid document have been called for. Regarding delay in certain cases, the Government have stated that these do take place due to various unavoidable reasons like transfer of officers, proper investigation of different nature at different stages, and compliance with the prescribed procedures in conducting the departmental proceedings to meet the principal of natural justice. 14 cases in respect of R.N. Mishra Committee report in ECL, BCCL and CCL are still pending. Out of 14 cases, 2 cases of BCCL, are still sub-judice.

32. Although the Committee are satisfied with the rationale given by the Government for fixing a ceiling of 5% variation between the physical stock and book stock and 1000 MT shortage as reasonable measurement tolerance, the Committee recommend that incentives/ reward system should be introduced by the coal companies for the officers responsible for correct measurement so as to discourage the human errors involved in taking measurement and correcting the errors in instruments, etc. In view of the existing steps taken by Coal Companies like system of monthly measurement of coal stocks by Colliery Authorities, quarterly measurement by respective area, half yearly measurement by the subsidiary company and annual measurement by CIL and sample measurement by outside agencies like IBM, SCCL the Committee feel that weekly checking and reporting of coal stocks by higher officials should be introduced so as to reduce and finally eliminate the incidence of shortages. The Committee also welcome the outside independent agency as consultant for evolving an effective accounting system to manage coal stocks. The Committee would like to await the outcome of such measures in scientifically managing coal stocks.

33. The Committee are not satisfied with the reply of the Government that delay in enquiries with cases of shortages, in certain cases takes place due to various unavoidable reasons like transfer of officers, proper investigation and compliance with the prescribed procedure, etc. in conducting the departmental proceedings. The Committee, therefore, reiterate their earlier recommendation to have a foolproof method and system so that enquiry into such cases should be finalized within a fixed time schedule and effective follow up action be taken against the guilty officials within 6-8 months. The Committee would await the action taken by the Government in this regard.

Setting up of Coal Washeries

Recommendation (Sl. No. 16, 17 & 18, Para Nos. 2.144, 2.145 & 2.146)

34. The Committee had noted that some of the coal washeries were not utilising their installed capacities. The Madhuban washery which was set up with an investment of Rs. 194 crore, the utilisatioin was only 12%. Beena, another washery, where Rs. 21.93 crore were invested during the year 1998-99 and 1999-2000, the capacity utilisation was 17.81%. Taking note of the less capacity utilisatioin of Patherdih, Kathara, Kedla, Dugdha-I and Gidi washeries, the Committee had desired that the Government should assess the reasons and corrective action be taken thereon. The Committee had felt that one time financial

assistance for undertaking modernisation work in coal washeries should be provided and penalty clause should be invoked for the failure on the part of the contractors in the execution of the works. The Committee had also recommended that Coal India Ltd. (CIL) and its subsidiaries should explore the possibility of forming Joint Venture Companies with National Thermal Power Corporation (NTPC) and other power utilities. The Committee had further noted with anguish that in spite of the Ministry of Environment & Forests mandatory provision dated September, 1997 prohibiting supply of coal with more than 34% ash content to thermal power stations located beyond 1000 kms. from the source of supply, pretty little had been done by the Government to improve the working of washeries except for setting up of a number of Committees.

35. In their reply the Government have *inter-alia* stated that due to depletion of good quality coking coal, the availability of raw coal feed to the washery has reduced to a considerable extent. The quality of raw coal now being fed to the washery is inferior in quality than the designed quality parameters of coal washeries. For there washeries, washing of low volatile coking coal which is available in the country also require a special process of coal beneficiation. CFRI is still in the experimental stage to develop the process and S&T grant is being made to CFRI to examine the economic viability of such process. The utilisation capacity of non-coking washeries like Beena are suffering mainly on account of reluctance by the consumers to use the beneficiated coal so as not to bear the additional cost. Regarding implementation of Altekar Committee Report, the Government have stated that most of the recommendations have been implemented. However, delay in remaining cases is mainly due to slow progress by the contracting agencies as well as due to funds crunch. Moreover, with depletion of coking coal reserves, three coking coal washeries have been converted to non-coking coal washeries. Regarding investment of funds to set up more coal washeries, the Government have stated that CIL does not have adequate funds and it would like to utilise funds for investment in mines which is its prime responsibility. However, 5, 6 years back, CIL took initiative for setting up three washeries on Built-Own-Operate basis and finalised tendering etc. These washeries could not take-off due to non-finalisation of FSA with SEBs mainly in view of the disagreement on cost of washing. A high level Committee under the Chairmanship of Additional Secretary, Coal is reportedly ceased with the problem of setting up of washeries to non-coking coal to comply with the mandatory stipulation of Ministry of Environment & Forests notification. A meeting in this connection was held on 7.6.2001. Efforts are reported to be made to induce the consumers to set up the washeries. The date of implementation of Ministry of Environment & Forests notification has been shifted to 1.6.2002.

36. The Committee are unhappy to note that in spite of their repeated recommendations to set up coal washeries and numerous Committees constituted by the Ministry of Coal, the capacity utilisation of coal washeries is as low as 12 percent. Although, the Government have stated that its first priority is to infuse funds in coal mines to meet the large gap in demand and supply projected in the coming years, the Committee fear that in view of the mandatory stipulation of Ministry of Environment & Forests to ban supplying coal with an ash content of 34% or more, the CIL and its subsidiaries will be unable to sell their produce in the absence of coal beneficiated at a desired level. The Committee would also like to caution the Government to complete the demonstration washery project being developed by CFRI in time and examine its economic viability. The Committee find that the reply of the Government is also silent about the possibility of forming Joint Venture Companies with the power utilities. The Committee would, therefore, desire that the high level Committee set up to examine this issue should finalise its report at the earliest and this Committee should be apprised of its recommendations and a time schedule to implement the same.

Safety in Coal Mines

Recommendation (Sl. Nos. 20 & 21, Para Nos. 2.185 & 2.186)

37. The Committee were distressed to note the spate of coal mine accidents resulting in loss of human life. The Committee had noted that in spite of well laid down safety apparatus in position *i.e.* Internal Safety Organisation in CIL and its subsidiaries and DGMS under the Ministry of Labour, the track record of safety was far from satisfactory, when seen in the global context, even though there has been an improvement since the nationalisation of coal mines in 1975. For instance, the fatality rate in the coal mines in the country, 0.52 per 3 lakh manshift recorded in 1975 dipped to 0.25 in a span of 25 years. However, a comparison of fatality rate with some of the developed countries indicate that fatality rates per million tonnes of production, our country was not favourably placed, especially, considering that more than 65% of coal in India is obtained from open cast mines *vis-a-vis* less than 10% in other developed countries. As against CIL's fatality rate of 0.5 per million tonnes of coal produced, it was only 0.02 in Australia, 0.12 in France, 0.19 in Germany and 0.05 in USA.

38. The Government in their reply have stated that fatality rates per million tonne of coal produced by CIL/India cannot be compared with that of other countries like Australia, USA since geo-mining conditions, method of work/degree of mechanisation, production/ productivity of such developed countries are not the same. Fatality rates per 1000 persons employed and per 3 lakh manshift deployed are comparable with developed countries. However, continued efforts are being made by CIL to further reduce accidents in its coal mines.

39. The Ministry of Labour/Directorate General of Mines Safety (DGMS) have stated that the provisions of safety in mines are to be enforced by the mine management. DGMS is taking all possible steps to ensure the compliance of the safety provisions under the Mines Act, 1952 and the rule and regulations framed thereunder by the mine managements. In order to strengthen the safety standards in the mines the safety provisions are reviewed from time to time and necessary guidelines are issued to the mine managements for compliance. DGMS also undertake regular inspections of mines with more stress on hazardous mines based on risk analysis. Besides this DGMS also take other promotional initiatives such as safety information dissemination, conference on safety in mines, safety week, campaigns and National Safety Awards.

40. Taking note of under utilisation of capital budget by as much as 45% in safety related activities during the years 1999-2000 and 2000-01 due to avoidable procedural delays and liquidity crunch, the Committee were perturbed to note that due to limited resources, Directorate General of Mines Safety (DGMS) failed to inspect and survey all coal mines and checks which are required to be carried out in some important places. The Committee had opined that constraints of funds should not come in the way of implementing safety related activities and had recommended that Government should ensure that funds for safety related activities should be fully expended. Taking into consideration, the step up in coal mining activities, the Committee had felt that the requirement of inspectors, surveyors and other safety related officers should be reassessed and need-based manpower should be provided. The Committee had also desired that the Ministry of Coal should examine the feasibility of providing financial assistance to DGMS for intensively carrying out the statutory functions pertaining to coal mines or the Government should examine the possibility of placing some staff from internal safety organisation of Coal India Ltd. (CIL).

41. In their reply, the Government have stated that all efforts are being made to minimise the procedural delays to utilise the safety budget. From the information regarding status of statutory surveyors, *i.e.* overall requirement of surveyors and their existing strength in CIL and its subsidiaries, there is a shortage of 38 surveyors and surplus of 24. Out of 15 surplus surveyors in ECL, 7 are reportedly retiring shortly. The Ministry of Coal has stated that it is unable to provide financial assistance to DGMS in view of the projected large gap in demand and supply of coal and the meagure funds with it would be utilised for investment in new projects. The internal safety organisation in CIL is also not in a position to off-load/spare some of its officers at this stage for placement under DGMS.

42. According to Ministry of Labour, the DGMS is fully utilising its available resources and inspection of mines are being made as much as possible within the available means. Based on the recommendations of the various Committees set up in the past to review the functioning of the DGMS, a number of posts were created. However, it is seen that the present strength of the enforcement machinery is not adequate to undertake general inspection of each mines in a year. Ministry of Labour is considering to optimise its effectiveness to ensure safety in mines. As regards placement of services of Internal Safety Organisation at the disposal of DGMS it may be mentioned that Internal Safety Organisations have a specific role to play for self-regulation within the management for safety in mines and therefore the proposal may not be practicable.

43. The Committee are not satisfied with the reply of the Ministry of Coal that the fatalities rate per million tonne of coal produced by CIL/India should not be compared with other developed countries like USA, Germany etc. as method of work, geo-mining conditions, degree of mechanisation etc. are not the same. The Committee are further unhappy to note the Ministry of Labour averment that the present strength of enforcement machinery is adequate to undertake general inspection of each mine in a year. The Committee find that DGMS undertake regular inspections of mines with more stress on hazardous mines based on risk analysis. Sadly, the fatal accidents continue to take place during the last 5 years despite of their (DGMS) inspections. The Committee cannot reiterate their recommendation that the Government provide need-based manpower to DGMS with adequate Budgetary support. The Committee desire that the Government should lay special stress on safety related activities to reduce the fatality rate to zero.

44. The Committee are constrained to note that the Government have stated that all efforts are being made to minimise the procedural delays but have not elaborated the steps taken so far for utilisation of safety budget. The Committee cannot but deplore the way the Government have taken such a casual approach for utilisation of funds for the safety of mines and its workers. The Committee also failed to understand that although different subsidiaries of CIL are offering Voluntary Retirement Schemes to its employees, the Government have informed that there are no officers with Internal Safety Organisation of CIL to off-load/spare who could be placed under DGMS. The Committee, therefore, recommend the Government to reassess such officers available with CIL seeking Voluntary Retirement Scheme (VRS) and who can be deployed as surveyors in DGMS and inform the Committee within three months of the action taken in this regard. The Committee would also like to know the action taken by the Ministry of Coal with the Ministry of Labour/ DGMS to strengthen inspection and surveying team of DGMS.

Recommendation (Sl. No. 22, Para No. 2.187)

45. The Committee had observed that safety audits were being conducted at regular intervals and mining maps were not being updated from time to time as required by the statute. The Committee had desired that safety audit should be carried out periodically and follow up action taken thereon. The Committee had observed that considering only 46% of the under ground mines that had been mechanised, the occurrence of more than 50% of total coal mines accidents are on higher side. The Committee had desired that the Government should review the whole gamut of safety in coal mines in the wake of mine accidents in the recent past and loop-holes, if any, in safety structure should be plugged.

46. In their reply, the Government have *inter-alia* stated that there is no fixed periodicity of safety audit. These are conducted as and when the system demands, however, mining plans are updated for every quarter as per the statute.

47. According to Ministry of Labour the safety standards in the mines are reviewed by the DGMS from time to time and necessary guidelines are issued to the mine managements. The mine managements have been requested to update the mine plans, make check surveys and prepare fresh plan in a time bound manner.

48. The Committee do not find any rationale and justification in not fixing any firm periodicity for Safety Audits. The Safety Audits are now carried out in different coal mines as and when system demands. The Committee feel that there should be fixed periodicity and the safety audit should be conducted at regular intervals. The Committee, are further perturbed to note that the reply of the Government is silent about the Committee's recommendations suggesting to review the whole gamut of safety in coal mines to plug the loop-holes in safety structure and desired that the Government should apprise the action taken in this regard. The Committee also desire that the Government should furnish full and complete replies to the Committees recommendations in future.

Implementation of Recommendation of Court of Enquiry

Recommendation (Sl. No. 23, Para No. 2.188)

49. Taking note of lukewarm response towards implementation of the recommendations of Court of Enquiries which probed Newkenda Colliery disaster and Gaslitand of BCCL, the Committee had desired that all the recommendations should be implemented in letter and spirit. The recommendations which the Government had not implemented should be brought to the notice of the Committee.

50. In their reply, the Government have stated that all out efforts are being made to implement the recommendations of Court of Enquiries of Newkenda and Gaslitand. Regarding Newkenda Court of Enquiry out of 10 recommendations in ECL 5 have been reported to be implemented. Executive Director has been posted for safety in CIL and its subsidiaries and 4 rest recommendations are under implementation. These recommendations are taking time for implementation as procurement of instruments, R&D study, amendment in Act, regulation, etc. are involved. Regarding Gaslitand Court of Enquiry where 64 unfortunate workers died, the Court of Enquiry constituted on 17.10.1995 and was submit its Report within 3 months. The Court was given extension from time to time and the Government have notified the Court of Enquiry's Report on 15.12.1999. It had made 8 observations and 5 recommendations. Out of 8 observations made by the Committee 6 have been implemented/under-implementation in the various subsidiaries of CIL and one observation in respect of BCCL is being examined by CMPDIL for implementation and the another one to be implemented by DGMS. The 5 recommendations made by the Court of Enquiry have been implemented in CCL, MCL, WCL, SECL and are under-implementation in the remaining subsidiaries.

51. In this connection, the Ministry of Labour have informed that DGMS have already brought the recommendations of the Court of Enquiries to the notice of the mine managements for its implementation. The mine managements are responsible for implementation of these recommendations in the mines. However, DGMS is also monitoring the status of compliance of the recommendations of the Court of Enquiries through tripartite meeting with trade unions and mine managements which are held at regular intervals of six months/one year.

52. Although the Committee are happy to observe that DGMS monitor the status of compliance of the recommendation of Court of Enquiries through tripartite meeting with Trade Union and mine management, the Committee feel that the intervals of such meeting should be quarterly rather than half year or yearly. But, the Committee are dismayed to note that the implementation of recommendations by the Court of Enquiry for Newkenda accident has been held up due to delay in procurement of equipment, R&D study, etc. even after regular monitoring reported by DGMS. The Committee observe that although meetings are being held, the decisions taken in such meetings are not implemented. The Committee, therefore, recommend that a cell be created in the Ministry of Coal to monitor and enquire the reasons for mine accidents. The reports of enquiry by such Committees should be laid on the table of the Parliament on the lines of reports of Railway Safety Commission, under the administrative controls of Ministry of Civil Aviation.

53. The Committee are further unhappy to note that the Court of Enquiry which was initially set up to submit their Report on Gaslitand incident within 3 months have taken more than 4 years to submit its Report. The reply of the Government is also silent about the nature of various observations/recommendations made by these Court of Enquiries and have only stated the number of observations/recommendations made by these Court of Enquiries. The Committee, therefore, would like to know the details of the observations/recommendations made by these Court of Enquiry and the steps taken to ensure that these enquiries are completed within 3-6 months. The Committee also feel that institution like CMPDIL should be associated with the Enquiry Committee at the *ab-initio* stage so that further examination of recommendations of Enquiry Committee's Report could be avoided.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 5, Para No. 2.56)

In pursuance of social objectives of Public Sector Undertaking, Coal PSUs undertake developmental works such as development/ construction of roads and bridges, school, colleges, hospitals, community centres, restoration of ecology, peripheral and other works of community development. Coal Conservation and Development Advisory Committee is entrusted with the conservation efforts of Coal Companies, by undertaking stowing operation for safety of coal mines, protective works and development of transport infrastructure in coalfield areas. The Committee have noted that in spite of liberal financial assistance for sand stowing, protective works for development of roads in coal fields, much remains to be done. The Standing Committee during their visit to Coal bearing Areas of ECL, BCCL and MCL during January 2001 gained first hand experience of the conditions of roads, protective and stowing works and was not satisfied. The information available for other coal subsidiaries in this regard is also not so promising. There are a number of roads in coalfields, which are yet to be completed in spite of 50 to 100% assistance provided for the works. In spite of 161 mines closed down due to various reasons, stowing and protective works have not been completed in a number of cases. The Environmental Management Plans have also not been completed fully. Although OSDs have been posted to monitor stowing and protective works, the position has not undergone any sea-change. Malpractices have been brought to the notice of the Committee in regard to reimbursement of claims for sand stowing and protective works. The Committee desire that cases of reimbursement of claims for sand stowing and protective work, construction of roads, etc. in coalfields should be probed by an independent body. The Committee are sad to note that as against provision of 10 crore for development of Rail infrastructure, only Rs. 15 lakh could be expended. The three Railway lines identified for completion in IX Plan *i.e.* Tori Shivpur in CCL, Belpahar-Chaturdhara in MCL and Gerva-Pendra Road in Korba coalfields, are yet to be finalized. The Committee recommend these railways projects should be taken up at the earliest. The Committee would like to be apprised of the details of development of Road/ Railways, Sand Stowing and Protective Works, in each of the coal subsidiaries, for the last 3 years, indicating the targets fixed, actual achievements and reasons for slippage, in each of the projects. At the same time, the Committee also desire that Government should review the working of CCDA, so as to make it more responsive.

Reply of the Government

Out of three Railway lines namely Tori Shivpuri in CCL, Belpahar-Chaturdhara in MCL and Gerva-Pendra Road in Korba coalfields, Railways agreed to fund Gerva-Pendra Road project and remaining two projects are to be funded by Ministry of Coal. It was decided to give priority to Tori-Shivpur Rail line in view of vast potential of North Karanpur Coalfields and this being a logical source of coal supply to Northern India Power Stations. Survey work for Tori-Shivpur line is in progress and will be completed by November, 2001. Construction of Tori-Shivpur line will be completed in four years time *i.e.* by 2006. In 2nd phase, Tori-Shivpur was to be further extended to comment it with Barkakana-Hazaribagh-Kodarma rail route being constructed by the Railways. In the mean time a request was received from Ministry of Power for taking up phase-II alongwith phase-I so that entire Railway line from Tori to Charhi/Hazaribagh can be constructed. The estimated fund required was Rs. 250 crore for Tori-Shivpur and Rs. 320 for Shivpur-Charhi Railway line. Ministry of Coal is of the view that the alignment of Tori-Shivpur-Charhi/Hazaribagh line should be so arranged that it has the minimum lead to the railway's proposed Ranchi-Hazaribagh-Kodarma alignment. Ministry of Railways agreed to examine this issue in line with the topography/ technicalities. However, Tori-Shivpur sector will be constructed first. Eastern Railway have demanded Rs. 21.60 lakhs to undertake the survey work. The said money has been deposited by CCL promptly.

The progress is expected to pick up once the said routes/alignment is finalized.

2. Details of sand stowing, protective works and construction of roads undertaken in each of the subsidiary during last three years, alongwith reasons for slippage is given in enclosed Annexure.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol.-III dated 27.8.2001]

Comments of the Committee

(Please *see* Para 19 of Chapter I of the Report).

Stowing

(Figures in lakh Rs.)

Year	Sl. No.	Coal Company	Target (B.E.)	Claim of Coal Co.	M.O.C.'s sanction as per guidelines	Remarks
1	2	3	4	5	6	7
1998-99						
	1.	ECL	1,600.00	4,584.71	1,604.65	
	2.	BCCL	1,025.00	2,909.40	1,018.29	
	3	CCL	375.00	167.90	58.76	
	4.	WCL	1,000.00	2,877.21	1,007.03	
	5.	MCL	50.00	166.67	58.34	
	6.	TATA	200.00	582.07	203.72	
	7.	IISCO	150.00	393.18	137.61	
	8.	SCCL	400.00	1,108.14	387.85	
		Total	4,800.00	12,789.28	4,476.25	
1999-2000						
	1.	ECL	1,650.00	4,604.76	1,611.67	
	2.	BCCL	1,050.00	2,894.95	1,013.23	
	3	CCL	100.00	275.12	96.29	
	4.	WCL	1,050.00	2,773.11	970.59	
	5.	MCL	75.00	164.09	57.43	
	6.	TATA	200.00	498.87	174.60	
	7.	IISCO	125.00	361.11	126.39	
	8.	SCCL	400.00	1,247.61	436.66	
		Total	4,650.00	12,819.62	4,486.86	

1	2	3	4	5	6	7
2000-2001						
	1.	BCL	1,775.00	4,563.83	2,184.84	
	2.	BCCL	1,250.00	2,689.39	1,245.59	
	3	CCL	200.00	275.65	12.65	
	4.	WCL	1,150.00	2,614.79	1,248.56	
	5.	MCL	175.00	187.39	92.02	
	6.	TATA	300.00	642.13	323.69	
	7.	IISCO	230.00	353.17	164.60	
	8.	SCCL	570.00	1,612.95	820.06	
		Total	5,650.00	12,939.30	6,209.01	

Protective works

(Figures in lakh Rs.)

Year	Sl. No.	Coal Company	Target (B.E.)	Claim of Coal Co.	M.O.C.'s sanction as per guidelines	Remarks
1	2	3	4	5	6	7
1998-99						
	1.	ECL	100.00	130.59	97.94	
	2.	BCCL	125.00	187.26	140.44	
	3	CCL	75.00	73.92	56.44	
	4.	WCL	75.00	101.32	75.99	
	5.	MCL	0.00	0.00	0.00	
	6.	NEC	25.00	22.97	17.23	
	7.	TATA	25.00	28.43	21.32	
	8.	SCCL	0.00	100.00	75.00	
		Total	425.00	644.49	483.36	

1	2	3	4	5	6	7
1999-2000						
	1.	BCL	60.00	39.05	29.28	
	2.	BCCL	8000	119.35	89.54	
	3	CCL	10.00	21.57	16.18	
	4.	WCL	5.00	61.11	45.83	
	5.	MCL	10.00	9.77	7.33	
	6.	NEC	10.00	16.13	12.10	
	7.	TATA	80.00	157.29	117.97	
	8.	SCCL	0.00	0.00	0.00	
		Total	255.00	424.27	318.23	
2000-2001						
	1.	BCL	150.00	115.89	86.54	
	2.	BCCL	200.00	315.16	236.39	
	3	CCL	50.00	121.44	91.08	
	4.	WCL	80.00	60.26	45.20	
	5.	MCL	75.00	171.49	128.62	
	6.	NEC	20.00	14.16	10.61	
	7.	TATA	100.00	59.52	44.64	
	8.	SCCL	75.00	10.80	8.10	
		Total	750.00	868.72	651.18	

Construction/Development of Road

(Figure in lakh Rupees)

Coal Companies	Target Fixed by Coal Co.			Actual Achievements			Reasons for slippage
	1998-99	1999-2000	2000-2001	1998-99	1999-2000	2000-2001	
ECL	200.00	0.00	1,000.00	128.42	168.03	1,098.00	1. Delay in receipt of Forest Clearance Certificate.
BCCL	250.00	100.00	700.00	193.00	26.50	700.00	2. Delay in getting the permission from State Govt.
CCL	1,175.00	500.00	1,500.00	1,175.00	1,475.00	1,300.00	3. Shrinkage of production in Mugma Area of ECL.
WCL	0.00	100.00	100.00	0.00	1,000.00	0.00	4. Non availability of matching funds in loss making company.
NCL	200.00	100.00	0.00	160.00	50.00	0.00	
SECL	700.00	200.00	100.00	608.28	376.06	94.94	
MCL	0.00	0.00	300.00	0.00	0.00	965.44	
NEC	200.00	0.00	0.00	460.00	0.00	0.00	
TATA	50.00	0.00	12.00	30.00	0.00	20.70	
SCCL	200.00	200.00	182.00	194.00	100.00	273.87	
Rail Infrastructure	300.00	3,800.00	1,000.00	300.00	0.00	15.35	
JSPL	0.00	0.00	106.00	0.00	0.00	131.50	
Total	3,275.00	5,000.00	5,000.00	3,248.70	3,195.59	4,599.80	

Recommendation (Sl. No. 6, Para No. 2.57)

The Committee have also observed under-utilisatioin of the Budgeted funds, for community and peripheral development by various Coal Subsidiaries. The Committee would like to be apprised of funds sanctioned, actual utilization, and the reasons for slippage, for different activities by coal subsidiaries, during the last three years. The Committee would like to emphasize that Government should take corrective actions for utilisation of such funds.

Action Taken Report

Budget allocation and expenditure incurred by the subsidiary companies as received in respect of Community and Peripheral Development activities for the last three years alongwith reasons for slippage/under-utilisatioin of fund are given below:

(Rs. in lakhs)

Company	1997-98		1998-99		1999-2000		2000-01	
	Budget	Expn.	Budget	Expn.	Budget	Expn.	Budget	Expn.
BCL	72.00	36.00	65.00	38.00	65.00	46.06	65.00	54.82 (Prov)
BCCL	80.00	45.00	102.00	46.00	116.00	56.18	117.00	43.24 (Prov.)
CCL	90.00	71.88	100.00	75.00	85.00	65.58	85.20	56.25
WCL	72.00	66.00	72.00	56.00	74.00	64.32	75.50	74.78
SECL	150.00	251.00	300.00	301.00	251.00	237.00	273.50	225.34
MCL	545.00	590.00	640.00	380.00	400.00	289.92	558.23	310
NCL	82.00	36.00	81.00	60.00	101.00	76.25	013.00	78.66 (Prov.)
NEC	10.00	16.00	10.00	10.00	14.00	20.00	10.79	10.25
CMPDI	60.00	50.00	10.00	00.28	10.00	—	—	—
Total	1161.00	1161.88	1380.00	966.28	1116.00	855.31	1288.22	853.34

Major reasons for slippage/under-utisation of fund:

(i) Procedural delay in the award of work.

(ii) Delay in completion of work by contractor.

(iii) Delay in finalisation of action plan by the members.

(iv) Fund constraints.

(v) Hindrances/problem created by the villagers over selection of site for the work and other local problems.

[Ministry of Coal, O.M. No. 20011/2/2000-IF, Vol-III, dated 27.8.2001]

Comments of the Committee

(Please *see* Paragraph 22 of Chapter I of the Report)

Recommendation (Sl. No. 10, Para No. 2.98)

The Committee have noted that no perspective plan for coal exploration has been drawn. The Committee desire that such a plan should be drawn immediately in the interest of coal sector as a whole.

Reply of the Government

Perspective Plan of Coal Exploration is drawn up for each Five Year Plan Period. Perspective plans had been drawn up earlier for VIII and IX Plans. Sub-Group-II for Coal & Lignite Exploration has prepared a draft perspective plan for exploration for the Xth plan period.

[Ministry of Coal, O.M. No. 20011/2/2000-IF Vol-III, dated 27.8.2001]

Recommendation (Sl. No. 14, Para No. 2.117)

The Committee also note that the consumers having coal linkage are not assured of price and quality of coal as per the Fuel Supply Agreement. The Committee further note that coal PSUs usually flout the said agreement with impunity because of their monopolistic entity. The Committee desire that Coal PSUs should scrupulously implement Fuel Supply Agreement, especially price and quality of coal. The Committee hope and trust that there would be no such complaint in future in this regard.

Reply of the Government

Concerted efforts are made by Coal India Limited and its subsidiaries for executing Coal Supply Agreements with all major consumers such as State Electricity Boards/Power Utilities, Cement Plants, Steel Plants, Sponge Iron Units, Captive Power Plants etc. State Electricity Boards, which constitute the largest coal consuming sector, are still reluctant to execute Coal Supply Agreement to bring about a disciplined approach on payments as well as quantitative and qualitative obligations. Regular follow-up in this regard through various agencies including Standing Linkage Committee is being made.

[Ministry of Coal, O.M. No. 20011/2/2000-IF Vol-III, dated 27.8.2001]

Recommendation (Sl. No. 25, Para No. 200)

The Committee note that adhocism is writ large in the appointment of CMDs in Coal India Ltd. (CIL) and its subsidiaries. The information furnished by the Government on the details of tenures of CMDs of CIL and its subsidiaries and Neyveli Lignite Corporation during the last ten years has shown that in some of the cases CMDs were in position only for three months. Further, it has been observed that in a number of cases the recommendation of Public Enterprises Selection Board (PSEB) were communicated months after the date of vacancy of a particular post and not only that, the Ministry have taken months together in forwarding the proposal to A.C.C. apparently due to delays in getting Vigilance Clearance. Although, as per the guidelines of Department of Personnel & Training (DoPT), action for filling up the board level post is to be initiated one year in advance before the occurrence of vacancy, however, this guideline is breached with impunity and rarely observed as evident in the present case. As a result, the posts of CMD in CIL, BCCL, MCL and WCL have still not been filled up on regular basis. In the opinion of the Committee, such delays in filling up the senior posts cause adverse impact on the working of such subsidiaries. The Committee, therefore, recommend that the guidelines of DoPT should be observed in letter and spirit, so that, the board level appointment is completed within the stipulated time and incumbent is in position immediately as the vacancy occurs. Human Resource Development, being a very important area for any Organisation, should be given due care in the Coal India Ltd. and its Subsidiaries.

Reply of the Government

Out of the four vacant posts of CMDs, the post of CMD, CIl has been filled on 30.03.2001 and the post of CMD, BCCL has been filled on 11.04.2001 and the posts of CMD, MCL and CMD, WCL have been filled on 25.05.2001 and 29.05.2001 respectively. No post of CMD is now vacant in the subsidiary companies of Coal India Limited.

As regards adherence to the guidelines of the DoPT for initiating action for filling up the Board level posts one year in advance, it may be stated that concerted efforts are being made by this Ministry to follow these guidelines to abridge the time gap between various stages of selection process. The initiative taken in this regard has produced encouraging results and appointment of Director (Technical), SECL has been notified on 09.05.2001 well before occurrence of vacancy on 01.06.2001. Similarly, proposals for filling up following vacancies have been sent to the DoPT for obtaining ACC approval well in advance of the date of occurrence of the vacancy:

Sl.No.	Name of Post	Vacancy Date	Date of sending proposal to DoPT
1.	Director (Fin), WCL	01.08.2001	25.04.2001
2.	Director (Tech), CCL	01.10.2001	01.05.2001
3.	Director (Tech), ECL	01.01.2002	26.,04.2001
4.	Director (Tech), CCL	01.01.2002	26.04.2001
5.	Director (Tech), NCL	01.01.2002	25.04.2001

The vacancies of Director (Marketing), CIL occuring on 01.12.2001 and CMD, NCL on 1.2.2002 have also been intimated to PESB for taking advance recruitment action.

[Ministry of Coal, O.M. No. 20011/2/2000-IF Vol-III, dated 27.8.2001]

Recommendation (Sl. No. 26, Para No. 2.204)

The Committee have noted that inspite of well laid down, documented Transfer Policy in Coal India Limited and its subsidiaries, it is observed more in breach than in practice. It is rather strange that some of the Engineers have been working uninterrupted in a single project for more than ten years, which is contrary to the policy of CIL. The Committee recommend that all the Officers/Engineers, working in the same position/post for more than 5 years be transferred, in accordance with the transfer policy of CIL and its subsidiaries. Special care should be taken in case of officers manning safety related posts so that safety is not compromised in any way. The Committee may be apprised of the action taken in this regard within a period of 3 months.

Reply of the Government

As per transfer policy of the company in vogue, executive in M-1, M-2 & M-3 disciplines, who have put in ten years or more service are to be transferred from one subsidiary to the other. However, large scale transfers are to be avoided and 10% of those who come with the zone of consideration are to be transferred out. It was observed that a large number of executives in M-1, M-2 and M-3 grades had remained in the same company for 20 years or more. In order to effectively implement the transfer policy, a decision was taken during 2000-01 to transfer all executives who had put in 20 years or more service in one company. As per this decision more than 576 officers have been transferred from one subsidiary to the other. The criterion of 5 years for transfer of executives in M-1, M-2 and M-3 grades has been adopted only in respect of sensitive posts. The management has also revised the sensitive list and made it more broad based. It has been decided that in the transfer of executives in these sensitive posts in M-1, M-2 and M-3 grades will be made from March 2002 onwards. While transferring the executives due care is taken to see that the safety of the Mines is not compromised in any way.

[Ministry of Coal, O.M. No. 20011/2/2001-IF Vol-III, dated 27.8.2001]

Recommendation (Sl. No. 29, Para No. 2.225)

Projects implementation is an area which leaves much to be desired. The Committee are unhappy to note the cost and time overrun of externally financed projects of NLC. The cost overruns of Mine Expansion I Project is to the tune of Rs. 315.29 crore. The time overrun of the project is of the order of 47 months. Similarly, TPS Expansion Project is also behind schedule by 15 months. The Committee have been informed that Mine I Expansion Project got delayed due to its linkage with TPS-I Expansion Project. It clearly demonstrates lack of project formulation and planning. The Committee feel that Government should appraise these projects afresh for their completion at the earliest.

Reply of the Government

Government have already received Revised Cost Estimates (RCEs) for both Mine Expansion and Thermal Power Station I Expansion projects of NLC.

RCE in respect of Mine I Expansion Project after having been cleared by an Inter-Ministerial Group in August, 2000 was posed to the Standing Committee on Fixation of Responsibility for Time and Cost Overrun. The Committee in its meeting held in Feb., 2001 reached a consensus conclusion that no individual or agency could be held responsible. The report of the Committee has since been signed by all the members. Action to place the RCE before the Public Investment Board is in hand.

As regards TPS I Expansion Project, RCE has already been considered by an inter-Ministerial Group and Standing Committee on Fixation of Cost and Time Overrun in the meetings held in Feb., 2001 and May, 2001 respectively. After finalisation of the report of the Standing Committee, action to process the RCE for approval of the Public Investment Board will be taken.

Both the above projects are expected to be completed as per the revised time schedule and no further slippage is envisaged.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

CHAPTER III

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

Recommendation (Sl. No. 1, Para No. 2.27)

The Committee are sad to note the decline in the Plan outlay of Ministry of Coal during 2001-02 as compared to 2000-01, thus, affecting the ongoing and future coal/lignite projects. The Committee have been informed that the steep decline in the Central Plan outlay is on account of cancellation of World Bank aided Coal Sector Rehabilitation Project (CSRP). Consequently, the outlay was reduced by as much as rupees 1023.32 crore. Consequently four projects meant for capacity building would undergo time over-runs ranging from 1 to 6 years. The contention of the Government that in case of 15 projects involved in replacement of equipments under CSRP loan, the resource gap would be bridged through internal resources is hardly convicing. The track record of Coal India Ltd. (CIL) in regard to mobilization of Internal and Extra Budgetary Resources (IEBR) for the last three years is far from satisfactory, as there exists huge variations between the projected IEBR and the actuals. The Committee are perturbed to note that Parej East Open Cast Project of CCL, which was sanctioned during the 8th Plan could not make much headway. Now with the cancellation of World Bank loan, it will be further delayed by a period of three years. Similar position exists in regard to Dudhichua Open Cast Project of NCL, which was also sanctioned during 8th Plan and is expected to be delayed further by another six years. The Committee desire that Government should review their decision of cancellation of CSRP loan so that the projects which were to be financed through this loan could be completed within the stipulated time.

Reply of the Government

Coal Sector Rehabilitation Project (CSRP) comprised 24 projects of CIL out of which 9 projects were for additional capacity building and the remaining 15 projects were for funding equipment replacement. After receiving equipment under Stage-A of CSRP, the position was reviewed in detail and it was decided that Stage B procurement needed to be deferred to ensure full utilisation of the equipment received under Stage-A. Further investment of about US$ 254 million would be required over and above the commitments made in Stage-A in order to complete the CSRP. But, unlike the original schedule, the deployment of equipment would have to be spread over a longer time frame (2004-05) requiring revision of the procurement plan and streching the disbursement period beyond the loan closure date. Accordingly, CIL was constrained to cancel the total uncommitted part of the loan that is US$ 507.40 million from the World Bank and JBIC. Even if the loan had not been cancelled, CIL would need only about US$ 254 million (Rs. 1175 crores) and the balance uncommitted amount *i.e.* US$ 253 million would remain unutilized mainly because of (a) pricing of equipment being around US$ 127 million less than what was estimated in the Staff Appraisal Report (SAR) on the basis of which the loan was worked out, (b) saving of nearly US$ 104 million provided as contingency as there was no need for utilizing it and (c) saving of US$ 22 million arising from the change of scope in CHP, telecommunications etc.

Nine projects of additional capacity building which are being created, would require about Rs. 638 crores. Fifteen other projects would need about Rs. 537 crores for replacement of equipment. The investment of Rs. 1175 crores spans the last two years of the current IXth plan (Rs. 652 crores) and first three years of the Xth plan (Rs. 523 crores). The mobilization of additional resources of Rs. 652 crores during the last two years of the current IXth plan and Rs. 523 crores during the first three years of the Xth plan should not be difficult for CIL. For the last couple of years CIL have been investing more than Rs. 1800 crores annually. Apart from internal resources, other sources of financing being used by CIL for its projects are bonds, supplier's credit, commercial loans, leasing etc.

Out of the 9 projects, 5 are on schedule and 4 projects *i.e.* Parej East, Dudhichua Expansion, Lakhanpur and Bharatpur have been delayed.

1. Parej East OC Project delay has occurred mainly due to R&R problems *i.e.* shifting of village and delay in authentication of GMK land by State Government. All the equipment under CSRP have been provided. Thus, the delay is not due to cancellation of CSRP loan. The project will be completed by March, 2002.

2. Dudhicha Expansion OC: approval of Revised Cost Estimate (RCE) was critical to this project and all activities were suspended pending approval of RCE. The RCE has been approved in March, 2001. The project will be completed by March, 2003. The requirement of funds for this project will be met from the internal resources.

3. Lakhanpur OC project has since been completed in March, 2000.

4. Bharatpur OC projects has since been completed in March, 98.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Recommendation (Sl. No. 8, Para No. 2.96)

The Committee have noted that nearly 60% of total coal resources constituting 213.00 billion tonnes are under indicated and inferred categories awaiting detailed exploration. Considering the enormous task ahead, steep decline in overall drilling productivity in spite of detailed exploration undertaken by various agencies over the years, is a matter of serious concern. The Committee have further noted that there is a continuous decline in the Promotional Exploration Programme undertaken by CIL, SCCL and NLC since 1999-2000. As against actual of 1,95,703 meters drilling in the year 1999-2000, promotional exploration has declined to 1,55,000 during the year 2001-02. Not only this, there is decline in the budgetary provision for coal PSUs for detailed exploration. For instance, as against actual for 1999-2000 of Rs. 53.19 crore for CIL, it has sliped to Rs. 27.15 crore during the year 2001-02. The budgetary provision in SCCL and NLC is almost static. CMPDIL and State Governments of Madhya Pradesh and Orissa have achieved only 69%, 51% and 28% respectively of annual targets for drilling. The Committee recommend that the Government should make an effort to convert 'indicative' and 'inferred' categories of Coal Units into 'proved category' expeditiously. The Committee would like to be apprised of the reasons for the decline in the budgetary provision of coal PSUs and steps taken to mobilise additional resources so that the planned drilling work do not suffer. The failure on the part of CMPDIL to meet annual targets is a matter of serious concern. The Committee would like to be apprised of the reasons therefor and recommend that CMPDIL should be strengthened so that it meets the envisaged targets. The Committee hope that the Government would soon take steps to induce the industry to modernise their exploration techniques and equipments to improve productivity, on the lines of large coal producing countries.

Reply of the Government

(i) "Indicated "and "Inferred" categories of reserve are converted to proved categories through detailed exploration by CMPDIL and its contractual agencies like MECL, and State Governments. During the last three years, 5.31 billion tonnes of reserves have been upgraded to "proved" category from "indicated and inferred" categories. Year-wise details are given below:

(In billion tonnes)

As on	Proved	Indicated	Inferred	Total
1.1.1999	79.10	88.43	41.22	208.75
1.1.2000	82.39	89.50	39.70	211.90
1.1.2001	84.41	90.24	39.25	213.90

(ii) Promotional drilling in Coal & Lignite conducted during IXth Plan is given below:

(In metres)

Year	Coal	Lignite	Total
1997-98	60,558	35,650	96,118
1998-99	93,513	55,445	1,48,958
1999-2000	1,25,304	70,399	1,95,703
2000-2001	44,149	52,606	96,753
2001-02 (Programme)	70,600	63,700	1,34,300

Target for 2001-02 has been fixed on the basis of balance fund of Rs. 31.63 crores. Total sanctioned capital for Promotional Drilling during the IXth Plan is Rs. 147 crores and the same will be fully utilized.

(iii) Provision for Detailed Exploration in CIL areas during 1999-2000 was Rs. 53.19 crores. During 2001-02, the fund for Detailed Exploration in CIL areas has been reduced to Rs. 37.18 crores, since detailed drilling programme has been taken up in Non-CIL blocks also alongwith promotional drilling in CIL command areas. However, the total quantum of drilling during 2001-02 has not been reduced as can be seen from the table given below:

Total Drilling programme (Both Detailed & Promotional)

During 2001-02 in metres

Particular	CMPDIL	MECL	State Govt.	Total
Detailed:	91500	—	10000	101500
CIl				
Non-CIL	86000	63000	—	149000
Promotional	14500	—		14500
Total	192000	63000	10000	265000

(iv) During the year 2000-01, all the agencies achieved the annual drilling targets. Agency-wise details alongwith the actual for 99-00 & programme for 2001-02 are given below:

(In metres)

Agency	1999-00 (Act)	2000-01 Target	2000-01 Actual	2001-02 Programme
CMPDIL	196826	192000	196194	192000
MECL	8925*	40500	48350	63000
State Govt.	9065	8500	8705	10000
Others	928	—	43	—
Total	215744	241000	253292	265000

*MECL also drilled 10219 metres in Non-CIL blocks.

(v) CMPDIL has not only achieved but exceeded the annual target of drilling, details of which for the last eight years are given below:

(In lakh meters)

	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01
Target	1.59	1.65	1.65	1.70	1.70	1.92	1.92	1.92
Achieved	1.67	1.78	1.82	1.84	1.85	1.97	1.97	1.96
% achieved achieved	106%	108% ..	110%	108%	109%	103%	103%	103%

(vi) The Working Group on Coal and Lignite for the 10th Five Year Plan is currently formulating its recommendations. Based on the demand of coal to be met in the coming years including that by the private sector, requirement of drilling both promotional and detailed (CIL & non-CIL blocks) alongwith the budgetary estimates will be worked out. In view of active role envisaged for the private sector in supply of coal and need to bring 'indicated' and 'inferred' reserves into 'proved' category. Planning Commission will be approached for adequate provision of funds during the 10th Plan for both promotional exploration and detailed exploration in non-CIL blocks.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Recommendation (Sl. No. 9, Para No. 2.97)

The Committee have further noted continuous decline in utilisation of budgetary amount for promotional exploration. Similarly, there is a mismatch between the targets and actual achievements of promotional drilling work carried out by MECL and GSI since 1997-98. The Committee would like to be apprised of the reasons for this decline and recommend that Government should take corrective action, including infusion of additional resources to strengthen MECL and GSI so as to improve production and the productivity.

Reply of the Government

Total sanctioned capital for promotional exploration during IX Plan is Rs. 147 crores. Utilisation of the above amount during IX Plan period is given below:

(Rs. crores)

Year	BE	RE	Opening balance	Released by MOC	Total availability	Utilised
1997-98	20.00	23.05	6.91	20.95	27.86	15.70
1998-99	24.58	24.58	12.16	24.58	36.74	29.12
1999-00	32.56	32.56	7.62	32.56	40.18	17.42
2000-01	30.37	30.37	22.76	30.37	53.13	53.13
2001-02	32.26	—	—	—	—	31.63
Total	—	—	—	—	—	147.00

Note: Sub-Group II on Coal & Lignite Exploration for IX Plan is likely to propose Rs. 265.64 crores for Promotional Exploration Programme during X Plan period.

[Ministry of Coal, O.M. No. 20011/2/2000-IF Vol-III, dated 27.8.2001]

Recommendation (Sl. No. 19, Para No. 2.164)

The Committee have observed that it is the declared policy of the Government to permit Coal mining for captive consumption in Power, Steel and Cement Sectors, under the Coal Mines (Nationalisation) Act, 1973, as amended from time to time. However, the rigorous and cumbersome procedure in the allotment of captive blocks, firstly, at Central level and thereafter, at State level, frustrate the purpose of this policy. CIL and SCCL have identified 119 Blocks for captive mining and 81 requests received were considered by the Screening Committee and only 26 Blocks could be allotted. Of these 26 Blocks, captive mining has been initiated in only 3 cases. The Committee find that the present system of grant of captive mines is highly cumbersome and does not fit in the scheme of economic liberalization followed by the government and needs to be reviewed. There is also a need to prune the Screening Committee as the present membership may make it difficult even to convene a meeting with officers from so many diverse fields/ Departments. The Committee desire that that procedure for allotment should be transparent and streamlined so that no hardships is caused to the entrepreneurs. The Committee have further noted that Screening Committee, which considers allocation of mining blocks, although required to meet once a month as per the terms of the reference of Screening Committee, have not met for month together. The assertion of the Government that meeting could not be convened due to inadequate number of applications, is contrary to the ground realities. Instances are not few, when the Screening Committee have met one year after the receipt of an application. In the opinion of the Committee, there were considerations, other than adequate number of applications, which have prevented the conveing of the meeting, as required under their term of reference. Secretary (Coal) was candid enough to admit "delay in convening meetings of Screening Committee, handling over the drilling data informing allottee as to how much money is to be paid for drilling data" and assured that he would personally look into the matter and convene a meeting of prospective allottees, so as to resolve the last mile hurdles. The Committee while welcoming the gesture of the Government, recommend that the Screening Committee should meet at regular intervals, as prescribed under their terms of reference, and wide publicity be given for captive blocks available for allotment. "Single Window Clearances" concept must be made applicable for such blocks. The Committee would also like to remind that in the absence of firm commitment of captive blocks, the Steel, Power and Cement projects in State/Public/private sectors may undergo unforeseen cost and time-overruns without any responsibility being fixed. The Committee, therefore, recommend that the Government should only offer those Non-CIL captive blocks to the prospective entrepreneurs, which meet the Guidelines and have been cleared from all the Statutory Central and State agencies. These blocks should be given due publicity through the Press and Visual Media so that interested parties can take advantage of the same.

Reply of the Government

Coal mining blocks are allotted to prospective parties for captive use through the deliberations of a Screening Committee headed by Additional Secretary in the Ministry of Coal and represented by the concerned Ministries/Departments of the Govt. of India/State Governments/coal companies. The parties are given opportunity to present their case before the Screening Committee. It is a forum where open discussions take place. The cases are considered on first-come-first-serve basis. Thus transparency in the matter of allotment of blocks to the parties is in built in the existing system and procedure followed. The Committee has so far not received any complaint of opaqueness in the matter of allotment of blocks to the parties.

A meeting was convened by Secretary (Coal) on 3.5.01 in which all the parties, to whom coal mining blocks have been allotted, were invited. In the meeting, the parties were heard of their on going exploitation of the coal block/working of their associated plant, prospects of their exploitation and problems faced in the development of the allotted blocks and associated plant and they were assured of help, which could be extended by MoC. During this meeting it was quite clear that the delay in exploitation of mining block was many times due to delay in finalisation of end use plant and MOEF's clearances.

Next meeting of the Screening Committee has been held on 31.5.01.

In regard to the suggestion of "Single Window Clearance" it is submitted that under the scheme of things under the Constitution Land is a State subject and thus it is for the State Government to give a mining lease, though of course in the case of coal/lignite, the prior approval of the Central Government is required because of these minerals being listed as scheduled minerals in the Mines and Minerals (Regulation and Development) Act, 1957. The Standing Committee in the Ministry of Coal is charged with the responsibility of allotting coal/lignite blocks after satisfying themselves about the capability, end use and preparedness of the parties. The nature of allotment of the Standing Committee is of 'in principle' approval. The parties to whom the block are allotted have to pursue and bring the project into fruition by obtaining all legal and commercial clearances. Legal clearance involve the State Government, Central Government (such as Ministry of Environment and Forests).

Ministry of Coal functions both as Regulatory and Development authority for coal resources of the country. In the discharge of latter function Ministry of Coal could not have its way with the Ministry of Environment and Forests as illustrated by projects which have been turned down even after submission twice. In the former function the role of MoC such as clearance of "Technically Qualified Person", "Approval of Mining Plan" are minimal but essential from the conservation and scientific angles.

Under the circumstances the Screening Committee to function as "Single Window Clearance" agency is too onerous a responsibility to discharge from the legal and commercial angles.

On the other hand the allotment of captive blocks for mining by the Screening Committee acts as incentive to get financial closure of the projects (both coal and associated end use), commercial and statutory clearances.

In terms of the powers vested under the Coal Bearing Areas (Acquisition and Development) Act, 1957 underground right or underground and surface rights are acquired; when such rights are acquired and vested in a Government Company the latter is deemed as a lessee of the State Government. Ministry of Coal would consider the extension of this Act to the private sector coal mining after the proposal of Coal Mines (Nationalization) Amendment Bill which is presently under consideration of the Standing Committee on Energy is cleared by the Parliament and becomes an Act. This would facilitate the Private Sector to obtain the land and the rights for mining.

As regards giving due publicity through the Press and Visual media in respect of blocks identified for captive use, a list of such blocks and other relevant information have since been put on Internet which can be accessed by the public at large.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Recommendation (Sl. No. 24, Para No. 2.195)

The Committee are constrained to note the huge loss being incurred by three subsidiaries of CIL *viz.* BCCL, ECL and CCL. In spite of a number of steps taken by the Government, including internal restructuring of equity and loan, BCCL & ECL could not come out of the red. So much so that the net worth of ECL & BCCL have become negative and these companies, now stand referred to BIFR on 31.3.2000. The Committee would like to remind that in spite of the best quality of coal mines available in BCCL heavy losses are incurred by the BCCL. The Committee would like the Government to consider an option of extending a one-time financial assistance/subsidy to BCCL on the pattern of earlier revival package of Rs. 600 crore extended to SECL, three years ago. The Committee would await the outcome thereof. In the meantime, the reports of ICICI and IDBI may also be got expedited.

Reply of the Government

In February, 1996, a package of capital restructuring of CIL was approved by the Government whereby Coal India Ltd.'s overdue liabilities of Rs. 2228.57 crores were taken care of by waiver of arrears of interest, partly by conversion to preference equity and partly by moratorium on repayment and interest accrual. These benefits were passed on to the loss making subsidiaries such as ECL and BCCL. Further, in order to improve the performance of the loss making companies of ECL and BCCL the CIL had effected an internal restructuring of the equity and loan structure of its subsidiaries whereby debts of Rs. 994 crores in ECL and Rs. 1180.70 crores in BCCL were converted into equity.

Despite a number of measures taken to improve the financial position of the loss making companies, these companies continue to incur losses. Therefore, Coal India Limited, the holding company, engaged Industrial Credit and Investment Corporation of India Limited (ICICI) to suggest measures for revival of ECL and BCCL. The ICICI report on ECL revival has been received. As regards BCCL, the report is awaited. The report of the ICICI is likely to have a revival package including extending of one time budgetary support to BCCL. One time financial assistance/subsidy to BCCL without any concrete proposal may not be fruitful at this stage when the report of the ICICI is awaited. while no revival package of Rs. 600 crores was extended to SECL three years ago as stated by the Standing Committee, a financial package was extended to the Singareni Collieries Company Limited (SCCL) in may, 1999, which included among other things, moratorium on payment of the outstanding interest of Rs. 663.32 crores (as on 31.3.97) upto 31.3.2007. Since BCCL has already been referred to BIFR it is felt that it would be worthwhile to wait for the report of ICICI particularly when BIFR itself will, during the course of its hearing, contemplate on a revival package.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Recommendation (Sl. No. 30, Para No. 2.226)

The Committee are unhappy to note that after incurring an expenditure of Rs. 43.09 crore on Barsingsar Lignite-cum-Power Project in Rajasthan, it has been abandoned midway. The Committee would like to recall that the project was sanctioned in the year 1991 during the 8th Plan. But, due to funds constraints the project could not proceed further and as a result, it was handed over to private developers by the Government of Rajasthan. The Committee are surprised to find that even the private developer has failed to start work on project, in spite of allotment of land to them by the Rajasthan Government. The project is now held up for want of payment of exploration charges and other dues to be paid by the private developers to the NLC. Unfortunately, environment clearance given by the Ministry of Environment and Forests to NLC has been cancelled by the Ministry on allotment of the project to a third party *i.e.* private developer. The Committee are of the opinion that since this project would meet the power demand of Western Rajasthan to a large extent and taking into consideration the policy of NLC in setting up plants outside the State of Tamil Nadu, NLC should develop the project at the earliest. NLC should also approach to the Government of Rajasthan and persuade them to cancel the MOU signed between them and the private party so that NLC will be in a position to develop the project forthwith. The Committee also desire that in the event of resources crunch coming in the way of project implementation, NLC should explore the possibilities of forming a joint venture company so as to complete the project at the earliest.

Reply of the Government

NLC has already expressed its willingness to Government of Rajasthan for taking over the project in case the independent power producer withdraws from the project or Government of Rajasthan cancels the permission given to HVC and assigns the project to NLC. It was also confirmed that NLC can implement the project on its own with internal resources and market borrowing and as such neither is there any need for Escrow Cover nor is there any proposal for any Joint-Venture.

[Ministry of Coal, O.M. No. 20011/2/2000-IF Vol-III, dated 27.8.2001]

CHAPTER IV

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

Recommendation (Sl. No. 2, Para No. 2.28)

The Committee are further perturbed to note that there has been large-scale under-utilisation of funds in various projects pertaining to SCCL. Some of the projects have been delayed due to non-procurement of machinery for open cast as well as underground projects. There are some ventilation constraints which have delayed the projects. Faulty design, non-sanction of projects and spontaneous heating are some of the other reasons assigned for delay of various projects. The projects of Neyveli Lignite Corporation have been delayed on account of delay in award of contracts, packages and supply of materials. The Committee are of the opinion that the reasons cited for the delay in projects are more of administrative nature rather than technical. It appears to the Committee that the project planning and formulation machinery in the Ministry of Coal has totally failed to take any corrective steps. The Committee desire that Government should tone up the project formulation and implementing machinery so that these projects could be completed at the earliest. At the same time, the Committee would like to emphasize that Government should reassess and prioritise the projects taking into consideration the available infrastructure and resources at their disposal.

Reply of the Government

1. Coal projects are implemented by the coal companies of Coal India Limited, Sigareni Collieries Company Limited and Neyveli Lignite Corporation Ltd. Major coal projects *i.e.* projects costing Rs. 100 crores and above are sanctioned by the Ministry of Coal in two stages. In the first stage, advance action is sanctioned by the Govt. for undertaking essential initial activities like land acquisition and related rehabilitation of land oustees, forest and environmental clearances, surveys for railway line, roads, conveyors, power supply etc. In the second stage, the investment approval to the project is accorded after examination and scrutiny of the proposal by the Inter-Ministerial Group, Public Investment Board and Cabinet Committee on Economic Affairs. All instructions in the matter of formulation of project proposals issued by the Govt. from time to time are circulated to the coal companies to enable them to keep themselves abreast of the subject and for compliance.

2. Sophisticated geological and geophysical exploration and interpretation techniques are being progressively introduced for better forecasting of geo-mining conditions.

3. As regards monitoring of the projects, a nodal officer is appointed as soon as Advance Action Plan for the project is sanctioned. In the coal companies, a three-tier structure for monitoring the projects *i.e.* at colliery level, area level and headquarter level is in existence. Coal companies send Flash Reports based on which advice is given to the coal company/remedial action is taken with concerned Departments. Review of major coal projects *i.e.* projects costing Rs. 100 crores and above is conducted on quarterly basis by an inter-ministerial Committee headed by Secretary (Coal) and having members from Planning Commission, Department of Expenditure, Ministry of Statistics and Programme Implementation and Ministry of Environment and Forests. Ministry of Statistics and Programme Implementation forward monthly Flash Report and Quarterly Exception Report. They are also acted upon by Ministry of Coal. At times the implementation of major projects is subjected to review by the Cabinet Secretariat and by PM's Office. Based on the results of the above report/reviews, appropriate directions are given by the Ministry of Coal to the coal companies for taking timely remedial action to overcome the constraints.

4. Timely availability of land and environment/forestry clearance, wherever required, being crucial for successful implementation of projects, constant interaction is made by the coal company/Ministry of Coal with Ministry of Environment and Forests as also with the State Government authorities for expediting the same.

5. Regular and periodical exercises are carried out in the matter of prioritization of projects by the companies. Updation/modification is carried out during Annual Plan/Annual Action Plan exercise ever year/Mid Term appraisal in addition to periodic reviews.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Comments of the Committee

(Please *see* Para 8 of Chapter I of the Report)

Recommendation (Sl. No. 3, Para No. 2.42)

The Committee are sad to note the pace at which different schemes on, Environmental Measures and Subsidence Control are being implemented at present have resulted in the under-utilisation of the earmarked budget amount. There were as many 16 schemes sanctioned under Subsidence Control out of which only 6 have been completed and the rest are said to be under various stages of implementation. The position of schemes under 'Environmental Measures' and 'Social Mitigation' are not better. A new head was started in the year 1999-2000 under 'Rehabilitation Control of Fire and Subsidence' whereunder fire schemes involving a capital outlay of Rs. 16.00 crore has been proposed. The scheme got delayed and as against a provision of Rs. 6.89 crore during the year 2000-01, a token amount of Rs. 50 lakh was provided in the RE. The Committee are unhappy to note that even 30 years after nationalisation of mines in 1972, 60 out of 70 fires are still raging in Jharia coalfields and the Government is not able to utilise even the budgeted amount revealing the utter lack of urgency in the matter. The Committee take serious note of the delay in the implementation of various schemes on control of Fire, Environment Measures, Subsidence and Social Mitigation. In the opinion of the Committee, there have been serious deficiencies in the planning and formulation of such schemes. The Committee desires that Government should review the schemes without any further delay, priorities and implement them without harping on lack of resources.

Reply of the Government

There are 27 approved schemes under Environmental Measure and Subsidence Control (EMSC). Out of these 27 schemes, 16 are under sub-head "Subsidence Control", 9 under "Environmental measures" and 2 under "Social Mitigation".

Present status of 27 ongoing schemes has been indicated in Annexure.

Out of 16 subsidence control schemes, 7 have already been completed and 3 more are likely to be completed during 2001-02. Out of 9 environmental measure schemes, two have already been completed and two more are likely to be completed during 2001-02.

33rd SSRC recommended 3 new EMSC and 4 RCFS schemes costing over Rs. 30.00 crore.

[Ministry of Coal, O.M. No. 20011/2/2000-IF, Vol-III, dated 27.8.2001]

Comments of the Committee

(Please *see* Para 13 of Chapter I of the Report)

ENVIRONMENTAL MEASURES AND SUBSIDENCE CONTROL SCHEMES

A. Subsidence Control Schemes

Sl. No.	Scheme	Schedule Completion Date	Sanctioned Cost (Rs. in Crores)	Actual Disbursement upto 31.3.01 (Rs. in crs)	Stowing Qty. cu m. Target (Actual)	Remarks
1	2	3	4	5	6	7
1.	Stabilisation at Fatehpur, ECL (EMSC-1)	3/01 (Rev.)	5.0	2.37	90000 (32758)	In progress
2.	Stabilisation at Barchak, ECL (EMSC-2)	3/01(Rev.)	4.69	2.31	52000 (40107)	Likely to be completed in June 01
3.	Data generation and identification of subsidence prone areas in ECL (MESC-5)	9/97	0.26	0.07	—	Completed

1	2	3	4	5	6	7
4.	Technological measures for control of subsidence in ECL (EMSC-6)	3/98	0.47	0.05	—	Completed
5.	Data generation and identification of subsidence prone areas in BCCL (EMSC-7)	12/97	0.26	0.25	—	Completed
6.	Technological measures for control of subsidence in BCCL (EMSC-8)	9/98	0.47	0.19	—	Completed
7.	Stabilisation at Khas Kusunda, BCCL (EMSC-10)	6/00 (Rev.)	0.50	0.50	26800 (27113)	Completed

1	2	3	4	5	6	7
8	Stabilisation of Kurijore at Industry BCCL (EMSC-11)	6/99 (Rev.)	0.05	0.05	1900	Completed in June 99
9.	Stabilisation of Chatkari Jore at Joyrampur, BCCL (EMSC-12)	12/00 (Rev.)	0.47	0.36	10000 (3841)	In progress likely to be completed in 01-02
10.	Stabilisation below Jharia Water Board Tank, BCCL (EMSC-14)	5/00	0.89	0.82	82000	Completed in Dec. 99
11.	Stabilisation beneath Palasban/ECL (EMSC-15)	9/01	1.88	0.85	20000(-)	In progress
12.	Stabilisation beneath Goala Basti, ECL (EMSC-16)	9/01	1.88	0.85	20000 (3375)	In progress

1	2	3	4	5	6	7
13.	Stabilisation beneath Porarband, ECL (EMSC-17)	9/01	1.88	0.85	20000 (2669)	In progress
14.	Stabilisation beneath Pottary, ECL (EMSC-18)	9/01	1.88	0.85	20000 (15)	—do—
15.	Stabilisation beneath Butdoba, ECL (EMSC-19)	9/01	1.88	0.85	20000(-)	-do-
16.	Stabilisation beneath Haripur, ECL (EMSC-26)	11/99	1.88	1.45	20000 (21663)	Completed
	Sub total		24.34	12.67		

1	2	3	4	5	6	7
B. Environmental Measures						
1.	Restoration of abandoned coal mines in ECL (EMSC-03)	3/02	8.70	5.20	—	853 ha. done out of 891 ha.
2.	Reclamation of mined out areas in CCL ((EMSC-4)	3/02	3.92	1.87	—	756.90 ha. done.
3.	Determination of carrying capacity of wild life in SCCL (EMSC-9)	4/99	0.08	0.08	—	Completed
4.	Respirable particulates and trace elements in air of Korba SECL (EMSC-13)	5/00	0.36	0.36	—	Completed
5.	Dealing with fire & subsidence at Lodna BCCL (EMSC-20)	3/01	3.34	3.04	49500 (23490)	Likely to be completed in March '02

1	2	3	4	5	6	7
6.	Dealing with fire and subsidence at Rajapur, BCCL (EMSC-21)	3/02	4.72	3.07	77000 (16153)	In progress and likely to be completed by March, 04
7.	Dealing with fire and subsidence at Alkusha, BCCL (EMSC-22)	12/00	3.68	2.86	50000 (5648)	Expected to be completed by March '02
8.	Dealing with fire and subsidence at Industry BCCL (EMSC-23)	3/4	2.53	1.20	35000 (36925)	Likely to be completed by March' 04
9.	Reclamation of degraded land in BCCL (MESC-27)	2/01	0.39	0.30	—	Total area 78 ha
	Sub Total		27.72	17.98		
C. Social Mitigation Schemes						
1.	Shifting of people from most endangered area of BCCL (EMSC-24)	5/00	33.88	1.00		Total houses to be shifted 4600, BCCL-1500 Other-3100 in progress

1	2	3	4	5	6	7
2.	Rehabilitation of 4 unstable areas of ECl (EMSC-25)	5/01	32.52	1.00		In progress
	Sub Total		66.40	2.00		
	EMSC-Coordination			0.11		
	Grand Total		118.46	32.76		

Apart from EMSC scheme, stabilisation work in two locations is being done in ECL under CCDA. The details of these two sites are furnished below:

Scheme	Sanctioned cost (Rs. Cr.)	Actual disbursement (Rs. cr.)	Stowing in cum. Total (Actual)	Remarks
Stabilisation at Arun Talkies	3.76	3.30	190000 (31233)	In progress
Stabilisation at Kumarbazar			113000 (1661)	In progress

There is no proven method for stabilisation of old waterlogged inaccessible old workings. Hydro pneumatic stowing has been developed and the same is being adopted for stabilisation. The rate of stowing is dependent on condition of old workings. Land for boreholes is also required. Frequent obstruction is also affecting the stabilisation work.

The following projects were considered and approved by SSRC in its meeting held on 16/05/01.

EMSC

(i) Reclamation of degraded land in BCCL—Total cost—Rs. 0.94 crores

(ii) Stabilisation at Sanctoria, ECL—Total cost—Rs. 4.78 crores.

(iii) Stabilisation between Bata more & Bus stand—Total cost—Rs. 0.27 crore.

RCFS

(i) Dealing with fire for protection of Adra-Gomoh rail line at Block-II & Phularitand-Total cost-Rs. 5.78 crores.

(ii) Control of fire & subsidence for protection of Dhanbad-Patherdih line at Lodna-Total cost-Rs. 6.35 crores.

(iii) Dealing with fire for protection of Chatkari Jore at Bararee/Jeenagora-Total cost-Rs. 7.70 crores.

(iv) Dealing with fire for protection of Dhanbad-Patherdih rail line at Bararee-Total cost-Rs. 5.77 crores.

Recommendation (Sl. No. 4, Para No. 2.43)

The Committee feel that there is a need to have a re-look on the entire matter of Fire and Subsidence Control and Environment Management Plans in all the subsidiaries of the CIL. There is also a problem of reclamations of abandoned coal mines in ECL and other coal mines. At present, different schemes are being implemented like Environmental Management Measures & Management Plan for Jharia Coalfields and scheme under the head Environmental Measures and Subsidence Control. Scheme on Social Mitigation has also to be implemented. The Committee desire that a separate Authority in CIL should be formed to take care of Fire Subsidence Control problems and the work relating to Environment Management Plans in all the existing and abandoned coal mines of CIL and its subsidiaries. This Authority should also take special care of Resettlement and Rehabilitation (R&R) of project affected tribal families so that these people do not take recourse to agitational means when their land is acquired for mining purpose.

Reply of the Government

Environmental Department headed by General Manager and assisted by other officials is functioning in all the subsidiaries. Necessary measures are being taken for speedy implementation of EMSC schemes. CMPDIL is the nodal agency for releasing funds.

CIL has a well-defined R&R policy vetted by Ministry. This is being followed religiously till a National R&R policy is approved.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Comments of the Committee

(Please *see* paragraph 16 of Chapter I of the Report).

Recommendation (Sl. No. 11, Para No. 2.99)

The mechanisation in underground mines is admittedly still a long-way to catch up with the global level. CIL produces only 34% of its under-ground production through mechanisation as against 100% in other coal producing countries. The Committee recommend that a blue-print be drawn to achieve the desired level of under-ground modernisation/mechanisation with the equipments and technology found successful and economically viable. The Committee have further noted an imbalance between opencast and underground mining. A judicious planning of coal production envisages a proper balance between exploration of underground and open cast reserves. The Committee have been informed that out of proved coal reserves, about 56% are extractable by underground mining and only 44% by opencast mining. The Committee recommend that taking the long-term perspective in view, the production programme of open cast and underground mining should be rescheduled to achieve an optimum mix in the successive plan periods.

Reply of the Government

(i) Historically manual Board and Pillar method is prevalent in most of the underground mines in India. Geo-mining conditions like cavability, seam thickness, inclination, presence of water/fire in overlying seams, important surface features—all these restrict application of high productive mechanized mining methods. Availability of adequate fund is also another constraint.

After Nationalisation, continuous efforts have been made/are being made for mechanization of underground mines. The followings have been introduced:

- In Bord and Pillar method, side discharge loaders (SDL) and load haul dumpers (LHD) are being used for mechanized coal loading at the face replacing manual loading. Over 800 SDLs & LHDs are in use in CIL mines now.
- Conveyors are being used for coal transportation replacing rope haulages.
- Mechanised Long-Wall System has been introduced in suitable conditions. At present 11 powered support long wall faces are in operation.
- Road headers are being used for development of roadways.

Mechanized production from underground mines in CIL has increased from the level of 10.05 million tonne in 1990-91 to 25.29 million tonne in 2000-01. Steps have been taken for introduction of other mechanized methods. Continuous miner technology is likely to be introduced in 2001-02. Shortwall mining for faster extraction of developed pillars has been proposed and is likely to be introduced within a year or so. Various R&D schemes for mechanization have also been taken up. More powered support longwall faces are also being considered for introduction in sitable places.

With the above approach, mechanized underground production is likely to increase to around 40 million tonne by the end of IX Plan period.

(ii) Opencast Mining has the following *measure* major advantages—

- Higher percentage of extraction which is desirable from the conservation point of view.
- Economically more viable.
- Having less gestation period — generally reducing high volume.
- Very large production can be planned from a single unit.

With globalisation, economic viability of each project is the main criterion. Only viable underground project can, thus, be considered. New mechanized technologies are now being considered on risk/gain sharing basis. Once proved successful, this will be followed in future underground projects.

Opencast mining, being more viable, will continue to have its higher share of production. Concurrently, all efforts are being made to increase production from underground mines with higher productivity through mechanization.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Comments of the Committee

(Please *see* paragraph 29 of Chapter I of the Report).

Recommendation (Sl. No. 15, Para No. 2.125)

The Committee have observed that coal stock shortages beyond 5% of book stock and in excess of 1,000 MT., are investigated into by a departmentally constituted Committee and write-off action and book adjustment is taken/made in accordance with the recommendations of the Committee, only after the approval by the Company Board. Where the shortage is more than 10,000 tonnes in a colliery and 50,000 tonnes in a company, the case is sent to CIL with the recommendations of the Company Board for a decision by the CIL Board. From the information furnished by the Government, the Committee have noted that the phenomenon of shortage is more prevalent in three subsidiaries, *viz.* ECL, BCCL and CCL. During the period from 1995-96 to 1999-2000, shortages have been of the order of more than 90,000 MT. valuing more than Rs. 50 crore. The cumulative shortages during this period is 29,22,942 MT., valuing Rs. 155.10 crore. The Committee note with concern the plundering of resources of three subsidiaries, two of which (ECL and BCCL) are incurring heavy losses and referred to BIFR. The Committee are surprised to find that in spite of these cases having been examined by R.N. Mishra Committees on BCCL (1992), CCL (1994) and ECL (1993), the cases of shortages are rising unabated. Even the outcome of disciplinary proceedings initiated in the aftermath of Mishra Committee's Reports, is far from satisfactory. In the opinion of the Committee, the ceiling of 5%(+/-) of book stock and excess of 1,000 MT. shortages, are too liberal and give leverage to unscrupulous elements to resort to corrupt practices. The Committee would like to be apprised of the rationale of fixing such a ceiling. The Committee also recommend that the Government should consider reviewing this ceiling downward preferably to a level of 1-2% (+/-) of book stock or 200 metric tonnes of shortages. At the same time, the Committee recommend that fool proof methods/system should be devised to reduce and finally eliminate the incidence of shortages. The Committee also desire that inquiries into such cases should be finalised within a fixed time schedule of 6 to 8 months so that effective follow up action is taken against the guilty at the earliest. Exemplary punishment should be meted out to those found indulging in the mal-practices.

Reply of the Government

(1) Coal India Limited has submitted that present ceiling of 5% variation and 1000mt shortage is against measurement tolerance, given the nature of operations involved in coal mining and disposal. Coal stock is physically measured by the Measurement Teams with instruments. There are chances of errors during such measurement on account of following reasons:—

(i) Errors in the instruments *i.e.* levels, measuring tapes etc.;

(ii) Human errors in taking measurement, plotting and calculation;

(iii) Coal stocks are generally of irregular shapes and sizes scattered over a large area;

(iv) Due to continuous playing of loaded tippers/dumpers, some amount of coal gets compressed; it is difficult to measure accurately the thickness/compaction of such compressed coal along with its density;

(v) Due to 'Drift origin', coal seams specially thicker ones, may contain layers of different specific gravities. In a stock yard it is not possible to segregate such layers.

Considering the above factors, ceiling of 5% variation between physical stock and book stock and 1000 mt shortage has been considered as reasonable measurement tolerance. This ceiling has been fixed on the basis of the recommendations of Balram Committee/ Panigrahi Committee.

(2) In view of the rationale given above, review of the said ceiling downward to a level of 1-2% or 200 MT shortage may not be reasonable.

(3) A regular system of monitoring and checking the coal stocks has been put in place to reduce incidence of stock shortage. The checks to be carried out at various levels are as follows:—

(i) Monthly measurements of coal stock are being done by the colliery authorities;

(ii) Quarterly measurements by the respective Area;

(iii) Half-yearly measurements by the subsidiary company;

(iv) Annual measurements by CIL and sample measurements by outside agencies like IBM, SCCL etc.

(4) Apart from the above measurement, stock yards are being enclosed by compound walls to eliminate pilferage. System of weekly checking and reporting on weigh bridge operations by higher officials and annual maintenance contract of rail/road weigh bridges by manufacturers/suppliers have also been introduced. All these are being done in order to reduce/eliminate incidence of shortages. To evolve an effective accounting system to manage coal stocks, an outside independent agency is also proposed to be engaged as consultants. Expression of Interest (EOI) has been submitted by 3 firms and after examination, price bid documents have been called for.

(5) Enquiries into coal stock shortages are generally conducted within the organisation. All efforts are being made to complete such enquiries within a scheduled time period. However, delay in certain cases takes place due to various unavoidable reasons like transfers of officers, proper investigations of different natures at different stages and compliance with the prescribed procedures in conducting the departmental proceeding to meet the principles of natural justice etc.

(6) In respect of RN Mishra Committee Reports on ECL, BCCL & CCL, only 14 cases are pending. Company-wise details are as follows:

ECL	—	3
BCCL	—	2
CCL	—	9

Out of the above pending cases, 2 cases of BCCL are sub-judice.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Comments of the Committee

(Please *see* Paragraphs 32 & 33 of Chapter I of the Report).

Recommendation (Sl. No. 16, Para No. 2.145)

The Committee have noted with concern, the under-utilisation of capacities, in some of the Washeries. For instance, Madhuband Washeries, set up with an investment of Rs. 194 crore, the % utilisation was only 12, during 1998-99 and 1999-2000. Bina washery, having capital investment of Rs. 21.93 crore, had just 17.81% capacity utilisation. Pathoridih, Kathara, Kedla, Dugda I and Gidi are some of the washeries with less than 40% capacity utilisation. The Committee desire that Government should assess the reasons and take corrective steps thereon. The Committee are also pained to observe that the implementation of recommendations of Altekar Committee Report on Modernisation of Washeries (1986) has been delayed considerably on account of poor execution by the contractors and funds constraints. The Committee desire that Government should not only take proactive role in stepping up the capacity utilisation of the existing washeries, but also provide one-time financial assistance for undertaking modernisation works in them. The Committee also feel that the Government should invoke penalty clause, for the failure on the part of contractors in the execution of the works, in time.

Reply of the Government

(i) Due to depletion of good quality coking coal, the availability of raw coal feed to the washeries has reduced to a considerable extent. The quality of raw coal now being fed to the washeries is inferior in quality than the designed quality parameters for these washeries. This has resulted in imbalance in various circuits of the washeries. In order to maintain the quality parameters of clean coal as per requirement of SAIL, only required quality of coal is being fed to the washeries.

Washing of Low Volatile Coking Coal (LVCC) which is available in our country requires special process. CFRI has recently developed a process for beneficiation of such type of coal which is still in the experimental stage. A demonstration washery under S & T Grant is being installed to examine the economic viability of the said process developed by CFRI. On successful completion of the project fresh new washeries will have to be planned to wash LVCC.

(ii) So far as non-coking coal washeries (Bina Washery) are concerned, utilization is suffering principally on account of reluctance by the consumers to use beneficiated coal as they are to bear additional cost of beneficiation.

(iii) Recommendations of Altaker Committee have mostly been implemented. Delay in the remaining cases is mainly due to slow progress by contracting agencies as well as due to fund crunch, since coking coal washeries are under BCCL & CCL and both are loss making companies.

(iv) Due to depletion of coking coal three washeries have been converted to wash non coking coal to utilize the surplus capacity.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Comments of the Committee

(Please *see* Paragraph 36 of Chapter 1 of the Report)

Recommendation (Sl. No. 17, Para No. 2.146)

The Committee have observed a lukewarm response by the entrepreneurs and consumers towards setting up of non-coking washeries. The Committee desire that Coal India Ltd. and its subsidiaries should explore the possibility of forming Joint Venture Companies with the National Thermal Power Corporation and the Power Utilities in the State and private Sector, so that adequate capital investment can flow for the setting up of new non-coking washeries. This is all the more required, in the wake of Ministry of Environment and Forest is in pursuance of Government's declared policy of Clean Technology and environment benign programme, Ministry of Coal should explore the possibilities of sourcing funds from other bilateral & multilateral funding agencies.

Reply of the Government

CIL does not have adequate funds. In view of large gaps in demand and supply projected in the coming years. CIL would like to utilise funds first for investment in mines which is its prime responsibility.

Coal India took initiative 5-6 years ago for setting up of 3 washeries on B-O-O basis and finalised tendering etc. Unfortunately these washeries could not take off due to non-finalisation of FSA with SEBs mainly in view of their disagreement on cost of washing. Further to avoid delay in settling the cost of washing and to allow the consumer to decide their parameters of the washed coal, CIL has decided that the power utilities should call tender themselves for setting up of washeries. CIL will facilitate setting up of washery by offering land, water and electricity wherever available on cost basis to the recommended party.

A High Level Committee under the Chairmanship of Additional Secretary (Coal) is already seized with the problem of setting up of washeries to wash non-coking coal to comply with the mandatory stipulation of the MoEF's Notification. In this connection a meeting of the Committee was held recently on 7-6-2001.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Comments of the Committee

(Please *see* Paragraph 36 of Chapter I of the Report)

Recommendation (Sl. No. 18, Para No. 2.147)

The Committee are anguished to note the indifferent attitude of Government and their agencies, especially the Ministry of Coal and the Ministry of Power, in not taking adequate steps on war footing, on the stipulation of Ministry of Environment and Forest dated September, 1997 which prohibits the use of Coal with more than 34% ash content, located beyond 1000 kms from the source of supply. The Committee feel that the Government have done pretty little to improve the working of washeries except for setting up a number of Committees. The Committee desire that a long-term plan be drawn up with a fixed time schedule to implement the stipulation of Ministry of Forest and Environment. This plan should cover the modernisation of existing washeries, their full utilisation and then setting up of new washeries whenever needed.

Reply of the Government

A Joint Apex Committee with members from Ministry of Power, Ministry of Coal, CIL, NTPC, Railways etc. has been set up to monitor/implement the MOEF's stipulation for use of 34% ash coal by power station located beyond 1000 kms away. The Committee has completed its report in which a mine — destination matrix has been presented showing quality along with ash% which is expected to meet the stipulation of MOEF. Another Committee has also been set up under the Chairmanship of Additional Secretary, Ministry of Coal to look into various aspects regarding setting up of washeries etc. Two meeting of the Committee have taken place. Efforts are being made to induce the consumers to set up the washeries. In the meantime the date for implementation of MOEF's notification has been sifhted to 1-6-2002.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Comments of the Committee

(Please *see* Paragraph 36 of Chapter I of the Report)

Recommendation (Sl. No. 20, Para No. 2.185)

The Committee are distressed to note the spate of coal mine accidents resulting in loss of human life. The Committee desire that there should be special stress on safety related activities in all the coal mines. The Committee have noted that in spite of well laid down safety apparatus in position *i.e.* Internal Safety Organisation in CIL and its subsidiaries and DGMS under the Ministry of labour, the track record of safety is far from satisfactory, when seen in the global context, even though there has been an improvement since the nationalization of coal mines in 1975. For instance, the fatality rate in the coalmines in the country, 0.52 per 3 lakh manshift recorded in 1975 dipped to 0.25 in a span of 25 years. A comparison of fatality rate with some of the developed countries indicate that fatality rates per million tones of production, our country is not favourably placed, especially, considering that more than 65% of coal in India is obtained from open cast mines *vis-a-vis* less than 10% in other developed countries. As against CIL's fatality rate of 0.5 per million tones of coal produced, it is only 0.02 in Australia, 0.12 in France, 0.19 in Germany and 0.05 in USA.

Reply of the Government

Fatality rates per million tonne of coal produced by CIL/India cannot be compared with that of other countries like Australia, USA since geo-mining conditions, method of work/degree of mechanization, production/productivity of such developed countries are not the same. However, fatality rates per 1000 persons employed and per 3 lakh manshift deployed are comparable with developed countries.

Fatality rate per 1000 person employed:

Year	India	CIL	Australia	USA
1996	0.26	0.27	NA	0.31
1997	0.33	0.28	NA	0.24
1998	0.30	0.24	0.18	0.25
1999	0.29	0.25	NA	NA

Fatality rate per 3 lakh manshift

Year	India	CIL	Australia	USA
1996	0.28	0.24	0.39	0.41
1997	0.31	0.25	0.24	0.31
1998	0.29	0.24	NA	NA
1999	NA	0.25	NA	NA

However continued efforts are being made by CIL to further reduce accidents in its coal mines.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Reply of the Government of India

Ministry of Labour/Directorate General of Mines Safety

The provisions of safety in mines are to be enforced by the mine managements. DGMS is taking all possible steps to ensure the compliance of the safety provisions under the mines Act, 1952 and the rule and regulations framed thereunder by the mine managements. In order to strengthen the safety standards in the mines the safety provisions are reviewed from time to time and necessary guidelines are issued to the mine managements for compliance. DGMS also undertake regular inspections of mines with more stress on hazardous mines based on risk analysis. Besides this DGMS also take other promotional initiatives such as safety information dissemination, conference on safety in mines, safety week, campaigns and National Safety Awards.

[Ministry of Labour O.M. No. H-11013/3/98 ISH.II]

Comments of the Committee

(Please *see* Paragraph 43 & 44 of Chapter I of the Report)

Recommendation (Sl. No. 21, Para No. 2.186)

The Committee regret to note under-utilisation of capital budget by as much as by 45% in safety related activities, during the years 1999-2000 and also in 2000-01. It is all the more a matter of concern that under-utilisation has been due to avoidable procedural delays and liquidity crunch. The Committee are further perturbed to note that due to limited resources DGMS, is unable to inspect and survey all the coal mines and such checks are carried out in some important places and/or wherever there exist some element of doubt. The Committee are of the opinion that constraints of funds should not come in way of implementing safety related activities, plans and programmes when question of the lives of human beings is involved. The Committee, therefore, recommend that Government should ensure that funds for safety related activities are expended fully. At the same time, there is a need to further strengthen the office of DGMS. Taking into consideration, the step up in coal mining activities, the requirement of Inspectors, Surveyors and other safety related officers should be reassessed and need based manpower provided. The Committee also desire that the Ministry of Coal should examine the feasibility of providing financial assistance to DGMS for intensively carrying out the statutory functions pertaining to coal mines. Alternatively, the Government should examine the possibility of placing some staff from Internal Safety Organisation of Coal India Ltd. Directly under the charge of DGMS to facilitate his work.

Reply of the Government

(i) All efforts are being made to minimize the procedural delays to utilize the safety budget.

(ii) Status of statutory surveyors subsidiary-wise is as under:

Subsidiary	Surveyor			
	Requirement	Existing	Shortage	Surplus
ECL	140	155	0	15
BCCL	154	146	8	0
CCL	141	135	8	2
NCL	28	28	0	0
WCL	177	171	13	7
SECL	208	202	6	0
MCL	27	24	3	0
MEC	9	9	0	0
CIL	884	870	38	24

Out of 15 surplus surveyors in ECL, 7 will retire shortly.

There is no shortage in respect of other safety related officers required as per statute.

In view of projected large gaps in demand and supply of coal, CIL would like to utilize its meager funds for investment in projects on priority basis. In view of this, it may not be possible for Ministry of Coal to provide financial assistance to DGMS. However, Ministry of Labour is being informed about the views of the Committee for suitable action in the matter.

(iii) Internal Safety Organisation of CIL is not in a position to off-load/spare some of its officers at this stage for placement under DGMS.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Reply of the Government

Ministry of Labour/Directorate General of Miens Safety.

The DGMS is fully utilizing its available resources and inspection of mines are being made as much as possible within the available means.

Based on the recommendations of the various Committees setup in the past to review the functioning of the DGMS, a number of posts were created. However it is seen that the present strength of the enforcement machinery is not adequate to undertake general inspection of each mines in a year. Ministry of Labour is considering to optimize its effectiveness to ensure safety in mines. As regards placement of services of Internal Safety Organisation at the disposal of DGMS it may be mentioned that Internal Safety Organisations have a specific role to play for self regulation within the management for safety in mines and therefore the proposal may not be practicable.

[Ministry of Labour O.M. No. H-11013/3/98-ISH.II]

Comments of the Committee

(Please *see* Paras 43 & 44 of Chapter I of the Report)

Recommendation (Sl. No. 22, Para No. 2.187)

The Committee have also observed that safety audits are not being conducted at regular intervals. Similarly, the mining maps are also not being updated from time to time as required by the statute. The Committee desire' that such safety audit should be carried out periodically and follow up action taken thereon expeditiously. The mine maps should also be updated from time to time. The Committee have further noted that considering that only 46% of the underground mining has been mechanized, the occurrence of more than 50% of total coal mine accidents in underground mines is on the high side. The Committee, therefore, desire that Government should review the whole gamut of safety in coal mines in the wake of a spate of mine accidents in recent past and loopholes, if any, in safety structure should be plugged.

Reply of the Government

There is no fixed periodicity of safety audit. These are conducted as and when the system demands. Mining plans are updated every quarter as per statute.

Status of safety audit in different subsidiaries is as under:

Company	Status of safety audits
ECL	3rd safety audit completed in degree III & II gassy & fiery mines. Under progress in rest of the mines.
BCCL	3rd safety audit has been completed in 2000. Action taken report is being monitored. Action is being initiated for starting the 4th safety audit.
CCL	4th safety audit has been completed. 5th safety audit will be undertaken in 2001-02.
NCL	3rd safety audit has been completed by committees constituted through ISO at corporate level.
WCL	3rd safety audit is in progress.
SECL	4th safety audit has been completed.
MCL	4th safety audit has been completed in 2000.
NEC	3rd safety audit has been completed.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Reply of the Government

Ministry of Labour/Directorate General of Mines Safety

The safety standards in the mines are reviewed by the DGMS from time to time and necessary guidelines are issued to the mine managements. The mine managements have been requested to update the mine plans, make check surveys and prepare fresh plan in a time bound matter.

[Ministry of Labour O.M. No. H-11013/3/98-ISH.II]

Comments of the Committee

(Please *See* Paragraph 48 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. 7, Para No. 2.69)

The Committee are unhappy to note the gradual reduction in Budgetary allocation for S&T/R&D projects since 1998-99 and under-utilisation of such funds throughout the four years of 9th Plan. As against Budgetary allocation of Rs. 9.87 crore during 1997-98, for S&T projects, only Rs. 4.56 crore could be expended. Similarly, as against Budgetary allocations of Rs. 33.39 crore and Rs. 20.52 crore during the years 1998-99 and 1999-2000, only Rs. 5.49 crore and 4.34 crore respectively, could be utilised. The under-utilisation of funds over the years was due to slow progress of some ongoing projects and to termination of one project on technical grounds. These grounds are indicative of lack of concerted efforts on the part of the Ministry of Coal to ensure timely completion of these projects. In the opinion of the Committee, R&D and S&T projects are very vital for survival of any sector in this highly competitive world and the same is true in the case of coal sector. In the absence of such an opinion, this becomes a limiting factor. The Committee desire that the reasons for slow progress of the on-going S&T/R&D coal projects be gone into and corrective steps taken thereon. The Committee are also concerned to note the delay in sanction of Coal S&T projects. In the opinion of the Committee, there is urgent need to review the whole gamut of formulation & sanction/approval of S&T projects, so that delay could be minimised. There is also a need to review the constitution and working of Standing Scientific Research Committee (SSRC) and its Sub-Committees so as to make them result-oriented which can successfully implement the research programmes in coal sector. The Committee, therefore, recommend that this should be reviewed and they be apprised of the outcome, within 3 months of the presentation of this Report.

Reply of the Government

(i) Budget estimate for S&T/R&D projects is made on the basis of—

— progress on on-going projects

— likely approval of new projects by SSRC

— position indicated by project proponents.

Slow progress of on-going project and delay in approval of new projects in time have resulted in variation in BE, RE as well as low disbursement. Three major high cost on-going projects whose progress has been slow affecting the fund utilization are:

Project	Remarks
Establish techno-economic viability of beneficiating low volatile coking coal for use in Steel-Plants-installation of demonstration plant at Golukdhi of BCCL (Rs. 30.55 crores)	Rs. 23.88 crores and Rs. 7.18 crores were provided in BE 1998-1999 and 1999-2000 respectively and could not be utilized at all due to non-award of the work.
Coal bed methane recovery and commercial utilization (Rs. 76.85 crores)	Rs. 0.90 crores and Rs. 9.09 crores were provided in BE 1998-1999 & 1999-2000 respectively which also could not be utilized.
Introduction of shortfall mining in Barachak seam of Chinakuri Mine III of ECL (17.43 crores)	Project was terminated due to technical reasons and budget provisions could not be utilized in 1998-1999.

(1) Coal sector primarily depends on National Research Laboratories, Academic Institutions for research activities in concerned fields. They have been requested for submission of proposals under S&T.

(2) Unrealistic cost and time estimates proposed at the time of formulation, delay in recruitment of research personnel and delay in procurement of imported equipment are some of the other reasons, which also leads to slow progress of the on-going S&T projects.

(3) The reasons for delay in conveying the sanction of coal S&T projects have been gone into and corrective measures taken. All the 16 projects approved by the SSRC in its meeting held on 16-5-2001 have been approved by the Government in June, 2001.

(4) The SSRC has deliberated and laid down detailed guidelines regarding formulation, implementation, monitoring, dissemination of research findings and seeking application of the same. The guidelines have recently been revised and has been made more comprehensive.

(5) Further, CMPDI acts as nodal agency for co-ordination of research activities in coal sector on behalf of the SSRC and *inter-alia* monitors the progress of implementation of the projects. For expediting progress and minimizing delay in implementation a system of monthly monitoring based on detailed Annual Action Plan including milestone and completion dates has been introduced. Wherever quantifiable the progress is shown in terms of percentages against the identified milestone. The concern of the Committee will be brought to the notice of members of SSRC and a detailed discussion will be undertaken in the next SSRC meeting.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Comments of the Committee

(Please *See* Paragraph 26 of Chapter I of the Report).

Recommendation (Sl. No. 12, Para No. 2.115)

The Committee note that the Coal India Ltd. and its subsidiaries have totally ignored the interests of small and non-core sector consumers. The Committee are said to note that the non-core sector consumers find difficulties in obtaining linkage or sponsorships. Small Scale Industries, Seasonal Consumers like BRK brick kilns, also do not get adequate supply of Coal, for their use. Consequently they have to depend for Coal supply only on black market. The domestic consumer, specially in rural areas, face similar hardships to source the fuel supply. The domestic consumer resorts to cutting of trees (leading of deforestation) to source wood as fuel for their use.

Recommendation (Sl. No. 13, Para No. 2.116)

The Committee desire that system of linkage to non-core sector and seasonal consumers should be re-looked at, so as to facilitate the availability of Coal to all the consumers. The proposed system of Coal supply agreements with such consumers should be tried out after it has been agreed to by trade associations, etc. of small consumers as the procedure of agreements by its very nature appears to be cumbersome. For the present Coal India Ltd. should strengthen its 'Trade Channel Net-Work' so that small consumers can have their supply on 'Cash and Carry' basis.

Reply of the Government

For meeting the fuel requirement of domestic consumers, different categories of industries producing domestic fuels such as SSF units, Briquetting units, Soft Coke manufacturing units etc. have been provided with coal linkages to meet their raw coal requirement. During the previous year *i.e.* 2000-01 more than 5 million tonnes of coal was supplied to such domestic fuel manufacturing units by Coal India Limited.

The system of linkage to non-core sector consumers and supply to seasonal consumers has been reviewed and an alternate policy is under evaluation of Coal India Limited to further facilitate availability of coal to all the consumers.

The Trade Channel Net-Work scheme was launched based on surplus availability of coal with the subsidiary coal companies of Coal India Limited and has since been in operation. Such schemes to ensure coal availability in various consuming centres are considered based on surplus coal availability with coal companies after meeting the requirement of Core Sector and Non-Core Sector linked/sponsored consumers.

[Ministry of Coal O.M. No. 20011/2/2000-IF, Vol. III, dated 27.8.2001]

Recommendation (Sl. No. 23, Para No. 2.188)

The Committee are anguished to note that the lukewarm response towards implementation of the recommendations of Court of Enquiry which probed New Kenda Colliery disaster and Gazlitand of BCCL. While some of the recommendations have been partially implemented in some of the subsidiaries, some others have only been noted for implementation. Some are still to implement them. Other companies have yet to take any decision. The Committee view this with seriousness and desire that all the recommendations should be implemented in letter and spirit. Where the Government is unable to implement any of these recommendations, it should be brought to the notice of the Committee.

Reply of the Government

Status of implementation of the recommendation of Court of Enquiry on New Kenda and Gazlitand is enclosed. All efforts are being made to implement the recommendations.

(A) New Kenda Court of Inquiry

Out of 10 recommendations of New Kenda Court of Inquiry in ECL, 5 have been implemented fully (8.4, 8.6, 8.7, 8.13 and 8.16). Executive Director has been posted for safety in CIL and its subsidiaries (8.14). Rest 4 recommendations (8.3, 8.5, 8.11 and 8.15) are under implementation. Implementation of these recommendations are taking time as procurement of equipment, R&D study, amendment of Act, Regulation etc. are involved. However, this is being expedited for early implementation.

(B) Gazlitand Court of Inquiry

Due to heavy rain on the evening of 26-9-1995 and in the night of 27-9-1995 the flood water rushed into the underground mine of Gazlitand Colliery from 11 P.M. on 26-9-1995. Total 91 workers were in the underground mine at that time. Only 27 workers could be taken out from the mine and remaining 64 unfortunate workers got trapped. Government of India, Ministry of Labour vide its notification dated 17-10-1995 instituted a Court of Inquiry under Section 24 of the Mines Act, 1952 under the Chairmanship of Shri S.K. Mukherjee, Retd. Judge of Patna High Court to look into the causes of the accident and submit its report within three months. The term of the Committee was extended from time to time. The report was notified by Government on 15-12-1999.

The Committee made eight observations and five recommendations in its report. These were circulated to Coal India for implementation in its coal mines. The present status is given below.

Observations

It has been reported by Coal India that out of eight observations, six observations have been implemented/under implementation in the various subsidiaries of Coal India. However, one observation in respect of BCCL is being examined by CMPDIL for implementation. One observation will be implemented by DGMS.

Recommendations

As regards implementation of recommendations of the Committee it has been confirmed by Coal India that these recommendations have been implemented in CCL, WCL, SECL and MCL. In the remaining subsidiaries these recommendations are under implementation. These recommendations of Inquiry Committee are not applicable in NCL.

[Ministry of Coal O.M. No. 20011/2/2000-IF Vol-III dated 27.8.2001]

Reply of the Government

Ministry of Labour/Directorate General of Mines Safety

DGMS have already brought the recommendations of the Court of Enquiries to the notice of the mine managements for its implementation. The mine managements are responsible for implementation of these recommendations in the mines. However, DGMS is also monitoring the status of compliance of the recommendations of the Court of Enquiries through tripartite meeting with trade unions and mine managements which are held at regular intervals of six months/one year.

[Ministry of Labur O.M. No. H-11013/3/98-ISH.II]

Comments of the Committee

(Please *See* Paras 52 and 53 of Chapter I of the Report).

Recommendation (SL No. 27, Para No. 2.223)

The Committee note that during 8th and 9th Plans there was considerable mismatch between the targets and achievements both in physical and financial terms in the Neyveli Lignite Corporation. The Committee have further noted that during 9th Plan there were progressive slippages in the production of urea. The Committee was informed that slippages in the production of urea/ammonia was due to frequent repairs, inadequate supply of steam and inefficiency of ammonia loops. During the year 1999-2000, the ammonia plant was closed down on account of ammonia revamping works. During evidence, Secretary (Coal) was candid enough to admit that NLC undertook production of urea/ammonia as a balancing act. The Committee are of the view that since production of urea is not a core activity of NLC and there is a mismatch between demand and supply position, it may consider the outright sale of urea plant to a third party.

Reply of the Government

In respect of physical targets both in 8th and 9th Plans, achievement of target is less only in respect of Urea and Coke.

In respect of Fertilizer Plant, NLC engaged ICICI for carring out a study on the commercial viability of the Plant. They have recommended either to disinvest to third parties or closure of the plant. However, emphasis is on the closure of the Plant.

The above recommendations are under active consideration of NLC.

[Ministry of Coal O.M. No. 20011/2/2001-IF Vol-III dated 27.8.2001]

Recommendation (Sl. No. 28, Para No. 2.224)

The Committee have also observed that there is a continuous decline in the production of coke. For instance, from the actual production figure of 2.34 million tonnes, it has now dropped to 0.82 million tonnes. The reason attributed by the Government for decline in coke production *i.e.*, poor off-take owing to stiff competition from imported coke is hardly convincing. The Committee desire that Government should take corrective steps to improve the marketability of coke so that off-take of coke would improve.

Reply of the Government

Briquetting & Carbonisation Plant was commissioned in 1966 to process lignite to manufacture Leco. Due to various reasons, the Plant has been incurring losses mainly due to technical and marketing constraints. NLC engaged M/s. ICICI for a study on the commercial viability of the Plant who have recommended either disinvestment to third parties or suspension of the operation of the plant. They are of the view that in the prevailing market conditions coupled with the higher cost of production, the possibility of disinvestment to an organised sector appears to be remote. Alternatively, operation could be suspended till the plant is sold or closed down.

The recommendations are under active consideration of NLC.

[Ministry of Coal O.M. No. 20011/2/2001-IF Vol-III dated 27.8.2001]

NEW DELHI;
December 14, 2001
Agrahayana 23, 1923 *(Saka)*

SONTOSH MOHAN DEV,
Chairman,
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*

2. 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 — *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 Pral Singh Badnore
5. Shri Bikash 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 — *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 authorised 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 Committee then adjourned.

ANNEXURE III

[*Vide Para* 4 of the Introduction]

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATION CONTAINED IN THE SEVENTEENTH REPORT OF THE STANDING COMMITTEE ON ENERGY

I.	Total No. of Recommendations	30
II.	Recommendations that have been accepted by the Government (*vide* recommendation at Sl. Nos. 5, 6, 10, 14, 25, 26 and 29).	7
	Percentage of total	23.33%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies. (*vide* recommendation at Sl. Nos. 1, 8, 9, 19, 24 and 30).	6
	Percentage of total	20%
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee (*vide* recommendation at Sl. Nos. 2, 3, 4, 11, 15, 16, 17, 18, 20, 21 and 22).	11
	Percentage of total	36.66%
V.	Recommendations in respect of which final replies of the Government are still awaited. (*vide* recommendation at Sl. Nos. 7, 12, 13, 23, 27 and 28).	6
	Percentage of total	20%