

PART - I
CHAPTER-I
Introductory

India is one of the biggest coal producers in the world with an annual production of about 500 million tonne. Illegal mining and theft of coal which has been going on for a long time, are not only affecting financial health of the coal public sector undertakings but also the central & State Governments that rely on these coal mines produce. Illegal mining and theft of coal in India has become a wide spread phenomenon in the coal bearing states, particularly in CCL, BCCL & ECL lease hold areas. Illegal mining can be defined as mining carried out in contravention of any of the provisions of the applicable Acts, rules & orders. India's largest state-owned producer of coal—Coal India Ltd (CIL) has taken several steps for enhancing the country's coal production and bridging the demand supply mismatch. However, despite all efforts by CIL, power and steel consumers often allege about supply shortages. It is sometimes alleged that CIL is under the control of mafia and a large number of irregularities are attributed to coal mafia. Coal mines are generally located in the central and eastern part of India and many collieries are located in isolated places, often amidst hilly terrains, forests and tribal areas. The surrounding areas of coal mines are generally under developed and the socio-economic conditions of the people are very bad. This type of condition creates a fertile ground for coal theft, pilferages and all sorts of anti social activities. Gradually over the years, these offences have grown into bigger crimes and the people involved have become more organized, systematically richer and powerful in organized outlawed operations leading to forming cartels and mafia. As the profit from these illegal activities increased, they gained muscle and money and were able to rope in the services of all and sundry, thus forming coal mafia. With the involvement of anti-social, criminal elements and the underworld, the problem has become very serious and grave. Sometimes anti social groups like MCC, Naxals and PWG have also formed alliance with mafia elements. Many areas being quite interior and sparsely populated often are not

routinely inspected or monitored by law enforcement agencies. Coal production in Jharkhand is generally affected due to bandhs and obstructions created by the Naxalites, Maoist groups, or other groups of people.

Chapter II

Problem of Illegal Mining and Theft of Coal

The main source of illegal mining of coal and theft is abandoned mines. After economic extraction is over, the remaining coal in an abandoned mine is stolen by coal mafias, villagers leading to roof falling, water flooding, poisonous gas leaking, leading to the death of many labourers. The exact number of deaths as a result of such illegal activities is never reported as no one takes responsibility for these deaths and no one comes forward for claiming compensation. Illegal mining also take place on fresh land. The diggers often burst explosives after the first entry point, called the fox hole reportedly stolen illegally from colliery magazines. The illegal mining also hampers the legal mining. Since tunnels are unscientifically made without keeping security of labour engaged in this illegal trade the mining cannot be done in the vicinity.

2.2 Furnishing the details of (a) where extraction of coal is being carried out without obtaining valid mining lease from the State Government and (b) where illegal mining is being carried out by lease holder outside his lease hold, the Ministry of Coal have stated as under:-

“(a) Illegal mining is being done generally in small patches in haphazard manner and always keep on changing. However, details of illegal mining being done within and outside leasehold areas in ECL, BCCL & CCL are given in the **Annexure - I**.

(b) No such instances have come to notice.”

2.3 The Ministry of Coal have informed the Committee that both Illegal mining and theft & pilferage of coal are predominant in eastern region. Traditionally, areas prone to Illegal Mining, thefts and Mafia operations in CCL, BCCL and ECL are:

“CCL: Hazaribagh, Kuju, Argada, Rajarappa and Giridih. There are total 195 illegal mining sites in CCL, including 6 in Rajarappa area. Out

of these 195 sites, 174 places have been closed and work for closing remaining sites is under progress.

BCCL : Baroda , Block-II, WJ (Mohuda Group), Govindpur, Katras, Sijua, Kusunda, Kustore, Bastacolla, Lodna, EJ Area and Chach Victoria.

There are total 49 illegal mining sites in BCCL

ECL: Satgram, Sripur, Salanpur, Sodepur, Kunstoria, Pandveshwar, Mugma, SP Mines and Rajmahal. There are total 203 illegal mining sites in ECL.”

2.4 On being asked whether the Ministry have carried out any study to evaluate the financial loss per annum suffered by the national exchequer due to illegal mining and theft of coal, the Ministry of Coal have provided the following information:-

“Though, no study has been carried out by the Ministry specifically in this regard, XLRI, Jamshedpur was engaged by Govt. of Jharkhand and financed by CIL to study “Illegal Coal Mining in Jharkhand and Control Strategies”. XLRI, Jamshedpur in their report submitted to the Govt. of Jharkhand has made an assessment on “Economics of Illegal Coal and Burden on Coal Companies and State”. In the said report they have assessed cost to the coal companies amounting Rs.106 crore and cost to the State exchequer to the tune of Rs.34 crore in a year in Jharkhand State alone.”

2.5 Major reasons for illegal mining of coal:

- Large scale rural unemployment and poverty.
- Organised marketing network controlled by coal mafias/influential person.
- Easy availability of old, abandoned, unused, closed coal mines.
- Geographically scattered, isolated peripheral patches of coal deposits.
- Apathy of State government Officials.
- Inadequate infrastructure of law enforcement agencies.

2.6 Adverse Effects of Illegal Mining:

- Leads to accidents and loss of life to persons engaged in illegal mining.
- Loss of revenue earnings (royalty) of the Govt.
- Adverse impact on the conservation of precious fossil fuel.
- Creates unsafe conditions in adjoining working mines.
- Causes environmental degradation.

- Facilitates corruption leading to law and order problems.
- Creates unaccounted assets and or black money.
- Encourages involvement of mafia

2.7 When asked about the environmental hazards taking place as a result of illegal mining and the number of accidents, mishaps reported at the illegal mining sites, the Committee have been given to understand that the environmental hazards of illegal mining are:-

- (i) “Illegal mining means removing of coal in an unsystematic manner without following safety and conservation norms as a result of which unpredictable subsidence takes place. This invariably causes damage to surface structures. Such practices carried out in populated areas make these areas unstable and unsafe.
- (ii) Illegal mining also leads to occurrence of underground fire on account of spontaneous heating. Open flames can sometimes be seen on the surface along with emission of obnoxious gases. One of the most persistent threats from the fire is land subsidence. As the burning coal turns to ash, hollow pockets are created underground, that leave the surface unstable and prone to sudden collapse, which leads to degradation of land/loss of green cover. This loss of green cover disturbs the ecological balance adversely affecting the flora and fauna.
- (iii) Water balance is disturbed in and around the locations of illegal mining.
- (iv) There are socio-economic factors involved due to loss of livelihood on account of fire/land subsidence / land degradation resulting from illegal mining.
- (v) Due to unsystematic workings, these mines are potential death traps and a potential safety hazard.

The accidents, mishaps reported at illegal mining sites are being dealt with by the State/District administration.”

Study visit by the Committee to Raniganj Coalfield

2.8 The Committee undertook a spot visit to Raniganj Coalfield of the Eastern Coalfields Ltd (ECL) during their study visit on 28 June, 2010 to assess the event of illegal mining taking place in Raniganj Coalfields and other areas in Burdwan District of West Bangal. The Committee visited the places where illegal mining are carried on. It is strange that when everyone understands that everyday illegal mining is carried in that place despite of having underground weigh machine there, law enforcement agency failed to prevent such coal mining. The Eastern Coalfield Ltd. have submitted the

following information to the Committee during the course of their visit to Raniganj Coalfield.

“Probable Areas for Illegal Mining:

- Outcrop of coal seams and in areas of very low cover. Underground coal mining cannot be done by ECL as per Coal Mines Regulations, 1957, in outcrops and where the hard cover above the seam is less than 15 mtrs. from point of view of safety.
- Coal mining cannot be done within 60 mtrs of important surface structures like Railway track, highways, river/jores, etc. as per Coal Mines Regulations, 1957.
- Where normal coal mining is uneconomical due to limited reserves or surface constraints.

Impact of Illegal Mining:

- Loss of assets, as coal within ECL’s lease hold area is being illegally mined.
- Danger of fire and inundation of adjacent ECL mines.
- Closing of mine and thus loss of production on apprehension of danger to existing working sites of ECL.
- Incurring huge expenditure on account of dozing and filling of illegal mining sites, both within and outside lease-hold area.
- Diversion of productive machinery into dozing/filling jobs, adversely affecting production of coal.
- Colliery management being harassed on occurrence of subsidence, etc. caused due to illegal mining, thus causing loss of man-hours and production.
- Loss of revenue on account of Royalty/Cess to the State.
- Illegal mining has attracted organized anti-social gangs for laundering illegal revenue.

Constraints in Curbing Illegal Mining:

- The leasehold area of ECL and land where surface rights belong to

ECL is quite large, the guarding of which on regular basis is difficult.

- For the areas where mining lease is available with the company, but the surface rights belong to others, raids by ECL security and CISF may lead to law and order problem, as they do not have powers as are available with law enforcement authorities. In such cases ECL provides information reports and participate in joint inspection with local Police and extend support when asked for by the police/District Administrations.
- ECL security manpower which numbers about 4500 and CISF (sanctioned strength 1040, normally available effective strength about 900) are deployed at different places such as collieries stockyard, Rly. Siding, open cast mines, establishments. They also take action for curbing illegal mining and theft of coal. Out of 900 CISF personnel, about 700 have been deployed at sensitive mines i.e. Rajmahal, SP mines and Soneput Bazari. Seetalput Camp is for static and patrolling duty. Remaining manpower has been deployed in nine camps for patrol duty.
- After illegal pits are dozed off, the miscreants again open the same pits for illegal mining.

Pilferage of Coal:

Pilferage of coal from the stockyards/sidings and during road and rail transportation also takes place and the miscreants far outnumber the security personnel. In ECL theft/pilferage of coal is taking place mainly by miscreants from nearby villages, who enter the open cast patches and railway sidings forcibly. They outnumber the handful of security persons and carry away head-loads of coal. Theft of coal has also been observed at Gaighata crossing of Kenda area and also in Pandaveswar Area. At these places, while transporting coal from quarry to railway siding, large numbers of people unload coal from the loaded dumpers by way of hooking and take away this looted coal by outnumbering the handful of security persons.”

Constraints faced in checking theft, illegal mining & mafia activities.

2.9 As regards constraints faced by the Ministry of Coal and the coal companies in tackling the menace of illegal mining and theft of coal, the following information has been furnished:-

- i) "The State administration lacks adequate infrastructure and modernization.
- ii) Boundary walls and barbed wire fencing put around the coal stock depot are often removed or breached by the miscreants.
- iii) Due to poverty, unemployed villagers living in the coal field areas go for theft of coal and illegal mining as an easy option of livelihood. With the existing strength of security personnel it is difficult to disperse the mob endeavor in such malpractices.
- iv) Illegal mining is generally organized by mafia and also taken up by individuals.
- v) Lack of sufficient cooperation and prompt response from State police.
- vi) General lack of will on the part of State administration to resist organized illegal activities."

Chapter III

Mechanism for Prevention

Illegal mining is a term commonly used for mining without a valid prospecting license or mining lease. This is a criminal offence for which prosecution can be launched for violation of Section 4 of the MMDR Act 1957. Further Section 5(1) of the said Act also provides that no mining lease can be granted for a mineral specified in the First Schedule of the said Act, without the prior approval of the Central Government. Coal and Lignite are specified in the First Schedule. Therefore, mining of coal and lignite without obtaining or mining lease would be illegal. The penalties are prescribed under Section 21 of the MMDR Act.

3.2 The main Acts, Rules and orders that this Ministry is directly concerned with are:

- i) “Coal Mines (Nationalisation) Act, 1973
- iii) Mineral Concession Rules, 1960; and
- iv) Colliery Control Rules, 2004.
- ii) Mines & Minerals (Development & Regulation) Act, 1957

According to Section 4(1) of the Mines and Minerals (Development and Regulation) Act, 1957, no party or person can mine coal without a valid coal mining lease granted by the concerned State Government.

Illegal mining of coal can be classified into two categories:-

- (i) Extraction of coal carried out without obtaining a valid mining lease from the State Government.
- (ii) Mining carried on by a mining lease holder outside his lease hold area and in contravention of the terms and conditions given in the mining lease.

State-wise number of FIRs lodged for illegal mining are given below:

Company	State	2009-10 (upto Sept'09)(Prov)	2008-09	2007-08	2006-07
ECL	WB	34	41	11	12
	Jharkhand	0	2	8	49
	Total	34	43	19	61
BCCL	Jharkhand	26	59	42	37
	WB	6	10	13	16
	Total	32	69	55	53
CCL	Jharkhand	4	47	13	35
NCL	UP/MP	0	0	0	0
WCL	Maharashtra	0	0	0	0
	MP	0	1	3	5
	Total	0	1	3	5
SECL	MP	0	0	0	9
	Chattisgarh	0	0	0	0
	Total	0	0	0	9
MCL	Orissa	0	0	0	0
NEC	Assam	7	3	2	3
Coal India Ltd.		77	163	210	166

- The details of the action with regard to number of conviction held are being collected from the concerned State authorities.”

3.3 When asked about the number of convictions carried out in respect of first information report, the Ministry of Coal stated as under:

“Your point is very well taken. At the outset, I must say that we have been rather lax in following up to see that these cases reach their logical conclusion. That point is coming up quite clearly. The fact is that once the FIRs are registered, there is a tendency to rely on the prosecuting authority to carry forward the process. It is not correct for us to say that we are not responsible. Our responsibility does not end. That point is very well taken. The Chairman did make a point that the kind of seriousness which has now been taken after the last meeting, had it been done earlier, it would have been better.”

The Ministry of Coal have furnished the details of quantity and approximate value of coal seized as under:-

Quantity of Coal Seized (in Tonnes)

Company	2009-10(upto Sept'09)(Prov.)	2008-09	2007-08	2006-07
ECL	4427	6529	2497	3528
BCCL	872	2051	131	63

CCL	5	93	430	404
NCL	NIL	NIL	NIL	NIL
WCL	NIL	11	41	39
SECL	NIL	NIL	40	541
MCL	NIL	NIL	NIL	NIL
NEC	NIL	NIL	NIL	NIL
CIL	5304	8684	3139	4575

Approximate Value of Coal Seized (in Rs. Lakhs)

Company	2009-10(upto Sept'09)(Prov.)	2008-09	2007-08	2006-07
ECL	44.27	65.29	24.97	35.28
BCCL	16.33	35.92	2.03	0.97
CCL	0.05	0.85	7.55	4.04
NCL	NIL	NIL	NIL	NIL
WCL	NIL	0.11	0.80	0.41
SECL	NIL	NIL	0.60	7.15
MCL	NIL	NIL	NIL	NIL
NEC	NIL	NIL	NIL	NIL
CIL	60.65	102.17	35.95	47.85

3.4 During the oral evidence, the representatives of Ministry of Coal and Coal India Limited deposited before the Committee the following information:

“Sir, NCL area is only having only eight large opencast mines. The internal security is strong and the locality is very compact. It is like a factory. About 90 per cent of the coal goes to NTPC through merry-go-round system. So, the scope of stealing coal is very much less. These are not scattered large number of mines like we have in ECL, BCCL and like that. That makes the difference.

In WCL there are some cases but not like others. Even South-Eastern Coal Fields is more than WCL but it is not like ECL and BCCL. In fact CCL is an understatement. The area of CCL is such that we should have expected more in CCL. CCL has a problem. The CMD also confirms that. They do not register cases quickly. It is very difficult to get cases registered. That is the difficulty they are experiencing.

In NEC also there are some cases. It is a small unit. Here also there are some cases where the total production being one million tone. It is basically the law and order situation, Sir. It is not the CMD who matters it is the law and order situation that matters. In the cases of Northern Coal Fields, Sir, actually the whole area is very compact. Every mine being ten million tone, five million tone or 12 million tone

mine, they can have a lot of security arrangements. The coal goes straightaway from a rapid loading system to individual power plants. There is hardly any scope. The entire activity is departmental. There is no outside contractors, trucks or anything like that. That also makes a difference.”

3.5 On being asked about the measures suggested to stop illegal mining of coal, the following information has been provided to the Committee:-

- (i) “Awarding the job of coal/sand transportation to villagers’ Co-operative on the basis of transportation capacity available with them will ensure villagers participation in the mining activities being carried out by the production companies. Providing source of earning in this way will be an incentive for them to desist from the illegal mining activities.
- (ii) Outside the leasehold areas, illegal mining generally takes place at some patches of coal deposit at shallow depth from the surface. Some of the coal blocks can be awarded by the Central Govt. to the state Governments on nomination basis and the State Govts. can get the mining done through the villagers’ Co-operative formed by the nearby villagers of the mine. Apart from legalizing mining activities, it will provide an alternative source of livelihood to the villagers which, in turn will reduce the chances of these villagers to be influenced by Mafias.
- (iii) State Police administration should be strengthened with proper infrastructure and modernization for controlling the Mafia as well as for stringent patrolling.
- (iv) Legal provisions should be made to confiscate the equipment used in illegal Mining.
- (v) Possibility of use of Information Technology in detecting Illegal Mining should be explored.
- (vi) A task force with experts from the field should be formed to examine the requirement of coal for local industries.
- (vii) Outsourcing to be allowed by state Govt. to work in abandoned OC mines, in the outcrops/incrops at shallow depths

Increasing instances of illegal coal mining and the seriousness of the situation on the ground had attracted adverse media and public attention due to indiscriminate pillaging of natural resources by unscrupulous elements while endangering the lives of innocent people involved. The Ministry is very much seized of the increasing instances of illegal coal mining.”

3.6 Giving details of the Measures taken for prevention of illegal coal mining and theft, Ministry of Coal has stated as under:-

“(a) Steps taken by the Government

- (i) Ministry of Coal issued instructions on 18.12.2001 to the Chief Secretaries of the coal producing States for placing effective mechanism to check illegal mining. The States were also directed to give appropriate direction to the concerned authorities to take effective steps to check such illegal activities at places where such large scale illegal mining is believed to be taking place. The State Government were also directed to consider framing of suitable rules, if not already done, under the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 to strengthen the District authorities in curbing such illegal activities.
- (ii) Based on the decisions taken in the meeting held on 17.5.2005 between Secretary (Coal) and Chief Secretary (Jharkhand), CCL and BCCL have taken up action to check illegal mining. Joint action for prevention of illegal mining has been initiated by the management and District Collectors due to which illegal mining has reduced considerably. Secretary (Mines) ,Govt. of Jharkhand has constituted State as well as district level Task Forces on 05.10.2005.
- (iii) The matter of illegal mining was again taken up by Secretary (Coal) with Chief Secretaries of Govt. of Jharkhand, West Bengal, Madhya Pradesh, Maharashtra, Chattisgarh, and Assam vide letter dated 07.10.2005
- (iv) Apart from the above steps, Minister of State (Coal) had also met with the Chief Ministers of Jharkhand and West Bengal. The two Chief Ministers had agreed to look into the matter and to instruct the administrative machinery for taking effective steps.

(b) Steps taken by the Coal Companies

Following steps are taken by coal companies to prevent illegal mining:

- i) Rat holes created for the purpose of illegal mining are being dozed off and filled up with stone and debris wherever possible.
- ii) Trenches have been dug to isolate the illegal mining sites.
- iii) Concrete walls have been created on the mouth of the abandoned mines to prevent access and illegal activities in these areas.
- iv) Fencing of illegal mining sites and displaying of sign boards mentioning "Dangerous and Prohibited Place"
- v) Dumping of the overburden is being done on the outcrop zones.

- (vi) Erection of barbed-wire/wall fencing around pithead depots, static security manning including deployment of armed guards during the night hours.
- (vii) Escorting of loaded rakes up to railway weighbridges by armed guards and joint patrolling with Railway Protection Force (RPF) in the long railway tracks which are prone to wagon looting.
- (viii) Sealing of illegal mining spots is resorted to.
- (ix) Stringent action is taken against transport vehicles caught in the act of theft or pilferage.
- (x) Training of existing security personnel, refresher training of CISF personnel and basic training to new recruits in security discipline are arranged for strengthening the security set up.
- (xi) Engaging of lady security guard for preventing women and children indulging in theft/pilferage of coal, strengthening of the security discipline by reassessing the requirement of security personnel, horizontal movement of executives with aptitude for security work and inducting qualified security personnel at junior, middle and senior levels.”

3.7 When asked whether an exclusive cell exists in the Ministry to monitor coordination with State Governments/Coal Companies to prevent illegal mining and theft of coal, the representatives of Ministry of Coal stated as under:

“There is no special monitoring/liasoning cell at the Ministry at present. However, vigilance divisions in the ministry as well at CIL and its each subsidiary, monitors cases of theft and pilferages of coal. A committee headed by the then Minister of State for coal, with representatives at the Ministerial level from Jharkhand and West Bengal had studied these issues.

The Ministry of Coal has stated that the following mechanism has been put in place to ensure that no pilferage of coal takes place at pithead and also during transportation of coal:-

- a) Entry/exit points are manned by establishing proper check posts and barrier where all coal laden vehicles are physically checked.
- b) Patrolling is done within and outside the mine area by the security staff.
- c) Joint patrolling with local police is also being carried out in areas.
- d) Surprise checks/raids are conducted by flying squads of CISF/security department
- e) Security squads have been introduced to check transportation of coal enroute to Railway Siding.

- f) Surprise re-weighment of coal laden trucks is done at weighbridges.
- g) Escorting of coal rakes in coordination with RPF upto weighbridge is arranged in pilferage prone areas.
- h) FIR is lodged in case of theft of coal, whenever it takes place.
- i) In 11 large opencast mines of CIL, besides patrolling by the security personnel, it is also proposed to install Electronic Surveillance System for tracking of trucks involved in transportation.”

3.8 Giving details of the reasons/factors behind rampant illegal mining and theft of coal, despite the measures taken by the authorities concerned, the representatives of the Ministry of Coal stated as follows:

- “a) **Socio-Economic** - unemployment, poverty, illiteracy, lack of consciousness;
- b) **Administrative** - Innumerable small pockets spread over vast coalfield areas;
- c) **Geological** - Easy access to coal with very low cover;
- d) **Economic** - Adequate demand from end-users, willing to pay good price;
- e) Poor track record of suitable action against offenders;
- f) Landlessness/marginal land holding.
- g) Dependence on illegal coal supply chain for sustenance.

While there is always scope for more effective implementation of preventive measures, problem has been with regard to enforcement of legal provisions, which would have more deterrent effect. Unless heavy penalties in terms of confiscation of equipments, vehicles and premises used for illegal mining, imprisonment etc. are improved and cases are disposed of with priority, illegal mining may continue.”

In replies to the list of points, the Ministry of Coal while furnishing details of the achievements made by the state as well as district level Task Forces set up by the Government of Jharkhand to check the menace of illegal mining and theft of coal, stated as follows:

“On 11.12.2009 a meeting was held in Jharkhand State in which Chief Secretary, Jharkhand as Chairman informed the officials that Central Government and State Government are receiving information about illegal mining of coal and other minerals for which the government is very much concerned and informed that first of all, all the places of illegal mining should be identified and joint team of Police, Mines Department, Forest Department and coal companies should be constituted to inspect the sites. If required aerial photograph, satellite images should be collected.

Chief Secretary also directed that all coal companies should appoint officers of GM level as Nodal Officer, who should liase with IG Police (Special Branch) and contact him regularly. Director (Personnel), ECL pointed out that at Nirsha PS i.e. Chapapur and Lakhimata, some antisocial elements have made incline entries and are doing illegal mining.

Chief Secretary also advised that places on GT Road where illegal mining is going on should be filled up at the earliest. He also instructed that Task Force should be formed at Dhanbad district and they should inspect the illegal mining sites at Mugma & Nirsha.

Chief Secretary also advised that requirement of end users such as sponge iron plants, brick kilns and other small industries SSI should be checked periodically and a list of units who have got linkage should be prepared. After this, action may be taken against units which have got no linkage but are running. He has also instructed that if required regulation should be made for end user industries in consultation with the Law Department.”

3.9 When asked as to why CIL can't take suo moto action against illegal mining as soon as it comes to its notice even though the land may not be belonging to CIL but becomes deemed national property because of the coal reserves in that land, the Ministry of Coal have stated as under:-

“Whenever incidents of illegal mining within the lease hold areas of the coal company is noticed, immediate action by lodging FIR in local police station for taking action under MMRD Act and for providing assistance in dozing/filling of illegal mining sites are taken. The State Governments are the owners of the coal resources. They grant the mining leases/concessions. Therefore, as owners, it has to be responsibility of the State governments to prevent illegal mining of coal. In respect of leased areas, the lessees (i.e. the coal companies) also have the responsibility to prevent any illegal mining of coal. As the law and order is the state subject, it is primarily the responsibility of the concerned state's Law enforcing authorities. Existing provisions in the MMDR Act, 1957 are adequate for taking all necessary action to curb this menace of illegal mining activities in the country.”

3.10 While replying to the issues (i) overweighing of trucks with connivance of officials while showing loss weight (ii) Mining of Coal from abandoned mines at night (example of Hazaribagh) (iii) black marketing of unaccounted slurry and (iv) as to how the Ministry can control the illegal sale of coal from

captive coal blocks over and above the justified production, the Ministry of Coal have stated as under:-

- (i) “System of weighment with Challan have been introduced while transporting coal from one point to another point. Authorised loading inspector and weighbridge clerk are posted for monitoring the loading and dispatch arrangement. Check posts have been installed at vulnerable places with round the clock security guarding arrangement.

During a recent meeting held by Special Director(A), CBI with the officers of CBI and CVOs of CIL and its subsidiaries, the related issue was flagged and it was decided that CBI would do sample checks of weighbridges with the help of CVOs and also local Weights and Measures Department officials.

- (ii) Whenever illegal mining has been noticed, the mining sites have been closed/filled up by debris to avoid recurrence of illegal mining.
- (iii) No such case of black marketing of slurry has come to notice.
- (iv) The captive coal block owners are required to submit returns indicating coal production and dispatch figures. The production from captive mines is mentioned by district mining officers at State level as per their rules and regulations. Any excess production beyond approved mining plan is not permitted. Ministry of Coal while allotting coal block and giving permission for mining, allows only the adequate quantity of coal production for their captive end use. For any upward revision or downsizing production, adequate reasons along with the revised mining plan is required to be submitted for approval of Ministry of Coal.

In so far as blocks allotted to private companies for captive use are concerned, the only incident of illegal trading of coal in violation of the condition of captive use of coal in their end-use plant that has been established was in respect of M/s Central Collieries Company Limited, where the company had reportedly sold coal mined from Takli-Jena-Bellora (South) coal block allocated for captive use in its proposed power plant. Action was taken and the lease granted by the Government of Maharashtra in respect of the said block was declared void by the Revisional Authority constituted by the Central Government in exercise of its power of revision under the Mines & Minerals (Development & Regulation) Act, 1957.”

3.11 On being asked as to how can the theft by way of taking trucks three/four times on same paper can be stopped, whether postings at crucial weighment

points is being done on the directions of Mafia, the Ministry of Coal have stated as under:

“Coal dispatches by trucks are issued with challans afixed with hologram, marked and duly authenticated by authorized officials. Further, the truck numbers are mentioned in every challan with date and time to prevent repeat loading by trucks. The checks are done at loading points, weighbridges and entry/exit points. Posting at weighment points is done as per the direction of management; the persons are rotated periodically from sensitive posts to non-sensitive posts.”

3.12 When asked about the figure, if any, about coal lying in police stations having been claimed by the companies may be brought to the notice of the Committee, the Ministry of Coal have stated that “Coal seized by the police is kept at the police station. However, in some cases, it is handed over to Coal Companies on “Jamanatnama” basis.”

3.13. When asked about the steps Ministry of Coal/PSUs plan to take (Policy changes/amendment of Acts etc.) for curbing illegal mining, the Ministry of Coal have stated as under:-

“Since law & order is a state subject, primarily it is the responsibility of the State/District administration to take necessary deterrent action to stop/curb illegal coal mining. Coal India Ltd. and its subsidiaries are also associated closely with the concerned State and District authorities to deal with this menace. Further, the existing provisions in the MMDR Act, 1957 are adequate for taking necessary action by the State Govt. against any person indulging in illegal mining activities.

Section 4(1) of the Mines and Minerals (Development & Regulation) Act, 1957 bans all mining operations other than those under a mining lease granted under the provisions of the said Act and Rules made thereunder. Thus, any mining operations in contravention of the provision contained in the above mentioned Section 4(1) invites punitive action as provided in Section 21 of the MMDR Act, 1957, including imprisonment for a term that may extend to two years, or fine that may extend to twenty five thousand rupees or both. It further provides that wherever any person raises, transports or causes to be raised or transported, without any lawful authority, any mineral from any land, and for that purpose, uses any tool, equipment, vehicle or any other thing, such mineral, tool, equipment, vehicle or any other thing shall be liable to be seized by an officer or authority specially

empowered in this behalf. These are also liable to be confiscated through a court order. The States have also been vested with powers to frame Rules for preventing illegal mining, transportation and storage of minerals and for the purposes connected therewith, under Section 23(c) of the MMDR Act, 1957. Many States have already framed such Rules under the aforesaid Section.

Ministry of Coal has again requested in Sept. 2009 to Chief Secretaries of coal bearing States to instruct their State law enforcing authorities to take stringent action under the provisions of the MMDR Act, 1957 to check illegal mining activities.

However, in a new proposed draft of MMDR Act 2009, circulated by Ministry of Mines, some stringent measures like imprisonment up to 3 years and cost recovery up to 10 time of the price of the mineral are being suggested to prevent such activities.”

3.14 On being asked about the need to give views/ thoughts whether an expert/trained Force is needed, the Ministry of Coal have stated that “It is felt that if necessary deterrent steps are taken as per the law i.e. MMDR Act 1957 by the local law enforcing authorities, that should itself be sufficient for curbing these activities.”

3.15 When asked about the steps taken by the Ministry of Coal to discuss the issue of insufficient cooperation and lack of prompt action from state police with the Ministry of Home Affairs and State Governments concerned, the Ministry of Coal have stated as under:-

“The issue was taken up with the State authorities, as the subject of law and order is with them. However, Hon’ble Minister of State (independent charge) of Coal, Statistics and Programme Implementation held meeting with the Chief Minister of West Bengal on 24.6.09 and with H.E. the Governor of Jharkhand on 26.6.09 and 11.10.09 on the subject. In the committee headed by the then Minister of State for coal, this matter was discussed with the Ministers of the State governments of Jharkhand and West Bengal.

In SECL, regarding theft/pilferage of coal, the matter was taken up at the highest level with State Government of Chhattisgarh and Madhya

Pradesh regularly. Police co-operation is also given to SECL. Ministry of Home Affairs has also sanctioned 1452 posts of CISF for early deployment at SECL in Gevra/Dipka Areas.

Chairman-cum-Managing Director, ECL and Director(Personnel), ECL had a meeting with Addl. Chief Secretary(Home), Govt. of West Bengal, which was attended by DG(P) of West Bengal also. In the meeting, problems of illegal mining and theft/pilferage of coal was discussed at length. A meeting between State Govt. and Coal Companies was conducted on 11.12.09 under Chairmanship of Chief Secretary, Jharkhand for prevention of illegal mining.”

3.16 Eastern Coalfields Limited have provided the following information during the study visit to Raniganj as regards steps taken to curb the menace of illegal mining and theft of coal:

“(a) Action Taken by ECL in curbing illegal mining and theft of coal:

- CISF, ECL security and police are conducting regular raids/checks and seize coal and toehr materials, coal loaded trucks and apprehended and handed over the miscreants to the police and FIRs are lodged.
- Dozing/filling/sealing of illegal mining sites by pay loaders/dozers under security cover provided by State Police on identification of illegal mining sites. However many time,s the filled up/dozed areas are redug by miscreants.
- CISF holds periodical meetings with ECL authorities and also cunducts surprising inspection on regular basis and also on report of Area GMs.
- Take active part in various meeting at State Level Task force and district Level Task Force.
- Areas have constituted Committees to inspect sites prone to illegal mining and maintain liaison with concerned police stations.
- ECL has provided 16 vehicles to District law and Administration Authorities involving an annual expenditure of about Rs. 27 lakhs to assists combating illegal mining and pilferage of coal.
- When illegal mining activities out side leasehold area is detected,

information sent to police administration and assistance/help is provided to police/District Administration.

- ECL security forces and CISF have been posted at vulnerable pilferage posts like Collierieis stockyard, railway siding and open cast working.

The details of raids conducted, coal seized, FIRs lodged with police station in respect of illegal mining together with information about dozing off illegal mining sites and pilferage of coal for last 4 years is given in Annexure-2

(b) Follow Up action Taken After Observation by Parliamentary Standing committee on Coal and Steel:

A. After concerns expressed by Parliamentary Standing committee on coal and Steel, on the menace of illegal mining besides strengthening the measures as mentioned above, following further action have been initiated:

- Follow up of FIR lodged by ECL. The action has been started for follow up of actions taken in respect of FIRs lodged with the various PS and accordingly information for FIRs lodged was sought from the concerned S.P.s vide letter dated 2.2.10 and 4.2.10.
- The above letter was followed by letter No. ECL/CMD/27/33 dated 10th March, 2010 written to the SPs – Purulia, Godda and Burdwan by CMD requesting them to advise to all concerned to take necessary measures to deal with illegal mining of coal and to follow up of FIRs and information complaints lodged at the PS in courts so that cases are brought to their logical conclusion.
- In reference to letters written by CMD to SPs as mentioned above, D(P), ECL vide letter dated 11th May, 2010 requested the SPs – Godda, Purulia and Burdwan to fix a meeting to curb the illegal coal mining and coal theft.
- The status of cases filed in pursuance to FIRs lodged in the various

PS under Dhanbad District was received from SP-Dhanbad. SP – Purulia vide letter dated 10th March, 2010 was again requested by COS, ECL to arrange to send the information at the earliest. SP- Purulia, vide letter dated 20.5.2010 enclosing therewith a list of FIRs lodged by ECL, was again requested to arrange to send the status of cases filed before the Court of Law in pursuance to FIRs lodged by ECL.

- SP-Burdwan forwarded our letter No. ECL/D(P)/illegal Mining/18/5376 dated 2nd Feb., 2010 to Addl. S.P., Asansol. who desired copies of FIRs filed by ECL. The same was furnished to Addl.S.P., Asansol by CSO and the matter is being pursued.
 - After vigorous follow up, status of some FIRs from different police stations could be received. The follow up for remaining FIRs is being made for further action in the matter. The status of information received in respect of FIRs lodged by ECL in last 4 years is given in Annexure-3.
- B. In order to follow up the out come of FIRs lodged by ECL with police stations, a team consisting of DY. CSO and Legal Inspector has been constituted.
- C. Besides, 3 lawyers have also been engaged for this purpose to obtain status of action taken on FIRs.
- D. Efforts have been made to tighten security at vulnerable points to curb the pilferage of coal and other properties. It is worth mentioning that while defending the properties of ECL, one armed guard was shot dead by miscreants on 24.12.2009. In another incident on 15.6.2010, Area Security Officer was manhandled in at Jhanjra Area by miscreants.
- E. The raids to curb illegal mining and coal pilferage and dozing off/filling up illegal pits have also been intensified. The details for last 4 months are given in Anneuxure-4
- F. A Committee of D(P), CVO, Sr. Commandant, CISF with other officers has been constituted to review the progress in this regard.

G. Regular meeting with OICs of police stations by ECL authorities are being held.

The representatives of the Eastern Coalfields Ltd. during the visit of the Committee have forwarded the following before the Committee:

(c) Help needed from the Government of West Bengal.

- Outsourcing of those patches, which are within the leasehold of ECL, and which can be mined gainfully. Support for quick acquisition of land and maintenance of law and order.
- Suitable administrative checks and balances to contain mushroom growth of Brick Kiln/Sponge Iron etc., which form an easy consumption centres for illegally mined coal.
- Appropriate administrative checks & balances for regulating transportation of illegally mined coal.
- Intensive inter-action between the State Government, local CISF and other stake holders.
- Responsibility is required to be fixed to curb the illegal mining in such areas where ECL has underground mining lease but does not possess surface right.
- Support of Police needed for preventing theft of coal, often by large number of persons, from sidings, opencast mines, outsourcing patches and during coal transport
- Formation of Joint Inspection/Co-ordination Committees by including the Panchayats, Municipalities, Peoples representatives and other stake holders through proper administrative notification for creating appropriate awareness and control; and as recommended by the Committee of Petitions 2001-02 of WB Legislative Assembly for prevention of illegal coal mining, operation and related activities in coal belt areas.
- Making available copies of FIRs in respect of illegal mining to ECL forthwith and periodic Action Taken Reports.”

Study by XLRI Jamshedpur & ISMU, Dhanbad

3.17 Government of Jharkhand has instituted a study through Indian School of Mines, Dhanbad and Xavier Labour Research Institute, Jamshedpur to examine, inter-alia, the supply-wise inter-linkages between illegal coal mining and socio-economic conditions/demographic profiles of the main actors involved in this activity, understand the demand-side dynamics of illegally mined coal in different sectors, explore and suggest mitigation strategies rooted in social acceptability economic viability, environmental sustainability

and practical implement ability, extant, spread and severity of the problem etc. ISM Dhanbad has submitted the final report to the Government of Jharkhand and CIL. XLRI, Jamshedpur has completed collection of data on illegal mining and they have submitted the report to the Government of Jharkhand and CIL. The steps/action recommended by XLRI, Jamshedpur to overcome illegal mining of coal are given below :

“A. Main drivers that force or induce individuals into illegal coal supply chain activities are :

- 1) Landlessness/marginal landholding
- 2) Dependence on illegal coal supply chain for sustenance
- 3) Lack of alternative employment opportunities
- 4) Illiteracy & low literacy levels
- 5) Debt burden, coercion by middlemen/coal mafia, easy availability of coal
- 6) Better economic returns from illegal coal
- 7) Market demand for illegal coal
- 8) Failure of the Government and coal companies

B. Illegal Coal Control Strategies are as follows:-

1. Socio-economic development strategies
 - i. Improve access to education
 - ii. Creating micro/lift irrigation facilities
 - iii. Access to drinking water, sanitation and health care
 - iv. Access to markets
2. Institutional arrangements for community development and participation
 - A) Village cooperatives
 - (i) Village cooperatives as “*Coal cooperatives*”
 - (ii) Village cooperatives as service providers
 - (iii) Village cooperatives as share holders
 - (iv) Village cooperatives as mining companies
3. Strategies to create alternate employment opportunities – Micro Enterprises
4. Strategies to manage demand for illegal coal
 1. Demand for illegal coal in households
 2. Demand for illegal coal in hotels and dhabas
 3. Demand for illegal coal in brick-kilns, factories etc.

5. Law enforcement and other measures
6. Ensure community participation

Coal companies will have to engage in each of the decision making, implementation and benefit sharing steps.

Steps/Actions recommended by ISMU, Dhanbad to overcome illegal mining of coal

- Permit coal mining through co-operative society making provision for small leasehold and easy working condition to create source of livelihood to target groups.
- Systematization of informal/illegal mining bringing them within legal framework/eliminating mafia's hold.
- Public sector coal companies and Government may extend help in getting / transferring / granting lease for coal mining in abandoned/discontinued open pit or fresh leases of small and shallow virgin deposits.
- Conditions of mining leases in terms of tenure, size disposition with reference to geological boundaries and other mining conditions should be such as to make systematic and complete extraction of coal possible by the target group.
- Total manpower employment in one mine may be limited in range of 100 to 150.
- Public sector coal companies may come forward to provide technical guidance and assistance.
- Government needs to include small-scale mining assistance programmes/projects in regional and local development programmes.
- Mechanism like providing tax holiday may be designed and developed to absorb losses, if any, incurred during initial years of mining operation by co-operative societies.

Parallel measures desirable in mitigating illegal mining problems in states suggested by ISMU.

- AMO and DMOs should be armed with power of conviction and mining inspectors with power to prosecute.
- Strength of mining inspectors should be made at least double of existing strength.
- Field officers may be provided with armed guards placed under administrative control of DMOs.
- Creation of Hot lines with toll free numbers for informers and incentives for informers.
- All illegal collection centres may be closed.
- Provisions of Sections 21 (4) and 21 (5) of the MMDR act, 1957 must be implemented strictly.
- Creation of sufficient numbers of check posts and barriers.

- Creation of special cells at district level to expedite legal cases admitted under Section 22 of MMDR Act 1957.
- District administration may take necessary steps for cancellation of registration of trucks / vehicles involved in illegal transportation of coal.
- Creation of flying squad to check function of check posts, barriers etc.
- Various jobs such as removal of overburden, transport of coal, supply of materials etc. May be identified in mines of public coal companies that may be outsourced to co-operative societies.
- Preference may be given to local registered contractors.
- Fresh provisions may be made in MMDR Act, 1957 for grant of lease of small and shallow deposits to cooperative societies of target groups.
- Coal companies may be made responsible to check illegal mining in respect of all such mines whose leases have not been surrendered to State Government.
- Submission of time bound programme of mine closure in respect of mines likely to be closed within next two years.

In the meeting of Hon'ble Minister of State for Coal with the Governor of Jharkhand, it was decided that the Secretary, Mines & Geology, Jharkhand Government, will study the report submitted by XLRI on solutions to the problems on illegal coal mining and decide further course of action. Director General of Police, Jharkhand was directed to issue instructions to take legal actions as per MMDR Act provisions & impose three years imprisonment in respect of illegal coal mining. CMDs of ECL, BCCL & CCL were directed by Chairman, CIL to ensure certification of seized commodity as coal and also its removal within 7 days of seizure.

Chief Secretaries of all the coal bearing States were requested to suitably instruct and sensitize law enforcing agencies of their respective States to apply stringent provisions and legal aspects available in the Mines & Minerals (Development & Regulation) Act, (MMDR Act), 1957 for prevention and check of illegal mining practice in the States.”

PART - II
Observations/Recommendations of the Committee

1. The Committee regret to observe that coal, a vital raw material for many basic industries, is being lost in the form of illegal mining and theft due to negligence and carelessness on the part of those who are mandated under the law to provide for the efficient and optimal utilization of the scarce coal reserves and enforcement of law and orders. The best quality of coal is found in the reserves of Eastern India which is lamentably worst affected by the illegal mining and theft. As the business of illegal mining has been thriving for decades in various States with the connivance of police, mafias, middle-man and administrative officials, the Committee are inclined to conclude that the natural resources of the country are being plundered at the cost of national economy and destruction of environment. The Committee are of the opinion that officials responsible to curb illegal mining are either indifferent or too scared to stop the menace. In short all responsible officials including state law enforcement officers are not at all interested to prevent illegal coal mining. Committee feels that if the police officers are serious to prevent Illegal coal mining, it can be done without much effort. In fact the day the Committee visited Raniganj Area, there was no illegal coal mining operation on that day. It was prevented by the local police only for that day. This is so unfortunate that it cannot be described by any word.

2. According to the Ministry of Coal, illegal mining, theft and pilferage of coal are predominant in Eastern Region particularly in the command areas of Bharat Coking Coal Limited (BCCL), Central Coalfield Limited (CCL) and Eastern Coalfield Limited (ECL). The number of cases of illegal mining reported in the above subsidiaries of Coal India Limited was about 583 from 2006-07 to 2009-10 (upto September, 2009) as per information provided by Ministry of Coal. The Committee are of the view that there may be thousands of cases which go unreported. In this connection it is pertinent to note that the representative of the Ministry of Coal conceded during the evidence that a large number of illegal mining was taking place

at the mine sites in the leasehold areas of ECL, BCCL and CCL where extraction of coal is being carried out by miscreants without obtaining valid mining lease from State Government. The Committee are of the view that the coal companies should deploy CISF in coordination with the State police for maintaining more vigil and curb illegal mining and theft of coal in the leasehold areas.

3. The Committee are constrained to point out that while the Government is aware of the fact that the illegal mining and theft of coal is costing national economy heavily, it is still at the stage of identifying illegal miners with no concrete action being undertaken to put an end to this menace. This is evident from the information furnished to the Committee showing a huge gap between the number of cases of illegal mining and FIRs lodged. What is surprising and shocking is the fact that while 616 FIRs were lodged during the last four years, no information is available about the number of conviction carried out by the concerned State authorities. Even the coal companies have utterly failed in pursuing the FIRs and have left the matter to the mercy of prosecution authorities of the States. The Legal Department and vigilance of Coal Companies has also failed to discharge their duties in not pursuing the matter with the concerned authorities since cases against illegal operators can only be lodged by the government Officials and coal companies. This is nothing but dereliction of their duties and also failure can be part of concerned top officers of coal companies. What has anguished the Committee is that the coal companies have not even cared to claim the huge quantity of coal seized unclaimed in various police stations. This is a sad commentary on the part of Vigilance, Personnel and Legal Departments of the concerned coal companies. Nobody at any point of time bothered at all in above aspect.

Although a large number of cases (616 FIR lodged up to September, 2009) of illegal mining have been reported in Coal India subsidiaries particularly in Bharat Coking Coal Limited, Central Coalfield Limited and Eastern Coalfield Limited and 21702 tonnes of coal was seized during the

last four years (upto September, 2009) only one officer has been suspended by the Management for lackluster attitude towards curbing illegal mining. The Committee are surprised to find that action has been taken against only one officer while the number of illegal mining cases reported in coal subsidiaries has been on very high side. The Committee are shocked to note that there has not been an occasion in the last five years where any conviction order has been issued by the competent court. It is a matter of surprise that no one has taken any interest to see that in case of illegal coal mining, appropriate action should be taken and the cases are lodged for order of conviction.

4. There is a need to fix the responsibility on the part of the officers incharge of a particular colliery for any illegal mining and theft taking place in and around his command area. With this mechanism in place, the Committee feel that illegal mining would be curbed to a large extent. The Committee, therefore, desire that the Ministry may issue necessary instructions to all the coal companies to appoint a Nodal Officer each who should be made responsible in case of illegal mining and theft of coal taking place in his command areas and the working of the officer may be constantly monitored and his performance reflected in the Annual Appraisal Report.

5. The Committee during their Study Tour to Raniganj Coalfield areas had found that illegal mining was going on at a number of places in Jamuria and Siripur coalfields. The areas where such illegal mining was going on were mainly the mined out mines where a considerable amount of coal is left out by the coal companies to avoid subsiding. The Committee have been given to understand that illegal mining mostly takes place in mined out/abandoned and old mines, small and isolated patches spread over a large area, exposed coal seam and also in the leasehold areas of public sector coal companies. The coal companies often neglect to refill the voids with sand thereby giving ready access for illegal mining of the coal. Illegal

coal mining in these areas takes place as a result of non-implementation of Mine Closure Plan in a scientific manner. The Committee, therefore, would like all the coal companies to strictly adhere to the Mine Closure Plan leaving no scope for illegal coal mining. The Committee would like the Ministry to frame rules for imposing heavy penalties on all the public as well as private coal companies who fail to implement the Mine Closure Plan in a time bound manner. The Committee were shocked to see that weigh machines were existing for weighing illegal coal for transportation. But no one has taken any step to remove the weigh machines. The Committee deprecate the dismal performance of police officers and officers of coal companies.

6. The Committee note that coal is transported to Railway sidings from collieries where coal stock is maintained for loading into wagons. There is inadequate security at many points enroute from Mines to the Railway sidings from where there are plenty of opportunities for miscreants for pilferage of coal. The complicity of some insiders of coal companies with the coal mafia cannot be ruled out. The Committee have been given to understand that generally large chunks of coal are thrown off from uncovered wagons and trucks along their routes. Though, coal dispatches by trucks are issued with challans affixed with hologram, marked and duly authenticated by authorized officials, various checks are done at loading point, way-bridges and entry-exit points, the quantity of coal seized by coal subsidiaries during the last four years clearly indicates that the pilferage and theft of coal continue unabated despite a host of measures taken by coal companies. Needless to say, the present system of checking pilferage and theft of coal needs to be strengthened in consultation with concerned State Governments/appropriate officer. Keeping in view the above, the Committee recommend that more security guards and also CISF should be deputed on Railway sidings to prevent pilferage and theft of coal from railway wagons. The steps taken in this regard may be intimated to the Committee.

7. The Committee note that as a result of increase in the coal price the business of illegal mining has become a more profitable venture than farming or any other petty trade and has led to a rapid growth to illegal mining. Raniganj and Jharia Coalfields have witnessed illegal mining for many years. The supply of coal and coke by cycle has become a common sight on main roads and highways in coal bearing States. The main reason for delivery of coal by cycle in the coalfields areas is stated to be lack of regular delivery system to small local consumers. The police tend to turn a blind eye to this type of coal distribution. The Coal mafia wields substantial power and influence in their area, and therefore, it is extremely difficult to curb such practices. It appears that a complete unholy nexus among police, administrative officials and officials of coal companies exist for mining, carrying, transporting and distributing illegally mined coal. The Committee strongly feel that in the absence of other economic opportunities, the local villagers would continue to make a livelihood out of coal cycle trade. The Committee, therefore, recommend that the State Governments and coal companies should form village cooperatives for small scale mining and for its transportation so as to put an end to the role being played by coal mafia in illegal mining.

8. The Committee have been apprised of the constraints faced by the coal companies in checking theft, illegal mining of coal and mafia activities, like lack of adequate infrastructure and modernization in the state administration, breaching of barbed fencing and boundary wall, lack of cooperation from State Police and the general lack of will on the part of management personnel of the coal companies concerned, and poverty and unemployment of local populace. The Committee have noted that the Ministry of coal has been holding meetings with the concerned Central and State authorities of coal bearing areas to tackle the issues involved in the illegal mining. However, at the same time despite the so called concrete steps taken by the Ministry and the Coal Companies, illegal mining and that of coal continues unabated in all the major command areas of the coal companies. It is an indication of the half hearted attempt on the part of

officials of the coal companies concerned to curb the menace. The committee are regret to point out that though the senior officers of the coal companies are aware of the areas and modus operandi employed in illegal mining, yet they have made no serious attempt to provide solution to check such activities. It is a matter of concern that no need has been felt by the Ministry of coal to set up a special monitoring and liaisons cell at the Ministry level. The Committee, therefore, desire that a special cell should be set up at the earliest where feedback from all the CMDs of coal companies is received and such information is passed on to Special Task Force which should be created at the State level to restrict such clandestine activities. The Committee also recommend the Ministry to set up a Quasi-judicial Regulatory Body who should look into the whole gamut of mining, carrying, transporting, distribution and to address the environmental problems generating as a result of illegal mining.

9. The Committee note that the Government of Jharkhand has conducted a study through Indian School of Mines, Dhanbad and Xavier Labour Research Institute, Jamshedpur to examine, inter-alia, the supply-wise inter-linkages between illegal coal mining and socio-economic conditions/demographic profiles of the main factors involved in this activity, understand the demand –side dynamics of illegally mined coal in different sectors, explore and suggest mitigation strategies rooted in social acceptability economic viability, environmental sustainability and practical implementability, extent, spread and severity of the problem etc. The above study has assessed cost to coal companies amounting to Rs. 106 crore and cost to the State Exchequer to the tune of Rs. 34 crore in a year in Jharkhand State alone due to illegal mining. The Committee are, however, constrained to observe that except Jharkhand no major study has been undertaken by any coal producing State or coal companies to ascertain the extent of loss of money due to illegal mining. The Committee recommend that ministry of Coal/Coal India Limited should also undertake a study to assess the extent of illegal mining taking place in Coal India subsidiaries and especially in the leasehold areas of Bharat Coking Coal

Limited, Central Coalfields Limited and Eastern Coalfields Limited where massive illegal mining is taking place. The Committee also desire that immediate steps/actions may be taken on the recommendations of above study and the Committee informed of the same.

10. The representatives of the Coal companies had informed the Committee during their recent tour to coalfield areas that assistance in a number of fields was needed from the State Governments which *inter-alia* included appropriate administrative checks to contain mushroom growth of brick-kiln/sponge iron units, fixing responsibility of land owners to curb illegal mining in their areas, support of local police for preventing theft of coal and making available copies of FIRs in respect of illegal mining to coal companies and periodic action taken reports. The Committee feel that there is utter lack of coordination between the coal companies and State administration for checking illegal coal mining and theft. Needless to say that coal is a national property and it is the bounden duty of every Government official to preserve coal from being illegally taken away by unscrupulous elements. The Committee would like the Ministry to persuade all the State Governments to be sensitive and take proactive steps to curb the massive illegal coal mining going on under the very nose of administrative authorities. The Committee would also like the State Governments to use Goonda Act against all those involved in the illegal mining and theft of coal.

11. Another disgusting feature of the problem of illegal mining is the lack of coordination between the Central and concerned State Governments and among various coal companies. The Central Government has been passing the responsibility on to the State Governments on the pretext that law and order is a State subject and it is the responsibility of the State Government to prevent illegal mining. Since the State Governments are being paid royalty on coal and other minerals and they are imposing cess on coal, they cannot absolve themselves of their primary responsibility to prevent illegal mining. The Committee have also found that States who have been

mandated to frame rules under the Mines and Minerals (Development & Regulation) Act, 1957 for prevention of illegal mining have not done so and the States who have framed such rules are not implementing them in letter and spirit. The responsibility for overseeing mines and mineral development including implementation of mineral legislations rests jointly with the Centre and the State Governments. While the Centre has exclusive power to make laws with respect to regulation of mines and major mineral development, the State Governments are mainly responsible for implementing such laws. The Committee recommend that the Ministry should impress upon the coal producing States to immediately frame rules and also to setup an Inter-State Joint Intelligence and Action Force to combat the problem of illegal mining and for having better coordination. The Committee would also like all the concerned State Governments to set up Task Force under the supervision of the Deputy Commissioner and Superintendent of Police of the concerned area who should coordinate with all coal companies in this regard.

12. The Committee also note that the poor and the tribals who struggle to earn a livelihood, are exploited by the unscrupulous elements in enticing them to join the illegal coal mining business and forcing them to work in in-human conditions. The Committee strongly feel that the poor quality of governance in coal bearing areas is primarily responsible for this menace. What is needed is better monitoring, policing and creating job opportunities for the poor in the areas where the problem of illegal mining is prevalent. The Committee would like the Ministry to impress upon the concerned States to prepare an action plan for the socio-economic development of coal bearing areas in general and tribal inhabited areas in particular.

13. The astronomical figure of illegal mining in various States clearly shows that State Governments are insensitive and indifferent towards the problem of illegal mining and failed to discharge their constitutional responsibilities. The Committee are extremely unhappy to note that though

the business of illegal mining has been going on for decades causing considerable loss of human lives and to the environment and national exchequer, no proper documented evidence on the actual loss to the economy and environment is available. This clearly indicates lack of will and effort on part of the Government to combat this problem which is considered to be a national security threat. The Committee would like the Ministry of Coal to ask all the coal companies to prepare a comprehensive document *inter-alia* the details of human lives lost, environmental degradation and resultant loss to the national economy due to illegal mining. The Committee would like the Ministry to take corrective measures in overhauling the vigilance, personnel and Legal Departments of the concerned coal companies and necessary action may be taken against those officials who have failed to discharge their designated duties. The Committee would like to be apprised about the action taken in the matter. They would also like the Ministry to take stringent preventive measures to curb clandestine activities in all the affected coalfields and the outcome reported to them within 3 months of the presentation of this Report to Parliament.

14. The Committee have been given to understand that coal has been removed as an essential commodity under the Essential Commodity Act, 1955 by an Amendment Act. The Committee would like the Ministry of Coal to approach the Ministry of Consumer Affairs, Food and Public Distribution for inclusion of coal as an essential commodity to control the production, supply, distribution etc. of coal. The Committee expect that this would help to curb the theft/pilferage and illegal mining of coal.

NEW DELHI;
November, 2010
Kartika, 1932(Saka)

KALYAN BANERJEE
Chairman
Standing Committee on Coal and Steel

Statement showing areas prone to illegal mining.

ECL

Mines sites where extraction of coal is being carried out by miscreants without obtaining valid mining lease from State Government.

WEST BENGAL:

Within the leasehold of ECL but surface rights belong to others	Outside the leasehold of ECL
<p><u>Sripur Area</u> Charanpur, Bhanora, Pariharpur, Baijantipur, Konda, Mouldanga, C.Jamuria, Kalabagan, SSI, Damra, Kalipahari, Nunia Dhawrah, Karapara, Banksimulia, Adjacent Kalipahari Rly. Stn., North Ghusick, Garparia, Sripur 25 Hectares land given to Forest Department, Kalipahari Agent's Office, Nandi village, Near old Manager's Bungalow, Dhadka Incline near GM Ghusick Unit.</p>	South-east side of Satgram Area lease, East Kunustoria Area and West Salanpur lease.
<p><u>Sodepur Area</u> Naudiha Incline, Ranipur 2B,2C, Deoli Incline, Gangtikuli, Chhaterkanali, Perbelia (Ranabari),H irakund old, Dangajore, Poidhi OCP, Aldih OCP, Patmohona OCP, Ramjibanpur, Sodepur 11 No. Incline, Bejdih and Binodbandh mouza, Rakta Village, Near Chinakuri Magazine, Alothia, Dubeshwari OCP, Pathardiha mouza, Bharatchak, Sodepur C.W/shop, At Bauripara and Gorai Para at Perbelia village and adjacent to Dubeshwari village, Amdanga Colony.</p>	Kalosota, Ramjibanpur, Sweedi.
<p><u>Salanpur Area</u> Sangramgarh colliery, Dabor colliery, Mohanpur OCP, Gourangdih Begunia abdn. quarry, West side of Khairabad Phase-III, Old dumping yard of Bonjemehari OCP, Near the OCP W/shop – near Magazine house of Gourangdih colliery, Gourangdih Magazine, South east side of OCP, Gourangdih OCP, About 150mtrs in south direction from Chinchuria Rly. Stn., Andal –Sitarampur Rly.Line under Chinchuria Mouza, Barmondia colliery.</p>	Gourangdih Magazine-paddy land, Forest land beside Nuni-Budi river.
<p><u>Satgram Area</u> Damalia OCP, Sitaldasji Fire Project, 11,12, abandoned Pit Ratibati, Rangadanga Basti, Near abdn. Toposi OCP, Mithapur.</p>	-----
<p><u>Kenda Area</u> CBI aban.quarry, Jambad abdn.pit,Pure Jambad , West Kenda OCP,Abdn.Chora OCP, Jambad abdn. quarry, Shankerpur OCP Patch</p>	-----
<p><u>Kunustoria Area</u> Bansra behind Coal Sample Office, Old abdn area of Purandip (R-VIII B) Seam and Kabarsthan of old OCP namely Kargil Area (Bansra), North searsole, Kantagoria, Bijpur Village, Near Toposi Village, Near Belbad, Sonachora near IOC Pipe Line, Runai, near Kuldanga village at South-East side of the village., Habdubi at the bed of Singaran Jore under Toposi/Kunustoria colliery.</p>	-----
<p><u>Bankola Area</u> - Bankola OC patch,</p>	
<p><u>Kajora Area</u> - Parascole West abandoned OCP, Parasea, Old Dhandadih OCP, Near Madhabpur OC (H) Patch., Ghanshyam OCP No.1 near Babuisole Shibmandir, Old Naba Kajora OC hired patch.</p>	

JHARKHAND:

Within leasehold Area of ECL	Outside leasehold Area of ECL
<p><u>Mugma Area</u> Chapapur(10No of Badjna Seam & new BP Seam), Badjna(Topatand Nala, 31 No. BP Seam, Kalimati, 30 No & old OCP of Khusri area), Gopinathpur(north side of Pahari village(abdn, mines) & north side of Rly.Line). Shampur B (1/2 & 5/6 No seam of Sangamahal and west side of Chhatabad village) , Lakhimata (new MS Seam of Mandmand, BP Seam and east side of Lakhimata barior), Kapasara (abdn. OCP & Reliance section quarry), Rajpura (near closed quarry and closed Satnarain quarry), Kumardhubi (5K abdn.quarry),</p>	-----
<p><u>Pandaveswar Area</u> Jorekuri and Palasthali within leasehold area and Rly. acquired land, at Beldanga Forest near Beldanga Coal Stock & Kasta field.</p>	
<p><u>Rajmahal Area</u> ----</p>	Towards Simra village site

BCCL [Details of illegal mining sites (within leasehold area) in Jharkhand]

Place / Location			Thana	District	
Area	Colliery	Site			
Barora	P'T	Benidih Section(V/VI/VII) S.E. Rly. Line	Barora	Dhanbad	
	Block-II	(I) Along east bank of Jamunia river near Ssadariadih Village	Bagmara	Dhanbad	
Govindpur	Govindpur	West side of 5,5,7 seam OCP	Katras	Dhanbad	
		X seam quarry Khas Mehatadih Section	Katras	Dhanbad	
	Jogidih	West side of 5,5,7 seam OCP	Sonardih	Dhanbad	
		Sealing of old incline mouth in 3 seam	Sonardih	Dhanbad	
	Akashkinari	XIV seam OCP East Katras Section	Katras	Dhanbad	
		XV seam OCP East Katras Section	Katras	Dhanbad	
		XIII Seam OCP East Katras Section	Katras	Dhanbad	
		X Seam quarry	Katras	Dhanbad	
	Maheshpur	X Seam Quarry	Madhuban	Dhanbad	
	Kharkharee	Top & Bottom 5 nos. Incline	Madhuban	Dhanbad	
17 & 18 seam top & bottom		Madhuban	Dhanbad		
Old Incline L-12, 17 seam		Madhuban	Dhanbad		
Katras	Ramkanali	IV/V Seam quarry	Katras	Dhanbad	
		IV/V/VII Seam near 3 seam incline	Katras	Dhanbad	
Sijua	Mudidih	XV Seam East of 6 pit Mudidih	Jogta	Dhanbad	
		XV seam West of 6 pit Mudidih	Jogta	Dhanbad	
		XV seam near Mudidih Magazine	Jogta	Dhanbad	
Kusunda	Bassuriya	6 Nos. quarry	Kenduadih	Dhanbad	
		Ganga patch, X seam North side of KT Incline	Kenduadih	Dhanbad	
		44 no. OCP, X seam near pathak basti	Kenduadih	Dhanbad	
		14 th quarry, X seam near pathak Basti	Kenduadih	Dhanbad	
		XI & XII seam incline near Colliery Office	Kenduadih	Dhanbad	
	E/Basseria	Gondudih	IV seam quarry (I)	Gondudih O.P.	Dhanbad
			VIII Seam quarry in gareria section	Gondudih O.P.	Dhanbad
			V/VI seam quarry (O)	Gondudih O.P.	Dhanbad
			II/III seam near 6 no. colony	Gondudih O.P.	Dhanbad
			V/VI seam of old quarry near Hospital	Gondudih O.P.	Dhanbad

	K/Kusunda	II/III seam old quarry Dhobi Kuli Basti	Gondudih O.P.	Dhanbad
		X seam old quarry Gondudih Basti (KKC)	Gondudih O.P.	Dhanbad
		X seam old quarry near Dhari Joba basti	Gondudih O.P.	Dhanbad
		II seam old quarry near Gondudih Colliery	Kenduadih	Dhanbad
		II/III seam old quarry selected Godhur	Kenduadih	Dhanbad
	Godhar	X seam 4 th quarry (near R. store Godhar)	Kenduadih	Dhanbad
		XI/XII seam 6 no. quarry near Godhar magazine	Kenduadih	Dhanbad
	Dhansar	Near New Delhi (Bright Kusunda Pahari)	Dhansar	Dhanbad
		Near Jha Colony	Dhansar	Dhanbad
		Area H	Dhansar	Dhanbad
V-VIII seam quarry		Dhansar	Dhanbad	
Kustore	E/Bhagatdih	XI/XII seam quarry near 6 pit	Jharia	Dhanbad
	ROCP	X seam quarry	Jharia	Dhanbad
		VII/VIII seam quarry	Jharia	Dhanbad
Bastacolla	Bastacolla	South of old combine seam quarry	Dhansar	Dhanbad
	Kujama	Pandebera/Phularibad	Jharia	Dhanbad
Lodna	Lodna	XIII/XIII A seam at Chalchalla Dhowra	Lodna O.P.	Dhanbad
		XI/XII seam at Nadipar Kujama	Lodna O.P.	Dhanbad
		XI/XII seam quarry Ghamandi Patty	Lodna O.P.	Dhanbad
		Behind Lodna Old Magazine	Lodna O.P.	Dhanbad
	Bagdigi	West of Patch "D"	Lodna O.P.	Dhanbad
	Joyrampur	In XII seam near H/C Bhatta	Alakdiah O.P.	Dhanbad
	N. Tisra	IX/X seam near LUJ Pit	Tisra	Dhanbad
	Barari	Patch "A"	Jealgora	Dhanbad
		Patch "B"	Jealgora	Dhanbad
		VIII seam near Lalpur	Jealgora	Dhanbad
		XIV seam quarry near Bazar Dhowra	Jealgora	Dhanbad
		XI/XI/XIII seam quarry	Jealgora	Dhanbad
		Laxmi quarry	Jealgora	Dhanbad
		In X seam near old fan house	Jealgora	Dhanbad
		XIV seam in Bhulan quarry	Jealgora	Dhanbad
		XI/XII/XIII seam near Chakkari Jore	Jealgora	Dhanbad
	NT/ST(OCP)	III seam old working near N.T.C.	Alakdiah O.P.	Dhanbad
		Both side Sulunga Jore near S. Tisra patch of OCP	Alakdiah O.P.	Dhanbad
	Jeenagora	X seam near Gurguria	Alakdiah O.P.	Dhanbad
		Near Sulugna Basti	Alakdiah O.P.	Dhanbad
In Sulunga Jore near Jeenagora W/S		Alakdiah O.P.	Dhanbad	
In Central Sulunga		Alakdiah O.P.	Dhanbad	
	In old quarry near Mari Gudam	Alakdiah O.P.	Dhanbad	
E.J. Area	Bhowra (S)	V & VI seam of 28 Incline Qry.	Bhowrah O.P.	Dhanbad
	Sudamdih (I)	XVII seam Qry. Gouri mGram	Sudamdih	Dhanbad
	Amlabad	Amlabad Project (Dhobi Ghat)	Amlabad O.P.	Bokaro
WJ Area		Along Bank of Damodar river in Bhatdee colliery	Mahuda	Dhanbad
		Lohapatti 4/5 Incline	Mahuda	Dhanbad
C.V. Area	Basantimata	3 / 4 G.P. Bottom & kalimat	Nirsa	Dhanbad
		3 no. Qry. (GP Bottom & Kalimati seam)	Nirsa	Dhanbad
		2A no. Qry (GP Bottom & Kalimati seam)	Nirsa	Dhanbad
		3 no. Qry (palasia seam)	Nirsa	Dhanbad
	Qry. Palasia Local seam	Nirsa	Dhanbad	

CCL

Place/location where illegal mining is taking place

In leasehold area:

(i) **(A) West Bokaro Coalfields :**

Tapin South 44 & 45 Quarry,
Tapin North 42 & 40 Quarry
Jharkhand non-working quarry,
Pindra, Topa, Ara, Sarubera non-working mines,
Kuju – Morpa, Banwar, Pundi non-working quarry.

(B) Ramgarh Coalfields:

Karma Old quarry, Sugia, Rauta, Gidhania, Burakhap old quarry.
Rajrappa – I, II & III Quarry.

(C) South Karanpura Coalfields:

Argada B&J Incline, Sirka Quarry 1 & 2, Gidi 1, 5 & 2.

In fringe Area

a) West Bokaro Coalfields:

Kajari, Chutua nala, Bokaro river, Dudhi nala, Semra, Fagua tola.

b) Ramgarh Coalfields :

Jorakath Dhatuatand, Rajrappa OCP near Mial village.

c) South Karanpura Coalfields : Bundu Damodar river near Lapanga quarry,
Damodar River bed between Bhutatand and Kanbera.

Outside of leasehold

a) West Bokaro Coalfields – Banwar, Kashikhap, Jarakaram, Magardaha, Burakhap, Jageswar, Choritand Tilaiya Forest land, Bokaro River bed.

b) Ramgarh Coalfields – Dhawaiya, Bhunchundih, Noniabera, Mahuatungri, Karma Damodar River bed.

c) South Karanpura Coalfields – Damodar river bed between Gidi and Lapanga near Hesalong Forest land near Hesalong and Bundu Basti.

**Statement showing status of underground mines reclaimed /
to be reclaimed**

BCCL	The total number of abandoned UG openings, inclines and other vulnerable sites prone to illegal mining or otherwise, reclaimed / filled up is 1316. Openings / sites proposed to be reclaimed / filled up is 253.
CCL	No underground mine has been reclaimed yet and there is no pending mine which is proposed to be reclaimed in near future. No illegal mining is reported in underground mine.
ECL	Underground mines where mining has been done in past and has been abandoned due to any reasons, actions are taken for sealing of the mouth immediately after discontinuance of operations. However, where any opening has been created due to any illegal activities within leasehold of mine boundary, they are immediately sealed by dozing as soon as it comes to the notice of mine management. This is a continuous process and action as such taken whenever need arises. Also in case of UG mines, there are many instances where mining activities has been stopped but openings are maintained for providing drinking water to colonies and nearby villages.
NCL	No UG mine available in NCL.
WCL	To end the possibility of illegal mining, openings of un-used / abandoned / closed UG Mines are effectively sealed off. As we do not have any report of illegal mining, at present, reclamation of underground mines to curb possibility of illegal mining does not apply.
SECL	There are 7 mines, which have been closed and reclaimed. No mine is pending for reclamation. No illegal mining is reported.
MCL	Number of UG mines reclaimed is nil. Number of UG mines proposed to be reclaimed is 2. No illegal mining is reported.
NEC	No illegal mining is reported and no UG mine is required to be reclaimed.

**GUIDELINES FOR PREPARATION OF
FINAL MINE CLOSURE PLAN**

1. Introduction

The name of the mine owner, the location and the extent of lease area, the type of lease area (forest, non-forest etc), the present land use pattern, the method of mining and coal-processing operations, should be given in the mines closure plan.

1.1 Reasons for closure: The reasons for closure of mining operations such as exhaustion of mineral, lack of demand, uneconomic operations, natural calamity, directives from statutory organization or court etc. should be specified.

1.2 Statutory obligations: The legal obligations, if any, which the mine owner is bound to comply with such as special conditions imposed while execution of lease deed, approval of mining plan, directives issued by the Ministry of Coal, conditions imposed by the Ministry of Environment and Forests, State Central Pollution Control Board or by any other organization describing the nature of conditions and compliance position thereof should be clearly indicated in the Plan (the copies of relevant documents to be attached as Annexures).

1.3 Closure plan preparation: The decision on mine closure should have the approval of the Board of Directors of the mining company or of any other equivalent competent authority. Copy of such approval should be incorporated in the final mine closure plan.

2.0 Mine Description

2.1 **Geology:** Briefly describe the topography and general geology indicating rock types available, including toxic elements, if any, at the mine site.

2.2 **Reserves:** Indicate the coal/lignite reserves available category wise (proved, indicated and inferred) in the leasehold area estimated in the last mining plan/mining scheme approved along with the balance coal/ lignite reserves at the time of proposed mine closure, including its quality (for final mine closure plan only).

2.3 **Mining Method:** Describe in brief the mining method followed to win the coal/lignite, mining machinery deployed, production level etc.

2.4 **Coal Beneficiation:** Describe in brief the coal beneficiation facilities, if any, indicating the process description in short. Indicate discharge details of any middlings/fines/rejects and their disposal/utilization practice followed.

3. **Closure Plan**

3.1 **Mined-Out Land:** Describe the proposals/ measures to be implemented for reclamation (both physical and biological) and rehabilitation of mined-out land including the manner in which the actual site of the pit will be restored for post mining land use. The proposals should be supported with relevant plans and sections depicting the method of land restoration / reclamation / rehabilitation.

3.2 **Water Quality Management:** Describe in detail the existing surface and ground water bodies available in the lease hold areas and the measures to be taken for protection of the same including control of erosion, sedimentation, siltation, water treatment, diversion of water courses, if any, measures for protection of contamination of ground water from leaching etc. Quantity and quality of surface water bodies should also be indicated and corrective measures proposed to meet the water quality conforming to the

permissible limits should also be described. Report of hydrological study carried out in the area may also be submitted. The water balance chart should be given. If there is potential of Acid Mine Drainage, the treatment method should be given.

3.3 Air Quality Management: Describe the existing air quality status. The corrective measures to be taken for prevention of pollution of air should be described.

3.4 Waste Management: Describe the type, quality and quantity of overburden, coal/lignite rejects etc. generated and their disposal practice. If no utilization of waste material is proposed, the manner in which the waste material will be stabilized should be described. The protective measures to be taken for prevention of siltation, erosion and dust generation from these waste materials should also be described. If toxic and hazardous elements are present in the waste material, the protective measures to be taken for prevention of their dispersal in the air, environment, leaching in the surface and ground water etc. should be described. As far as possible, reclamation and afforestation shall proceed concurrently with the mine activity. The quantity of waste material required to be re-handled or back-filled in the final voids should be specified. All efforts should be made and reflected (in the Project Report/Mining plan) to keep land requirement bare minimum for external over burden dumping to minimise land degradation. This may necessitate increase of dump height to the maximum extent keeping in view the safety requirement with special emphasis on stability analysis. After back-filling of quarry voids, the left out void may be allowed to be filled with water. This will help to recharge and stabilize the water table in the neighbourhood and the local populace will benefit from it.

3.5 Top Soil Management: The topsoil available at the site and its utilization should be described.

3.6 Management of Coal Rejects from Washery: The steps to be taken for proper functioning of the slurry pond, handling of coal rejects and its utilization, periodic desilting, arrangement for water re-circulation, measures to prevent water pollution from slurry ponds, arrangement for surplus water overflow etc. shall be given.

3.7 Infrastructure: The existing infrastructural facilities available such as roads, aerial ropeways, conveyer belts, railways, power lines, buildings & structures, water treatment plant, water supply sources in the area etc. and their future utilization should be evaluated on case to case basis. If retained, the measures to be taken for their physical stability and maintenance should be described. If decommissioning proposed, dismantling and disposal of building structures, support facilities and other infrastructure such as electric transmission line, water line, gas pipeline, water works, sewer line, telephone cables, underground tanks, transportation infrastructure such as roads, rails, bridges, culverts etc., electrical equipments and infrastructures such as electric cables, transformers should be described in connection with restoring land for further use.

3.8 Disposal of Mining Machinery: The decommissioning of mining machineries and their possible post mining utilization, if any, should be described.

3.9 Safety and Security: Describe the safety measures implemented to prevent access to surface openings for underground workings, excavations etc. (such as fencing carried out by barbed wires) and arrangements proposed during the mine abandonment plan and up to the site being opened for general public should be described.

3.10 Economic Repercussions of closure of mine:

Manpower retrenchment, compensation to be given, socio-economic repercussions and remedial measures consequent to the closure of mines should be described, specifically stating the following:

- i. Number of local residents employed in the mine, status of the continuation of family occupation and scope of joining the occupation back.
- ii. Compensation given or to be given to the employees concerning their sustenance and their family members.
- iii. Satellite occupations connected to the mining industry - number of persons engaged therein - continuance of such business after mine closure.
- iv. Continued engagement of employees in the rehabilitated status of mining lease area and any other remnant activities.
- v. Envisaged expectation of the society on closure of mine.

5. Time Scheduling for abandonment

The details of time schedule of all abandonment operations as proposed in paragraphs 3 above should be described. The manpower and other resources required for completion of the proposed job should be described. The schedule of such operations should also be supplemented by bar charts etc.

6. Abandonment Cost:

6.1 Cost is to be estimated (at the time of preparation of Project Report/Mining Plan) based on the activities such as barbed wire fencing all around the working area, dismantling of structures/demolition and cleaning of sites, rehabilitation of mining machinery, plantation, physical/biological reclamation, landscaping, biological reclamation of left out OB dump, filling

up of decoaled void, post environmental monitoring for 3 years, supervision charges for 3 years, power cost, protective and rehabilitation measures including their maintenance and monitoring, miscellaneous charges etc.

6.2 It has been estimated that typically closure cost for an opencast mine will come around Rs. 6.00 lakhs per Hectare of the property leasehold and it would be Rs. 1.00 lakh per Hectare for underground mine leasehold at current price levels (August, 2009) and these rates will stand modified based on Wholesale Price Index as notified by Government of India from time to time.

6.3 Annual closure cost is to be computed considering the total leasehold area at the above mentioned rates and dividing the same by the life of the mine or 25 years whichever is lower. An amount equal to the annual cost is to be deposited each year throughout the mine life compounded @5% annually. For example if the annual cost works out to Rs 100, then in the first year the amount to be deposited will be Rs 100, in the second year $100 \times (1+5\%)^1$, in the third year $100 \times (1+5\%)^2$ and so on.

7. Financial Assurance

- i) All coal mine owners shall strictly adhere to the following:
- ii) For financial assurance the mining company shall open a Escrow Account with any Scheduled Bank, with the Coal Controller Organisation (on behalf of the Central Government) as exclusive beneficiary. The mining company shall cause payments to be deposited in such Escrow Account at the rate computed as indicated at 6.3 above. The amount being deposited will be reviewed with such periodicity as deemed fit by the Coal Controller.
- iii) When implementation of the final mine closure scheme is undertaken by the mine owner starting five years before the scheduled closure of mining operations, the Coal Controller may permit withdrawals (four years before

final mine closure date) from the Escrow Account proportionate to the quantum of work carried out, as reimbursement. The withdrawn amount each year shall not exceed 20% of the total amount deposited in the account.

iv) An agreement, outlining detailed terms and conditions of operating the Escrow Account, shall be executed amongst the mining company, the Coal Controller and the concerned bank in order to give effect to this. The agreement shall be executed before the grant of permission by the Coal Controller to open the mine.

8. **Responsibility of the Mine owners**

It is the responsibility of the Mine owners to ensure that the protective measures contained in the mine closure plan including reclamation and rehabilitation works have been carried out in accordance with the approved mine closure plan and final mine closure plan.

The owner shall submit to the Coal Controller a yearly report before 1st July of every year setting forth the extent of protective and rehabilitative works carried out as envisaged in the approved mine closure plans (Progressive and Final Closure Plans).

9. **Provision for Mine Closure**

The mine owner shall be required to obtain a mine closure certificate from Coal Controller, to the effect that the protective, reclamation and rehabilitation works in accordance with the approved mine closure plan/final mine closure plan have been carried out by the mine owner for surrendering the reclaimed land to the State Government concerned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL
AND STEEL HELD ON 15 JANUARY, 2010 IN COMMITTEE ROOM 'D',
PARLIAMENT HOUSE ANNEXE, NEW DELHI.**

The Committee sat from 1400 hours to 1630 hours.

PRESENT

Shri Kalyan Banerjee - Chairman

MEMBERS

- 2 Shri Hansraj G. Ahir
- 3 Shri Sanjay Bhoi
- 4 Shri Abu Hasem Khan Choudhury
- 5 Shri Ismail Hussain
- 6 Shri Chandrakant B. Khaire
- 7 Shri Yashbant Laguri
- 8 Sardar Sukhdev Singh Libra
- 9 Shri Narahari Mahato
- 10 Shri Govind Prasad Mishra
- 11 Kumari Saroj Pandey
- 12 Shri Ramesh Rathod
- 13 Shri Rakesh Sachan
- 14 Shri Pashupati Nath Singh
- 15 Smt. Rajesh Nandini Singh
- 16 Dr. G. Vivekanand
- 17 Ms. Mabel Rebello
- 18 Shri Dhiraj Prasad Sahu
- 19 Shri Jai Prakash Narayan Singh
- 20 Shri Mohd. Amin
- 21 Shri Ali Anwar Ansari
- 22 Shri R.C. Singh

SECRETARIAT

1. Shri Ashok Sarin - Joint Secretary
2. Shri Shiv Singh - Director
3. Smt. Sunita - Deputy Secretary
4. Md. Aftab Alam - Under Secretary

WITNESSES

MINISTRY OF COAL

1. Shri C. Balakrishnan, Secretary

2. Shri Alok Perti, Additional Secretary
3. Shri K.S. Kropcha, Joint Secretary
4. Shri Sanjiv Mittal, JS&FA
5. Shri R.K. Mahajan, Joint Secretary
6. Shri P.R. Mandal, Advisor (Project)
7. Shri Kailash Pati, Economic Advisor
8. Shri T.K. Lahiry, Economic Adviser

COAL PUBLIC SECTOR UNDERTAKINGS

1. Shri P.S. Bhattacharya, CMD, Coal India Limited
2. Shri M.P. Dikshit, CMD, Bharat Coking Coal Limited
3. Shri D.C. Garg, CMD Western Coalfields Limited
4. Shri S.R. Upadhyay, CMD, Mahanadi Coalfields Limited
5. Shri V.K. Singh CMD, Northern Coalfields Limited
6. Shri R.K. Saha, CMD, Central Coalfields Limited
7. Shri A.K. Singh, CMD, Central Mine Planning & Design Institute Ltd.
8. Shri S. Chakravarty, CMD, Eastern Coal Fields Limited
9. Shri A.R. Ansari, CMD, Neyveli Lignite Corporation Limited

2. At the outset, the Chairman, welcomed the representatives of the Ministry of Coal and Coal Public Sector Undertakings to the sitting of Committee. The Chairman mentioned that the sitting of the Committee has been convened to hear the views of the representatives of the Ministry of Coal and coal companies regarding "prevention of Illegal Coal Mining and Theft".

3. Thereafter, the Secretary, Ministry of Coal gave an audio-visual presentation on the subject "Prevention of Illegal Coal Mining and Theft". Then the CMD, Coal India Limited briefed the Committee on the subject "Prevention of Illegal Coal Mining and Theft". The issues discussed during the sitting broadly related to reasons for illegal mining of coal and theft and the measures taken by the Ministry of Coal and coal companies in this regard, need to augment security apparatus at the mine sites where illegal mining is being carried out, need to plug loopholes in the existing laws, action taken on the report submitted by XLRI Jamshedpur to curb illegal coal mining and theft, need for better coordination among Ministry of Coal, Governments of coal producing States and law enforcing agencies to check the activities of mafia involved in illegal mining and theft of coal.

4. The Chairman directed that the replies to some of the queries raised by the Committee which could not be replied by the

representatives of the Ministry may be furnished well before the next sitting of the Committee.

5. The Committee decided to further hear the views of the representatives of the Ministry at their sitting to be held on 10th February, 2010.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL
AND STEEL HELD ON 10 FEBRUARY, 2010 IN COMMITTEE ROOM 'B',
PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1400 hours to 1700hours.

PRESENT

Shri Kalyan Banerjee - **Chairman**

MEMBERS

2. Shri Adhi Sankar
3. Shri Hansraj G. Ahir
4. Shri Sanjay Bhoi
5. Shri Abu Hasem Khan Choudhury
6. Shri Chandrakant B. Khaire
7. Shri Yashbant Laguri
8. Sardar Sukhdev Singh Libra
9. Shri Narahari Mahato
10. Shri Govind Prasad Mishra
11. Kumari Saroj Pandey
12. Shri Pashupati Nath Singh
13. Shri Rajiv Ranjan Singh *alias* Lalan Singh
14. Ms. Mabel Rebello
15. Shri Jai Prakash Narayan Singh
16. Shri Mohd. Amin
17. Shri R.C. Singh

SECRETARIAT

1. Shri Shiv Singh - Director
2. Smt. Sunita - Deputy Secretary
3. Md. Aftab Alam - Under Secretary

WITNESSES

MINISTRY OF COAL

1. Shri C.Balakrishnan, Secretary
2. Shri K.S. Kropcha, Joint Secretary
3. Shri Sanjiv Mittal, JS & FA
4. Shri Alok Perti, AS(Coal)
5. Shri R.K. Mahajan, JS
6. Shri P.R.Mandal, Adv.(Project)

7. Shri Kailash Pati, Economic Adviser

COAL PUBLIC SECTOR UNDERTAKINGS

8. Shri P.S.Bhattacharya, CMD, Coal India Ltd. (CIL)
9. Shri T.K.Lahiry, CMD, Bharat Coking Coal Ltd. (BCCL)
10. Shri M.P.Dikshit, CMD, Southern Eastern Coalfields Ltd.(SECL)
11. Shri D.C.Garg, CMD, Western Coalfields Ltd.(WCL)
12. Shri S.R.Uppadhyay, CMD, Mahanadi Coalfields Ltd.(MCL)
13. Shri V.K.Singh, CMD, Northern Coalfields Ltd.(NCL)
14. Shri R.K.Saha, CMD, Central Coalfields Ltd.(CCL)
15. Shri A.K.Singh, CMD, Central Mine Planning & Design Institute Ltd.(CMPDIL)
16. Shri S. Chakravarty, CMD, Eastern Coal Fields Limited
17. Shri A.R. Ansari, CMD, Neyveli Lignite Corporation Limited

2. At the outset, the Chairman, welcomed the representatives of the Ministry of Coal and Coal Public Sector Undertakings to the sitting of Committee. The Chairman mentioned that the sitting of the Committee has been convened to discuss the various issues and queries raised by the Committee regarding the subject "Prevention of illegal coal mining and theft" in the previous sitting held on 15.01.2010.

3. Thereafter, the Committee sought clarifications on the various issues related to "Prevention of Illegal Coal Mining and Theft". The issues discussed during the sitting broadly related to steps taken/being taken by the Ministry of Coal and Coal PSUs to put an end to the menace of illegal coal mining & theft; number of convictions carried out in respect of FIRs lodged; measures taken by vigilance and law officers of the coal PSUs; overhauling of coal transportation system to check theft of coal; need to enhance strength of security personnel at mine sites; Need for enhanced coordination among Ministries of Coal and Home Affairs and Governments of coal bearing states, progress made regarding closure of abandoned mines, details of mines where reclamation has been completed; etc.

4. The Chairman directed the representatives of the Ministry of Coal to furnish the replies to the queries raised by the Members which could not be responded to well before the next sitting of the Committee.

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL (2010-11) HELD ON 29.10.2010 IN COMMITTEE ROOM NO. G-074, PARLIAMENT LIBRARY BUILDING, NEW DELHI

The Committee sat from 1400 hrs. to 1500 hrs.

PRESENT

Shri Kalyan Banerjee- **Chairman**

MEMBERS

LOK SABHA

1. Shri Hansraj G. Ahir
2. Sanjay Bhoi
3. Ismail Hussain
4. Shri Narahari Mahato
5. Shri Govind Prasad Mishra
6. Shri Adhi Sankar
7. Shri Pashupathi Nath Singh
8. Sardar Sukhdev Singh Libra
9. Dr. G. Vivekanand

RAJYA SABHA

10. Ms. Mabel Rebello
11. Shri Dhiraj Prasad Sahu
12. Shri Jai Prakash Narain Singh
13. Shri R.C. Singh

SECRETARIAT

- | | | | |
|----|-------------------------|---|------------------|
| 1. | Shri Raj Shekhar Sharma | - | Director |
| 2. | Smt. Sunita | - | Deputy Secretary |
| 3. | Md. Aftab Alam | - | Under Secretary |

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

3. The Committee then considered and adopted the following Draft Reports subject to some minor modifications:-

(i) ** ** ** **

- (ii) ** ** ** ** **
- (iii) Prevention of Illegal Coal Mining and Theft.
- (iv) ** ** ** ** **

4. ** ** ** ** ** **

5. The Committee authorized the Chairman to finalize the Reports after making consequential changes arising out of factual verifications by the concerned Ministries or otherwise and to present these Reports to both the Houses of Parliament.

The Committee then adjourned.

**Do not pertain to this Report.