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STANDING COMMITTEE ON ENERGY (2004)

THIRTEENTH LOK SABHA

MINISTRY OF COAL

DEMANDS FOR GRANTS (2003-04)

[Action taken by the Government on the recommendations contained in the Forty-First Report of the Standing Committee on Energy (Thirteenth Lok Sabha)]

FORTY-SIXTH REPORT

**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2004/Magha, 1925 (Saka)

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Presented to Lok Sabha on 4.2.2004.
Laid in Rajya Sabha on 4.2.2004.

LOK SABHA SECRETARIAT
NEW DELHI

February, 2004/Magha, 1925 (Saka)

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(2004)

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INTRODUCTION

I, the Chairman, Standing Committee on Energy having been authorised by the Committee to present the Report on their behalf, present this Forty-Sixth Report (Thirteenth Lok Sabha) on the Action taken by the Government on the recommendations contained in the Forty-First Report of the Standing Committee on Energy on Demands for Grants (2003-2004) of the Ministry of Coal.

2. The Forty-First Report of the Standing Committee on Energy was present to Lok Sabha on 8th April, 2003. Replies of the Government to all the recommendations contained in the Report were received on 17th November, 2003.

3. The Standing Committee on Energy considered and adopted this Report at their sitting held on 29th January, 2004.

4. An Analysis on the Action Taken by the Government on the recommendations contained in the Forty-First Report of the Committee is given at Annexure-V.

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;
February 3, 2004
Magha 14, 1925 *(Saka)*

SONTOSH MOHAN DEV,
Chairman,
Standing Committee on Energy.

CHAPTER I

REPORT

This Report of the Committee deals with action taken by the Government on the recommendations contained in the Forty-First Report (Thirteenth Lok Sabha) of the Standing Committee on Energy on "Demands for Grants (2003-2004) of the Ministry of Coal" which was presented to Lok Sabha on 8th April, 2003.

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

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

Sl. Nos. 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18.

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

Sl. Nos. 4 and 5

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

Sl. Nos. 1, 2, 3, 6, 19, 21 and 22.

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

Sl. No. 20.

3. The Committee desire that final replies in respect of the recommendations, which have been categorized as interim replies by the Committee should be furnished to the Committee at the earliest.

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

5. The Committee will now deal with the action taken by the Government on some of their recommendations/observations made in the Forty-First Report.

A. Under Utilisation of Funds

Recommendation (Sl. No. 1, Para No. 2.10)

6. The Committee had noted the declining trend in the Central Plan Outlay of the Ministry of Coal thus affecting the ongoing and future coal and lignite projects. The Ministry had not been able to project realistic estimates over the years. There had been sharp reduction in the budgetary support at revised estimate stage. The Ministry had not been able to expend the resources under various schemes. They had even not been able to prepare any scheme for North-Eastern Region. Not only that, there had been tardy progress under Environmental Measures and Subsidence Control during 2002-2003. Two fire control schemes (Dhanbad-Patherdih Railway Lines) approved way back in August, 2001 with sanctioned cost of Rs. 12.02 crore were withdrawn in January, 2003. Similarly, two other schemes dealing with fire have been held up for want of procurement of Plant and Machinery (P&M). The Committee recommended that responsibility should be fixed for this in CIL and its subsidiaries. The Committee were of the view that the problem of fire and subsidence control especially in Raniganj and Jharia coalfields should be treated as a National problem and some special package should be drawn up for the purpose.

7. In the Action Taken Reply, the Government have stated that the budget estimate for EMSC & RCFS amounting to Rs. 31.18 crore for the year 2002-03 was reduced to Rs. 20.50 crores at RE stage but actually Rs. 13.116 crores could be utilized. One of the reasons given for the poor utilization is that in the case of Dhanbad-Patherdih Railway Line, the Railways had decided to stop the traffic to this route. Therefore, funds for control of fire and subsidence were not utilized. However, a sum of Rs. 3 crores were disbursed for two RCFS schemes namely RCFS-02 *i.e.* "Scheme for dealing with fire for protection of Adra-Gomoh Railway line at Block-II OCP and Phularitand colliery" and RCFS-03 *i.e.* "Scheme for dealing with fire for protection of Chatkarijore at Jeenagora/Bararee colliery". All the scheme under EMSC are being implemented in ECL, BCCL and CCL, RCFS schemes are being implemented in BCCL. A provision of Rs. 27.56 crores has been

made for B.E. 2003-04 towards EMSC schemes. BCCL and ECL have been approached to identify more schemes dealing with fire and subsidence in their command areas.

8. For funding of various activities involved in the Action Plan, the steps taken include stowing Excise Duty under Coal Conservation and Development Act (CCDA) has been enhanced to Rs. 10 per/tonne of coal despatched w.e.f 26-6-2003, CIL has been advised to generate a separate fund for control of fire subsidence and rehabilitation of people from unsafe areas within its subsidiaries and a plan allocation of Rs. 163 crores has been made in the Xth Plan for Environmental Measures and Subsidence Control (EMSC) schemes which is being utilised for control of fire and subsidence and also for rehabilitation of people residing over endangered areas.

9. The Committee are not convinced with the contention of the Ministry that there was no logic for spending funds for control of fire and subsidence of Dhanbad-Patherdih Railway Line as the traffic was diverted from this route. The Committee feel that the objective was to control fire and subsidence whether it was falling on the railway line or on some barren place. Further the coal companies could disburse only Rs. 3 crore for two RCFS schemes whereas the same were also sanctioned way back in August, 2001. The Committee are surprised to note that a provision of Rs. 27.56 crore has been made in BE 2003-04 towards EMSC schemes but coal companies have not even been able to identify the schemes dealing with fire and subsidence control in their command areas till now *i.e.* after the lapse of about nine months of the current financial year 2003-04. The Committee are of the opinion that a time frame should be drawn for completing the schemes/projects for which budgetary provision is made so that the same could be utilized to the maximum extent. The Committee find that the Government are also silent on fixing the responsibility on the casual approach taken by CIL and its subsidiaries for disbursement of funds for all those four schemes and reiterate their earlier recommendation that responsibility should be fixed for the lackadaisical approach of the officers/agencies concerned.

B. Under Utilisation of Budgetary Allocation for North-Eastern Region.

Recommendation (Sl. No. 2, Para No. 2.11)

10. The Committee had found that apart from surrendering the entire provision of Rs. 32.70 crore for North-Eastern Region, the

Ministry had also surrendered Rs. 78.38 crore allocated for Voluntary Retirement Scheme (VRS). The Committee viewed this surrender as non-rationalistic and lack of positive preliminary exercise before preparing budgetary proposals. Therefore, the Committee had recommended that the Ministry of Coal should review their budgetary mechanism and overcome deficiencies noticed in planning and implementation of budgetary proposals.

11. In the Action Taken Reply, the Ministry of Coal had stated that although provision of Rs. 32.70 crore was made in BE for the year 2002-2003 for North-Eastern Region, yet not much development of infrastructure could be done in North-Eastern Region for the reasons that North Eastern Coalfields (NEC) is the only channel though which CIL/Ministry of Coal could execute schemes for infrastructural development in the above region and NECs scope of expansion of operations is extremely limited. The NEC was incurring losses and efforts were being made to sustain it so that its mines were not closed down and development works could be done. Regarding desulphurisation, the Ministry of Coal has stated that NEC coal has high calorific value and high coking index but is associated with high sulpher content which is a problem for use in steel making and steam raising. The task of desulphurisation was taken in hand. However, for desulphurisation, the survey and research work was entrusted to Indian School of Mines, Dhanbad, Central Fuel Research Institute, Dhanbad and Regional Research Laboratory Jorehat. Presently, a research project on the subject is in progress in IIT, Delhi. As regards VRS, the Ministry have stated that even though the VRS was made attractive, yet the response has slowed down.

12. The Committee note that on one hand Rs. 32.70 crore earmarked for North-Eastern Region could not be utilized in the year 2002-03. Similarly, Rs. 55.14 crore sanctioned, in the year 2000-01, was also surrendered. On the other hand, the much needed Rehabilitation Plan for North Eastern Coalfields, is yet to be finalized. The Committee do not approve of this. The Committee would like to be apprised of the reasons for delay in the finalisation of the plan, the benefits likely to be accrued and since when the plan is pending for approval. The Committee have been apprised that the funds for a scheme/project are provided in the budget, after the same is approved in a pre-budget discussion in the Ministry. Funds for the ensuing financial year are provided keeping in view the utilization of funds released in previous year and submission of

utilization certificate to this effect by coal companies. The Committee are of the view that although monitoring mechanism exist in Ministry of Coal to ensure proper utilization of budgeted amount but hardly enforced in letter and spirit. The Committee would like to emphasise that Government should formulate their plan/programmes specially for North-Eastern Region, in such a way that the region as a whole is benefited by such plans/programmes. Making a provision and then not utilizing at all is a sign of bad budgetary exercise, which should be curbed/prevented by all means. The present case of North-Eastern Region fall in category of bad budgeting. At the same time, the Committee would like to stress that the efficient usage of the Government budgetary finance is measured by the percentage utilization of the budgetary proposals. The Committee would like to reiterate their earlier recommendation that there should be proper and tested mechanism for preparing the budgetary proposals which should ensure that the budget is not unnecessarily surrendered.

13. The Committee also feel that no serious planning is done by Ministry of Coal before allocating money for a project in their budget. This results in wastage of precious Government budget which could have been better utilized somewhere else. The Committee would like to know the details of the schemes/plans included by Ministry of Coal in their budgets during the last 10 years which could not utilize the funds allocated for the first two years. This may be done at the earliest.

C. Public/Private Sector Participation in Coal Mining

Recommendation (Sl. No. 3, Para No. 2.29)

14. The Committee had found from the level of production of coal during the previous years and also likely production in future that the gap between the demand and supply was increasing year after year. The CIL would be able to produce about 445 million tonnes of coal by the end of 11th Plan and to maintain the same level of production for the next 30 years, around 275 blocks with a total coal reserve of 38 billion tonnes had been retained by CIL. The Committee further observed that out of 92 blocks which had been identified by the Government for taking up during the Tenth Plan period and beyond, 72 projects had been planned to be developed during the Tenth Plan. In view of the financial position of three loss making companies of CIL, the Committee were of the opinion that they could not fund the

new projects. Similarly, the Committee apprehended that other subsidiaries of CIL might also not be able to generate funds as huge resources were required to develop the new mines. The Committee, therefore, recommended that Government should undertake identified coal blocks and rest should be assigned to the public/private sector for development without any restriction of captive end use and the coal blocks should be allotted immediately on receipt of the request of State Governments or their PSUs.

15. In their Action Taken reply, the Ministry of Coal has stated that CIL had formulated the plan for Tenth Plan including different physical parameters and requirement of capital tied up with IEBR. The Ministry has further stated that CIL had identified 275 coal mining blocks in 1996-97 for meeting its programme of production till 2036-37 to sustain a level of Tenth Plan target production of 350 million tonnes/annum. Subsequently, in view of additional linkages including linkages for captive power plants not included in Tenth Plan projection, it was felt necessary to update the requirement of blocks. Accordingly, CIL's production projection upto 2036-37 had been visualised around 445 to 450 million tonnes from Eleventh Plan onwards. Now requirement of blocks to be retained by CIL is being studied by CMPDI. As regards allotment of coal blocks for captive end use, CIL has identified 121 coal mining blocks (as on 1.4.2003) and with the progress in exploration, more blocks would be included in the said list. Regarding liberalization of coal mining policy, State Governments have already been allowed to undertake mining without any restriction of working in isolated small pockets. Applications in this regard from the State Governments are being received on which necessary action is being taken.

16. The Committee note that Coal India Limited identified 275 coal mining blocks in the year 1996-97 for meetings its programme of production till 2037 to sustain a level of Tenth Plan target production of 350 million tonnes per annum. Subsequently, it was felt to update the requirement of coal blocks in view of additional linkages including linkages for captive power plants not included in the Tenth Plan projection. Accordingly, Coal India production projection had been made up to a level of 445 to 450 million tonnes from Eleventh Plan onwards. Now, the additional requirement of blocks which should be retained by Coal India Limited is being studied by CMPDI. Further, Coal India Limited had identified 121 coal mining blocks for captive end use. With progress in exploration, more blocks

are coming up and may be included the list of captive mining in due course. The Committee do not share the contention of Ministry of Coal that the requirement of additional blocks which is to be retained by Coal India Limited is being studied. The Committee are of the opinion that such study/exercise is an on going process and should not be a limiting factor for not deciding the mining blocks in favour of private entrepreneurs or otherwise. It is the considered opinion of the Committee that CIL is exploiting its monopolistic position, to the disadvantages of coal consumers. The Committee have also been apprised of the capital investment required, internal resource to be generated and extra budgetary resources for funding the mining blocks. Taking into consideration, the present position of resource mobilization of various coal subsidiaries and the emphasis of the Government to promote hydel power instead of thermal power project, the Committee apprehend that the projected demand of coal by the end of Tenth, Eleventh and Twelfth Five Year Plan period may not materialize. The Committee feel that there is no point in holding/retaining such mining blocks by Coal India Limited for their use when they are not in a position to mine it both financially and technically. The Committee, therefore, reiterate their earlier recommendation and desire that Government should undertake mining of identified blocks taking into consideration their capacity to mobilize resources both technically and financially and rest be assigned to public/private sector for development.

D. Implementation of the Projects

Recommendation (Sl. No. 6, Para No. 2.37)

17. The Committee had examined the implementation of some of the projects and found that some of these were being delayed unnecessarily resulting in cost and time over-run. The Committee had specifically referred to the Jharia Phase-I project which was being foreclosed after incurring the expenditure of Rs. 363.69 crore for the reasons that the project suffered from heating problem in one of its panels coupled with shortage of funds for replacement of outlived Powered Support Long Wall (PSLW) and other development equipment and higher support density requirement in R-VI seam. The Committee had also especially pointed out the Satgram Project which too was delayed even after incurring of an expenditure of Rs. 109.07 crore as land could not be acquired for long wall mining for certain reasons. The Committee had noted that as major chunk of country's financial

requirements were involved in coal projects, the Government should fix the responsibility for delays in implementation of these projects. The Committee had, therefore, emphasized that the Central Government should impress upon the State Governments to ensure timely acquisition of land so that projects are not hampered.

18. In the Action Taken Reply, the Ministry of Coal had stated that out of 45 ongoing projects, costing Rs. 20 crore and above, only 7 projects were delayed. However, CIL had taken measures to minimize delays in implementation of the projects. Some of these measures are: (i) detailed geological exploration with latest technology for assessing the geo-mining conditions; (ii) before approval of a project, and advance action proposal is prepared and processed for completing the infrastructural developments, land acquisition, etc; (iii) introduction of a proper technology/mechanization, ascertaining clear source of funding; (iv) identification of linkage, etc. Apart from regular review by the Ministry (for projects more than Rs. 100 crore), CIL and the company authorities were also reviewing all ongoing and future projects regularly and actions were being taken as per the recommendations.

19. The Committee had emphasized that the Central Government should impress upon the State Governments to ensure timely acquisition of land so that projects are not hampered. From the analysis of the replies submitted by the Government, it is noticed that many of the projects are being delayed due to non-availability of land. The Committee would like to recommend that a nodal agency be appointed in the Ministry who should be responsible for liasioning with the State Governments for the purpose of acquisition of land.

E. **Revival of Sick Subsidiaries**

Recommendation (Sl. No. 9, Para No. 2.50)

20. The Committee appreciated the efforts made by CIL with the result of which one of its loss making subsidiaries; namely CCL shown improvements and posted profits for the third quarter of 2002-2003. The Committee desired that efforts should be made to improve the financial position of other two loss making subsidiaries (BCCL & ECL). The Committee further desired that reduction in manpower could be done through VRS provided the same is actually in excess. It should not be done merely for reducing the losses/financial burden of the

subsidiary. Loaders, helpers and other unskilled workers who are directly linked with the production should be dissuaded to opt for VRS. The Committee had recommended that the Ministry of Coal should finalise the revival plan of the sick subsidiaries in consultation in the Trade Unions.

21. In their Action Taken Reply, the Ministry of Coal has stated that CCL, a loss making subsidiary of CIL, had earned provisional profit of Rs. 301.90 crore during the year 2002-03. The Revival Plan of ECL, BCCL and CCL had been discussed with the Central Trade Unions in the Apex JCC at CIL level and also at Subsidiary level. However, the most crucial points of revival like (i) phasing out of heavily losing mines; and (ii) re-deployment of men and machinery had not been agreed to by the unions so far. There has been considerable reduction of manpower in all the above three companies through natural attrition/by way of retirement. VRS is offered in categories where there is surplus manpower. The target for VRS for the year 2003-04 in ECL and BCCL is 2000 each against the surplus of 6660 and 5212 respectively. In CCL, the target has been fixed at 1200 against the surplus of 8763.

22. **The Committee regret that the Ministry of Coal have not been able to prevail upon Trade Unions, for the revival plans of ECL, BCCL and CCL. The Committee desire that more vigorous efforts should be made to have the revival and restructuring plan approved by the Trade Unions. At the same time, the Committee would like to recommend that Ministry of Coal should explore the possibilities of leasing out or out right sale of heavily losing mines, in favour of private entrepreneurs. The Committee also recommend that for efficient utilization of men and machineries redeployment/ re-organisation exercise be undertaken and they be apprised of the outcome thereof.**

F. Irregularities in Coal Mines

Recommendation (Sl. No. 11 Para No. 2.57)

23. The Committee had observed that the cases of irregularities and corruptions in three loss making companies i.e. BCCL, ECL and CCL had contributed significantly for the losses in these companies. In BCCL, where the amount of losses was maximum, there were maximum number of cases of irregularities. The Committee, therefore,

recommended that all such cases should be finalized after conducting thorough enquiries expeditiously and the guilty persons should be punished. The Committee desired that a detailed note be sent to them in this regard.

24. In their Action Taken Reply, Ministry of Coal has furnished the details of the case-wise status of the departmental inquiries pending in BCCL, ECL and CCL (Annexure I, II and III).

25. The Committee are surprised to note large scale irregularities committed in BCCL, ECL and CCL and snail pace at which action was being taken by the management. Out of 15 cases registered in BCCL, only two cases could be finalized. There are cases pending since 1993, 1994. Similarly, in ECL out of six cases, only one has been finalized. The position in CCL is also not so rosy wherein out of 6 cases filed in the years 2001 and 2002, the management are yet to ascertain the persons involved in such irregularities. The Committee could not but deplore the inaction on the part of the management for taking such a long time in processing such cases which caused substantial losses to companies. The Committee reiterate their earlier recommendation and desire that coal companies should dispose of such cases expeditiously and all guilty persons be punished. The Committee desire that they be informed of the action taken in this regard.

G. Liberalisation of Coal Mine Activities

Recommendation (Sl. No. 13, Para No. 2.69)

26. The Committee had noted with satisfaction that the Government had allowed the State Governments through their Undertakings to undertake coal mining through open/underground method without the earlier restrictions of working in small and isolated non-coking deposits. The Committee had further noted that the Undertakings of West Bengal, Jharkhand, Maharashtra and Chhattisgarh have been permitted to undertake coal mining. The Committee hoped that with the liberalisation policy, the State Governments would be permitted to mine the coal for their non-captive purpose also.

27. In their Action Taken Reply to the above recommendation of the Committee, the Ministry of Coal stated that in order to augment economic development all around the country and to increase coal production, the coal mining policy initiated in 1979, was revised in

December, 2001 enabling the State Government undertakings to mine coal anywhere in the country without the earlier restriction of small and isolated non-coking coal deposits. References from some State Government undertakings had been received to mine coal under this category. So far Tara coal block, in the State of Chhattisgarh, had been allocated to Chhattisgarh Mineral Development Corporation under this policy.

28. The Committee are happy to note that with the revised policy in December, 2001 which enabled the State Government Undertakings to mine coal anywhere in the country, some references from the State Governments have been received to mine coal in the specified category. The Committee, however, noted that Tara coal block in the State of Chhattisgarh has been allocated to Chhattisgarh Mineral Development Corporation under this policy. The Committee find that the progress made so far is not encouranging. In Committee's view, more efforts are needed to popularise this scheme widely and would like the Ministry to act appropriately in the matter.

H. Captive Mining

Recommendation (Sl. No. 14 Para No. 2.70)

29. The Committee had noted that the Government had identified 128 blocks for captive mining and allotted 27 to public/private sector. Out of these 27 blocks, only 4 had started the end use and rest had not taken suitable action to make the end use though some of the blocks were allotted way back in August, 1993. the Committee were not at all convinced with the reply of the Government that the completion of various procedural formalities and complying with other statutory requirements took long time in the development of coal mine blocks offered to the private parties. It was further stated that some clarifications were required to be taken from the Law Ministry. In this context, the Committee pointed out that meetings of Screening Committee should had been conducted regularly. During 2002, no meeting could be conducted, as certain legal/technical clarifications, posed by an entrepreneur, were awaited. The Committee did not approve of this action on the part of Ministry, who had allowed one entrepreneur to dysfunction the whole system. The Committee had emphasised that it would had been prudent on the part of Ministry of coal to go ahead with the well laid down procedure and accorded permission to mine coal subject to the outcome of such legal/technical clarification. The Committee desired that in future such meetings should be conducted regularly and without fail.

30. In their Action Taken Reply, the Ministry of Coal has stated that since June 2003, the Screening Committee met five times to consider proposals relating to captive mining of coal/lignite by power generating companies and companies engaged in the manufacture of iron and steel and production of cement. Screening Committee had allocated 30 captive mining blocks to private/public sector for captive mining. In view of the uncertainty of the end use plant, Screening Committee had de-allocated 3 captive coal blocks earlier allotted to private sector. Thus, out of the 143 captive mining blocks identified for captive mining, 49 coal mining blocks stand allocated as on date.

31. The Committee are glad to note that in the year 2003, the Ministry convened five meetings of the Screening Committee to consider the proposals relating to captive mining of coal/lignite by power generating companies and companies engaged in the manufacture of iron and steel and production of coal. The Committee hope and trust that such meetings would be conducted regularly. The Committee are also happy to note that three captive coal blocks have been de-allocated due to their non-use. The Committee desire that there is a need to de-allocate such blocks further, as a number of allotted blocks are yet to be developed. The Committee, therefore, recommend that appropriate action should be taken in the matter and they be apprised of the outcome. At the same time, the Committee recommend that the end users of captive blocks should be allowed to use coal from the captive blocks for the existing plants besides expansion projects.

I. Preparation of Mine Plans

Recommendation (Sl. No. 18, Para No. 2.85)

32. The Committee found that there had been significant improvement in the safety standards and there was no doubt that rate of accidents had come down. Mining safety goes hand-in-hand with efficient systems of mining and practice of safe mining methods. Due attention was, therefore, to be paid to identify the various issues relating to mine safety. Application of modern mining technology, both in underground and open cast mining, takes care of the mine safety to a great extent. At the same time, parameters of safety still needed long-felt, large scale improvement. The Committee, therefore, recommended that need based and adequate surveyors be engaged and maps of mines/working updated from time to time.

33. In the Action Taken Reply, Ministry of Coal has informed the Committee that Modern technologies are being used extensively wherever feasible both in underground and opencast mines to eliminate the chances of accidents with a view to lesser exposure of workmen to active working zones. Recently following technologies are introduced in CIL:

- Introduction of surface miner, an eco-friendly technology to reduce hazardous operation like drilling, blasting and crushing in large opencast mine of MCL.
- Introduction of continuous miner in several mines of SECL & WCL.
- Introduction of Universal Drilling Machine (UDM) to avoid exposure of the support personnel to unsupported roof while drilling for roof bolting.
- Introduction of resin grouted bolt to attain maximum load bearing capacity within a few minutes to prevent bed separation, thus restricting fall of roof.

34. New technology is being tried out in mines for identification of water bodies without physically proving the barrier by drilling. Electrical Receptivity Survey has been done by CMRI in ECL. In MCL, Seismic method for identification of water body has been applied to identify the water logged body in between Talcher and Handidua colliery by NIRM. Use of Ground Penetrating Radar (GPR) for ascertaining the thickness of barrier against the water body has been taken up by NIRM in ECL & BCCL. These technologies are under study.

35. Adequate numbers of surveyors are posted in all mines of CIL. The plans of mines/workings are maintained and updated regularly.

36. The Committee feel that though arrangements to ensure occupational safety and health of workers have been made by introduction of state-of-the-art technology, yet the accidents due to one reason or the other are still taking place frequently. The rate of fatalities have stagnated. Proper preparation of the mine plans and updating them on regular intervals as per statute have been emphasized by the Committee time and again, for which sufficient number of surveyors are required. The Committee, therefore, reiterate

its earlier recommendation that sufficient number of need based surveyors be engaged for this purpose. In Committee's opinion, it would be better if a separate cell is created in each subsidiary, if the same already does not exist. Each subsidiary should update the maps of their workings regularly. These should also be checked for their correctness.

J. Renovation and Modernisation of Washeries

Recommendation (Sl. No. 19 Para No. 2.95)

37. The Committee had noted that the Indian coal both coking and non-coking are generally inferior with high ash content and difficult cleaning characteristics. The Committee further noted that 19 coal washeries had been set up in CIL for benefication of coking and non-coking coal (coking coal-13, non-coking coal 6). The Committee were alarmed to note that whereas 9 washeries had been set up for benefication of coal, their average capacity utilization was less than 40% as against required norm of 85%. There had been under utilization of capacity due to shortage of raw-coking coal of appropriate quality. Further, most of these washeries did not get coal of superior quality to yield clean coal. Most of the washeries had outlived their life and there had been frequent breakdown due to ageing of plants. For renovating and modernizing these washeries to improve their capacity utilization, about Rs. 175 crore were required. Taking into consideration that CIL did not have adequate resources to invest for renovation, modernization and improve the capacity utilization of the washeries, the Committee had recommended that private sector participation should be permitted in this field. Such washeries could be set up under Built-Own-Operate and Built-Own-Lease-Transfer or any other appropriate model. The Committee, at the same time, desired that the bulk consumers of coal specially power, steel and cement sector should be encouraged to set up coal washeries for their use. The Central Government should provide more funds for the renovation and modernization of the existing washeries of CIL and its subsidiaries.

38. In their Action Taken Reply, Ministry of Coal stated that CIL is encouraging the bulk consumers to set up coal washeries and also allowing the private washery operators to set up coal washeries provided they are in a position to submit agreements signed by them with the linked coal consumers for supply of washed coal to them only. CIL is providing requisite infrastructure facilities to the above

agencies to set up washeries in the command area of the Subsidiary Companies on lease and/or chargeable basis.

39. Ministry of Coal has already advised BCCL and CCL to prepare the action plan for modernization of the washeries. Some of the washeries have become very old and modernization of such washeries might not be feasible. CMPDIL would examine these issues in greater details and would assess the number and capacity of coking coal washeries required to be in operation in BCCL and CCL to meet the demand of washed coking coal of SAIL. The study should also cover the existing washeries and recommend which of them could be modernized & improved, if necessary, with augmented capacity to ensure optimum utilization of the existing infrastructure. The comprehensive study by CMPDIL should be completed within two months and report submitted to CIL and Government.

40. The Committee are dismayed to see that the coal companies have not been able to meet the requirement of washed coal adequately due to under utilization of washeries. The reasons advanced for under utilization of capacity are shortage of raw-coking coal of appropriate quality and ageing. Even after the efforts of CIL to allow the bulk consumers and the private operators to set up washeries, the results are not much encouraging. The Committee are of the view that the Government should re-examine the matter and find out the reasons for the poor response and take corrective action thereon at the earliest.

41. The Committee are happy to note that a study is being made by CMPDIL in respect of modernization and improvement of washeries in BCCL and CCL and also to recommend to ensure optimum utilization of the existing infrastructure. The Committee would like to be apprised of the recommendations made by the study penal and action taken by the Government thereon. The Committee are in doubt whether BCCL and CCL would be able to modernize their old washeries, in view of their precarious financial position and emphasise to the Government to permit washeries in private sector. The Committee would, therefore, like to recommend that Government should explore the option of leasing out such old units to bulk consumers like SAIL. Outright sale is another option which can be thought of.

K. **Utilisation of HEMM**

Recommendation (Sl. No. 21 Para No. 2.105)

42. The Committee had noted the poor utilization of major mining machineries and equipments both in open cast and underground mining. The Committee had noted that both the availability and utilization of equipments in none of the coal subsidiaries matches CMPDIL norms which were also liberal to a large extent. In this context, the Committee had desired that CMPDIL should review their norms in the light of prevailing world standards. The Committee had taken note of reasons adduced by Ministry of Coal for not utilizing the machines and equipments such as difficult geo-mining conditions, depletion of reserves, ageing, land acquisition problem, infrastructure constraints, climatic conditions and non availability of spares. The Committee were not at all convinced with such reasoning on the grounds that these factors were taken into consideration while formulating such liberal norms by CMPDIL. The Committee did not approve the under utilization of machineries and equipment at macro level. The Committee, therefore, desired to be apprised of the utilization of such machineries at micro level *i.e.* in each mine level during the last three years subsidiary-wise. At the same time, the Committee recommended that Government should undertake wet and dry leasing of equipments which would not entail any additional resources on the part of CIL. The Committee also recommended that major machineries and equipments should be transferred from one subsidiary to another so as to obtain optimal utilization of these machineries. In this context, the Committee emphasised that idling of machines and equipments should be avoided at any cost.

43. In their Action Taken Reply, Ministry of Coal informed that the CMPDI norms are not liberal. The concept of normative standards is not used in the developed countries and the performance data in respect of mining equipment is also not made available. However, CIL has engaged international consultants in the past that have envisaged various types of HEMM in the different project reports, which are available for comparison.

44. Wet and dry leasing of equipment can augment the production capacity without incurring heavy investment but needs to be studied on a case to case basis for each mine for its efficacy and can be implemented only after necessary amendments in the provision of law have been effected.

45. Diversion of equipment from one subsidiary to another, though arduous, is also being considered alongwith re-adjustment within subsidiary to minimize mismatch.

46. The Committee are not convinced with the reasoning advanced by the Ministry that CMPDI norms are not liberal and also normative standards are not used in the developed countries. The Committee would like to be apprised of the standards fixed for the utilization of HEMM in some of the developed countries for their information and comparison with the norms fixed by CMPDI. The Committee note that in Drill and Dozer, the norms are as low as 40% and 45% respectively but the utilization in some of the cases has not even crossed double figure. In CCL, the utilization of dozer and drill is the lowest touching as low as 6% and 6% respectively. In none of the cases, the utilization has even touched the 50% mark. The Committee, therefore, strongly recommend that utilization of the HEMM should be improved and appropriate action be taken in the matter. The Committee would like to be apprised of idling of machines/equipments, for more than one, two or three months, separately and the reason for not rectifying the idle equipment/ machinery. The Committee also desire that the HEMM should not be kept idle at any cost. The Committee further recommend that the machines which have outlived their normal useful life should be replaced by the new ones. These can be replaced under the buyback scheme. The Committee recommend that study in respect of wet and dry leasing of equipment which can augment the production capacity without incurring heavy investment should be completed within three months of presentation of this report and their recommendations implemented, if necessary, after amending the relevant laws at the earliest. The Committee suggest that in future before procuring any HEMM, the expected utilization percentage should be considered specifically while working out cost benefit ratio.

L. Development of Underground and Opencast Mines

Recommendation (Sl. No. 22 Para No. 2.111)

47. The Committee had observed that CIL was banking on the rising prices for its profitability instead of improving productivity. The ratio of production of coal has become most uneven. There had been consistent decline in the production of coal from underground mines

during 9th Five Year Plan. The Committee, therefore, desired that the ratio between the opencast and underground mining has to be improved and given due attention. The Committee opined that the snail's pace at which mechanization of underground mining was taking place had to be stepped up. As the best quality coal is available in the underground coal mines under ECL and BCCL and also in view of the adverse ratio of underground and opencast mining, the Committee had recommended that Central Government should provide more funds for undertaking underground mining in these coalfields.

48. Ministry of Coal, in their Action Taken Reply, has agreed that there has been declining trend in the production of coal from underground mines during the last six years. However, productivity in respect of CIL has continuously increased both in underground and opencast mines. They have further stated that underground production has declined due to several factors like, aging of mines giving rise to distant work places, exhaustion of easily workable coal seams, increasing techno-economic unviability of mechanization. In spite of these difficulties, steps have been taken to increase the share of underground production by introduction of various need based latest technology. It may be mentioned that share of opencast production is more due to its economic viability which helps the company to earn revenue for its sustenance and future development.

49. The Committee are not convinced with the reasonings adduced by Government in not making adequate investment in underground mines. As coal will continue to be the major energy source during 21st century, major strides and developments are expected in the coal mining technologies and policies. In India, the present production of coal is insufficient to meet its growing demand. The coal companies will have to bridge the gap between demand and supply by increasing production of coal both from opencast and underground mines. For increasing the production, mechanization/use of latest techniques will play a vital role. Therefore, investment in the underground mining will have to be made and huge funds will be required to be spent by coal companies for machines and equipment for raising the level of mechanization and improve productivity. Keeping in view the above aspects, the Committee reiterate their earlier recommendation and desire that Government should provide more funds for mechanization and development of underground mines alongwith opencast mines. The productivity needs to be further enhanced, as it is no where near to International Standards.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 7 Para No. 2.43)

The Committee are extremely unhappy to note that there has been sharp reduction in the R&D allocations and the utilization has been very poor during 9th Five Year Plan except the terminal year *i.e.* 2001-2002 when the utilization of funds was much more than the allocation. During the first four year of 9th Plan *i.e.* 1997-1998 to 2000-2001, there has been only about 50% utilization of the allocation funds. The Committee are also distressed to note that the R&D projects which do have a direct impact on the growth of coal industry has been a neglected area. The Committee find that whereas the budget allocations for R&D activities is very low as compared to the total turnover of the coal industry, yet the amount has not been utilized properly and fully during the 9th Plan. The Committee find that inspite of well defined and broad based composition of Standing Scientific Research Committee to coordinate R&D coal projects and R&D broad functioning at the level of CIL headquarters, there is dearth of quality R&D projects. Strangely, such Committee/Boards are headed by non-scientific officials. Inspite of poor quality of India coal, only 8 R&D projects have been commercialized since 1975, when the present system came into being. The Committee feel that the coal company have to themselves identify the areas of their concern which need immediate attention. Those areas can be taken up for further R&D for which the Ministry Science and Technology, etc. can also be consulted.

Reply of the Government

The disbursement on R&D in Coal Sector has been low both during VIIth and IXth plans. Prior to this period, the disbursements on R&D

in coal sector has been further low. The disbursement on R&D works under coal S&T during the VIIIth and IXth Plans were as under:

VIII plans	Rs. 26.84 crores
IX Plan	Rs. 34.4 crores (including R&D disbursement of CIL grant which was started in 1997-98)

Significant contribution to the coal industry has been made by many R&D projects. Almost all the geophysical and hydro geological investigations being carried out presently on a routine basis were introduced in the Indian coal sector through R&D work which involved establishment of various technical parameters suitable for Indian coal measure strata. R&D work related to strata control has led to the establishment of roof capability assessment method, design tools for assessment of support requirement for underground workings, pillar design method, parting stability analysis method etc. With the help of sustained R&D effort it has been possible to establish blast design parameters, blasting damage threshold levels, controlled blasting techniques which allow blasting even as close as 30m to surface structures.

Mining methods suitable for medium and thick seams, like extraction with cable bolting, blasting gallery method, sub-level caving, wide stall method etc. have been introduced in the Indian coal industry with the help of R&D activities. Several projects related to safety of mine workings and workers there in have yielded significant and promising results like Ground Penetration Radar (GPR) for delineating old underground water-logged workings, Micro-seismic techniques for early warming of roof caving etc. on environment related issues also significant contribution has been made by R&D projects, for instance, reclamation of mined out areas, restoration of bio-diversity, manufacturing process for bio-fertiliser, utilization of fly ash, control of noise, dust, water and air pollution etc. In the area of coal utilization and benefaction also several notable achievements have been possible for washing high ash Indian coals, manufacture of coal briquettes, extraction of humic acid from lignite etc. Disbursement of R&D work for the financial year 2001-02 was Rs. 6.85 crores under S&T Projects account of Ministry of Coal funding. Against this, during the financial year 2002-03 disbursement on S&T projects account of Ministry of Coal funding is more than Rs. 7.0 crores (unaudited). Substantial improvement is expected in disbursement on R&D work during 2003-04.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Recommendation (Sl. No. 8 Para No. 2.49)

The Committee are distressed to note that despite a number of measures taken to improve the financial position of the loss making companies, these companies continue to incur losses. The Committee is surprised to see that during the 9th Plan, the three loss making subsidiaries viz. ECL, BCCL and CCL incurred losses to the tune of Rs. 7502.18 crore in which the share of loss incurred by ECL is Rs. 2937.42 crore, BCCL Rs. 3307.27 and CCL is Rs. 1257.49 crore.

Reply of the Government

The three loss making subsidiaries of Coal India Limited viz. ECL, BCCL and CCL incurred losses to the tune of Rs. 1140.96 crore during the last year of 9th Plan i.e. 2001-02 in which the share of loss incurred by ECL is Rs. 277.64 crore, BCCL Rs. 755.00 crore and CCL is Rs. 108.32 crore. In the year 2002-03. *i.e.* the first year of the 10th Plan, out of the three loss making subsidiaries of CIL, CCL has earned provisional profit of Rs. 301.90 crore and two other loss making subsidiaries *i.e.* ECL and BCCL have incurred provisional losses of Rs. 270.00 crore and Rs. 670.00 crore respectively.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Recommendation (Sl. No. 9 Para No. 2.50)

However, the Committee are glad to know that as a result of steps taken by the CIL and one of its loss making subsidiaries, namely; CCL, to improve the latters financial position, it has shown improvements and posted profits for the third quarter of 2002-03. The Committee desire that all efforts should be made to improve the financial position of the loss making companies. The CIL and the subsidiaries should not hesitate in seeking the help of the private sector also who have through knowledge and experience in the coal field. The Committee is not averse to the downsizing of the manpower through VRS, but it should be done only if the manpower is actually in excess. It should not be done merely for reducing the losses/financial burden of the subsidiary. The Committee desire, that workers like loaders, helpers and other unskilled mazdoors who are directly linked with the production should be dissuaded not to opt for VRS. At the same time, the Committee recommend that Government should finalise the revival plan of the sick subsidiaries in consultation with the Trade Unions.

Reply of the Government

One of the loss making subsidiaries viz. CCL has earned provisional profit Rs. 301.90 crore during the year 2002-03.

The Revival Plan of ECL, BCCL and CCL have been under discussion with the Central Trade Unions since long in the Apex JCC at CIL level and also at Subsidiary level. However, the most crucial points of revival like (i) phasing out of heavily losing mines; (ii) re-deployment of men and machineries; have not been agreed to by the unions so far.

There is considerable reduction of manpower in companies like ECL, BCCL and CCL through natural attrition/by way of retirement. VRS is offered in categories where there is surplus manpower. For the year 2003-04 the surplus manpower *viz-a-vis* the target for VRS is given below:

Company	Surplus	Target for VRS
ECL	6660	2000
BCCL	5212	2000
CCL	8763	1200

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

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

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

The Committee find that the funds earmarked for conservation works including stowing and development of transport infrastructure in coalfields areas are reduced at RE stage. Even the reduced funds are not utilized properly and in full resulting in non-achieving the physical targets. The Committee feel that although the Government have released funds for conservation works in coal fields areas, the actual implementation of schemes and utilization of funds is not monitored properly and sanctioned schemes for protective and infrastructure works are delayed in the coal mines areas. The Committee desire that the Government should ensure that all the schemes approved by CCDA Committee be timely completed and funds earmarked for the schemes released and utilized properly and in full.

Reply of the Government

The annual budget provision (BE) are generally commensurate with the amount collected under Stowing Excise Duty (SED) as per Coal Mines (Conservation & Development) Act annually. At RE stage also the level of expenditure is maintained more or less at similar level. During 2002-03, some reduction was exercised during the Annual Plan discussions, as a result of which the level of RE was pruned. But this did not affect the pace of actual expenditure as the shortfall of Rs. 33.77 crores nearly in the admissible claimed amount in RE 2002-03 was reimbursed to the coal companies from the approved BE 2003-04.

The fund released from CCDA fund goes towards reimbursement of a part of actual expenditure (i.e. @ 60% in stowing, @ 75% in protective work and @ 50% in road infrastructure development) incurred by the coal companies towards stowing, protective work, infrastructure development etc. Therefore question of non-utilisation of released fund does not arise.

Actual release of fund by CCDAC is not based on the proposals received from the coal companies but on the actual work done commensurate with the claims of the coal companies & approved by CCDAC. Since the fund is released only after part or full completion of the job, the question of delay in implementation due to fund constraint does not arise. Monitoring of the actual implementation is a regular exercise and all the claims are scrutinized at a number of levels from colliery to final approval of CCDAC.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Recommendation (Sl. No. 11, Para No. 2.57)

The Committee are surprised to see the cases of irregularities which are only in the three loss making subsidiaries and constrained to believe that the irregularities and corruptions in these companies are the prime factors for losses for the last so many years. IN BCCL, there are maximum number of 15 cases of irregularities and this is the subsidiary incurring the maximum losses. The Committee, therefore, strongly recommend that the cases should be disposed of expeditiously and all guilty persons should be punished severely. The Committee desire that a detailed note in this regard be sent to them indicating the date of irregularities, came to notice, nature of irregularities, person(s) involved, status of the case(s), etc.

Reply of the Government

The details of the case-wise status of the departmental inquiries pending in Bharat Coking Coal Limited (BCCL), Eastern Coalfields Limited (ECL) & Central Coalfields Limited (CCL) are given in Annexure I, II, & III respectively.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

(Please *See* Para 25 of Chapter I of the Report)

Recommendation (Sl. No. 12, Para No. 2.58)

The Committee also note that not much progress has been made towards development of infrastructure facilities like road and railways in coal mine areas. The Committee desire that a time bound programme should be drawn out subsidiary-wise and the Committee be informed of the same within three months.

Reply of the Government

The CCDAC fund available out of the excise duty collected is principally meant for stowing & protective works essential for conservation & development of mines especially underground mines. The remaining fund is utilized for assisting some of the roads & railways infrastructure projects. Even with a limited availability of fund, assistance has been rendered to around 220 roads/railways stretching over 2000 km in length including bridges & culverts. Till now, assistance of about Rs. 425.00 crores for the above purpose has already been provided. In some of the infrastructure jobs advances are sometimes given if the implementation is carried out by Govt. companies/agencies. The coal companies are pursued regularly for implementation of such scheme on time so that the claims can be raised by them to CCDAC either for reimbursement or for adjustment against the advances drawn.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Recommendation (Sl. No. 13, Para No. 2.69)

The Committee are happy to note that the Government have allowed the State Governments through their Undertakings to undertake coal mining anywhere in the country through open/underground methods without the earlier restrictions of working a small and isolated non-coking deposits. As a result, the undertakings of State Government of West Bengal, Jharkhand, Maharashtra and Chhattisgarh have been permitted to undertake coal mining. The State undertakings of West Bengal have been allowed to mine 5 mining blocks whereas the undertakings of Jharkhand 9 blocks, Maharashtra 16 blocks, Chhattisgarh 1 block. The Committee hope and trust that these liberalized policy will permit the State Governments to mine the coal for their non-captive purposes also.

Reply of the Government

In order to augment economic development all around the country and to increase coal production the coal mining policy initiated in 1979 was revised in December, 2001 enabling the State Government undertaking to mine coal anywhere in the country without the earlier restriction of small and isolated non coking coal deposits. References from some State Government undertakings have been received to mine coal under this category. So far Tara coal block in the State of Chhattisgarh has been allocated to Chhattisgarh Mineral Development Corporation under this policy.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

(Please *see* Para 28 of Chapter I of the Report)

Recommendation (Sl. No. 14, Para No. 2.70)

The Committee note that the Government had identified 128 blocks for captive mining and allotted 27 to public/private sector. As on date, only 4 have started the end use and rest have not taken suitable action to make the end use. It is heartening to note that some of the blocks were allotted way back as August, 1993. The Committee are not at all convinced with the reply of the Government that the completion of procedural formalities like obtaining of mining lease from State Government and forestry/environmental clearances from

Ministry of Forests & Environment and complying with other statutory requirements take longtime in the development of coal mine blocks offered to the private parties. It is further stated that some clarifications were required to be clarified from the Law Ministry. In this context, the Committee would like to point out that meetings of Screening Committee should have been conducted regularly. During 2002, no meeting could be conducted, as certain legal/technical clarifications, posed by an entrepreneur, were awaited. The committee do not approve of this action on the part of Ministry, who has allowed one entrepreneur to dysfunction the whole system. The Committee would like to emphasis that it would have been prudent on the part of Ministry of coal, to go ahead with the well laid down procedure and accorded permission to mine coal captivity subject to the condition of outcome of such legal/technical clarification. The Committee desire that in future such meetings should be conducted regularly and without fail.

Reply of the Government

Since June, 2003 Screening Committee has met five times *i.e.* on 5.5.2003, 26.5.2003, 6.6.2003, 19.8.2003 and 4.11.2003 respectively under the Chairmanship of Secretary (Coal) and considered proposals relating to captive mining of coal/lignite by power generating companies and companies engaged in the manufacture of iron & steel and production of cement. In these five meetings, Screening Committee has allocated 30 captive mining blocks to private/public sector for captive mining. In view of the uncertainty of the end use plant, Screening Committee has de-allocated 3 captive coal blocks earlier allotted to private sector. Thus, out of the 143 captive mining blocks identified for captive mining, 49 coal mining blocks stand allocated as on date.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

(Please *see* Para 31 of Chapter I of the Report)

Recommendation (Sl. No. 15, Para No. 2.82)

The Committee are perturbed to note that CIL have on more than one occasion have failed to utilize the safety and rescue related budget. The contention of the Government that utilization of safety budget is sometimes delayed as many safety items have to be procured from abroad through global tender as these are not manufactured indigenously and many safety items are required to obtain DGMS approval and confirm to BIS specifications are far from satisfactory. The Committee are of the view that bureaucratic delays and other formalities should not come in the way of utilizing the safety related budget of CIL. The Committee are alarmed to note that where as CIL and its subsidiaries have failed to utilize their budgetary allocation for the purpose, SCCL a joint venture of Government of India and Government of Andhra Pradesh have been able to utilize their budgeted amount fully. In the view of the Committee, when SCCL can expend their safety related budget fully, there is no rationality on the part of CIL is not utilizing the said budget. The Committee therefore, desire that the Government should review the formalities and other procedures in the system to ensure that the entire safety related budget is expended prudently. The Committee recommend that the safety audit should be made mandatory and conducted annually.

Reply of the Government

Funds for safety budget of Coal India Ltd. are arranged primarily, from internal resources of CIL (all expenditure other than part of the expenditure for protective works and stowing). System of preparation of Safety Budget, beginning with codification of the safety component of various activities/items was finalized in Coal India Ltd. only since 1999-2000. The utilization of the safety budget under the head capital is sometimes delayed as many safety items have to be procured from abroad through global tender as such items are not manufactured indigenously. Moreover, many safety items have to have DGMS approval and conform to BIS Specification. Sometimes, DGMS grants provisional approval for certain safety items for a certain period. Such procurement action through global tender is time taking and sometimes DGMS approval lapses and procurement action gets delayed. As such utilization of capital budget for safety and rescue suffers due to the above constraints.

Procurement of important equipment requires approval from DGMS, testing from CMRI and BIS licences before procure for use in mines. Delay is therefore inevitable. After above formalities are completed and equipment can be imported and used, considerable time is elapsed. However, all efforts are being made by CIL to utilized the budget within the financial years.

Details of Capital budget & expenditures for safety of CIL for the year 2002-03 are as under:—

(Rs. in lakhs)

	Capital	Revenue	Total
Budget	7698.50	41557.10	49255.60
Expenditure	3108.88	33283.74	36392.62
%of utilization of budget (Upto Dec. 2002)	40.38	80.09	73.89

Safety audit are done regularly in pursuance of recommendations of the Standing Committee on Energy, periodicity of Safety Audits has been fixed by CIL at once at least in 2 years. However, companies having lesser number of mines like NCL, MCL are free to conduct Safety Audit at lesser interval of once a year as per existing practice.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Recommendation (Sl. No. 16, Para No. 2.83)

The Committee also desire that all safety related equipments, gadgets should enable all readiness to take care of any eventuality. For this CIL should ensure a mechanism that such equipment and gadgets are in working condition.

Reply of the Government

Coal India Limited is maintaining all safety related equipment, gadgets to enable to take care of any eventuality in all mines as per requirement and there is a rigorous system of checking and maintaining safety equipments standard. Training and re-training are also being given to the workmen to use that equipment properly in case of any eventuality.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Recommendation (Sl. No. 17, Para No. 2.84)

The Committee have noted that although number of fatal accidents are showing the declining trend from 223 in the year 1951-60 to 140 in 1991-2000, there is still a scope to attain zero accident rate in coal mining. It has been brought to the notice of the Committee by some of the trade unions during their study tours to the various coalfields that the average accident in the coal mines sector is showing a declining trend on account of under reporting of such cases. There are instances where accidents occurred have been shown occurring on contract labour employed by the contractors and not of CIL and its subsidiaries. The Committee have reasons to believe the contention of various trade unions in this regard and desire that an independent probe may be conducted in the matter. At the same time, the Committee desire that CIL should initiate measures to improve the safety standards in coal mines and, if need be new technology be introduced both in machinery and materials for the purpose.

The Committee also desire that all the recommendations made by the Enquiry Committees and Judicial Committees constituted in the aftermath of any coal mine accident(s) should be implemented in letter and spirit.

The Committee is unhappy over the under reporting of the accidents by CIL and desire that the cases should be reported properly irrespective of the fact whether the dead/injured person was an employee of the CIL or of a contractor or even was simply a passerby.

Reply of the Government

The idea of 'Zero Accident Potential' (ZAP) was mooted in late seventies as the ideal goal. A state of 'Zero Accident Potential' is therefore an ideal one towards which Coal India Ltd. has embarked upon by progressively enhancing the safety standards and adopting latest mining technology in working of coal seams.

All fatal/serious/reportable accidents involving departmental and contractual workers, which occur in mines, are duly communicated to DGMS, Ministry of Coal and trade union representatives and proper inquiry is conducted by ISO/DGMS.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Recommendation (Sl. No. 18, Para No. 2.85)

The Committee find that there has been significant improvement in the safety standards and there is no doubt that rate of accidents have come down. Mining safety goes hand-in-hand with efficient systems of mining and practice of safe mining methods. Due attention is, therefore, to be paid to identify the various issues relating to mine safety. Application of modern mining technology both in underground and opencast mining takes care of the mine safety to a great extent.

At the same time, parameters of safety still need long-felt, large scale improvement. It is in this context, the Committee recommend that need based and adequate surveyors be engaged and maps of mines/ working updated from time to time.

Reply of the Government

Modern technologies are being used extensively wherever feasible both in underground and opencast mines to eliminate the chances of accidents with view to lesser exposure of workmen to active working zones. Recently following technologies are introduced in CIL:—

- Introduction of surface miner, an eco-friendly technology to reduce hazardous operation like drilling, blasting and crushing in large opencast mine of MCL.
- Introduction of continuous miner in several mines of SECL & WCL.
- Introduction of Universal Drilling Machine (UDM) to avoid exposure of the support personnel to unsupported roof while drilling for roof bolting.
- Introduction of resin grouted bolt to attain maximum load bearing capacity within few minutes to prevent bed separation, thus restricting fall of roof.

New technology is being tried out in mines for identification of water bodies without physically proving the barrier by drilling. Electrical Resistivity Survey has been done by CMRI in ECL. In MCL, Seismic method for identification of water body has been applied to identify the water logged body in between Talcher and Handidua colliery by NIRM. Use of Ground Penetrating Radar. (GPR) for ascertaining the thickness of barrier against the water body has been taken up by NIRM in ECL & BCCL. These technologies are under study.

Adequate numbers of surveyors are posted in all mines of CIL. The plans of mines/workings are maintained and updated regularly.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

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

CHAPTER III

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

Recommendation (Sl. No. 4, Para No. 2.30)

The Committee find that the system of linkage for non-core sector consumers was introduced by CIL with a view to rationalise coal demand *vis-a-vis* availability. The Committee find that the system was misused with impunity. The number of consumers where linkage was snapped/supply discontinued works out to 3253 units, of which 2211 units snapped and 1042 units discontinued. This involves a quantity of around 12 million tonnes. The Committee find that a very little has been done by Ministry of Coal in streamlining the procedure except passing on the onus on State Governments to act in the matter. The Committee acknowledges that coal is supplied against sponsorship but the responsibility of identifying the consumers regarding existence, status of operation, consumption, etc. should not solely rest with State Government/designated sponsoring authority in issuing sponsorship of coal but also with the CIL and its subsidiaries. The Committee are of the view that CIL cannot simply wash up their hands from misdeed of various consumers who took undue advantage of system failures. The Committee desire the Ministry of Coal/CIL should verify the existence, working status and consumption of linkage consumers and may in the process engage the vigilance team for the purpose.

The Committee find that the fuel supply agreement is not available to sponge iron and BRK units. The Committee recommend that Fuel Supply Agreement may be made applicable to them as they are bulk consumers of coal.

Reply of the Government

(a) Linkage system was only a process through which consumers were identified by name, location of the unit, details of SSI registration etc. Based on such information coupled with technical data submitted by consumer, linkage was granted.

Linkage system was developed with an in-built safeguard-mechanisms like snapping/cancellation of linkage under certain conditions, coal issued being only for actual consumption and ineligible of diversion/sale to others, in the event factory getting closed it being obligatory on the part of consumers to inform the same to CIL which ensures the linkage granted is not misused.

Moreover coal was supplied subject to sponsorship issued by sponsoring authority which was considered not only by CIL but also by Railway.

In the regulated regime, Ministry of Coal (MOC) conveyed *vide* their letter No. 22011/1/91-CPD dated 30.8.96 that State Governments are closely associated with the distribution of coal. Coal is normally allocated to the actual consumers on the basis of actual consumer-wise assessment of requirements made by State Governments on the basis of physical inspection of the units. For certain consumers, assessment is done by concerned Ministry in Govt. of India. Action under Essential Commodities Act' 1945 for any unauthorised diversion or transfer of coal is also to be taken up by State Govt. MOC once again *vide* their letter No. 23021/17/97-CPD of 3.2.98 conveyed that since State Govts. are empowered to take penal action under Essential Commodities Act, the inspection regarding proper utilisation of coal should be done by State Govt. agencies.

With the introduction of Colliery Control Order, 2000, State authorities are no more concerned in issuing sponsorship or even status of sponsorship as was done by some states like Bihar, West Bengal. Similarly there will be no room for verification by CIL/MOC as system of Coal sale will no more have provision for linkage and sponsorship and will be governed by FSA with its own terms.

It needs to be appreciated that concern of a seller of a commodity about its actual use or misuse by purchaser after completion of sale does not make business sense and often dampens the sale. This is no less applicable to coal. Only the State in the larger interest of public concerns itself with use or abuse of goods sold. In case of sale of petrol/diesel/oil or fertiliser no such condition of use or abuse is attached.

Further verification of units regarding existence, status of operation, actual consumption etc. requires following at least 3 enabling situations i.e.,

(1) Sufficient expertise

(2) Sufficient Manpower

(3) Legal authority to enter premises and make necessary verification

CIL does not have any such power nor infrastructure to carry out the exercise of verification of units.

In spite of all the problems stated above, CIL/Coal Companies did verify existence of large no. of consumers, their status etc. over last one and half year. In fact 1042 units quoted in the ATR in whose favour supply was discontinued was part of 4491 units verified by State/Internal vigilance/CBI at that point of time out of which 1428 units were verified by team other than state. Appreciating the problems of inspection by Coal Companies of the units located all over the country, it was decided in the National Coal Conference held in Dec.'01 that the number of units to be verified by Coal Companies' Vigilance would be min. 5% of total valid linked units which was subsequently increased to 15%. But actual materialisation has been 30% (Out of total valid units of 4789, number of units verified by Team other than states was 1428). It may further be noted that 772 units out of 1428 units (54%) were found having adverse report on verification.

It may also be noted that, despite initial stoppage in supply of coal to 132 units out of 1042 units with adverse report, coal is moving to them as per various court orders. Further few units whose linkage got snapped in BCCL/CCL are also getting coal as per Court order.

It may therefore be appreciated that CIl/MOC is making effort within its limited capability to identify units who are misusing coal and taking corrective steps.

(b) It is not correct that facility of FSA has not been extended to Sponge Iron-Thirty two (32) Sponge Iron Plants have already concluded FSA with concerned coal companies and balance are likely to do so by 31.7.03. In case of BRK, it is not possible to enter into agreement with 36,000 units. CIL tried to enter into agreement with State representing associations/bodies for which all states were approached by CIL for sending list of recognised bodies but response received was not encouraging. Accordingly a decision was taken by CIL/MOC to continue to offer coal under sponsorship although same will not be insisted upon and to enhance offer of coal under OSS so that BRK units not getting sponsorship could draw coal under OSS.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Recommendation (Sl. No. 5, Para No. 2.31)

The Committee find that the requirement of coal of small consumers requiring less than 10 tonnes of coal is being met through open sale scheme and under trade channel network schemes. The Committee are sad to know that there are only 9 centers (Kolkata-1, Cuttak-2, Kalyan-2, Mughalsarai-1, Ghaziabad-1, Kota-1) from which small consumers can source their coal requirement. The Committee are not in agreement with the view of the Government that each subsidiary company except NCL has a number of locations from which coal is offered to small seasonal consumers under BRK against sponsorship, trade channel network and open sale scheme and as much ass 3-4 lakh tones of coal is sold through these locations. The Committee desire that Government should apprise the Committee about the locations in each subsidiary, quantities so sold in each of them during the last 3 years. The Committee recommend that more locations be identified under the scheme so that maximum number of districts in the country are covered under the scheme.

Reply of the Government

(A) CIL introduced Trade Channel Network (TCN) scheme in 1998 with a view to make coal available to the consumers nearer to consumption point Under the scheme 8 million tonnes was offered for sale from 21 locations for which tenders were invited. But 12 offers were received for 7 locations of which valid offer was ultimately reduced to 9 operators for 6 locations with quantity of 9.60 lac tonnes per annum. Coal companies entered into agreement thereafter with those TCN operators.

Since the efficacy and reach of the scheme appears to be not established after its implementation, CIL has been asked to review the entire scheme in the New Coal Sales policy for Non-Core Sector consumers. Based on verification findings by CIL, sale of coal to 4 TCN operators had to be suspended. Sale of coal to only 2 TCN operators in Mahanadi Coalfields Limited continued because they were found to be by the large complying with the requirements of their contract. However, three TCN operators in WCL and SECL on which termination notices were served are continuing to receive coal supplies on strength of interim court orders.

(B) NCL is essentially and historically a company supplying coal to the core sector consumers. They never had any coal balance left after meeting the demands of Core sector consumers and the demand of very few non core sector consumers which could be offered to BRK/TCN/OSS which was essential criteria for offering coal under OSS/BRK/TCN. The availability position in relation to demand is so acute that in the meeting taken by secretary and Joint Secretary (Coal) with Chairman, CIl and CMD's of coal companies on 8.4.03, a decision was taken to transfer linkage of all non core sector consumers to other coal subsidiaries. It is therefore clear that there was/is no scope for offering coal to TCN/BRK/TCN (C/D). Details of despatch of coal by CIl subsidiaries under TCH/OSS/BRK for last 3 years are given below:—

Open Sales Scheme (OSS)	Despatch (In million tonnes)
2000-01	3.16
2001-02	3.07
2002-03 (PROV).	4.86
Brick-Kiln (BRK)	Despatch
2000-01	2.38
2001-02	1.94
2002-03 (PROV.)	1.75
Trade Channel Network (TCN)	Despatch
2000-01	0.756
2001-02	0.887
2002-03 (PROV.)	0.870

While it is being stressed that more locations be offered so that more districts can be served, it may be noted that during 2002-03 quantity offered under BRK and OSS were 7.3 million tonnes and 25.3 mill.ts respectively against which bookings were 2.2 mill. ts. and 5.0 mill.ts while actual supply were. 1.7 mill.ts and 4.8 mill.ts. By offer it means availability of coal in a particular month. Under TCN against the target of 8 MTs from 21 locations, coal has been sold from six locations at the rate of 6.62 LTs in 1999-2000, 7.50 LTs in 2001-02 and 8.70 LTs in 2001-02. Offer does include some repetitive element by virtue of no booking, which inflates offer quantity. Even then there is a significant gap between offer and booking. Therefore, it may be observed that unless there is more demand of coal to be reflected through booking, there is no point in offering more sources for offering coal under OSS/BRK.

It may not be out of place to mention that coal can be offered under OSS/BRK only after meeting requirement of core sector consumers. Therefore so long core sector consumers demands are not met, coal cannot be offered under OSS/BRK.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

CHAPTER IV

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

Recommendation (Sl. No. 1, Para No. 2.10)

The Committee note that there is declining trend in the Central Plan Outlay of the Ministry of Coal thus affecting the ongoing and future coal and lignite projects. The Committee find that Ministry have not been able to project realistic estimates over the years. For instance, during 2002-03, the budgetary support of Rs. 327 crore, was slashed to Rs. 207 crore, at revised estimate stage, showing an over-estimation of Rs. 120 crore (Rs. 327-207 crore). A close scrutiny of reasons adduced by Ministry of Coal reveals that Rs. 10.62 crore was surrendered as CIL could not expend resources under Environmental Measures and Subsidence Control. Further, the entire provision of Rs. 32.70 crore earmarked for North-Eastern Region was transferred to Non-Lapsable Pool of Central resources, as CIL do not have a scheme for implementation in NE Region Funds under VRS were reduced by Rs. 78.38 crore as schemes could not be implemented, as anticipated. In this context, the Committee would like to point out that there have been major deficiencies on the part of Ministry of Coal in formulating their budgetary proposals on sound economic and commercial considerations. Not only there has been tardy progress under Environmental Measures and Subsidence Control during 2002-03, two fire control schemes—Dhanbad-Patheri Railway Lines approved way back on August, 2001, with sanctioned cost of Rs. 12.02 crore were withdrawn on 20.1.2003. Similarly, two other schemes dealing with fire for protection of Adra-Gomoh Railway Lines and protection of Chatkarijore at Jeenagora/Bararee Colliery, also sanctioned in August, 2001, have been held up for want of procurement of Plant and Machinery (P&M). Thus, during 2002-03, there has been no disbursement of funds at all for these 4 schemes. The Committee do not approve of the casual action on the part of Ministry in the Matter and recommend that responsibility should be fixed for this in CIL and its subsidiaries. At the same time, the Committee are of the view that the problem of fire and subsidence control especially in the Raniganj and Jharia Coalfields should be treated as a National problem and some special package be drawn for the purpose. The Central Government should provide special funds to tackle this problem.

Reply of the Government

EMSC/RCFS Schemes

(i) The B.E 2002-03 and R.E 2002-03 provisions for EMSC and RCFS are given as under:

(Rs. In crores)

BE 2002-03	RE 2002-03	Actual
31.18	20.50	13.116

It is evident from the above that against R.E 2002-03 of Rs. 20.50 crores, total disbursement in 2002-03 was Rs. 13.116 crores on account of EMSC and RCFS amounting to about 64%.

(ii) While preparing schemes for Fire Control (RCFS), four schemes were taken up. In the meantime, Railways decided to stop the traffic to Dhanbad-Patherdih Railway Line at Lodna, Bagdidi and Bararee collieries. Alternative arrangements are being made by the Railways to divert the traffic from this section of the route. This being so, there remains no logic for spending fund for control of fire and subsidence in these sections of Railway route. As such a decision has been taken to delete the two RCFS schemes namely RCFS-01 *i.e.* "Scheme for control of fire and subsidence for protection of Dhanbad-Patherdih Railway line at Lodna and Bagdidi colliery" and RCFS-04 *i.e.* "Scheme for dealing with fire for protection of Dhanbad-Patherdih Railway line at Bararee colliery". Accordingly, there was no R.E provisions for these two RCFS schemes during 2002-03.

However, a sum of Rs. 3 crores were disbursed for two RCFS schemes namely RCFS-02 *i.e.* "Scheme for dealing with fire for protection of Adra-Gomoh Railway line at Block-II OCP and Phularitand colliery" and RCFS-03 *i.e.* "Scheme for dealing with fire for protection of Chatkari jore at Jeenagora/Bararee colliery". All the schemes under EMSC are being implemented in ECL, BCCL and CCL, RCFS schemes are being implemented in BCCL. A provision of

Rs. 27.56 crores has been allocated for B.E 2003-04 towards EMSC schemes. BCCL and ECL have been approached to identify more schemes dealing with fire and subsidence in their command areas.

High Level Meeting of the Committee of Secretaries

A High Level Meeting of the Committee of Secretaries was held on 18.3.2003 at new Delhi. Therein, following decisions have been taken:

(i) The Ministry of Coal would prepare a detailed Action Plan in three weeks. Such a plan would specifically delineate the time frame for completing various activities. (This activity has been completed).

(ii) The Ministry of Coal would examine the extent to which funds could be mobilized by (a) enhancing the cess on coal, and (b) utilizing a portion of the points of BCCL and CCL. Any shortfall would be made good by suitably enhancing the Plan allocation.

(iii) The Governments of Jharkhand and West Bengal would work out a detailed rehabilitation plan in consultation with the representatives of BCCL and ECL. Suitable agencies would be identified for executing the rehabilitation works and the required funds would be made available by the Ministry of Coal.

(iv) A monitoring Committee, under the chairmanship of Secretary, Coal would be constituted. Representatives from the State Governments, CIL, BCCL, ECL and related Ministries/Departments of the Central Government would be included as members of the Committee.

Accordingly, an Action Plan based on the Master Plan has been prepared delineating a time frame of 20 years for completion of the activities involved in the plan in phases. The detailed activities for the first five years have been set out and also the site to be taken up in the first phase have been identified based on the priority determined in the Master Plan for dealing with fire subsidence and rehabilitation in leasehold of BCCL.

For funding of various activities involved in the Action Plan, following steps have been taken:

- Stowing Excise Duty under Coal Conservation and Development Act (CCDA) has been enhanced to Rs. 10 per/tonne of coal despatched w.e.f 26-6-2003.
- CIL has been advised to generate a separate fund for control of fire subsidence and rehabilitation of people from unsafe areas within in its subsidiaries.
- A plan allocation of Rs. 163 crores has been made in the Xth Plan for Environmental Measures and Subsidence Control (EMSC) schemes which is being utilised for control of fire and subsidence and also for rehabilitation of people residing over endangered areas.

Govt. of Jharkhand and West Bengal have been involved in preparation of draft Action Plan (April, 2003) and their comments have been considered in the formulation of Action Plan (August, 2003). The agencies for implementation of different activities have been identified in the Action Plan.

A Monitoring Committee under the Chairmanship of Secretary (Coal) has been constituted with representatives from State Governments, Coal companies and related Ministries/Departments of Central Government.

Regarding transfer of Rs. 32.70 crore earmarked for North Eastern Region to Non-lapsable pool of Central resources:

In BE 2002-03, Rs. 32.70 crore was earmarked for North Eastern Region but CIL's scope of work is limited within North Eastern Coalfields only.

In 2000-01 Ministry of Coal sanctioned Rs. 55.14 crore to cover up the losses incurred in NEC during 1999-00 and asked for submission of Rehabilitation Plan for North Eastern Coalfields. The Plan has been prepared and is under examination at CMPDI. After finalisation of the Plan, the fund can be utilized.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

(Please *see* Para 9 of Chapter I of the Report)

Recommendation (Sl. No. 2, Para No. 2.11)

The Committee do not see any rationality in surrendering entire provision of Rs. 32.70 crore, earmarked for NE Region. The Committee desires that ways and means should be found to formulate bankable schemes for the Region. In this connection, the Committee desire that CIL should utilize the earmarked budget for improving coal sector infrastructure in North Eastern Region. There is also a need to popularize and commercialise the R&D efforts in desulphurisation of coal. As regard to surrendering of Rs. 78.38 crore under VRS, the Committee desire that Government should formulate an attracive package under VRS so that employees, are tempted to avail the benefit under this scheme. The Committee have taken note of reasons adduced for reduction of budgetary allocation during the current year. The Committee are of the view that due care and caution has not been exercised while formulating budgetary proposals. The Committee desire that Ministry of Coal should review their budgetary mechanism and overcome deficiencies noticed in the planning and implementation of budgetary proposals. The Committee would like to be apprised of action taken by Government in this regard.

Reply of the Government

In BE 2002-03, Rs. 32.70 crore was earmarked for North Eastern Region but CIL's scope of work is limited within North Eastern Coalfields only, which operates 5 mines in upper Assam. As such CIL can do very little for development of infrastructure in North Eastern Region. However, CIL has informed that Rehabilitation Plan for North Eastern Coalfields is under examination. This envisages some infrastructure like railway siding, road etc. required for the existing and future mines of North Eastern Coalfields (NEC).

In 2000-01 Ministry of Coal had sanctioned Rs. 55.14 crore to cover up the losses incurred in NEC during 1999-00 and asked for submission of Rehabilitation Plan for North-Eastern Coalfields. A final proposal of CIL is still awaited.

NEC is the only channel through which CIL/Ministry of Coal can execute schemes in the North East Region. The Scope of expansion of operations of NEC is extremely limited due to economic and technical reasons. The only positive effort that can be made is to sustain NEC, despite its losses. This is why funds were sanctioned to counter balance the losses in NEC, otherwise, gradually, mines will have to be closed down.

Regarding R&D efforts in desulphurisation of coal of NER:

NEC coal has high calorific value and high caking index but is associated with high sulphur content which is a problem for use in steel making and steam raising. The following R&D efforts have been made for removal of sulphur from NER coal.

1. Preliminary survey for potential desulphurisation of high sulphur Assam coals executed by Indian School of Mines, Dhanbad (Project Code CU/12).

   Under this project removal of organic sulphur was tried by bacterial process. It was possible to remove only a fraction of organic sulphur. Techno-economic viability of the process could not be established.

2. Chemical desulphurisation of high sulphur Assam coals executed by Central Fuel Research Institute, Dhanbad (Project Code CU/28).

   Under this various functional groups of organic sulphur present in the coal of North Eastern Region was determined. Chemical desulphurisation process for removal of organic sulphur was tried but did not achieve desired results.

3. In a S&T project titled 'Demineralisation of NE Coal using chemical dispersants' carried out by Regional Research Laboratory, Jorehat, Assam at laboratory scale, along with reduction of ash, removal of significant amount of sulphur was also established. Further study is necessary to implement the technique on commercial basis.

Presently a research project, being carried out by IIT, Delhi, is in progress. One of the objectives of the project is to microbiologically disulphurise lignite in the storage bunker before burning the same in thermal power station so that emission of sulphur dioxide and presence of sulphur in the slag can be reduced.

Regarding VRS, the existing VR Scheme has been made more attractive by amending some of its clauses namely:

1. Withdrawing age bar.

2. Withdrawing minimum service period.

3. Relaxing minimum attendance criteria.

Even though above relaxation have been made, the response to VR Scheme is comparatively less due to the following reasons:

1. There has been a substantial reduction in manpower (about 1,69,000 from 1.4.89 to 1.4.03). The pace of V.R. has slowed down.

2. The pension of employees is adversely affected as the same is linked to length of service in the company. Those employees who do not complete 30 years of pensionable service get proportionately reduced pension.

3. JBCCI-VII has been recently constituted for wage revision and workers are expecting increase in salaries, which will affect their pensions.

Funds for a scheme/project are provided in the budget after the same is discussed in a pre-budget discussion in the Ministry held by Financial Adviser. All possible efforts are made to ensure that the funds for a scheme/project are earmarked only to the extent to which they can be utilized to the maximum and the saving is kept to the barest minimum during a Financial Year. Funds for the ensuring Financial Year are provided keeping in view the utilization of the funds released in previous year and submission of the utilization certificate to the effect by the coal companies.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

(Please *see* Paragraph 12 & 13 of Chapter I of the Report)

Recommendation (Sl. No. 3, Para No. 2.39)

The Committee find that during the terminal year i.e. 2001-02 of 9th Plan, as against the demand of 354.29 million tones of coal, only 322.6 million tonnes was produced in the country leaving a gap of 32 million tonnes between demand and supply. Similarly, during the terminal year i.e. 2006-07 of 10th Plan, as against the demand of 460 million tonnes Coal India Ltd. have a capacity to produce only 405 million tonnes. There will be a gap of 55 million tones which have to be bridged through imports. The Committee further find that

CIL's share of coal production by the end of 11th Plan is around 445 million tones. In order to maintain at least the same level of production for next 30 years to satisfy consumers around 275 blocks with total coal reserve of 38 billion tones have been retained by CIL. The Committee have further noted that as many as 92 projects have been identified by the Government which would be taken up during the 10th Plan period and beyond. Out of these, 72 projects have been planned to contribute to the tune of 79.11 million tones of coal during 10th Plan and the balance are likely to be slipped into the subsequent Plan. The total estimated capital cost of 92 projects is Rs. 21,147.39 crore. An amount of Rs. 6,343.92 crore has been planned to be invested in these projects during 10th Plan. The Committee have appraised projects planned by different coal subsidiaries and are of the view that coal subsidiaries like BCCL and ECL which are deficient to the tune of Rs. 3,675.21 and, 1,413.79 crore respectively, would not be able to fund the new mines. CCL also have a meager amount of Rs. 569 crore and it is apprehended that CCL may also not be able to mobilize resources for 8 new projects. NCL, WCL, SCCL and MCL who have 7, 23, 15 and 19 new mines respectively may not be able to generate adequate capital for the purpose. It is also brought to the notice of the Committee that Government have now planned to reassess their requirements since the present 275 mining blocks seem to be insufficient for meeting requirement of coal sector for another 30 years. The Government have, therefore, decided to retain additional 46 mining blocks. The Committee without going into the merit of the contention of the Government, would like to state that CIL, taking into consideration their capacity to mobilize resources both financial and technical, should undertake mining of identified coal blocks and rest should be assigned to the public/private sector for the development without any restriction of captive end users. The Committee feel that wherever a Public Sector Undertaking and State Governments ask for any coal blocks, they should be allotted the blocks immediately.

Reply of the Government

CIL has formulated the plan for X Plan which includes different physical parameters and requirement of capital which is tied up with IEBR. This is included in the X Plan document of Ministry of Coal.

CIL had identified 275 coal mining blocks in 1996-97 for meeting its programme of production till 2036-37 to sustain a level of X Plan target production of 350 mill. tonnes/annum. Subsequently it was felt necessary to update the requirement of blocks in view of additional linkages including linkages for captive power plants not included in X Plan projection which was to the tune of 132.38 mill. tonnes (till June 2000). Accordingly CIL production projection had been made upto 2036-37 at a level of 445 to 450 mill. tonnes from XI Plan onwards. Now requirement of blocks to be retained by CIL is being studied by CMPDI.

CIL has identified 121 coal mining blocks for captive end-use (as on 1.4.2003). With progress in exploration, more blocks are coming up and will be included in the last of captive mining in due course.

Apart from that, with liberalization of policy of coal mining by State Govt., the State Governments are allowed to undertake mining without restriction of working in isolated small pockets. Consequently, applications from State Governments for the blocks/mines are being received on which necessary action is being taken.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

(Please *see* Paragraph 16 of Chapter I of the Report)

Recommendation (Sl. No. 6, Para No. 2.37)

The Committee are perturbed to note that the project such a Jhanjra phase-I is being foreclosed after incurring an expenditure of Rs. 363.69 crores for the reasons that the project suffered from heating problem in one of its panels, coupled with shortage of fund for replacement of outlived Powered Support Long Wall (PSLW) and other development equipment and higher support density requirement in R-VI seam. Another project *viz.* Satgram was delayed that too after incurring Rs. 109.07 crores as land could not be acquired for long wall mining as village land losers demand benefits beyond the norms of the company. J.K. Nagar and Kalidaspur & Pootkee Ballihari projects are being foreclosed due to geological disturbance after incurring expenditure heavily. The Committee note that most of these difficulties in timely commissioning of coal projects are such which should have been known to the coal company before starting the projects and adequate steps should have been taken to remove these difficulties. The Committee desire that the techno-economic viability of the abandoned project be examined and steps be taken by the government to restart these projects. The Committee are of the view that the projects are not being managed on sound professional lines. The Committee, therefore, recommend that Government should tone up the project management in a bid to complete the on-going project expeditiously. The Committee also desire that in-depth analysis of the reasons for delays, project-wise be gone into and responsibilities for slippages, be fixed.

The argument put forward by the Government that they keep track of the progress of coal projects costing Rs. 100 crore on monthly basis and all projects costing for Rs. 20 crores on a quarterly basis does not appear to be serving any purpose since there is a continuous delay in implementation of the coal projects. The Committee are of the opinion that as major chunk of country's resources are involved in coal projects, it becomes all the more important to fix the responsibility for delays in planning and implementation of these projects. The Committee would like the Governments to impress upon the State Governments to ensure timely acquisition of land so that projects are not hampered. The Committee also recommend there should be a close liaison and coordination with various State Government agencies for expeditious implementation of the projects. It would be better if the coal companies seek all necessary clearance for the projects and also take action to acquire the land well in advance of starting any project.

Reply of the Government

Out of 45 ongoing projects, costing Rs. 20 crores & above, only 7 projects are delayed. However CIL has taken measures to minimize delays in implementation of projects, which are as follows:

1. Detailed geological exploration with latest technology is being practised more precisely and accurately for assessing the geo-mining conditions of the coal seams in the mining block.

2. Before approval of a Project Report, an Advance Action Proposal is prepared and processed for completing the infrastructural development, land acquisition (for at least 5 to 10 years of mining operation), processing of Environmental Management Plan etc. to avoid any future delays.

3. Introduction of a proper technology/mechanization is now decided on the basis of a more accurate geological data interpretation, ascertaining clear source of funding, availability of adequate land and assessing the existing work culture in the proposed area/coalfield.

4. Projects are considered for approval only when the same generates a minimum IRR of 12%.

5. Projects are now sanctioned only after identification of linkage and also after entering into an agreement with customer for paying the price of coal on cost plus basis for economically unavailable projects.

6. For major mechanized UG Projects out side agencies are also being invited through Global Tendering for implementation of projects on Risk-Gain sharing basis.

7. Apart from regular review by the Ministry (for projects more than Rs. 100 crores), CIL and the company authorities are also reviewing all ongoing and future projects regularly and actions are being taken as per the recommendations.

Justifications for delays, as mentioned in the Standing Committee Report for the delayed projects are as follows:

Sl. No.	Name of company/ Projects	Reasons of delays (as mentioned in Standing Committee Report)	Comments of Ministry of Coal
1	2	3	4
1.	Jhanjra UG, ECL	1. Heating problem in LW panel	1. Fire in long wall panel sometimes takes place due to various geo-technical characteristics of the coal seam and the same cannot be predicted accurately in advance.
		2. Shortage of fund for replacement of outlived LW, other dev. Equipment & higher	2. After budgetary support was withdrawn there was acute fund constraints in procuring necessary

1	2	3	4
		support density requirement for LW panel in R-VI seam.	spares as well as for replacement of old LW equipment
		3. Delay in acquisition of land including forest land	3. Delay in land acquisition was only due to local law & order problem and demand of compensation beyond the norms of CIL However, considering the aforesaid problems it was decided to foreclose the project at the present level of production (1.03 mty) and to take action for augmenting the production to its optimum capacity by procuring suitable equipment as per offer following bilateral collaboration with China & Russia. Foreclosure Report is under consideration for approval by the Government.
2.	Satgram UG, ECL	1. Delayed due to land acquisition problem	1. Delay in land acquisition was mainly due to demand of compensation beyond the norms of the company by the villagers and land losers.
		2. Change of mining technology from LW to Bord & Pillar system	2. Change in technology from LW mining to Bord & Pillar was subsequently planned due to problem

1	2	3	4
			in land acquisition which was beyond the control of the company. Delay in execution of work was also due to Law & order problem like stoppage of work by EX-KOPEX workers, local villagers. The project has however achieved 80% of its PR target on pro-rata basis for QE March, 2003 and has been declared as completed by the Company as on 31.3.2003.
3.	Pootkee Balihari UG, BCCL	Projects was delayed due to. 1. Adverse geo-mining condition	1. In mining geo-logical disturbance cannot be predicted accurately all the time. During actual drivage additional faults' dykes and other geo-logical disturbances are often encountered which badly hampers fast and steady progress of drivage and production. Addl. Problems encountered are as follows: (a) Delay in shaft sinking, erection of head frame and

1	2	3	4
			installation of winder was mainly due to failure in execution by the turn-key contractor. (b) Stiff resistances from unions were encountered while shifting manpower from neighboring mines. The RPR (0.68 mty, Rs. 182.60 crores) was approved by Government in April, 2003. The project is now likely to be completed in March, 2004.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

(Please *see* Paragraph 19 of Chapter I of the Report)

Recommendation (Sl. No. 19, Para No. 2.95)

The Committee note that the Indian coal both coking and non-coking are generally inferior with high ash content and difficult cleaning characteristics. The coking properties of Indian coking coal are relatively poorer as compared to the coking coal of major coal producing companies. The general characteristics of Indian non-coking coal includes, low sulpher content, high ash fusion temperature, low iron content in ash and low chlorine content. The Committee further note that 19 coal washeries have been set up in CIL for benefaction of coking and non-coking coal (coking coal-13, non-coking coal 6). The Committee are alarmed to note that whereas 9 washeries have been set up for benefication of coal, their average capacity utilization is less than 40% as against required norm of 85%. There has been under utilization of capacity due to shortage of raw-coking coal of appropriate quality and ageing. Further, most of these washeries do not get coal of superior quality to yield clean coal. Over the years, the ash content in raw coal has gone up as high as 39% due to depletion of good quality coking coal reserves. Most washeries have outlived their life and there are frequent breakdown due to ageing of plants. As much as Rs. 175 crore is required to renovate and modernize and improve the capacity utilization of the existing washeries. Taking into consideration that CIL does not have adequate resources to invest for renovation, modernization and improve the capacity utilization of the washeries, the Committee recommend that private sector participation should be permitted in this field. Such washeries can be set up under Built-Own-Operate and Built-Own-Lease-Transfer and any other appropriate model. The Committee at the same time, desire that the bulk consumers of coal specially power, steel and cement sector should be encouraged to set up coal washeries for their use. The Central Government should provide more funds for the renovation and modernization of the existing washeries of CIL and its subsidiaries.

Reply of the Government

CIL is encouraging the bulk consumers to set up coal washeries and also allowing the private washery operators to set up coal washeries provided they are in a position to submit agreements signed by them with the linked coal consumers for supply of washed coal to them only. CIL is providing requisite infrastructure facilities to the above agencies to set up washeries in the command area of the Subsidiary Companies on lease/and/or chargeable basis.

Ministry of Coal has already advised BCCL and CCL to prepare the action plan for modernization of the washeries. Some of the washeries have become very old and modernization of such washeries might note be feasible. CMPDIL would examine these issues in greater details and would assess the number and capacity of coking coal washeries required to be in operation in BCCL and CCL to meet the demand of washed coking coal of SAIL. The study should also cover the existing washeries and recommend which of them could be modernized & improved, if necessary, with augmented capacity to ensure optimum utilization of the existing infrastructure. The comprehensive study by CMPDIL should be completed within two months and report submitted to CIL and Government.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

(Please see Para 40 & 41 of Chapter I of the Report)

Recommendation (Sl. No. 21, Para No. 2.105)

The Committee are dismayed to note the poor utilization of major mining machineries and equipments both in open cast and underground mining during 2001-02 and 2002-03. The Committee have noted that both the availability and utilization of equipments in none of the coal subsidiaries matches CMPDIL norms which are also liberal to a large extent. In this context. the Committee would like to stress that CMPDIL should review their norms in the light of prevailing world standards. The Committee have taken note of reasons adduced by Ministry of Coal for not utilizing the machines and equipments such as difficult geo-mining conditions, depletion of reserves, ageing, land acquisition problem, infrastructure constraint, climatic conditions and non availability of spares. The Committee are not at all convinced with such reasoning on the grounds that these factors were taken into consideration while formulating such liberal norms by CMPDIL. The Committee do not approve at all the under utilization of machineries and equipment at macro level. In this context, the Committee would like to be apprised of the utilization of such machineries at micro level i.e. in each mine level during the last three years subsidiary-wise. At the same time, the Committee recommend that Government should undertake wet and dry leasing of equipments which will not entail any additional resources on the part of CIL. The Committee also recommend that major machineries and equipments should be transferred from one subsidiary to another so as to obtain optimal utilization of these machineries. In this context, the Committee would like to emphasis that idling of machines and equipments should be avoided at any cost. The Committee would like to be apprised of the action taken by the Government in this regard.

Reply of the Government

1. The CMPDI norms are not liberal. The concept of normative standards is not used in the developed countries and the performance data in respect of mining equipment is also not made available. However, CIL has engaged international consultants in the past that have envisaged various types of HEMM in the different project reports, which are available for comparison.

1.1 Productivity of 10 cu.m. rope shovels as adopted by international consultants *vis-a-vis* CMPDI norms is as under:—

Particulars	CMPDI (India)	White Industries Ltd. (Piparwar)	GAI METCHEM (Jh. Block III)	MATCHEM (Rajmahal)
Annual Productivity, Mcu.m	1.80	—	1.24	1.35
With 85 T Dump Trucks With 120 T Dump Trucks	1.89	1.26	—	—
Rock type	Medium Hard To Hard	Medium Hard To Hard	Medium Hard To Hard	Medium Hard To Hard
Work Schedule	6 days/week	6 days/week	6 days/week	6 days/week

1.2 Productivity of 20 cu.m. rope shovels as adopted by international consultants vis-a-vis CMPDI norms is given below:

Particulars	CMPDI (India)	METCHEM (HURA 'C')	White Industries Ltd. (Piparwar)
Annual Productivity, M.cu.m	3.65	3.09	3.53*
Rock type	Medium Hard To Hard	Medium Hard To Hard	Medium Hard
Work Schedule	6 days/week	6 days/week	6 days/week

*Projected from capacity of 23 cu.m. Shovel.

1.3 Productivity of 12 cu.m hydraulic shovels as adopted by METCHEM vis-a-vis CMPDI norms is given below:

Particulars	CMPDI (India)	METCHEM (HURA 'C')	METCHEM (Rajmahal)
Annual productivity, M.cu.m	2.70	1.74	2.02
Rock type	Medium Hard To Hard	Medium Hard To Hard	Medium Hard To Hard
Work Schedule	6 days/week	6 days/week	6 days/week

1.4 It is illustrated from the above that CMPDI norms are quite rigorous compared to the productivity adopted by various international consultants.

However the norms of productivity have been recently revised upwards in April 2003. Norms of productivity of 10 cu.m. electric rope shovel and 12 cu.m. hydraulic shovel indicated in the tables above has been increased by 10% while the norm of productivity of 20 cu.m. electric rope shovel has been increased by 12%.

2. Subsidiary-wise, mine-wise performance of major opencast mining equipment, viz, draglines, shovels, dumpers, dozers and drills in terms of percentage utilization during last three years (2000-01, 2001-02 & 2002-03) are enclosed in Annexure.

3. Wet and dry leasing of equipment can augment the production capacity without incurring heavy investment but needs to be studied on a case to case basis for each mine for its efficacy and can be implemented only after necessary amendments in the provision of law have been effected.

4. Diversion of equipment from one subsidiary to another, though arduous, is also being considered alongwith re-adjustment within subsidiary to minimize mismatch.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

(Please *see* Paragraph 46 of Chapter I of the Report)

% Utilisation of HEMM in Absolute terms (Last 3 Years)

Company: ECL

Project	%Utilisation-April 2000 to March 2001					%Utilisation-April 2001 to March 2002					%Utilisation-April 2002 to March 2003				
	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Barsa	—	28.01	23.66	29.41	28.16	—	27.94	26.22	25.50	25.60	—	38.34	34.68	20.19	18.93
Baramuri	—	15.12	8.98	10.05	11.36	—	15.00	10.59	10.75	13.24	—	16.99	15.79	11.98	21.87
Bonjemehari	—	23.59	19.25	29.65	25.18	—	26.62	26.50	29.11	21.90	—	27.57	20.76	25.20	19.45
Chitra	—	29.85	31.91	29.38	43.99	—	38.24	32.45	28.71	31.06	—	47.59	41.78	34.65	32.03
Chora	—	27.07	20.73	24.31	—	—	49.90	26.37	25.57	5.54	—	61.29	23.72	24.84	8.79
Gourandih	—	27.22	15.35	19.70	16.02	—	29.51	19.00	19.74	14.30	—	26.78	17.01	12.38	11.85
Jambad	—	32.67	21.98	23.56	16.10	—	29.32	20.62	22.74	14.34	—	31.89	25.16	24.72	30.52
Khottadih	—	32.31	25.26	27.10	26.71	—	40.97	27.50	28.51	25.07	—	39.43	31.17	31.12	33.08
Mahabir	Exhaustion of reserves											25.94	14.20	4.79	—

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Mohanpur	—	21.83	13.97	17.02	14.01	—	35.27	17.78	19.38	12.81	—	36.98	23.10	20.43	18.83
Topsi	Exhaustion of reserves											38.70	37.59	20.20	17.47
Parasea	—	54.41	33.91	28.54	24.97	—	40.73	28.90	25.55	14.41	—	26.07	17.19	11.09	2.25
Rajmahal	—	57.17	61.06	33.76	16.35	—	54.96	59.90	32.23	17.41	—	56.99	54.81	29.79	15.82
Rajpura	—	17.69	13.34	26.18	23.04	—	21.13	14.75	19.77	15.22	—	23.40	24.19	16.13	14.10
Shankarpur	—	30.40	20.46	25.58	22.60	—	33.37	25.04	31.08	20.98	—	40.01	24.19	30.12	13.63
Shyampur	—	-	—	—	—	—	42.27	15.13	4.85	7.66	—	62.45	14.28	8.20	4.46
Sonepur	73.16	36.59	34.69	26.20	21.36	72.4	48.19	40.25	25.88	27.20	60.22	52.13	38.76	26.22	26.58
West Kenda	—	25.60	18.70	25.82	7.77	—	37.47	16.10	27.92	16.52	—	62.78	18.57	26.78	9.18
ECL	73	35	30	25	21	72	40	33	25	23	61	42	36	25	24

% Utilisation of HEMM in Absolute terms (Last 3 years)

Company: BCCL

Project	%Utilisation—April 2000 to March 2001					%Utilisation—April 2001 to March 2002					%Utilisation—April 2002 to March 2003				
	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Akashkinaree	—	67	45	29	57	—	59	39	36	24	—	45	40	31	25
Bastacolla	—	—	—	—	—	—	—	—	—	—	—	27	21	12	21
B (N)/Chandan	—	57	33	25	23	—	49	38	26	34	—	47	33	29	47
Benedih	—	33	34	24	29	—	30	30	21	21	—	35	25	18	28
Bhowrah S.	—	46	31	34	17	—	33	30	25	14	—	35	31	28	16
Block-II	—	53	37	28	42	—	39	27	—	14	—	47	17	—	14
Block-IV	—	62	35	27	34	—	46	35	38	30	—	48	36	27	41
Dahibari/NLOCP	—	37	34	32	17	—	39	44	28	42	—	45	49	39	40
Dumagaria	—	55	38	28	32	—	53	40	26	32	—	56	47	27	25

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Damoda	—	45	34	30	28	—	44	28	20	26	—	52	27	21	14
Damodar	—	39	25	20	17	—	39	21	19	19	-	45	24	16	26
Dhansar	—	22	25	20	12	—	22	24	17	19	—	9	20	10	11
Ekasuriya	—	36	12	25	15	—	29	12	16	9	—	28	14	16	34
Ena	—	45	04	45	18	—	34	29	28	10	—	33	28	40	12
Ghanoodih	—	47	33	40	36	—	46	35	30	29	—	47	42	41	36
GOCP	—	39	29	24	45	—	36	29	21	64	—	37	34	26	54
Godhur	—	36	28	23	23	—	32	23	22	17	—	25	19	18	13
Gondudih	—	38	23	24	32	—	37	20	16	24	—	29	21	17	14
Jamunia	—	52	30	49	38	—	43	35	49	38	—	48	33	38	33
Jeenagora	—	39	11	28	10	—	36	16	24	10	—	28	15	24	11
Keshalpur	—	53	36	38	52	—	54	47	38	48	—	52	47	40	52
Kusunda	—	53	30	32	17	—	45	30	31	18	—	46	28	31	20
Muraidih	—	62	44	39	31	—	58	42	33	34	—	50	37	27	42
N. Keshalpur	—	41	43	27	20	—	42	42	30	34	—	46	43	33	31
N. Tisra	—	42	24	22	16	—	39	22	18	24	—	42	26	19	28

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
NOCP	—	48	34	41	34	—	44	38	40	33	—	43	37	34	33
Nudkhurkee	54	51	27	25	37	60	46	35	28	40	61	42	39	36	45
Phularitand	—	65	53	59	19	—	45	41	36	14	—	35	28	31	11
Ramkanali	—	55	47	35	23	—	57	41	25	9	—	50	36	29	15
S. Jharia	—	60	39	34	15	—	37	36	38	8	—	37	32	29	20
S. Tisra	60	46	20	16	21	69	39	20	20	22	66	39	25	17	21
SBOCP	—	49	38	34	39	—	43	44	32	42	—	41	34	28	34
Shatabdi	—	47	40	45	39	—	49	41	42	37	—	47	36	46	30
Sulunga	—	52	27	14	31	—	51	30	—	35	—	55	26	—	29
Tetulmari	—	42	37	20	41	—	47	42	30	42	—	30	29	31	27
BCCL	57	51	33	29	28	65	50	34	29	27	65	40	33	28	28

% Utilisation of HEMM in Absolute terms (Last 3 years)

Company: CCL

Project	%Utilisation—April 2000 to March 2001				%Utilisation—April 2001 to March 2002				%Utilisation—April 2002 to March 2003			
	Shovel	Dumper	Dozer	Drill	Shovel	Dumper	Dozer	Drill	Shovel	Dumper	Dozer	Drill
1	2	3	4	5	6	7	8	9	10	11	12	13
Amlo	26	23	20	11	31	18	18	12	36	22	15	18
Ara	9	21	17	11	35	23	19	23	43	28	23	24
Ashoka	37	24	23	28	58	25	29	29	35	20	24	19
Bhurkunda	33	20	25	17	43	20	27	15	42	22	26	13
Bokaro	37	28	21	16	37	19	17	16	22	13	12	11
Dakra	35	35	22	17	58	31	21	18	46	29	23	19
Dhori	33	17	18	12	32	17	24	8	36	16	20	6
Dhori-Khas	16	10	8	6	15	12	—	7	9	10	—	7
Gidi A	25	22	17	10	39	21	16	13	31	19	17	25
Gidi C	29	27	16	11	48	29	25	16	55	28	30	28

1	2	3	4	5	6	7	8	9	10	11	12	13
Giridih	30	24	20	16	29	21	25	14	38	23	26	19
Jarangdih	33	27	28	17	61	31	13	15	43	30	27	15
Jharkhand	37	24	23	16	42	35	30	17	53	33	30	20
K.D	33	25	21	13	37	32	26	17	33	30	22	19
Kargali	23	22	25	9	28	19	19	7	15	17	18	9
Karbetta	21	24	20	13	39	30	21	14	61	33	21	11
Karma	24	19	15	10	27	22	15	21	26	26	31	21
Karo O/C	38	19	22	29	45	25	27	23	37	22	24	28
Karo-Special	26	17	13	14	42	20	30	16	37	16	27	12
Kathara	24	18	16	12	23	20	21	13	26	18	24	15
Kedla O/C	50	30	23	19	51	28	26	22	53	29	24	17
N. Urimari	32	24	27	15	37	26	25	9	30	32	25	11
Parej East	35	28	27	17	32	30	26	23	38	37	26	22
Piparwar	41	31	25	15	41	34	28	15	38	29	27	16
Pundi	50	26	17	19	54	23	14	22	46	29	14	25
Rajhara	40	16	11	13	30	16	12	7	22	28	15	6

1	2	3	4	5	6	7	8	9	10	11	12	13
Rajrappa	42	23	22	21	35	36	22	22	50	25	24	23
Religara	45	33	17	11	51	27	16	33	52	32	18	27
Rohini	32	28	18	16	31	17	16	18	31	19	15	20
S. Dhori	21	19	22	12	30	20	24	14	23	16	23	14
Surubera	27	16	14	9	29	18	13	13	31	28	18	16
Sounda D	33	18	22	22	31	17	19	21	36	14	21	18
Sawang	25	28	19	18	24	31	14	9	36	22	12	9
Sirka	36	33	19	13	54	31	19	11	54	36	20	14
Topin North	33	24	16	7	46	20	16	13	44	27	12	12
Tarmi	33	21	18	13	42	24	25	19	40	29	16	12
Tetriakhar	28	10	15	4	22	16	31	7	33	32	21	17
Topa	—	17	16	9	35	17	15	17	38	29	19	6
Urimari	35	36	23	22	39	32	22	20	40	24	25	20
OCL	37	24	30	14	37	26	22	17	39	26	23	18

% Utilisation of HEMM in *Absolute terms* (Last 3 years)

Company: NCL

Project	%Utilisation—April 2000 to March 2001					%Utilisation—April 2001 to March 2002					%Utilisation—April 2002 to March 2003				
	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill
Amlohri	88.58	34.69	34.40	28.07	38.39	90.83	36.99	36.46	19.80	34.87	89.22	33.58	36.11	20.64	36.84
Bina	89.63	29.82	35.28	23.42	31.79	92.00	28.76	34.36	24.01	28.38	88.18	29.53	36.90	22.24	27.89
Dudhichua	83.59	40.08	35.37	19.75	25.92	78.24	39.73	39.05	21.63	25.60	83.64	39.31	42.52	21.73	24.06
Jayant	86.90	39.03	45.15	22.29	22.06	94.74	38.74	42.47	22.90	21.27	92.23	35.01	40.63	21.08	18.29
Jhingurda	—	45.63	38.63	28.19	18.77	—	46.53	38.51	26.70	22.70	—	45.77	39.41	24.11	17.72
Kakri	—	43.48	39.90	25.09	49.48	—	45.01	38.04	21.99	38.51	—	41.99	37.64	24.94	20.98
Khadia	88.83	35.04	19.14	12.52	21.92	87.28	33.85	19.56	12.02	23.31	94.76	33.76	24.28	13.93	27.37
Nigahi	87.72	41.36	30.66	16.33	20.14	93.64	46.51	35.75	18.27	22.52	83.02	47.07	39.11	20.34	18.27
NCL	87	38	34	28	26	89	39	36	21	26	88	38	37	21	23

% Utilisation of HEMM in Absolute terms (Last 3 years)

Company: WCL

Project	%Utilisation—April 2000 to March 2001					%Utilisation—April 2001 to March 2002					%Utilisation—April 2002 to March 2003				
	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Ballarpur	—	36.41	25.45	37.05	22.20	—	22.46	22.02	33.30	19.26	—	33.70	31.90	27.30	23.30
Bhatadi	—	38.52	34.87	28.59	39.80	—	39.00	31.30	32.11	20.28	—	37.50	34.00	36.33	23.10
Chargaon	—	59.97	36.54	31.37	34.95	—	56.74	38.46	30.34	38.29	—	77.35	44.69	36.40	36.90
Durgapur	—	40.02	31.34	30.74	21.63	—	38.38	31.65	29.81	20.11	—	41.77	28.60	30.21	18.30
Ghugus	71.27	41.75	28.64	22.60	22.40	76.33	43.72	30.51	29.05	26.00	56.67	53.98	33.96	24.46	23.12
Gondegaon	—	54.29	35.01	26.45	27.69	—	51.83	40.92	25.40	24.91	—	55.30	42.10	31.50	23.90
Gouri-I	—	46.92	35.04	36.78	36.68	—	57.09	34.54	40.45	35.14	—	55.14	33.09	32.87	32.38
Gouri-II	—	43.81	29.20	25.96	20.08	—	45.05	28.85	24.14	15.30	—	42.08	29.10	29.30	19.10
H. Lalpeth	—	40.81	29.42	23.33	12.65	—	40.45	30.72	24.44	15.98	—	41.60	31.10	26.60	20.80
Junad	—	53.01	35.99	38.01	28.25	—	48.40	31.13	32.18	31.75	—	41.85	40.19	34.61	36.84
Kamptee	—	37.57	40.38	25.74	17.04	—	38.13	35.78	25.71	23.80	—	44.93	39.50	30.30	27.70

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Kolarpimpri	—	56.37	34.15	38.46	19.42	—	56.32	36.62	38.83	13.99	—	53.51	35.40	31.11	20.40
Mungoli	—	48.52	37.34	36.76	24.36	—	58.42	39.74	29.76	26.46	—	52.04	40.85	33.74	34.55
N. Majri/Kawadi	—	47.00	36.31	45.82	28.34	—	51.67	34.53	40.11	31.96	—	66.22	38.77	39.62	35.70
Naigaon/Bellora	—	41.61	36.83	37.81	27.78	—	38.36	35.70	26.45	22.04	—	40.30	38.30	34.53	24.20
Neeljai	—	40.12	34.03	27.48	34.16	—	42.15	30.16	25.43	23.69	—	45.74	32.70	24.90	30.86
Neeljai (S)	—	43.08	20.00	27.31	22.02	—	45.71	30.55	28.72	20.92	—	50.92	40.25	32.99	24.20
Padmapur	—	53.10	34.40	22.49	29.81	—	45.85	32.78	22.93	31.07	—	43.00	30.20	21.70	31.40
Pauni	—	40.49	32.39	35.68	24.80	—	48.46	39.38	37.40	30.79	—	54.41	38.63	37.97	20.30
Pimplegaon	—	48.45	39.53	35.87	23.86	—	50.39	35.35	33.72	29.54	—	55.56	41.17	34.75	20.30
Sasti	82.09	58.36	43.06	26.74	23.23	91.14	53.79	42.77	29.90	27.09	91.90	51.99	38.87	27.50	25.30
Telwasa	—	54.04	43.84	33.74	26.66	—	53.45	42.54	33.92	37.70	—	51.60	43.37	30.04	39.00
Ukni	—	65.55	42.19	37.97	40.99	—	60.91	40.57	38.30	26.29	—	61.76	43.23	33.00	28.31
Umrer	90.57	52.53	40.75	33.12	33.54	80.49	50.79	44.95	31.18	36.67	80.96	54.37	43.44	28.50	42.58
Umrer Extn	—	47.01	43.68	26.45	41.64	—	59.97	43.58	30.78	34.63	—	58.34	38.60	26.46	29.30
WCL	84	53	37	32	27	82	32	37	31	28	77	58	37	30	30

% Utilisation of HEMM in Absolute terms (Last 3 years)

Company: SECL

Project	%Utilisation—April 2000 to March 2001					%Utilisation—April 2001 to March 2002					%Utilisation—April 2002 to March 2003				
	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Amlai	—	50.66	29.71	34.79	22.45	—	42.22	28.66	30.71	20.39	—	40.60	34.00	27.45	24.40
Bisrampur	67.46	84.17	18.80	21.06	17.74	59.98	46.20	12.88	20.80	23.40	82.42	63.17	16.00	31.05	34.40
Chirimiri	68.04	47.46	24.78	20.24	16.30	79.53	40.22	31.20	21.46	18.84	85.83	43.50	35.50	30.60	16.80
Dhanpuri	88.44	40.85	30.83	33.04	28.09	86.38	41.69	30.83	33.28	30.52	93.33	45.24	33.00	38.20	30.40
Dipka	—	—	17.69	22.36	19.65	—	—	13.31	34.07	11.83	—	61.70	51.51	28.01	35.30
Dipka augmn	—	62.43	37.08	34.31	29.11	—	65.32	48.01	29.73	34.94					
Dugga	—	61.40	37.68	29.86	35.54	—	52.22	35.44	33.93	39.93	—	64.38	32.50	28.35	49.20
Gevra	—	69.98	52.26	20.78	54.77	—	63.97	47.05	23.01	55.13	—	58.00	46.00	26.10	59.60
Jamuna	86.06	40.86	25.42	24.19	32.33	83.01	33.98	24.17	22.23	30.72	91.42	44.66	16.50	26.55	37.20

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Kotma West	—	—	—	18.94	24.20	—	—	30.82	23.57	28.73	—	—	23.00	15.30	24.40
Kurasia	81.96	60.48	32.24	21.28	46.56	70.32	61.22	38.75	24.96	40.33	53.08	71.92	44.00	28.80	30.80
Kusmunda	—	50.37	31.76	22.34	32.22	—	41.28	32.99	27.50	35.84	—	41.18	34.00	55.80	36.40
Laxman	—	43.43	25.23	34.89	33.40	—	37.54	19.85	24.56	37.99	—	46.98	23.00	52.20	46.40
Manikpur	—	36.51	32.98	23.96	27.27	—	33.43	29.42	21.42	34.78	—	34.80	35.00	32.85	29.20
Rajnagar	92.83	61.32	44.80	48.47	39.82	96.22	43.61	35.75	33.02	40.64	90.00	48.72	39.50	44.55	56.00
Sarda	—	91.49	12.03	22.70	24.03	—	47.07	13.04	14.39	31.47	—	60.17	20.00	39.15	34.80
West Chirimiri	—	—	29.94	7.64	12.30	—	—	36.44	25.49	22.93	—	—	33.00	41.85	36.80
SECL	81	55	34	27	39	76	44	34	28	41	78	48	35	28	38

% Utilisation of HEMM in Absolute terms (Last 3 years)

Company: MCL

Project	%Utilisation—April 2000 to March 2001					%Utilisation—April 2001 to March 2002					%Utilisation—April 2002 to March 2003				
	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill	D/line	Shovel	Dumper	Dozer	Drill
Ananta	—	33	24	17	23	—	38	30	19	20	—	29	28	18	21
Balanda	53	39	20	15	13	43	36	22	15	13	50	38	19	17	11
Basundhara E	—	45	28	21	20	—	54	32	23	20	—	50	29	24	21
Belpahar	72	28	25	26	22	77	31	26	21	16	73	34	29	25	14
Bharatpur	—	27	17	14	12	—	34	11	18	15	—	39	26	21	18
Hingula	—	40	24	39	25	—	42	20	26	23	—	38	26	28	27
Jagannath	—	34	27	18	17	—	35	31	18	15	—	39	32	22	22
Kalinga	—	36	24	20	19	—	29	22	18	16	—	31	22	16	14
Lajkura	73	36	24	24	19	78	30	25	24	18	76	45	25	20	12
Lakhanpur	—	29	20	23	6	—	26	21	19	6	—	30	28	22	11
Lilari	—	27	16	22	22	—	34	12	17	17	—	56	21	19	14
Lingaraj	—	36	28	21	14	—	42	28	24	17	—	42	29	21	15
Samaleshwari	71	28	13	25	16	66	32	16	23	18	80	38	19	21	19
MCL	42	33	22	28	16	58	35	23	28	16	62	37	26	21	16

Recommendation (Sl. No. 22, Para No. 2.11)

The Committee observe that the rising prices is a significant factor in the increasing profitability of CIL but it makes the domestic coal uncompetitive. CIL can not continue to bank on this and needs to stress on improving productivity. This holds good especially for the case of underground mines, which employ as much as 75% (approx.) of the total labour force but account for only about 27.5% of total production. Productivity in the case of underground mines has stagnated and even in the case of opencast mines, productivity has not increased at a fast enough rate. In fact, during 1997-98, there had been a marginal decline in productivity in opencast mines. As against 231.375 million tonnes in 1997-98 in opencast, the productivity went down to 228.747 million tones during 1998-99. Thereafter, during the remaining years of 9th Plan, there had been a marginal increase. So far as underground mines are concerned, during the 9th Plan, there had been a consistent decline in the productivity. During the first year of 9th Plan *i.e.* 1997-98., the productivity in underground mines was 69.028 million tonnes but the productivity declined year after year and during the terminal year *i.e.* 2001-2002 of Ninth Plan, it decreased up to 64.816 million tonnes. The Committee, therefore, desire that the ratio between the Underground and Opencast mining has to be improved and given due attention. Currently opencast mines account for about 75% total production with the rest being accounted for by the underground mines. This trend is fast depleting the reserves amenable for opencast mining and neglecting the development of Underground mines where large precious and quality potential exists for meeting the future demand. Therefore, immediate action needs to be initiated for developing underground mines given their long gestation periods. Along with this, the productivity as measured needs to be improved in both Opencast as well as Underground but especially in case of the latter as productivity in underground mining has stagnated. In the opinion of the Committee, the snail pace at which mechanization of underground mining is taking place has to be stepped up. In this context, the Committee recommend that additional, resources be employed for underground mining so as to convert the present imbalance between Underground and Opencast mining. As the best quality coal is available in Eastern Coalfields Limited (ECL) and Bharat Coking Coal Limited (BCCL) in underground mines and also the adverse ratio of underground and opencast mining the Committee recommend that Central Government should provide more funds for undertaking underground mining in these Coalfields.

Reply of the Government

Production and productivity (in terms of output per manshift) for underground and opencast for last 6 years in respect of CIl are given below:

Production (Million tonnes)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03 (Prov.)
Underground	53.97	53.32	52.32	50.56	49.22	48.42
Opencast	206.58	203.17	208.26	217.58	230.43	242.29

Productivity (tonnes)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03 (Prov.)
Underground	0.57	0.59	0.61	0.63	0.64	0.69
Opencast	5.07	5.52	5.44	5.90	6.08	6.32

From the table above, it is clear that productivity in respect of CIL has continuously increased both in underground and opencast mines.

Regarding ratio of underground production to opencast production, it may be mentioned that underground production has declined due to several factors like, aging of mines giving rise to distant work places, exhaustion of easily workable coal seams, increasing techno-economic unviability of mechanization. In spite of these difficulties, steps have been taken to increase the share of underground production by introduction of intermediate technology with SDLs/LHDs in such underground mines only where it is techno-economically feasible. High productive longwall powered support faces are being worked in five mines *viz.* Jhanjra, Moonidih, Balrampur, New Kumda and Rajendra. Continuous Miners have been introduced in Chirimiri. It is in process of installation in Tandsi and has been proposed for Vindya. It may be mentioned that share of opencast production is more due to its economic viability which helps the company to earn revenue for its sustenance and future development.

[Ministry of Coal O.M. No. 20011/13/2002-IF Dated 16.11.2003]

Comments of the Committee

(Please *see* Paragraph 49 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. 20, Para No. 2.100)

The Committee are perturbed to note the considerable increase in the dues from power sector despite the reported steps taken and desire the Ministry of Coal to explain the reasons for this. The Committee would also like to know the steps taken by the Government for the new schemes by which these outstanding dues would be guaranteed to enable the coal companies to realize bonds, etc. The Committee also note with concern that a huge amount of Rs. 2109.95 crore is under disputed category. The Committee recommend that as a first step, the Ministry should ensure that maximum amount from this category is transferred to undisputed category and recovered immediately. Efforts should also be made to check such disputes by joint samplings at both the loading and unloading points.

Reply of the Government

The outstanding coal sale dues as on 31.5.03 is Rs. 6236.51 crores out of which Rs. 2122.99 crores is disputed dues and Rs. 4113.52 is undisputed dues. The sector-wise outstanding dues for different period are as under:

Total dues as on

Sector	1.4.2000	1.4.2001	1.4.2002	1.4.2003	1.6.2003
Power	5418.26	6151.98	5912.15	5718.08	5788.86
Steel	575.61	578.63	562.06	525.57	512.56
Others	106.62	114.69	63.45	-20.27	-64.91
Total	6100.49	6845.30	6537.66	6223.38	6236.51

After accretion in the coal sale dues of coal companies during the period 1.4.2000 to 1.4.2001, a significant trend in reducing coal sale dues have been achieved. While during the year, 2001-2002, dues have been decreased by Rs. 307.64 crores, the dues during the year 2002-03 have been decreased by Rs. 314.28 crores. The outstanding coal sale dues of power sector is considerably high. In absence of agreement with most of the SEBs, the accumulation of outstandings of coal sale dues is on the higher side. Despite coal being deregulated from 1.1.2000, MPEB has challenged the right of CIL in declaring the price of coal produced by coal companies. The matter is now *sub-judice*.

As per the securitisation scheme, an amount of Rs. 2138.91 crores, principal and interest being Rs. 1927.13 and Rs. 211.78 crores respectively, have been earmarked for securitisation. The above interest of Rs. 211.78 crores is the interest for the period 1.10.2001 to 31.12.2002.

Till date, the coal companies like ECL, BCCL, SECL, MCL, WCL, NCL and CCL have already submitted their undertakings to CIL. The CSGL account have been opened by all the subsidiary coal companies. Steps are being taken by MOC for issuance of bonds. The details of coal company-wise amount to be securitised are given below:

STATEMENT GIVING THE COAL COMPANY-WISE COAL SALE DUES OF SEBs/SPCs ALONGWITH INTEREST FOR ISSUANCE OF BONDS ON 01.01.2003

(Rupees in crores)

Name of the Coal companies	Name of State	Name of SEBs/SPCs	Principal dues for securitisation	Interest for the period 1.10.01 to 31.12.02 (8.5% compounded half yearly)	Total amount fit for conversion into Bonds as on 01.01.03
1	2	3	4	5	6
ECL	Uttar Pradesh	UPSEB/UPRUVNL	0.33	0.04	0.37
		TOTAL	0.33	0.04	0.37
BCCL	Uttar Pradesh	UPSEB/UPRUVNL	138.56	15.23	153.79
		TOTAL	138.56	15.23	153.79
CCL	Uttar Pradesh	UPSEB/UPRUVNL	80.90	8.89	89.79

1	2	3	4	5	6
	Haryana	HPGCL	13.34	1.47	14.81
		TOTAL	94.24	10.36	104.60
NCL	Uttar Pradesh	UPSEB/UPRUVNL	114.56	12.58	127.14
		TOTAL	114.56	12.58	127.14
MCL	Tamil Nadu	TNEB	82.25	9.04	91.29
	Gujarat	GEB	6.34	0.69	7.03
	West Bengal	WBPDCL	113.16	12.43	125.59
		TOTAL	201.75	22.16	223.91
SECL	Gujarat	GEB	351.48	38.63	390.11
	Madhya Pradesh	MPSEB	488.71	53.71	542.42
	Chhattisgarh	CSEB	151.58	16.66	168.24
		TOTAL	991.77	109.00	1100.77
WCL	Madhya Pradesh	MPSEB	296.11	32.54	328.65
	Maharashtra	MSEB	89.81	9.87	99.68
		TOTAL	385.92	42.41	428.33
GRAND TOTAL			1927.13	211.78	2138.91

However, MOC has indicated that the States like Madhya Pradesh, Maharashtra and West Bengal have not included the name of CIL and its subsidiary coal companies in the tripartite agreement so that the dues can not be securitised.

Govt. of West Bengal has intimated that the decision to include the names of CIL and its subsidiaries have already been taken and the same shall be intimated to Ministry of Power, GOI. The coal companies like WCL & SECL are in touch with Maharashtra & Madhya Pradesh to make them agree in considering the inclusion of the names of CIL and its subsidiaries in the tripartite agreement.

In order to settle disputed outstanding dues coal companies have referred the disputes to umpires who have been appointed by the

Central Government for settlement of old outstanding dues and umpires have started to pronounce award where the interest against coal bills have been considered for payment.

The details of the measures taken by the Government are as under:

1. The Ministry of Coal and Ministry of Power have jointly appointed umpires to settle the disputes between the SEBs/PCs and the coal companies of CIL. All the disputed dues of the respective SEBs/PCs up to 31.03.1995 have been referred to the umpires for the settlement of dues. In a few cases final decisions have been pronounced by the umpires.

2. In order to clear the accumulated dues of the power sector for the period upto 30.09.01 scheme for securitisation of such dues has been sanctioned by the Government and the scheme is already in operation. Admitted dues of Rs. 1927.13 crores of the power sector have already been referred to the Ministry of Power for securitisation.

3. All the disputes like venue of sampling, weighment and others were resolved jointly by Ministry of Power and Ministry of Coal in the year 1997. Draft fuel supply agreement was prepared by CIL and Council of Power Utilities (CPU) for implementation of all such settlements regarding disputed issues. However, most of the SEBs have not entered into such agreements with coal companies mainly due to their reluctance to follow the agreed payment mechanisms. During 2002 Central Electricity Authority (CEA) has circulated another draft fuel supply agreement and the coal companies of CIL and the SEBs/PCs are in the process of finalising such fuel supply agreements.

[Ministry of Coal, O.M. No. 20011/13/2002-IF Dated 16.11.2003]

NEW DELHI;
February 3, 2004
Magha 14, 1925 *(Saka)*

SONTOSH MOHAN DEV,
Chairman,
Standing Committee on Energy.

ANNEXURE I

BHARAT COKING COAL LIMITED

Sl. No.	Case No.	Name, Designation & place of posting of person(s) alleged	Allegation in brief	Dt. on which decision was taken for vig. enquiry	Remarks
1	2	3	4	5	6
1.	F/43/2002	1. Sri TK Ghosh, Proj. Office 2. Sri A Kumar, Proj. Officer 3. Sri AK Rao, Survey Officer 4. Sri VS Ram, Proj. Officer 5. Sri S. Chakraborty Asst. Surveyor 6. Sri TK Mitra, Area Survey Officer	Alleged bungling in sand transportation at 20/21 pit of Murlidih Colliery.	26.08.2002	IO submitted preliminary report on 25.4.2003 and on preliminary report indepth investigation is ordered.
2.	CB/25/2002	1. Sri D Ganguli, Proj. Officer 2. Sri B Kanjilal, Sr. Sales Officer 3. Sri BK Lala, W/B Inch. 4. Sri DN Singh, W/B Clerk 5. Sri Bharatesh, W/B Inch.	Alleged rampant corruption done at NLOCP/RKSSY W/bridge & dump at CV Area-XII.	09.12.2002	The investigation is going on.

1	2	3	4	5	6
3.	CB/2/2003	Yet to be ascertained.	Alleged misappropriation done by the officials of Murlidih W/Bridge.	01.01.2003	Nothing could be substantiated. The case has been closed.
4.	F/26/2002	Yet to be ascertained.	Alleged irregularities in loading in Pvt. Rake at Shatabadih Project	14.6.2002	Nothing could be substantiated. The case has been closed.
5.	CB/18/2002	Sri Suresh Yadav, Loading Supervisor	Alleged irregularities in loading and despatch of coal through road sale at E/Katras Colliery.	31.08.2002	The Disciplinary Inquiry just started.
6.	CB/18/2001	1. Sri SN Upadhyay, GM 2. Sri KK Srivastava, SE (E) 3. Sri SS Iqubal, Dy. CME 4. Sri BK Jain AFM 5. Sri RN Mishra, Addl. GM 6. Sri SK Singh, SOM 7. Sri P. Chawla SE (E&M) 8. Sri RD Sharma, Proj. Officer 9. Sri Ajay Dhar, Proj. Officer 10. Sri SN Upadhyay, Sr. PO 11. Sri AK Dhar, Proj. Officer	Alleged irregularities in transportation and despatch of coal from West Mudidih Colliery.	12.09.2001	The Disciplinary Inquiry just started.

1	2	3	4	5	6
		12. Sri RP Singh, L/Superv. 13. Sri M. Prasad, T/Clerk 14. Sri Ranjan Mia, Munshi 15. Sri Majid Mia, Munshi 16. Sri Anil Rawani, Munshi 17. Sri Sudama Yadav, Munshi 18. Sri Sudarshan Prasad, 19. Sri Dilip Choudhary			
7.	CB/9/2002	1. Sri JN Gupta, Manager 2. Sri JN Yadav, W/B Inch. 3. Sri SN Dubey, Acc. Clerk	Alleged irregularities in road sales at Damoda Mine of Barora Area.	22.06.2002	All the officials have been Censured on 11.12.2002.
8.	CB/23/1993 RC15(A)/93(D)	1. Sri BN Tiwary, GM 2. Sri AK Singh, ASM 3. Sri RN Sachdeva, GM	Alleged irregularities in allotment of coal to Pvt. Parties between the period 4.3.92 to 7.3.92 in adjustment of cess at Area-I		The Disciplinary Inquiry is on the verge of completion.
9.	CB/39/1994	1. Sri R Khanna, CGM 2. Sri RN Mishra, Dy. CME 3. Sri SS Sahgal, SOM 4. Sri CS Singh, SOM	Alleged financial loss to the Co. due to non-realisation of grade price by the officials of Bhagband Colliery.		Inquiry Report received and is being sent to CVC for 2nd stage advice.

1	2	3	4	5	6
		5. Sri RK Sahay, Dy. SM 6. Sri AK Singh, Sr. SO 7. Sri PK Pandey, Dy. SM			
10.	CB/11/2001	1. Sri MP Rakesh, GM 2. Sri KP Singh, CME 3. Sri VK Bhatia, Dy. CE (CP) 4. Sri AK Chandra, Dy. CE 5. Sri R Singh, APM 6. Sri D Narain, SE (CP)	Alleged irregularities in transportation of washed coal from Madhuban to Barora Washery.		Disciplinary Inquiry just started
11.	CB/23/2001	1. Sri IK Khullar, SE (CP) 2. Sri SC Chanda, Proj. Officer	Alleged irregularities in transportation of 40 trips of coal from 20/21 pits of Murlidih to Madhuban Washery.		Disciplinary Inquiry is on the verge of completion.
12.	CB/10/2002	1. Sri SC Chanda, Proj. Officer 2. Sri KKN Sinha, Proj. Officer 3. Sri SB Prasad, Desp. Clerk 4. Sri BK Sharma, Desp. Clerk	Alleged bungling in transportation of coal at different unit of Govindpur Area.		Disciplinary Inquiry is on the verge of completion.
13.	CB/3/1998 RC 1(A)/98(D)	Sri VK Singh, Dy. CME Kustore Colliery	Irregularities found in sand transportation at Kustore Colliery.		Disciplinary Inquiry is on the verge of completion.

1	2	3	4	5	6
14.	CB/2/2000 PE 2(A)/00(D)	1. Sri PK Pandey, Dy. SM 2. Sri MP Singh, Sr. SA	Alleged sale of coal to Pvt. Parties whose linkage was snapped due to non-lifting of coal since 1992.		Punishment order of with-holding of 2 increments with cumulative effect against Sri PK Pandey, Dy. SM issued on 12.4.03. in respect of Sri MP Singh, Sr. SA, IO/PO have been appointed and the Disciplinary Inquiry has started.
15.	CB/5/1996 RC 5 (A)/ 96 (D)	Sri SN Nandi, Dy. FM Govindpur Area	Alleged lifting of coal on the basis of forged DO at Govindpur Area No.-III		Punishment for with-holding of 2 increments with cumulative effect issued on 12.4.2003.

EASTERN COALFIELDS LIMITED

Sl. No.	Case No.	Name, Designation & place of posting of person(s) alleged	Allegation in brief	Dt. on which decision was taken for vig. enquiry	Remarks
1	2	3	4	5	6
1.	CB 6/2001	1. Sri R Prasad, Agent, Nimcha 2. Sri DK Ghosh, Manager Nimcha	Irregularities in sand winning and transport.	27.06.2001	Sent to CVC on 02.05.2003 for 2nd stage advice.
2.	CB 17/2001	1. Sri T Chakraborty, Manager N. Kajore 2. Sri PK Ghosh, Surveyor (Retd.) 3. Sri MK Singh, Sand Clerk, N. Kajore 4. Sri BK Bimal, Sand Clerk N. Kajore 5. Sri BC Banerjee, Surveyor JK Ropeways	Discrepancies in sand transportation and manipulation of records.	22.12.2001	In respect of S/no. 1 & 5, IO submitted his report on 23.04.2003. In respect of S/no. 3 & 4 Departmental Inquiry is in progress.

1	2	3	4	5	6
3.	CB 7/2002	SB Singh, Loading Clerk Khoir/Bac Colly.	Irregularity in loading	09.07.2002	Punishment of stoppage of two increments with immediate effect issued *vide* order No. C-6/34/P-3/57 dt. 03.03.2003.
4.	CB 10/2002	Binod Kr. Singh, Weighbridge Clerk, Ghusick Colly.	Excess recording of weighment of loaded trucks at SS incline.	11.06.2002	Hearing is in progress in Departmental Inquiry.
5.	CB 4/2002	1. Sri SP Singh, Desp. Clerk 2. Sri B Singh, Weighbridge Clerk 3. Sri DD Chakraborty, Sr. Desp. Supdt. 4. Sri RL Yadav, Security Guard BMP Group.	Irregularities in road despatch	25.11.2002	I.O./P.O. appointed Departmental proceeding is in progress.
6.	RC 7/2000 (CAL)	Sri Tarun Sen, Dy. Chief Sales Manager, ECL Sales/ Presently in CIL.	Release of coal in favour of M/s. Bijoy Industries & M/s. Poly Industries initially processed by Sri Sen.	24.01.2002	IA submitted report Note of disagreement placed before disciplinary Authority.

ANNEXURE III

CENTRAL COALFIELDS LIMITED

Sl. No.	Case No.	Name, Designation & place of posting of person(s) alleged	Allegation in brief	Dt. on which decision was taken for vig. enquiry	Remarks
1	2	3	4	5	6
1.	Vig. IR-32/2001	Yet to be ascertained.	Overloading of steam coal in place of ROM coal. Manipulation in both quantity & quality through dispatch of BRK rakes at Jarangdih Siding etc.	14.12.2001	Investigation completed and file has been sent to DT (P&P), CCL for necessary action.
2.	Vig. IR-47/2001	Yet to be ascertained.	Irregularities in weighment of loaded trucks at Tapin South.	31.12.2001	Under investigation.
3.	Vig. RI-20/2002	Yet to be ascertained.	Road sale of Karo-I PLC to be checked.	02.03.2002	Investigation completed and further action is on.
4.	Vig. RI-26/2002	Yet to be ascertained.	Irregularities in coal transportation from different collieries by coal	06.03.2002	Under investigation.

1	2	3	4	5	6
			transport contractors and rehandling the same coal in Kathra Washsery etc.		
5.	Vig. RI-56/2002	Yet to be ascertained.	Irregularity in coal transportation by coal transport contractors in NK and Piparwar Area by deploying different.	28.03.2002	Under investigation.
6.	Vig. RI-71/2002	1. Sri D Chakraborty, CGM, Piparwar Area 2. Sri BC Ghosh, Sr. Survey Officer, Piparwar Area.	Recommendation for making payment to the contractor for work of wagon loading at Churi Siding, Piparwar Area at the agreement rate for the extended quantity although there was an earlier approval of the competent authority for making the payment for the extended quantity at the awarded rate or present rate whichever is lower etc.	21.08.2002	After completion of investigation case was referred to CVC. CVC vide its advice no. 003/CMC/014 dt. 09.05.2003 communicated by MOC vide letter no. FNO. 13027/10/2003-Vig dt. 14.05.03 has advised closure of the case in respect of Sri Charkaborty CGM, Piparwar Area, initiation of minor penalty proceedings against Sri Ghosh, Sr. SO, Piparwar Area and further examination of role of other concerned officers.

ANNEXURE IV

MINUTES OF THE SECOND SITTING OF THE STANDING COMMITTEE ON ENERGY (2004) HELD ON 29TH JANUARY, 2004 IN COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee met from 15.00 hrs. to 15.45 hrs.

PRESENT

Shri Basudeb Acharia — *In the Chair*

MEMBERS

2. Shri Bikash Chowhdury
3. Shri Ali Mohmad Naik
4. Shri Dalpat Singh Parste
5. Shri Amar Roy Pradhan
6. Shri Chandra Pratap Singh
7. Shri Tilakdhari Prasad Singh
8. Prof. Rita Verma
9. Shri Bimal Jalan
10. Dr. K. Kasturirangan
11. Shri Ajay Maroo
12. Shri B.J. Panda
13. Shri Matilal Sarkar
14. Shri Gaya Singh
15. Shri Veer Singh

SECRETARIAT

1. Shri P.K. Bhandari — *Director*
2. Shri R.S. Kambo — *Deputy Secretary*
3. Shri R.K. Bajaj — *Under Secretary*

2. In the absence of Chairman, the Committee chose, Shri Basudeb Acharia, M.P. to act as Chairman under Rule 258 (3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. Thereafter, the Acting Chairman, Standing Committee on Energy welcomed the Members to the sitting of the Committee.

4. The Committee then took up for consideration the following draft Reports:

(i) Action Taken Report on the recommendations contained in the 38th Report (13th Lok Sabha) on Demands for Grants (2003-04) of the Department of Atomic Energy.

(ii) Action Taken Report on the recommendations contained in the 39th Report (13th Lok Sabha) on Demands for Grants (2003-04) of the Ministry of Non-Conventional Energy Sources.

(iii) Action Taken Report on the recommendations contained in the 40th Report (13th Lok Sabha) on Demands for Grants (2003-04) of the Ministry of Power.

(iv) Action Taken Report on the recommendations contained in the 41st Report (13th Lok Sabha) on Demands for Grants (2003-04) of the Ministry of Coal.

(v) Original Report on the subject "Safety in Coal Mines".

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

6. 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/Hon'ble Speaker, Lok Sabha.

The Committee then adjourned.

ANNEXURE V

(*Vide* Para 4 of Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE FORTY-FIRST REPORT OF THE STANDING COMMITTEE ON ENERGY

I.	Total No. of Recommendations made	22
II.	Recommendations that have been accepted by the Government (*Vide* recommendation at Sl. Nos. 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18	12
	Percentage of total	54.54%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies (*Vide* recommendation at Sl. Nos. 4 & 5)	2
	Percentage of total	9.09%
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee (*Vide* recommendation at Sl. Nos. 1, 2, 3, 6, 19, 21 & 22).	7
	Percentage of total	31.81%
V.	Recommendations in respect of which final replies of the Government are still awaited (*Vide* recommendation at Sl. No. 20)	1
	Percentage of total	4.54%