

THIRTY-THIRD REPORT  
STANDING COMMITTEE ON  
COAL AND STEEL  
(2012-2013)

(FIFTEENTH LOK SABHA)

MINISTRY OF COAL

DEMANDS FOR GRANTS  
(2013-2014)

*Presented to Lok Sabha on 23.04.2013  
Laid in Rajya Sabha on 23.04.2013*



LOK SABHA SECRETARIAT  
NEW DELHI

*April, 2013/Vaisakha, 1935 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE  
ON COAL AND STEEL (2012-13)

Shri Kalyan Banerjee — *Chairman*

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\* Nominated *w.e.f.* 13.12.2012

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4. Shri Amrish Kumar — *Executive Officer*

## INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Thirty-Third Report (Fifteenth Lok Sabha) on Demands for Grants (2013-14) relating to the Ministry of Coal.

2. The Demands for Grants of the Ministry of Coal were laid on the Table of the House on 12.03.2013. Under rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal and Steel are required to consider the Demands for Grants of Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Coal on 2nd April, 2013.

4. The Report was considered and adopted by the Committee at their sitting held on 17.04.2013.

5. The Committee wish to express their thanks to the officials of the Ministry of Coal for the cooperation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

6. The Committee place on record their profound appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

7. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;  
18 April, 2013  

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28 Chaitra, 1935 (Saka)

KALYAN BANERJEE,  
*Chairman,*  
*Standing Committee on Coal and Steel.*





## **REPORT**

### **PART I**

#### **CHAPTER I**

##### **INTRODUCTORY**

Coal is most valuable, dependable and reliable source of energy for the Indian Economy. The most important and abundant fossil fuel in India, coal accounts for nearly two-thirds of the country's total energy need. The country's industrial heritage was in fact built upon indigenous coal. During the last four decades, the commercial primary energy consumption in India has grown by nearly 7 times. Considering the limited reserve potentiality of petroleum & natural gas, eco-conservation restriction on hydel project and geo-political perception of nuclear power, coal will continue to occupy centre-stage of India's energy scenario.

1.2 Coal is most important source of energy for electricity generation in India. Bulk of electricity is generated from the thermal power stations which depend upon coal as feed stock. In addition, other sectors like Steel, Cement, Fertilizers, Chemicals, Paper and a large number of medium and small industries are dependent on coal for their process and energy requirements. In transport sector, though direct consumption of coal by the railways is nominal on account of phasing out of Steam locomotives, the increasing electrified traction of railways is dependent on coal converted to electric power. Coal therefore remains essential in achieving a diverse, balanced and secure energy mix.

1.3 While coal is poised for significant growth, it faces significant and mounting social and environmental challenges. Environmental concerns will be the key to the coal industry's future. The primary concerns at the regional levels have to do with the environmental impacts on air, water, land, forest, biodiversity, climate and the cost of mitigating these. Even with its major hurdles, coal will remain a future mainstay, a foundation and a fundament of our economy. Coal has a crucial role in meeting current needs and is a resource bridge to meet future goals through the enhancement of knowledge and technology. The challenge is to apply the right technology in the most efficient and environmentally friendly way. The Ministry of coal is,

therefore, engaged in developing coal resources of this country in a manner that requirements of coal of different consuming sectors are met in full and their dependence on oil/imported coal is minimized.

1.4 The Ministry of Coal is entrusted with the overall responsibility for determination of policies and strategies for exploration and development of Coal and Lignite reserves to ensure energy security in the country as also laying down general guidelines for production, supply and distribution of coal and lignite. Implementation of various projects is carried out by three PSUs under the administrative control of the Ministry of Coal *viz.* Coal India Limited (CIL), Neyveli Lignite Corporation Ltd. (NLC) and Singareni Collieries Company Limited (SCCL) under the overall supervision of the Ministry. The subjects allocated to the Ministry under the Government of India (Allocation of Business) Rules, 1961, as amended from time to time are as follows:

- Exploration and development of coking, non-coking coal and lignite deposits in India.
- All matters relating to production, supply, distribution and prices of coal.
- Development and operation of coal washeries other than those for which the Ministry of Steel is responsible.
- Low Temperature carbonization of coal and production of synthetic oil from coal.
- Administration of the Coal Mines (Conservation and Development) Act, 1974 (28 of 1974).
- The Coal Mines Provident Fund Organization.
- Administration of the Coal Mines Provident Fund and Miscellaneous Provision Act, 1948 (46 of 1948).
- Rules under the Mines Act, 1952 (32 of 1952) for the levy and collection of duty of excise on coke and coal produced and dispatched from mines and administration of rescue fund.
- Administration of the Coal Bearing Areas (Acquisition and Development), Act, 1957 (20 of 1957).
- Administration of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) and other Union Laws in so far the said Act and Laws relate to coal and lignite and sand for stowing, business incidental to such administration

including questions concerning various States.

### **Economic Programme and Activities**

1.5 The Ministry and its undertakings are primarily oriented towards production of coal and lignite to meet the growing demand. At the same time, due and timely action is also required to be taken on all the project cycle activities like coal beneficiation/washing, loading and despatch facilities and measures for workers' safety and welfare. Other ancillary/value addition activities like production of soft coke, low temperature carbonization of coal for smokeless fuel, coal gasification are also undertaken. Exploration for new deposits and research and development projects are also important activities under the Ministry. In addition, Neyveli Lignite Corporation is engaged in the exploitation of lignite deposits and generation of power from lignite.

1.6 The Ministry of coal has, under its direct administrative control, the following two Public Sector Undertakings:

- (i) Coal India Ltd. (CIL), and
- (ii) Neyveli Lignite Corporation Ltd. (NLC)

#### **Coal India Limited (CIL)**

Coal India Ltd., having headquarters at Kolkata, is the holding company of eight Coal producing subsidiaries and one planning and design subsidiary, *viz*:

- (i) Eastern Coalfields Limited (ECL), Sanctoria (West Bengal)
- (ii) Bharat Coking Coal Limited (BCCL), Dhanbad (Jharkhand)
- (iii) Central Coalfields Limited (CCL), Ranchi (Jharkhand)
- (iv) Northern Coalfields Limited (NCL), Singrauli (Madhya Pradesh)
- (v) Western Coalfields Limited (WCL), Nagpur (Maharashtra)
- (vi) South Eastern Coalfields Limited (SECL), Bilaspur (Chhattisgarh)
- (vii) Mahanadi Coalfields Limited (MCL), Sambalpur (Orissa)
- (viii) Coal India Africana Limitada, Mozambique
- (ix) Central Mine Planning & Design Institute Limited (CMPDIL), Ranchi, (Jharkhand)

### **Neyveli Lignite Corporation Limited (NLC)**

Neyveli Lignite Corporation Limited with headquarters at Neyveli in Tamil Nadu is primarily engaged in the exploitation of lignite deposits in the country and generation of power from lignite.

### **Singareni Collieries Company Limited (SCCL)**

1.7 The Singareni Collieries Company Limited incorporated as public limited company in 1920 became a Government company in 1956 with headquarters at Kothagudem in Andhra Pradesh. The company is a joint undertaking of Government of Andhra Pradesh and Government of India. The share capital of this company is held by the Government of Andhra Pradesh and Government of India in the ratio of 51:49 respectively. This company is engaged in the exploitation of coal reserves in the State of Andhra Pradesh.

1.8 Following subordinate Offices and autonomous organisations are under the Administrative control of this Ministry:—

#### **Coal Controller's Organisation (CCO)**

The Coal Controller's Organisation (CCO) is a subordinate office under the administrative control of Ministry of Coal, its headquarters being at Kolkata and field offices at Dhanbad, Ranchi, Bilaspur, Nagpur and Kothagudem. Each field office is headed by one GM/DGM level executive working in the capacity of Officer on Special Duty being supported by other technical officers. The field offices consists of mainly persons taken on loan from Public Sector Coal Companies.

#### **Coal Mines Provident Fund Organisation (CMPFO)**

This is an autonomous body set up under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948. CMPFO administers the Coal Mines Provident Fund Scheme, 1948, the Coal Mines Deposit Linked Insurance Scheme, 1976 and Coal Mines Pension Scheme, 1998. All these schemes have been formulated under the provisions of the Act of 1948. The Headquarters of CMPFO is at Dhanbad and its 24 Regional Offices are spread in the Coal producing States in the country.

1.9 The Ministry in their Outcome Budget (2013-14) while detailing the Budget Estimates and the Plan Outlay of the Ministry of Coal and Coal PSUs, also brings out the quantifiable deliverables and physical outputs along with the timelines for both the Plan and Non-Plan

schemes operated in the Ministry of Coal. The Outcome Budget mentions that Ministry of Coal has finalized Auction by Competitive bidding of Coal Mines Rules 2012 and put on offer 17 Coal Blocks to various Government companies and corporations. The drilling programme of CMPDIL has been revised with a view to expedite detailed exploration in the identified blocks for offer through competitive bidding. The Outcome Budget also mentions about CIL floating Expression of Interest (EoI) for engaging international consultants for modernization and technology development in their mines to improve the productivity and implementation progress of Master Plan for Jharia and Raniganj including the revision of the carpet area of dwelling units as per JNNRUM norms for families to be rehabilitated under the Master Plan. In addition, the Outcome Budget also addresses the issues relating to measures to increase coal production through the Emergency Coal Production Plan and the scheme of Captive Coal Block allocation.

1.10 The detailed Demands for Grants of the Ministry of Coal were presented to Lok Sabha on 12th March, 2013. Besides analyzing the detailed Demands for Grants (2013-14) of the Ministry of Coal, the Committee in the present Report have examined various issues related to implementation of various schemes/plans/programmes by the Ministry of Coal/and other PSUs/organizations under its administrative control. In the context of the Demands for Grants 2013-14, the detailed analysis alongwith observations/recommendations of the Committee on various issues have been given in the succeeding chapter of the Report.

## CHAPTER II

### ANALYSIS OF DEMANDS FOR GRANTS (2013-14)

The total outlay of the Ministry of Coal for 2012-13 at BE stage was Rs. 498.35 crore (Plan- Rs. 450 crore and Non-Plan Rs. 48.35 crore) which were reduced to Rs. 462.03 crore (Plan—Rs. 416.00 crore and Non-Plan Rs. 46.03 crore) at RE stage. For the year 2013-14 the BE of the Ministry are proposed as Rs. 497.70 crore (Plan - Rs. 450 crore and Non-Plan—Rs. 47.70 crore). Apart from the gross budgetary support reflected in the Demands for Grants as discussed above, the three Public Sector Companies of the Ministry of Coal are implementing their significantly large Capital investment plans from their own Internal and Extra Budgetary Resources (IEBRs) without any Budgetary Support from Government of India. The investment in Public Sector Undertakings during 2012-13 was revised from Rs. 9182.78 crore to Rs. 9102.59 crore. For 2013-14 the investment in Coal PSUs is pegged at Rs. 11304.21 crore. Details of Budget Estimates, Revised Estimates for the year 2012-13 and Budget Estimates for 2013-14 are given below:—

#### Details of Gross Budgetary Support and I&EBR

##### A. Details of Budgetary Support/Recoveries (Rs in crore)

	Name of Scheme/ programme Revenue	2012-13 (Budget)			2012-13 (Revised)			2012-13 (Budget)		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	2	3	4	5	6	7	8	9	10	11
1.	Secretariat - Economic Services Labour and Employment Coal Mines Labour Welfare	0.75	15.45	16.20	0.75	14.63	15.38	0.70	16.05	16.75
2.	Contribution to Coal Mines	0.00	25.75	25.75	0.00	24.21	24.21	0.00	24.00	24.00

1	2	3	4	5	6	7	8	9	10	11
	Pension Scheme/ Deposit Link Insurance Scheme Coal and Lignite									
3.	Conservation and Safety in Coal Mines (met out of cess collections)	137.30	0.00	137.30	106.30	0.00	106.30	146.90	0.00	146.90
4.	Development of Transportation Infrastructure in coalfields areas (Met out of cess collections)	50.00	0.00	50.00	40.00	0.00	40.00	50.00	0.00	50.00
5.	Research & Development Programme	11.40	0.00	11.40	11.40	0.00	11.40	11.65	0.00	11.65
6.	Regional Exploration	62.00	0.00	62.00	13.00	0.00	13.00	40.90	0.00	40.90
7.	Detailed Drilling	123.30	0.00	123.30	188.30	0.00	188.30	143.05	0.00	143.05
8.	Environmental Measures and Subsidence Control	9.00	0.00	9.00	0.00	0.00	0.00	0.90	0.00	0.90
9.	Coal Controller	0.25	7.15	7.40	0.25	7.19	7.44	0.30	7.65	7.95
	Total (Coal and Lignite)	393.25	7.15	406.40	359.25	7.19	366.44	393.70	7.65	401.35
10.	Lumpsum provision for North Eastern Areas	25.00	0.00	25.00	25.00	0.00	25.00	24.00	0.00	24.00
11.	Lumpsum provision for TSP	31.00	0.00	31.00	31.00	0.00	31.00	31.60	0.00	31.60
	Total (Revenue)	450.00	48.35	498.35	416.00	46.03	462.03	450.00	47.70	497.70

1	2	3	4	5	6	7	8	9	10	11
	CAPITAL EXPENDITURE ON ACQUISITION OF COAL BEARING AREAS FROM CBA ACQUISITION FUND									
12.	10.01 Acquisition of Coal Bearing Areas	0.00	30.00	30.00	0.00	309.95	309.95	0.00	50.00	50.00
13.	10.02 Deduct Expenditure met from C.B.A. Acquisition Fund	0.00	- 30.00	- 30.00	0.00	-309.95	-309.95	0.00	-50.00	-50.00
	Total (Capital)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (A)	450.00	48.35	498.35	416.00	46.03	462.03	450.00	47.70	497.70

**B. Plan Investment in Public Enterprises without GBs from their IEBRs**

1	2	BE 2011-12			RE 2012-13			BE 2013-14		
		Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
1	2	3	4	5	6	7	8	9	10	11
	INVESTMENT IN PUBLIC ENTERPRISES									
14.	Coal India Limited	0.00	4275.00	4275.00+ #5500.00	0.00	4100.00+	4100.00	0.00	5000.00	5000.00+ #4000.00
15.	Singareni Collieries Company Ltd.	0.00	3220.33	3220.33	0.00	3220.33	3220.33	0.00	4000.00	4000.00
16.	Neyveli Lignite Corporation Limited (Mines)	0.00	131.70	131.70	0.00	84.89	84.89	0.00	97.60	97.60
16.1	Neyveli Lignite Corporation Limited (Power)	0.00	1555.75	1555.75	0.00	1697.37	1697.37	0.00	2206.61	2206.61



1	2	3	4	5	6	7	8	9	10	11
16.2	Neyveli Lignite Corporation Limited (Total)	0.00	1687.45	1687.45	0.00	1782.26	1782.26	0.00	2304.21	2304.21
17.	Total (Investment in PEs on Coal and Lignite)	0.00	7627.03	7627.03	0.00	7765.22	7765.22	0.00	9097.60	9097.60
18.	Total (Investment in PEs on Power)	000	1555.75	1555.75	0.00	1697.37	1697.37	0.00	2206.61	2206.61
19.	Total (B) (Plan Investment in Public Enterprises of MOC)	0.00	9182.78	9182.78	0.00	9102.59	9102.59	0.00	11304.21	11304.21
20.	Total Plan Outlay (MOC) (A+B)	450.00	9182.78	9632.78	5500.00	416.00	9102.59	9518.59	450.00	11304.21
				+#						+#
				11754.21						4000.00

# *ad-hoc* provision for development and acquisition of coal resources abroad.

## PLAN OUTLAYS

2.2 In the Plan outlay (2013-14), provision has been made for (i) Regional Exploration (Rs. 40.90 crore), EMSC (Rs. 0.90 crore), Research and Development (S&T) (Rs. 11.65 crore), Detailed Drilling (Rs. 143.05 crore), Conservation and Safety in Coal Mines (Rs. 146.90 crore) and Development of Transport Infrastructure in Coalfield Areas (Rs. 50.00 crore). Provision of Rs. 0.70 crore has been made for Information Technology. It is proposed to provide more IT equipment especially to cater the need for digital imaging solutions so that more and more work is assisted through IT. The Budget provision will also be utilized for further strengthening the IT infrastructure of the Ministry for creating more online working environment. It is mandatory requirement to keep 10% of the Plan provisions for North Eastern Region States including Sikkim. However, the schemes of "Conservation and Safety in Coal Mines" and "Development of Transport Infrastructure in Coalfields Areas" have been exempted from this mandatory provision. The amount of Rs. 24.00 crore being 10% of the Plan outlay of remaining schemes, has been kept as per mandatory requirement of funds earmarked to be spent in NE Region. Further,

an amount of Rs. 31.60 crore being 8.2% of the Plan outlay of three Schemes namely Regional Exploration, Detailed Drilling and Conservation and Safety in Coal Mines identified to be part of Tribal Sub Plan has been kept under separate Sub Head as per mandatory requirement to be spent in the Tribal Areas.

2.3 The following central sector schemes are proposed to be continued from 11th Plan to 12th Plan along with the NER and TSP components:—

1. Research and Development/S&T
2. Regional/Promotional Exploration
3. Detailed Drilling in Non-CIL Blocks
4. Environmental Measures and Subsidence Control
5. Conservation and safety in coal mines
6. Development of transportation infrastructure in coalfield areas

2.4 As regards the physical targets and projected demands for central sector schemes for the year 2012-13, targets projected for 2013-14 and achievements against these the Ministry further informed the Committee as under:—

(Rs. in crores)

Schemes	Physical Targets and explanation of financial requirement	2012-13		BE 2013-14	
		BE	RE	Projected	Approved
1	2	3	4	5	6
(i) Research and Development/S&T. This scheme supports Coal S&T for application oriented research projects	Out of 18 on-going projects during 2012-13, 3 have been completed. One expected to be completed by Mar., 2013. During 2013-14, there will be 19 ongoing projects, out of which 3 projects are to be completed.	11.40	11.40	16.00	11.65
(ii) Regional/Promotional Exploration	The target of drilling for 2012-13 is 1.11 lakh meters and for 2013-14 it is 1.53	62.00	13.00	107.35	40.90

1	2	3	4	5	6
	lakh meters. For which the proposed outlay was Rs. 119.28 crore and to meet these targets bridging loan would need to be taken from CIL. Since the provision made available is falling short of the requirement.				
(iii) Detailed Drilling in Non CIL Blocks	The target of drilling for 2012-13 is 1.75 lakh meters & for 2013-14 it is 4.50 lakh meters for which the provided outlay will not be adequate and CMPDIL would need to take a bridging loan from CIL. The BE target of 1.75 lakh meter drilling in the current year 2012-13 may also exceed for which also extra funding will be needed. This may be met partially from re-appropriation and partially from bridging loan from CIL.	123.30	188.30	292.73	143.05
(iv) Environmental Measures and Subsidence Control. This scheme is aimed at addressing environmental issues in the Coalfields at Raniganj and Jharia arising out of un-scientific mining carried out by the erstwhile mine owners	All the EMSC schemes have been merged in the Master Plan dealing with fire, subsidence, rehabilitation and diversion of surface infrastructure in Jharia and Raniganj coalfields within the leasehold of BCCL and ECL which was sanctioned by the Govt. in Aug., 2009 at an investment of Rs. 9773.84 crores to be implemented in ten years. This is being funded partly	9.00	—	—	0.90

1	2	3	4	5	6
	by the internal resources of CIL and partly from the Budget from collection of stowing Excise Duty under the CM(C&D) Act,1974.				
(v) Conservation and safety	To reimburse partially the cost of stowing/protective works undertaken to ensure subsidence control and enhanced coal production under the provision of Coal Mines Conservation & Development Act.	137.30	106.30	259.50	146.90
(vi) Development of transportation infrastructure in coalfield areas	To reimburse partially development of transportation infrastructure in coalfield areas to facilitate coal/sand transportation, under the provision of Coal Mines Conservation & Development Act.	50.00	40.00	737.00	50.00
(vii) Lumpsum provision for NER	The provisions for these components get decided as per the predefined percentages of the allocations made for the relevant schemes.	25.00	25.00	—	24.00
(viii) Lumpsum provision for TSP		31.00	31.00	—	31.60

### **Development of North Eastern Region/Sikkim**

2.5 An allocation of Rs. 25 crore (major head - 2552) was made for North Eastern Region and Sikkim during 2012-13. During 2013-14, a provision of Rs. 24 crore has been made.

2.6 As per relevant instructions on the subject, 10% of the Plan Outlay is required to be earmarked for Development of North Eastern Region/Sikkim. If the amount is not spent, the same is transferred to the Non lapsable pool of the Central Government.

### Development of North Eastern Region/Sikkim

(Rs. in crores)

Actual 2010-11	Actual 2011-12	RE 2012-13	Actual 2012-13 (Apr.-Dec., 12)	BE 2013-14
0.00	0.00	25.00	0.00	24.00

2.7 As regards the schemes implemented by the Ministry of Coal in North Eastern Region including Sikkim an allocation of Rs. 25 crore (major head - 2552) was made for North Eastern Region and Sikkim during 2012-13. During 2013-14, a provision of Rs. 24 crore has been made. The Government in their Action Taken Reply to the recommendation contained in 24th Report of the Committee on Demands for Grants (2012-13) had submitted as under:—

“The Ministry have noted the recommendation of the Honourable Committee for taking appropriate action.”

2.8 In this regard, during evidence, Secretary (Coal) submitted as under:—

“The amount of Rs. 24 crore of the Northeast component we have not been able to utilise. So, that goes to the Non Lapsable Pool of the DONAR Ministry. This time, I will try to explore in what way we can use the Northeast component also.”

#### NON-PLAN OUTLAY

2.9 The Non-Plan Budget (2013-14) of Rs. 47.70 crores mainly comprises of funds required for Secretariat (Economic Services), Coal Controller’s Organisation, payment of Government contributions statutorily required under Coal Mines Pension Scheme, 1998 framed under Coal Mines Provident Fund and Misc. Provisions Act, 1948. Further an amount of Rs. 50.00 crores has been kept for payment of compensation for acquisition of coal bearing areas under Coal Bearing Areas (Acquisition and Development) Act, 1957. However since the lands acquired become properties of the subsidiary companies of the CIL, the CIL deposits a fund with the Government of India (Ministry of Coal) and the Ministry of Coal releases the amount of compensation through the subsidiary companies for releasing the same to the land oustees by the subsidiary companies. These releases of Compensation thus do not entail any net outgo from Government. The Non-Plan Budget can not be linked to deliverable outputs.

## CHAPTER III

### IMPLEMENTATION OF CENTRAL SECTOR SCHEMES

#### **(A) Research and Development**

The Government of India through Ministry of Coal's Science & Technology (S&T) Plan and Coal India Limited through its R&D Board support research and development activities for improvement in production, productivity and safety in coal mines, coal beneficiation and utilisation and protection of environment and ecology. Funds are being earmarked annually by the Ministry of Coal and CIL to carry out research work on the above subjects in coal and lignite sector. Standing Scientific Research Committee (SSRC) under the Chairmanship of Secretary (Coal) is the Apex Body to administer coal related research activities from Budgetary Support and research grant of Coal India is administered through CIL R&D Board under the Chairmanship of Chairman, CIL Central Mine Planning and Design Institute (CMPDI) is the nodal agency for coordination and monitoring S&T Plan Schemes and CIL R&D projects. These projects are being implemented by various research and academic institutes related to coal and allied industries with active participation of coal and lignite mining companies. Besides being the nodal agency, a number of research projects have also been implemented/are being implemented by CMPDI directly.

3.2 The amount allocated at BE stage during 2013-14 is Rs. 11.65 crores only. In RE 2012-13, the allocation was Rs. 11.40 crores whereas the actual expenditure on R&D during 2011-12 was Rs. 10.62 crores.

3.3 Out of 18 on-going projects during 2012-13, 3 have been completed. One is expected to be completed by Mar., 2013. During 2013-14, there will be 19 on-going projects, out of which 3 projects are to be completed. (B.G. NOTE)

3.4 The status of Coal S&T Projects funded by Ministry of Coal under Coal S&T Grant during the 11th Plan and 12th Plan period

(till 31.12.2012) is given below:—

**Status of Coal S&T Projects**

LAN YEAR	11th Plan					12th Plan	
	07-08	08-09	09-10	10-11	11-12	12-13	13-14 (Projected)
Spill over projects from previous year	36	34	28	23	16	14	14
Projects sanctioned during the year	09	05	07	02	06	04	05
Projects on-going during the year	45	39	35	25	22	18	19
Projects completed during the year	10	10	10	08	07	03 (till 31.12.12) + 01*(expected)	03
Projects terminated/foreclosed during the year	01	01	02	01	01	—	—
On - going projects	—	—	—	—	—	14	—

\*1 project is expected to be completed by the end of March, 2013.

3.5 On being asked whether the funds allocated under R&D for 2013-14 are sufficient for implementing schemes by Ministry of Coal, the Committee were informed as under :—

“The approved outlay for Science & Technology (S&T) scheme for 2013-14 is Rs. 11.65 crore only against the proposed outlay of Rs. 16.0 crore. However, the actual requirement may be more than Rs. 11.65 core.”

3.6 When asked to furnish details of PSU/Subsidiaries-wise funds allocated and utilization for R&D activities during the last 3 years and the details of the projects undertaken during these years, in a written reply, the Ministry of Coal submitted as under :—

“S&T fund is for total Coal Sector projects and not allocated specific to coal companies. S&T projects under S&T Grant of Ministry of Coal (MoC) are presently being implemented by National Research and Academic Institutions related to coal and allied industries with active participation of coal and lignite producing companies.

Therefore, generally funds are being disbursed to these agencies to execute various activities of S&T projects in the mines of Coal India Limited (CIL), Singareni Collieries Company Limited (SCCL) and Neyveli Lignite Corporation (NLC).

In addition to S&T grant of Ministry of Coal, CIL has a full fledged in-house Research and Development set up with a vision to promote R&D in emerging and challenging areas of science and mining technologies for improvement in coal exploration, production, productivity and safety in coal mines, coal beneficiation and utilization and protection of environment and ecology including introduction of new technologies and techniques in the areas of mining, strata control and mine communication etc.

The R&D Board of CIL under the chairmanship of CIL is set up to oversee and approve the Plan, Programme, Budget and provide financial support for all activities related to R&D projects. R&D projects under funding of CIL are presently being implemented by National Research and Academic Institutions with active participation of coal subsidiary companies of CIL.

As mentioned above, generally funds under the R&D Scheme of Ministry of Coal are not directly allocated to different PSU/ Subsidiaries of CIL. Details of S&T projects are given in **Annexure-I**. The expenditure during the last three years are given below in the table:—

Company	Turnover			Total R&D fund			Total R&D fund disbursed		
	10-11	11-12	12-13 (till 31.12.12)	10-11	11-12	12-13	10-11	11-12	12-13 (till 22.03.13)
CIL	50229.28	62415.43	48398.17	33.00	30.00	12.00	30.02	16.65	11.06

3.7 The Committee were keenly interested to know about initiatives/measures have been taken by CMPDIL for technology upgradation works regarding coal mining during last 3 years and details of the funds allocated, actuals and the resultant achievements



thereon. When asked so, the Ministry of Coal in a written reply furnished to the Committee as under:—

“CMPDI is fully equipped to monitor and co-ordinate the on-going technology upgradation through Science & Technology activities under the Science & Technology programme of Ministry of Coal.

CMPDI besides being the Nodal Agency, also implements a number of research projects. CMPDI has emerged as a premier R&D unit over the years, with well-equipped laboratories for carrying out investigations for Geo-Chemical, Coal Petrography, Mining Technology, Coal Bed Methane, Coal Washability, Environmental and Geo-physical studies.

Besides being nodal agency, CMPDI is also conducting a wide range of research work in exploration, mining, mine safety, geomatics, environment related activities in mining, coal preparation and utilization etc. for safe and optimum exploitation of coal reserves.

As mentioned above, the CMPDI has laboratories with highly skilled manpower and state-of-the art equipment. The data generated by these laboratories form the basis for characterization and grading of coal in exploration, mine feasibility reports, washery design, Coal Bed Methane (CBM) assessment, preparation of EMP and downstream utilization of coal.

Coal Bed Methane (CBM) in recent years has established itself as a major source of clean energy to meet the demand challenges. Methane is also a potent greenhouse gas and its mitigation and gainful utilization is beneficial both in terms of environment protection and making future coal mining safe. CMPDI/CIL has taken up commercial development of Coal Bed Methane (CBM) on priority for developing new and clean technologies for exploitation of coal reserves.

To facilitate assessment of Coal Bed Methane (CBM) resource for its commercial development, a Coal Bed Methane (CBM) lab was established in CMPDI during 2008. This state of art lab is capable of conducting all the requisite tests for assessment of Coal Bed Methane (CBM) resource.

Recently the Coal Bed Methane (CBM) lab has equipped itself with an Adsorption Isotherm (AI) setup which is capable in measuring methane adsorption capacity of coal samples. This AI set up is only of its kind in the country.

One Science & Technology project is under implementation by CMPDI , Ranchi in association with NGRI, Hyderabad and CIMFR, Dhanbad to evaluate Damodar basin for shale gas potentiality through integrated geophysical, geological, geo-chemical and petro-physical investigations.

Based on the state-of-the art infrastructure facilities and well equipped laboratories, Department of Science and Industrial Research (DSIR) under Ministry of Science & Technology, has granted recognition to CMPDI as an In-house R&D unit up to 31.03.2017.

There are some major research projects supported under Science & Technology Grant of Ministry of Coal for technology upgradation in respect of coal mining, as outlined below:

***1. Delineation of barrier thickness against water logged workings in underground coal mines***

Total approved cost : Rs. 382.1192 lakh

Total fund disbursed : Rs. 381.00 lakh

Status: Under this project, a new Ground Penetrating Radar (GPR) system namely "Mine Vue" having a depth of penetration of 60m was developed by CIMFR in association with M/s International Ground Radar Inc., Canada. This is the world's first intrinsically safe long range Ground Penetrating Radar (GPR) system. Extensive field trials were carried out in three (3) mines of Eastern Coalfield Limited (ECL) & five (5) mines Bharat Coking Coal Limited (BCCL).

Demonstration of Ground Penetrating Radar (GPR) was made at Kachhi Balihari (KB) and Bhagabandh collieries of BCCL and finding were presented at CIMFR. The technology was found to be satisfactory fulfilling the project objectives. The developed GPR is capable of delineating barrier thickness of 60.0 m or so towards blind water logged heading with an accuracy of  $\pm 10\%$ . However, more field trials are required for interpretations and calibration of GPR for detecting water logged workings.

***2. Integrated communication system to communicate and locate trapped underground miners***

Total approved cost : Rs. 459.59 lakh

Total fund disbursed : Rs. 405.00 lakh

Status: Through-The-Earth (TTE) messaging and also two-way wireless communication systems have been developed and installed successfully at Bhurkunda Colliery of CCL. The integrated system is now being used with digital wireless telephones in Bhurkunda mine. Now one can make a phone call from underground to anywhere in the world and *vice-versa*.

***3. Development of Tele robotics and remote operation technology for underground coal mines***

Total approved cost : Rs. 440.12 lakh

Total fund disbursed : Rs. 170.00 lakh

Under this project, it is proposed to develop tele-robot on-line continuous monitoring system for various mine parameters related to underground mine environment and roof strata.

The project is being implemented by CMERI, Durgapur, CIMFR, Dhanbad and CMPDI, Ranchi.

***4. Development of self advancing (Mobile) Goaf Edge Supports (SAGES) for depillaring operations in underground coal mines***

Total approved cost : Rs. 197.75 lakh

Total fund disbursed : Rs. 100.00 lakh

Status: Design and fabrication of two (2) nos. of Self Advancing (mobile) Goaf Edge Supports (SAGES) have already been developed using Finite Element Modeling (FEM) analysis by M/s JBEPL in association with ISM, Dhanbad. Field trial is in progress at Bastacola underground mine of BCCL."

3.8 When asked about details of new projects which are proposed to be undertaken during 2013-14 for R&D, the Committee were furnished information as under:—

"New Science & Technology projects will only be commenced after approval of Standing Scientific Research Committee (SSRC) during 2013-14. Hence, it may not be possible at this stage to provide details of new projects to be undertaken during 2013-14.

However, for enhancing quantum of research work needed to address the complexity of operations of the coal industry and for wider involvement of research agencies including private organizations with adequate infrastructure and expertise, the

CMPDI on behalf of Ministry of Coal invited research proposal through Expression of Interest (EoIs) for funding under Science & Technology Grant of MoC for the following thirteen (13) topics:—

- (i) Effective method to extract coal reserves standing on pillars below infrastructure/developed area without stowing.
- (ii) Safe parting between underground and opencast workings for simultaneous mining.
- (iii) Design and development of procedure to assess safe barrier width for advancing benches in opencast mines.
- (iv) Development of online remote field analysis and monitoring system for (a) optimal blast design (b) fragmentation measurement and (c) fly rock risk assessment.
- (v) Introduction of water jet cutting technology in coal mines for seams on fire.
- (vi) CBM reserves estimation for Indian Coalfields to produce 10% or less ash clean coal from washery slime.
- (vii) On-line washability analysis by using CT system.
- (viii) To study the caving behaviour of roof rock due to presence of OB dump on the surface/quarry floor and suggest suitable support design as well as minimum hard cover for safe caving of roof rock.
- (ix) Fugitive Emissions of methane gas from opencast mines.
- (x) Early warning system for roof fall prediction in underground mines.
- (x) Early warning system for predicting dump or highwall failures in opencast mines.
- (xi) High concentration fly ash slurry stowing in underground coal mines.”

3.9 On a specific query regarding steps been taken or proposed to be taken to ensure timely completion of various ongoing and new projects under R&D, the Ministry of Coal apprised the Committee in a written reply as under:—

“a. Progress of Coal Science & Technology projects is monitored by CMPDI and reviewed by the Technical Sub-committee of Standing Scientific Research Committee (SSRC) as well as the SSRC headed by Secretary (Coal). Implementing agencies submit

quarterly progress reports of the projects to CMPDI which, after examination, are placed before SSRC Sub-committee and SSRC.

b. Periodic visits to the implementing institutes are undertaken by CMPDI officials to monitor the progress of these projects and necessary assistance is extended to them.”

3.10 As regards the steps/measures taken towards promotion of clean coal technology and identification of coal blocks for coal to liquid project, the Ministry of Coal apprised the Committee as under:—

“As a joint effort of Government of India, US Government and Coal India Ltd.—“India CMM/CBM Clearing House” established at CMPDI. The clearing house would provide thrust to development of CBM/CMM in India as a part of CIL’s commitment to make use of coal in an environment friendly manner as well as pursuing clean coal technologies.

CMPDI has successfully implemented an UNDP/GEF/GoI funded CBM/CMM recovery and utilization demonstration project at Moonidih mine of BCCL, which has proved efficacy of CMM production in Indian geo-mining conditions.

Further, a study has been conducted to correlate stress and permeability in CBM basins of India. Knowledge of the *in-situ* stress field is vital to the oil/gas industry for assessing and maximizing well bore stability and gas recovery.

An S and T project is under implementation by CMPDI, Ranchi in association with National Geophysical Research Institute (NGRI), Hyderabad and CIMFR, Dhanbad to evaluate Damodar basin for shale gas potentiality through integrated geophysical, geological, geo-chemical and petro-physical investigations.

Regarding CTL, at present, there is no indigenous technology exists in India for the conversion of Coal to Liquid. However, in this direction, as a first step, one S and T project funded by Ministry of Coal titled “Development of indigenous catalysts through pilot scale studies of Coal to Liquid (CTL) conversion technology” is under implementation by CIMFR, Dhanbad in association with CMPDI, Ranchi. Under this project, it is proposed to develop indigenous suitable catalysts through pilot scale studies and for further scale-up to commercialization.

For CTL blocks no specific S and T project has been taken but various data are being generated for delineation of CTL blocks.

Science and Technology Projects (R and D Projects), which are proposed to be undertaken during 2013-14, along with their estimated cost, duration and the expected expenditure are given at **Annexure-II'**.

**(B) Environmental Measures and Subsidence Control (EMSC)**

3.11 The objective of this scheme is to improve the environmental conditions in the old mined out areas of Jharia and Raniganj Coalfields by addressing fire and subsidence problems.

Major thrust areas in EMSC during the 11th Plan period are the following:—

- (a) Control of subsidence in the old, abandoned waterlogged workings in Raniganj Coalfields.
- (b) Control of mine fires and subsidence in Jharia Coalfields.
- (c) Reclamation of mined-out areas in older coalfields like Raniganj, Jharia, Bokaro, Karanpura, etc.
- (d) Rehabilitation of unstable and fire affected areas in Jharia and Raniganj Coalfields.

3.12 Against the Budget Estimate of Rs. 9 Crore, for EMSC during 2012-13 , the RE were NIL and the budget allocation for 2013-14 has proposed only a meager 0.90 crores. For EMSC schemes in coal mines including Jharia and Raniganj.

3.13 According to Ministry of Coal, all the EMSC schemes have been merged in the Master Plan dealing with fire, subsidence, rehabilitation and diversion of surface infrastructure in Jharia and Raniganj coalfields within the leasehold of BCCL and ECL which was sanctioned by the Government in August, 2009 at an investment of Rs. 9773.84 crores to be implemented in ten years. This is being funded partly by the internal resources of CIL and partly from the Budget from collection of stowing Excise Duty under the CM (C and D) Act, 1974.

**Master Plan for Jharia and Raniganj for Subsidence and Fire Control and Rehabilitation Programme.**

3.14 The details of EMSC are as furnished below:—

**Jharia coalfield in the leasehold of area of BCCL:**

Prior to the approval of the Master Plan in August, 2009, five nos. EMSC schemes in the BCCL leasehold area for fire control, shifting of people from endangered sites and reclamation of degraded land were in operation. The Master Plan for Jharia

coalfield for dealing with Fire, Subsidence and rehabilitation in the leasehold area of BCCL was approved by the competent authority in August, 2009, for a total capital expenditure of Rs. 7112.11 crores against which capital expenditure of Rs. 210.55 crores. has been made till date.

As such, the approved Master Plan provisions included the balance capital required for the then ongoing EMSC schemes from which the same are funded.

The present status of the above 5 nos. EMSC schemes in BCCL leasehold area is as under:—

EMSC Schemes	Particulars	Status
EMSC-21	Fire control at Rajapur	Completed
EMSC-22	Fire control at Alkusha	Completed
EMSC-23	Fire control at Industry	Completed
EMSC-34	Reclamation of degraded land in 125 ha	Closed
EMSC-24	Shifting of people from the most Endangered sites of BCCL	This job is being done under the approved Master Plan from Capital provision of Rs. 4780.60 crores

In view of the above, there is no requirement of funds under EMSC schemes.

#### **Raniganj Coalfield in the leasehold area of ECL**

Prior to the approval of the Master Plan in August, 2009, 6 nos. of EMSC schemes were under operation for stabilization of unstable areas which have been dropped after the approval and implementation of the Master Plan for Raniganj coalfield with an approved capital provision of Rs. 2661.73 crores for dealing with Fire, Subsidence and Rehabilitation, against which a capital expenditure of Rs. 160.64 crores has been made till date.

During the formulation of the Master Plan, the expert committee opined that the stabilization of the unstable areas would not result in the long term stability and the habitation of all the unstable sites needs to be shifted and rehabilitated and the same work is being carried out under the capital provisions of the approved Master Plan.

In view of the above, there is no requirement of funds under EMSC schemes presently.”

3.15 The Ministry of Coal has further informed the Committee that Government has also revised the carpet area of dwelling units as per JNNURM norms for families to be rehabilitated under the Master Plan for dealing with Jharia and Raniganj Fire Subsidence Control. The implementation of the Master Plan for Jharia and Raniganj Coalfields is being monitored by the High Powered Central Committee (HPCC) constituted by this Ministry under the Chairmanship of Secretary (Coal). So far, seven meetings of the Committee have been held. More than 50% of demographic survey work has already been completed for rehabilitation of the affected persons. In BCCL area 2352 houses have been constructed, in which 1151 families have been shifted till 31.12.12. For shifting of BCCL employees 344 houses have been built and another 1152 triple storied quarters are under construction in various non-coal bearing zones. Further, Demographic Survey of 106 locations has been completed out of 141 identified unstable locations in Raniganj Coalfield Area under ECL.

3.16 As regards the year-wise funding arrangement for implementation of Master Plan, the Committee were informed as under in a written reply by the Ministry of Coal during examination of Demands for Grants (2012-13):

Years	JCF	RCF	Total	CIL Contribution	CCDAC Contribution
1.	94.58	303.54	398.12	350.00	48.12
2.	94.14	277.35	371.49	350.00	21.49
3.	640.18	304.06	944.24	350.00	594.24
4.	721.26	298.35	1019.61	350.00	669.61
5.	777.51	293.17	1070.68	350.00	720.68
6.	731.41	232.46	963.87	350.00	613.87
7.	729.09	239.26	968.35	350.00	618.35
8.	686.39	241.15	927.54	350.00	577.54
9.	682.82	239.29	922.11	350.00	572.11
10.	674.38	233.10	907.48	350.00	557.48
11.	676.14	—	676.14	350.00	326.14
12.	604.21	—	604.21	350.00	254.21
Total	7112.11	2661.73	9773.84	4200.00	5573.84



3.17 When asked about details, the reasons for downward revision of BE for 2012-13 towards environmental measures and subsidence control scheme by the Ministry of Coal in Coal Mine areas, the Ministry furnished the following information to the Committee:—

“Since CIL’s contribution is envisaged to be Rs. 350 crore per annum, it has been decided to first spend the resources from CIL and any additional funds would be made available from the budget. Hence a token budget provision has been made in 2013-14.”

**(C) Regional/Promotional Exploration in Coal and Lignite**

3.18 The objective of the scheme is to undertake regional drilling for identification of additional resources of coal and lignite for inclusion in the National Inventory; Preparation of web-enabled Integrated Coal and Lignite Resource Information System (ICRIS/ILRIS) and Assessment of CBM resources. The BE and RE for Regional Exploration during 2012-13 were Rs. 62.00 crore and Rs. 13.00 crore respectively. The allocation for 2013-14 is Rs. 40.90 crore against the projected demand of coal Rs. 107.35 crore.

**Status of Promotional Exploration in Coal and Lignite**

(Drilling in metre)

Command Area	2011-12 Actual	2012-13 BE	2012-13 Proposed RE*	2013-14 Proposed BE*
<b>Physical:</b>				
1. Drilling in C.I.L. Command Area	34930	45000	31000	73500
2. Drilling in S.C.C.L. Command Area	9228	13000	7000	15500
3. Drilling in Lignite Areas	49564	53000	53000	64000
<b>TOTAL</b>	<b>93721</b>	<b>111000</b>	<b>91000</b>	<b>153000</b>

\*Achievement of target depends upon timely availability of forest clearance to take up drilling in forest areas, local support and occurrence of lignite in identified blocks. These targets were fixed keeping in view the higher projections of fund requirements. However, the actual funds made available are not adequate and CMPDIL will need bridging loan from CIL to achieve these targets.

3.19 When asked as to what were the physical targets for regional exploration during 2012-13 and what was the actual achievements,

the Ministry of Coal submitted in a written reply as under:—

“The targets for Promotional (regional) drilling in new areas was 1.11 lakh metre at BE stage and 0.91 lakh metre at RE 2012-13. As against this, 1.0 lakh metre of Promotional (regional) drilling has been carried out till February, 2013. It is likely that target of 1.11 lakh metre will be achieved.”

3.20 On being asked about the target for 2013-14 and details of new sites/mines discovered through regional exploration during 11th five year plan period (2007-12) and 2012-13, the Ministry of Coal, furnished the following information:—

“The target for Promotional (Regional) Drilling in new areas is 1.53 lakh meter for BE 2013-14. CMPDIL has placed a demand of Rs 107.35 crore (ex-NE including TSP) for Regional Drilling and associated projects in BE 2013-14. However as sum of Rs 45.00 crore has only been provided in the budget. This needs to be enhanced at RE level to meet the projected drilling programme.

As a result of Promotional (regional) Exploration 58 new coal sites and 22 new lignite sites have been identified during 11th Plan and 2012-13.”

Under ICRIS project (CMPDI), processing of data for creation of Geological models is in progress and models of 13 zones have been prepared during the period April to December, 2012. Updation of database with new data and updation of data collected earlier are under process.

Under ILRIS project (NLC), UNFC classification of reserves of 147 blocks has been done. Salient features of 65 blocks have been completed and 10 GRs uploaded during the period April to December, 2012. CMPDI and GSI have collected samples from 4 and 1 boreholes, respectively, for CBM studies during the period April to December 2012. The analysis of collected samples was under progress.

#### **Detailed Exploration in non-CIL Blocks**

3.21 According to Ministry of Coal, CMPDI is continuing the Detailed Exploration in CIL and Non-CIL blocks as per the programme. The exploratory drilling in Non-CIL/Captive Mining blocks is taken

up under the Ministry of Coal Plan Scheme of 'Detailed Drilling in Non-CIL Blocks'. The details of actual drilling in Non-CIL/Captive Mining Blocks in 2011-12 and programme for 2012-13 & 2013-14 are given below:—

**Status of Detailed Exploration in non-CIL Blocks**

(Drilling in metre)

Agency	2011-12 Actual	2012-13 BE	2012-13 Proposed RE*	2013-14 Proposed BE*
<b>Physical:</b>				
(1) CMPDI Departmental	55230	52900	70500	75000
(2) Outsourcing by CMPDI & MECL	166648	122000	209000	375000
Total	221878	174900	279500	450000

Achievement of target depends upon timely availability of forest clearance to take up drilling in forest areas, local support and availability of suitable agencies for exploration in future tendering. The projected requirement of funds was higher for these targets. However, since the actual funds becoming available may not suffice the requirement and CMPDIL may need a bridging loan from CIL to meet these targets.

The Committee were also informed through written replies that the targets for detailed drilling in Non-CIL blocks was 1.75 lakh metre at BE stage and 2.79 lakh metre at RE stage during 2012-13. As against this, 1.96 lakh metre of drilling has been carried out till February, 2013.

Note: During the period April to December, 2012, a total of 1,51,346 m of detailed drilling has been carried out in Non-CIL blocks. Out of it, 49,520 m has been drilled through departmental resources and 1,01,826 m of drilling has been carried out through outsourcing. GR of one block has been submitted during the period.

**(D) Detailed Drilling**

3.22 The objective of the scheme is to undertake detailed drilling for generation of data for proving the indicated/inferred resources identified during Regional Exploration and use the same in preparation of Geological Reports leading to Feasibility Studies and formulation

of Project Reports. Provision is made for detailed drilling in the non-CIL coal mining blocks so that the geological reports generated may help the prospective investors in taking investment decisions regarding coal mining and reduction of time for preparation of mining plan. This step would promote private investment in the coal mining industry. The scheme is implemented by CMPDIL with the help of GSI, MECL and some private institutions.

3.23 The BE 2012-13 for Detailed Drilling were Rs. 123.30 crore which were increased to Rs. 188.30 crore at RE stage during the year 2012-13. The amount allocated for the scheme during 2013-14 was Rs. 143.05 crore against the proposed funds of Rs. 292.73 crore.

3.24 When asked about the reasons for bringing down the allocation for detailed drilling during 2013-14, the Committee were informed as under:—

“CMPDI has placed a demand of Rs. 258.94 crore for 4.5 lakh metre of detailed drilling in Non-CIL/Captive Mining blocks in BE 2013-14. However, the requirement has been revised to Rs. 217.64 crore (ex-NE & including TSP) for 3.62 lakh metre of drilling in 2013-14. The provision of Rs. 188.30 crore at RE 2012-13 includes Rs 35.00 crore of Loan amount from CIL and previous years dues of Rs 44.00 crore.”

3.25 When asked about how the target for detailed drilling in Non-CIL/Captive Mining blocks at 3.62 lakh metre for detailed drilling during 2013-14 would be achieved by CMPDIL, in a written reply, the Ministry of Steel have informed the Committee as follows:—

“CMPDI has already taken steps to increase its drilling capacity by increasing the average deployment of drills from 47 in 2008-09 to 55 in 2010-11/11-12 resulting in increase of departmental drilling from 2.28 lakh metre to 2.73 lakh metre, respectively. The actual outsourced drilling has also increased from 0.44 lakh metre in 2008-09 to 2.25 lakh metre in 2011-12. Thus the total drilling has increased from 2.72 lakh metre in 2008-09 to 4.98 lakh metre in 2011-12. In 2012-13, it is likely to reach to a level of 5.5 lakh metre. For outsourcing, work of detailed drilling/exploration in 26 blocks was awarded through open tendering whereas 19 blocks were given to MECL after entering in to a long term (5 year) MoU.

CMPDI has invested a capital of Rs. 19 crore in last three years for procurement of 20 drills, 29 pumps, 16 derricks and 35 trucks, to

replace old machinery and deploy additional drill units. Induction of 115 geologists, 14 geophysicist and 27 mechanical engineers for drilling have also been made to increase the capacity.”

3.26 When asked to provide details regarding action taken plan on detailed drilling to be undertaken during 2013-14 and beyond, state-wise, company-wise and mining block-wise, the Ministry of Coal furnished the following information to the Committee:—

“Ministry of Coal has identified 54 blocks for allotment to Central/ State PSUs through competitive bidding. Out of these blocks, 25 are earmarked for detailed drilling in 2013-14, besides seven other non-CIL blocks. Based on results of geological investigation, the programme for next year will be drawn. The list of such blocks is given below:—

State	Coalfield	Block	Targeted Drilling 2013-14 (m)
1	2	3	4
West Bengal	Raniganj	Dharma	9300
West Bengal	Raniganj	Bistupur Dandeswar	17000
Jharkhand	Rajmahal	Pachwara South	10000
Jharkhand	Rajmahal	Kalyanpur Badalpara	10000
West Bengal	Raniganj	Domra Panagarh	21000
Jharkhand	W.Bokaro	Duni	2500
Maharashtra	Kamptee	Mahajanwadi	10000
Maharashtra	Katol Basin	Dahegaon-Dhapewara	10000
Maharashtra	Kamptee	Kalambi Kalmeshwar	5000
Maharashtra	Bander	Mohan	5000
Madhya Pradesh	Pench Kanhan	Tambia	5000
Madhya Pradesh	Pench Kanhan	Dhau North	7000
Madhya Pradesh	Sohagpur	Bicharpur East	4000
Madhya Pradesh	Sohagpur	Bicharpur North	3000
Madhya Pradesh	Sohagpur	Shahdol	6000

1	2	3	4
Chhattisgarh	Hasdo Arand	Saidu North & South	15000
Chhattisgarh	Mand Raigarh	Banai	15000
Chhattisgarh	Mand Raigarh	Bhalumuda	15000
Chhattisgarh	Mand Raigarh	Jilga-barpali	20000
Chhattisgarh	Mand Raigarh	Meghuli & Sursa	12000
Chhattisgarh	Korba	Karkoma	10000
Madhya Pradesh	Singrauli	Gandbahera-Ujheni	20000
Odisha	Talcher	Chandrabila	7000
Odisha	Talcher	Tentuloi	22000
Odisha	Talcher	Sarapal Nuaparha	20000
West Bengal	Raniganj	Nabsan	15000
Madhya Pradesh	Sohagpur	Arjuni West	16000
Madhya Pradesh	Sohagpur	Arjuni East	16000
Chhattisgarh	Mand Raigarh	Dolesara	10000
Madhya Pradesh	Singrauli	Gandbahera-Ujheni (E)	10000
Odisha	Talcher	South of Naini-Bankui	10500
Odisha	Ib Valley	Chatabar West/East	4100
Total:			362400

Note: The above programme is a projection only and execution depends on actual ground conditions.

3.27 As regards the hurdles being faced in carrying out detailed drilling and the measures undertaken by the Ministry to address the same, the Committee were apprised as under:—

“Delays in Forestry clearance, adverse Law & Order conditions and cultivated land are the main hurdles faced in approaching the drill sites to carry out actual drilling through out the year. MoC has written letters to State Govts. to provide help in areas with adverse Law & Order conditions and taken up the issue of the need for reviewing the guidelines of MoEF for conducting exploration with enhanced boreholes density without prior forestry clearance with Ministry of Environment and Forests.”

**(E) Development of Transport Infrastructure in coalfields (DTIC)**

3.28 The objective of the scheme is grant of partial assistance to coal companies for Road, Rail and Infrastructural Development. In Budget 2013-14, Rs. 50 crores have been allocated for DTIC scheme as against Rs. 40 crores in RE 2012-13. The actual expenditure during 2011-12 for DTIC Scheme was however Rs. 22 crores only.

3.29 When asked about actual expenditure incurred during 2012-13 against the RE of Rs. 40 crore and details of Transport Infrastructure created/developed during 2012-13, the Ministry informed the Committee as under:—

“The actual expenditure and details of Transport Infrastructure created/developed during 2012-13 are as under:—

(Rs. in crore)

Year	Schemes	RE	Actual Expenditure	Remarks
2012-13	Development of Transport Infrastructure in coalfields(DTIC)	40.00	0.00	4 new road projects in coalfields areas of SECL, WCL, NEC & SCCL added in 2012-13.  17 roads on building pucca roads & repairing the old roads.  Claims of Rs. 85.48 crore (72.2181754 + Spill over for Previous year =13.2669504) were processed and approved during the year under this scheme. However, only Rs. 40 crore could be released during the year against these claims.

Year-wise expenditure reimbursed by CCDA during last 3 years is as under:—

2010-11	Rs. 22.00 Crores
2011-12	Rs. 22.00 Crores
2012-13	Rs. 40.00 Crores

Subsidiary-wise expenditure incurred on building new pucca roads and repairing the old roads which are being used for coal transportation during the last 3 years is given in **Annexure-III.**"

3.30 The Committee were interested to know about the steps been undertaken to mitigate the environmental pollution that is generated due to mining and transportation of coal. When a specific query was addressed to the Ministry in this regard, the Committee were informed as under:—

"The steps undertaken to mitigate the environmental pollution that is generated due to mining and transportation of coal are:—

#### **Air pollution control**

Air pollution is being controlled by regular spraying of water on haul & coal transportation roads, Coal Handling Plants, all coal transfer points, Coal & OB faces, coal stockpiles etc. by fixed as well as portable water sprinklers. Other steps like fitting drills with dust collection system/wet drilling, black topping/concreting of coal transportation roads are taken up to minimize dust generation. Use of surface miners to extract coal in a big way also reduces the air pollution. Efforts are being made for use of more & more belt conveyors, rail etc. for coal transportation to minimize road transportation for reducing air pollution. Massive trees plantation in and around mines also minimizes the impact of air pollution on neighbouring areas.

#### **Water pollution control**

Mine water is being passed through sedimentation pond to arrest sediments and clean runoff is being used for beneficial use such as domestic, industrial requirement of the company as well as domestic/agricultural use of the community around, to extent possible and rest into natural water courses. Besides more and more dewatering pumps are operated from pontoon, relative clean water is pumped from OC mines. Effluents from workshops are passed through Oil & Grease Traps and recycled/reused for dust suppression and for Industrial washing purposes. In major Mines, Domestic effluents are being treated in Domestic Effluent Treatment Plants and in other mines in septic tanks.

#### **Noise pollution control**

Noise pollution is controlled through the careful selection of equipment, proper maintenance and insulation. Persons exposed to high noise level are being provided with ear muff. This is besides tree plantation between work places and residential areas. This pollution is generally within the premises and has no impact in the adjoining areas.



**Land Reclamation:**

This is being controlled by plantation on physically reclaimed mined out areas and on the OB dump areas, plantation in and around mines, road sides, township/residential areas, available vacant spaces and implementation of conservation plan for flora and fauna as per EC. This is apart from the payment made for compensatory afforestation to Forest departments for enriching the forest area degraded for non-mining reasons on twice the area that has been diverted for mining use.

The reclamation monitoring of all the opencast mines are being done through Satellite Surveillance. Mines having production of more than 5 million mt per annum (coal + OB taken together per annum) are regularly done on annual basis and others in 3 years, based on remote sensing satellite data, and uploaded on website of Coal India and concerned subsidiary company. CIL has been carrying out extensive plantation on reclaimed lands, OB dumps and vacant lands within the mine area and has created 33,128 Ha green cover through massive plantation, since its inception. Besides CIL is taking up projects with the help of Agriculture Universities to develop OB dump area into integrated farming land.

In addition, further environmental protection measures are being taken in compliance to condition of consent to operate from respective State Pollution Control Board.

In order to assess the effectiveness of the Environmental Management, regular monitoring of various environmental attributes are carried out as per Environment (Protection) Act, 1986 to assess the efficacy of environmental protection measures taken and if required additional measures are taken to keep the various environmental attributes within the prescribed limits of the regulatory agencies.”

3.31 An analysis of the figures of allocations and utilization reveals that though funds have been increased manifold for investment in the scheme for DTIC, the actual utilization had been very poor. When asked to furnish the reasons for the same., the Committee were informed as under:—

“An analysis of the figures of allocations and utilization reveals that not only funds have been increased manifold for investment

in the scheme for DTIC, the actual utilization has also been increased. Claims admitted are also higher than the available funds under the scheme.

(Figure in Rupees)

	2010-11	2011-12	2012-13
Demand admissible recommended by CCDAC	22,00,00,000	35,26,69,504	85,48,51,258 (72,21,81,754+ spill over for previous year =13,26,69,504)
R.E./Release by MOC	22,00,00,000	22,00,00,000	40,00,00,000
Spill over to next year	0	13,26,69,504	45,48,51,258

From above, it is observed that the demand in DTIC has increased in each year based on the expenditure incurred by coal companies, since 2010-11."

3.32 The Committee were keen to know if CIL and its subsidiaries have forayed into railways projects in coal mining areas in collaboration with State Government's/Indian Railways and when asked the same, the Ministry informed the Committee as under:—

"Yes, CIL and its subsidiaries have agreed to undertake Railway projects in coal mining areas in collaboration with Indian Railways. Major funding for these projects is from CIL and its subsidiaries. Some funding is also being extended from CCDA funds.

The details are given below:—

Sl. No.	Company	Rail Project	Actual Expenditure incurred till Sept. 2012
1	2	3	4
1.	Central Coalfields Ltd.	Tori-Shivpur-Hazaribagh (92.1 Km, Rs. 2345 Cr., 100%, Ph-I & II, East Central Railway )	Rs. 73.266 crore (Ph-I work, minor bridges work)
2.	Mahanadi Coalfields Ltd.	Jharsuguda alignment from Gopalpur-Monoharpur Block (50.504 Km, 100%, Rs. 640 Cr., S.E. Railway)	Rs. 43.64 crore (bridge over Ib river is in progress)

1	2	3	4
3.	Northern Coalfields Ltd.	Diversion of KBJ line between Shaktinagar & Krishnashilla, Khadia project, ( 3.66 Km, Rs. 20.62 Cr., 50% assistance) Rly. Sdg.	Rs. 4.4630792 Cr. (work will be completed in 2014)

#### (F) Conservation and Safety of Coal Mines

3.33 In the Budget 2013-14 Rs. 146.90 crores have been allocated for the conversation and safety of coal mines against Rs. 106.30 crores in RE 2012-13. However, the actual expenditure on the same during 2011-12 was Rs. 121.11 crores.

3.34 Under the scheme expenditure incurred by coal companies is reimbursed partially as per the statutory provisions under the Coal Mines (Conservation and Development) Act, 1974 primarily to ensure conservation of coal with related safety aspects of the coal mines and also to facilitate smooth movement of the coal to the consumers at large through infrastructure development. The said Act empowers Central Government to collect duty of excise on all coal produced and despatched from all the collieries in India (actually paid by the consumers) and to disburse, in each financial year, a sum not exceeding a net proceeds from such collection during preceding year or years, to owners, agents or the managers for execution of stowing and other operations for the safety in coal mines or conservation of coal, prosecution of research work connected with the conservation of coal or development of coal mines and any other purpose connected with the conservation of coal or transportation, distribution or utilising of coal. The principal objective of the Act is to collect excise duty on coal for disbursing the same in total back to the coal mines for conservation and development related works including infrastructure development.

3.35 The examination and scrutiny for reimbursement are done by a duly constituted 'Coal Conservation and Development Advisory Committee' (CCDA Committee) as per the provisions of Coal Mines (Conservation & Development) Rules, 1975. The Government partially reimburses (rest being borne by Coal Companies) these amount to the coal companies through budget provision taking into account the liability already existing during the preceding financial year. The requirement is assessed by the CCDA Sub-committee, followed by the CCDA Committee.

3.36 On being asked to give details of activities undertaken under this scheme during 2012-13 and proposed to be initiated in 2013-14, the Committee were informed as follows:—

“Activities undertaken during 2012-13

<b>Conservation and Safety in Coal Mines</b>			(Rs. in crores)
	No. of Mines	No. of Panels	Actual Fund Requirement
Stowing	104	298	233.93
Protective Work	42	-	24.07
R&D	-	-	2.00

<b>Activities proposed to be initiated in 2013-14</b>			(Rs. in crore)
	No. of Mines	No. of Panels	Actual Fund Requirement
Stowing	99	289	236.50
Protective Work	45	-	23.01
R&D	-	-	2.00

The actions/measures proposed to be taken for the proper utilization of funds and timely implementation of various schemes during 2013-14 have been apprised to the Committee as under:—

- (a) Environmental & Forestry Clearances proposals pending at various levels are required to be addressed expeditiously in a time bound manner.
- (b) Problems in Land acquisition and related R & R issues are to be sorted out expeditiously.
- (c) Issues related to coal evacuation need to be addressed. The Railway projects for evacuation of coal for NK Area of CCL & IB Valley & Talcher Coalfield of MCL need to be completed without any further delay. Action to be initiated for timely execution of railway project linked to Mand-Raigarh Coalfields of SECL.
- (d) Forestry Clearances are required for meeting the exploration target.
- (e) Addressing the issue of law & order situation in States like Jharkhand & Odisha.”

## CHAPTER IV

### INVESTMENT IN PSUs

#### Capital Outlay of Public Sector Undertakings (PSUs)

As per the 12th Plan (2012-17) document of Ministry of Coal, CIL have proposed for an investment/capital outlay of Rs. 25400.00 crore for the plan period. In addition, CIL has also kept an *ad-hoc* provision of Rs. 35000.00 crore for acquisition of assets abroad and development of coal blocks in Mozambique. As per the 12th Plan 2012-17 document, the coal production is envisaged to increase from 435.84 million tonnes (provisional) in the terminal year of 11th Plan *i.e.* 2011-12 to 615 million tonnes in the terminal year of 12th plan *i.e.* 2016-17. Thus, it is expected that there may be an average increase of about 36 Million Tonnes coal per annum during 12th Five Year Plan.

#### Investment in Public Enterprises from their own Internal and Extra Budgetary Resources (IEBRS)—Plan

##### Actual Expenditure and Outlay

Name of PSUs	(Rupees in crore)					
	Actual 2009-10	Actual 2010-11	Actual 2011-12	BE 2012-13	Actual 2012-13 (tentative)	BE 2013-14
CIL	2809.99	2539.72	3727.17	4275.00 + 5500.00#	3250.00	5000.00+ 4000.00#
NLC	1363.10	1444.65	1684.38	1687.45	1814.00	2304.21
SCCL	888.67	643.81	1070.56	3220.33	1728.00	4000.00
Total	5061.76	4628.18	6482.11	9182.78 + 5500#	6792.00	11304.21+ 4000.00#

# *ad-hoc* provision for acquisition abroad.

The details of investment of CIL, SCCL and NLC for 2013-14 is as under:—

1	(Rs. in crore)			
	2012-13		BE 2013-14	
	Projected	Approved	Projected	Approved
Coal India Limited	4275.00	4275.00	5000.00	5000.00
	+	+	+	+
	#5500.00	#5500.00	#4000.00	#4000.00

1	2	3	4	5
Singareni Collieries Company Ltd.	3220.33	3220.33	4000.00	4000.00
Neyveli Lignite Corporation Limited	1687.45	1687.45	2490.14	2304.21

#Adhoc provision for development and acquisition of coal resources abroad.

4.2 The Ministry of Coal, when asked to furnish details of the reasons for low utilization of Plan Outlays by CIL and SCCL during 2012-13 (upto Dec., 2012) and details of the projects/schemes affected due to low utilization of fund during 2012-13 by CIL and SCCL, has informed the Committee in a written reply as under:—

“The details of the reasons for low utilization of Plan Outlays by CIL for the year 2012-13 (Progressive-Dec.12) are summarized as under:

- Inordinate delay in environmental and forestry clearances of major projects.
- The delay in land acquisition of the projects. R & R Problems, demand beyond stipulated norms.
- Delay in implementation of rail infrastructure projects in a few growing coal-fields like IB/Talcher, NK, Mand-Raigarh etc.
- Law and order problem particularly in the State of Odisha & Jharkhand disrupting workings in the project.

The implementation of Projects has suffered due to problems arising out of delay in obtaining statutory clearances, land acquisition and associated R & R issues. However, there was no problem of lack of fund in any project of CIL.

None of the SCCL projects are affected due to low utilization of funds during the year 2012-13 as SCCL is planning the projects in advance to ground/construct the projects as per the schedule.”

4.3 On being asked to furnish year-wise and subsidiaries-wise investment made during 2012-13 and proposed for the rest of the 12th plan period by CIL to increase the coal production, the Committee were informed as follows:—

“Year-wise and subsidiary-wise investment made during 2012-13 and proposed for the 12th plan period by CIL to increase the coal

production up-to 615 MT by the terminal year of 12th Five Year Plan (2016-17) is given in the table as follows:—

**Capital Expenditure/Outlay**

(Rs. crore)

Company-CIL	2012-13 BE	2013-14 BE	12th Plan (2012-17) Total Proj.
ECL	450.00	525.00	2050.00
BCCL	300.00	850.00	2200.00
CCL	425.00	500.00	2500.00
NCL	850.00	800.00	4500.00
WCL	350.00	450.00	2200.00
SECL	900.00	850.00	4900.00
MCL	500.00	500.00	4700.00
NEC	15.00	15.00	75.00
Others**	135.00	160.00	525.00
Master Action Plan (Jharia & Raniganj) Fire	350.00	350.00	1750.00
CIL	4275.00	5000.00	25400.00
Additional <i>Adhoc</i> provision has been made for Acquisition of assets in abroad	5000.00	} 4000.00	25000.00
<i>Adhoc</i> provision for Development of Coal Block in Mozambique	500.00		10000.00

\*\*CIL/DCC/IICM/CMPDIL/Exploration through Outsource/R&D

4.4 As regards, the details of new projects proposed to be undertaken by CIL during 2013-14, the Committee were apprised as under:—

“As per the 12th Plan document, 7(seven) projects were envisaged to start contribution during the year 2013-14. However, only 1 (one) project Sonapur Bazari Combined OC project has already been approved and is under implementation. Chincholi OC, Dinesh OC and New Majri OC have been conditionally approved subject to finalization of agreement with prospective customers on cost

plus basis. Other projects *viz.* Hura OCP and Chuperbita OCP of ECL and Pichri OC of CCL are still awaiting statutory clearances.

However, Jhanjra 2nd CM UG, Chaptoria OC, Scheme of New Sethia, Jampali OC and Ketki UG projects are likely to start contribution during the year 2013-14.”

Financial performance of the NLC during the last three years:—

(Rs. in crore)

Year		Coal Sector	Power Sector	Total
2009-10	Target	524.09	1369.75	1893.84
	Actual	331.43	1031.67	1363.10
	Achievement (%)	63.24	75.32	71.97
2010-11	Target	313.94	1669.52	1983.46
	Actual	96.11	1260.58	1356.69
	Achievement (%)	30.61	75.50	68.40
2011-12	Target	104.58	1753.97	1858.55
	Actual	77.54	1606.84	1684.38
	Achievement (%)	74.14	91.61	90.63
2012-13 Actual upto Feb. 2013	Target (BE)	131.70	1555.75	1687.45
	Target (RE)	84.89	1697.37	1782.26
	Target (upto Feb. 13)	94.64	1360.78	1455.41
	Actual	52.59	1431.83	1484.42
	Achievement (%)	55.57	105.22	101.99
2013-14	Target (BE)	107.60	2382.54	2490.14

There was a shortfall in respect of financial achievement during 2009-10, 2010-11 and 2011-12. The reasons for shortfall in financial achievement were on account of delay in supply, erection and commissioning of new projects. However, during the year 2012-13, 101.99% has been achieved for the period April to February 2013.”



4.5 When asked to give status of the new and expansion projects of NLC including investment made during 2012-13 and physical targets achieved, the Committee were informed as under:—

“Status of the new and expansion projects of NLC including investment made during 2012-13:—

Sl. No.	Name of the Project	Expenditure during 2012-13 upto Feb. 13 (Rs. in crores)
1.	Hadla Lignite Mine Project 1.9 MTPA	0.29
2.	Bithnok Lignite Mine Project 2.25 MTPA	0.21
3.	Palana Lignite Mine 0.6 MTPA, Rajasthan	1.46
4.	Devengudi Lignite Mine Project 2.0 MTPA	0.44
5.	Re-structuring of Mine—I&IA	4.73

All the above projects are under formulation stage, so there is no physical target achieved.”

## CHAPTER V

### TRIBAL SUB-PLAN

Tribal Sub-Plan is component of State/Central plan that especially meant for development of tribals in scheduled areas. Sectoral allocations are made *via* respective departments. Plan amount is decided pertaining to the tribal concentration of the area. Tribal Sub-Plan (TSP) strategy was first started in the 5th Five Year Plan to have a focused emphasis on the integrated development of the tribal areas and the communities. With the fast developing world, tribals required specific attention not only with monetary allocation but along with special interventions for their rapid socio-economic development. It required an integrated approach of all departments in a united manner and not works in isolation.

5.2 The Committee were informed that Tribal Sub-Plan envisages reducing gaps between the tribals and non-tribals in health, education, communication and other areas of basic amenities of life by providing legal and administrative support. The Sub-Plan also implements income generating schemes to boost the income of the tribals on a sustainable basis by taking into account their aptitude and skill. The Planning Commission has prescribed guidelines for formulation, implementation and monitoring of TSP to central ministries and departments during the end of the 2006.

5.3 In BE 2013-14, Rs. 31.60 crore have been allocated as lump-sum provision for Tribal Sub-Plan (TSP).

5.4 The Ministry of Coal, when asked about the details of the schemes undertaken under this head during 2012-13 and the schemes that are proposed to be undertaken by the Ministry of Coal/Coal PSU's for the benefit and welfare of Tribals during 2013-14 in tribal mining areas, submitted the following information to the Committee:—

“This Ministry do not have any beneficiary oriented plan schemes for earmarking the funds for Tribal Sub-Plan. However, as per instructions from Ministry of Tribal Affairs in Feb., 2011, Ministry of Coal was required to earmark 8.2% of the outlays for Tribal Sub-Plan (TSP). Accordingly, this Ministry had earmarked Rs. 31 crore from the outlays provided in the Budget Estimate for the year 2012-13 for three plan schemes *i.e* (i) Regional/Promotional

Exploration; (ii) Detailed Drilling in Non-CIL blocks; and (iii) Conservation and Safety in Coal mines. Implementing agencies were directed to utilize these amounts earmarked for TSP for their exploration/conservation and safety programmes falling in tribal areas in order to absorb the earmarked outlays under Tribal Sub-Plan in tribal areas. During 2013-14 as well, funds of Rs. 31.60 crore have been earmarked for the above three schemes.”

## CHAPTER VI

### PRODUCTION, DEMAND AND SUPPLY OF COAL

#### Coal Demand—Planning Commission Assessment

There has been continuous increase in the sector-wise as well as overall demand for coal over the years. The demand from Power sector in particular has increased significantly from 397.43 million tonnes (including middling) in (2008-09) to 403.91 million tonnes (Prov.) in 2011-12 in the terminal year of 11th Plan. It is estimated to be 555.00 million tonnes for the year 2012-13 (BE). The Sector-wise total coal demand/actual supply during 2008-09 to 2012-13 (BE) is given below:—

#### Status of Demand and Supply of Coal

(in Million Tonnes)

Sector	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual*	2012-13 BE	2013-14 BE
1	2	3	4	5	6	7
<b>I. Coking Coal</b>						
1. Steel/Coke Oven & Cokeries (Indigenous)	16.58	16.45	15.90	16.05	22.30	23.98
2. Steel (Import)	21.08	24.69	28.00	30.04	30.00	30.00
Sub Total	37.66	41.14	43.90	46.08	52.30	53.98
<b>II. Non Coking Coal</b>						
3. Power (Utilities) RC	362.08	378.25	389.56	367.00	512.00	535.00
MID	(1.23)	(0.73)				
4. Power (Captive) RC	32.74	37.68	40.83	36.91	43.00	46.14
MID	(1.38)	(1.48)				
5. Cement	20.09	21.40	25.20	13.40	30.24	30.00
6. Sponge Iron/CDI	19.78	23.10	23.07	21.28	35.30	35.00

1	2	3	4	5	6	7	8	
7.	BRK & Others/ Fert./Export/MID SSF/NLW Cok/ Loco/Colly.con	RC	76.68	86.24	93.57	81.10	100.00	69.57
	Sub Total	RC	511.37	546.67	572.23	588.58	720.54	715.71
		MID	(2.61)	(2.21)				
	Total Raw Coal		549.02	587.81	616.13	634.66	772.84	769.69
	Middling		(2.61)	(2.21)				

\*Source: Prov. Coal Statistics 2011-12, CCO.

### Coal Production

Through a sustained programme of investment and greater thrust on application of modern technology, it has been possible to raise the production of coal from a level of about 96 million tonnes at the time of nationalization of coal mines in early seventies to about 539.94 million tonnes (All India) by 2011-12. As per the assessment during the formulation of Working Group for 12th Plan, the targeted coal production in the year 2012-13 will 575.00 million tonnes. With a view to meet the increased demand of coal, new coal mining projects and welfare activities are proposed to be taken. CIL has floated Expression of Interest (EoI) for engaging international consultants for modernization and technology development in their mines.

### Coal Production in Coal India Limited and SCCL

(in Million Tonnes)

Company	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual Prov.	2012-13 BE	2012-13 Upto March, 2012 (Prov.)	2013-14 BE	2016-17 Projec- tion
CIL	403.73	431.26	431.32	435.83	464.10	452.18	482.00	615.00
SCCL	44.54	50.43	51.33	52.21	53.10	53.19	54.30	57.00
Others	44.49	50.35	50.04	51.90	57.80	52.16	68.25	123.00
Total	492.76	532.04	532.69	539.94	575.00	557.53	604.55	795.00

Source: CCO.

As regards the demand and supply gap of coal, the Committee were apprised as under:—

Company	Five Year Period (Terminal Year)				
	12th Plan				
	11th Plan 2011-12	2012-13 (BE)	2012-13 (RE)	2013-14 (BE)	2016-17 Projection
Coal Offtake/Demand	634.80	772.84	691.51	769.69	980.50
Domestic Production	539.94	574.40	574.40	604.55	795.00
Gap	94.76	198.44	117.11	165.14	185.50

#### Company-wise raw coal production

(in Million Tonnes)

Company	2012-13			2011-12	Growth	
	AAP Target	Actual (Prov.)	% Achieved	Actual	Abs.	%age
ECL	33.00	33.90	103	30.56	3.34	10.93
BCCL	31.00	31.21	101	30.21	1.00	3.31
CCL	55.00	48.05	87	48.00	0.05	0.10
NCL	70.00	70.02	100	66.40	3.62	5.45
WCL	45.00	42.28	94	43.11	-0.83	-1.93
SECL	117.00	118.22	101	113.84	4.38	3.85
MCL	112.00	107.89	96	103.12	4.77	4.63
NEC	1.1	0.6	95	0.60	0.02	0.4
CIL	464.1	452.18	97	435.84	16.34	3.75

The Production Programme for NLC for BE 2013-14 with actual of 2008-09 to 2011-12 and actual upto December, 2012 are given below:—

#### Production of Lignite and Power in NLC

Item	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual (Prov.)	2012-13 RE	Actual upto Dec. 2012	2013-14 BE
Lignite (Mt.)	21.31	22.34	23.14	24.59	24.45	18.51	25.20
Power (MU)	15768	17656	17881.09	18789.44	17619.00	14323.89	18929.00

Physical Targets and financial requirements of PSUs during 2012-13 and 2013-14:—

**Coal India Limited and Singareni Collieries Company Limited**

The physical targets (relating to the Coal Production, dispatches, OMS and Profit/Loss) and achievements against them CIL and SCCL for last three years are given as under:—

Particulars	Coal India Limited					
	2011-12 (RE)	2011-12 Actual	2012-13 (BE)	2012-13 (RE)	2012-13 Actual upto Jan. 2013	2013-14 BE
Production(MT)	440.20	435.84	464.10	464.10	355.31	484.00
Dispatch(MT)	440.00	433.08	470.00	465.00	378.86	493.00
OMS (Tonnes)	4.84	4.99	5.23	5.18	4.95	5.51
Capital Exp./ Outlay (Rs. in crores)	4195.00 +	3727.17	4275.00 +	4100.00 +	1746.61	5000.00 +
	#1000.00		#5500.00	#150.00		#4000.00

# for development and acquisition of coal reserves abroad.

Particulars	Singareni Collieries Co. Ltd.					
	2011-12 (RE)	2011-12 Actual	2012-13 (BE)	2012-13 (RE)	2012-13 Actual upto Jan. 2013	2013-14 BE
Production(MT)	51.00	52.21	53.10	53.10	42.65	54.30
Dispatch(MT)	51.00	51.39	53.10	55.60	43.51	55.58
OMS (Tonnes)	4.15	3.93	4.05	4.00	3.75	4.39
Capital Exp./ Outlay (Rs. in crores)	1389.61	1070.56	3220.33	3220.33	1189.58	4000.00

**Neyveli Lignite Corporation Ltd.**

6.2 The Physical targets for 2011-12 (Actual), BE & RE 2012-13 and BE 2013-14 are given below:—

Particulars	Actual	BE	RE	BE
	2011-12	2012-13	2012-13	2013-14
Lignite Production in MT	24.59	24.80	24.45	25.20
Power Generation—Gross in MU	18789.44	18600	17619	18929

6.3 The Ministry, when asked to furnish a detailed statement of Coal stocks with CIL subsidiaries and SCCL at the end of each quarter of the last 3 years, the Committee were furnished the information as under:—

“Coal stock of subsidiaries of Coal India Limited at the end of each quarter of the last 3 years is given below:

**Coal India Limited (CIL)**

(Figures in Million Tonne)

Stock as on	ECL	BCCL	CCL	NCL	WCL	SECL	MCL	NEC	CIL
1.4.12	4.048	7.036	16.334	6.843	5.093	9.299	22.123	0.101	70.877
1.1.12	2.462	6.402	11.781	3.066	4.429	6.534	15.203	0.067	49.944
1.10.11	2.690	5.883	11.398	1.419	3.464	6.115	14.525	0.126	45.62
1.7.11	3.293	7.644	13.284	3.325	4.592	8.101	17.686	0.216	58.141
1.4.11	4.32	8.04	16.37	4.05	3.95	10.62	21.53	0.29	69.17
1.1.11	2.854	7.078	13.973	2.176	3.142	6.620	16.548	0.224	52.615
1.10.10	2.346	7.161	13.328	1.021	2.763	5.435	16.981	0.237	49.272
1.7.10	2.614	8.17	14.563	1.524	3.514	6.441	20.53	0.288	57.644
1.4.10	3.28	8.42	16.41	2.01	2.86	6.93	23.34	0.29	63.54
1.1.10	1.769	6.444	11.388	1.220	2.629	3.579	14.456	0.183	41.668
1.10.09	1.321	5.584	10.239	1.027	2.197	3.203	14.191	0.137	37.899
1.7.09	1.546	5.854	11.549	0.899	2.862	3.739	17.087	0.187	43.723

**Singareni Collieries Company Limited (SCCL)**

(In Million Tonnes)

Year	Coal stocks at the end of I Qr. (June)	Coal stocks at the end of II Qr. (Sep.)	Coal stocks at the end of III Qr. (Dec.)	Coal stocks at the end of IV Qr. (March)
2009-10	0.242	0.772	0.890	1.224
2010-11	1.050	0.588	1.324	2.413
2011-12	1.068	0.778	1.518	3.125
2012-13	1.139	1.102	1.797	-



6.4 As regards the details of the production target of Coal by CIL and its subsidiaries year-wise and subsidiary-wise during the 12th Five Year Plan, the Ministry furnished the information to the Committee as under:—

“As per AP—2012-13 & 12th Plan (2012-17) of MoC, and AP—2013-14 (Proposal), the year-wise details of projected coal production from CIL sources under the optimistic scenario are tabulated as under:—

(Figs. in Mt.)

Subsidiary	2012-13 BE	2013-14 BE	2014-15	2015-16 Projection	2016-17
ECL	33.00	34.50	36.00	38.00	45.00
BCCL	31.00	32.50	33.50	35.00	37.00
CCL	55.00	53.50	70.00	76.00	92.00
WCL	42.00	44.00	45.00	45.00	45.00
NCL	68.50	72.20	74.00	77.00	82.00
SECL	117.00	124.30	123.00	126.00	145.00
MCL	112.00	120.00	125.00	132.00	167.00
NEC	1.10	1.00	1.25	1.30	2.00
<b>Total CIL</b>	<b>459.60</b>	<b>482.00</b>	<b>507.75</b>	<b>530.30</b>	<b>615.00</b>

Source: Annual Plan Document-2012-13 and 12th Plan, March 2012, Ministry of Coal pp. 25, Coal Production program.

Note: The year-wise targets referred to above were fixed at the time of formulation of the 12th Plan. However following the discussions with the Planning Commission the Annual plan target for 2013-14 was fixed at 482 Mte.

Note: These productions are achievable only if the requisite clearances are processed in fast-tracked route and delivered within the specified time schedule. The issues affecting land acquisition, R&R, law and order and evacuation infrastructure will also have to be addressed in a time bound manner.”

6.5 The Budget document states that despite abundant coal reserves, we continue to import large volumes of coal. Coal imports during the period April-December, 2012 have crossed 100 million tonnes. It is estimated that imports will rise to 185 million tonnes in

2016-17. If the coal requirements of the existing power plants and the power plants that will come into operation by 31.3.2015 are taken into account, there is no alternative except to import coal and adopt a policy of blending and pooled pricing. In the medium to long term, we must reduce our dependence on imported coal. One of the ways forward is to devise a Public Private Partnership (PPP) policy framework, with coal India Limited as one of the partners, in order to increase the production of coal for supply to power producers and other consumers.

6.6 On being asked whether the Ministry of Coal have given any due consideration to the coal production through Public Private Partnership route so as to meet the ever increasing domestic demand, the Committee were submitted the following replies:—

“In pursuance of the announcement in the Union Budget, 2013 regarding Public Private Partnership (PPP) policy framework with Coal India as one of the partners, Ministry of Coal has set up a Committee with the following members on 18th March, 2013:—

- (i) Secretary (Coal) — Chairman
- (ii) Joint Secretary (Coal) — Member
- (iii) Adviser (P) — Member
- (iv) Representative from M/o Finance (Deptt. of Economic Affairs) —Member
- (v) Representative from M/o Planning Commission — Member
- (vi) Representative from M/o Law & Justice — Member
- (vii) Representative from M/o Labour — Member
- (viii) Director (T), CIL — Member
- (ix) Director (T), CMPDIL — Member Secretary

The terms of reference of Committee are as following:—

The Committee would devise a PPP policy framework with CIL as one of the partners, in order to increase production of Coal.

The Committee shall give a report within a month. The first meeting of the Committee would be held shortly.”

## Acquisition of Coal Mines Abroad

6.7 As regards acquisition of coal mines abroad made so far, the funds allocated and invested in acquisitions abroad and commencing of production therefrom, the Ministry have furnished the following information to the Committee:—

“Mozambique: CIL has been trying to acquire coal assets abroad since 2008. CIL through its Wholly Owned Subsidiary in Mozambique, namely, Coal India Africana Limitada CIAL has been successful in acquiring prospecting license for two coal blocks through international competitive bidding conducted by the Government of Mozambique. A multi-disciplinary team of five senior executives have been posted in Mozambique since February, 2012 and they have opened up office of Coal India Africana Limitada (CIAL) in Tete since March, 2012. Upon obtaining environmental clearance for exploration activities, drilling activities have been started since November, 2012 and about 3600 m of drilling has been carried out till date. The geological mapping works of the coal concession area and majority of boundary survey work have also been completed.

CIL has approved the provision of Rs. 35,000 crores for acquisition and development of coal assets abroad to be spent in 5 years during the 12th Plan period. Out of the aforesaid amount Rs. 10,000 crores has been allotted for exploration and development of coal blocks and creation of logistic infrastructure in Mozambique while the balance Rs. 25,000 crores has been kept for acquisition and development of coal blocks in other countries like South Africa, Indonesia, Australia, USA, Columbia etc.”

6.8 In addition to the existing mines/coal bearing areas with Coal India Ltd., Ministry of Coal in May, 2012 have tentatively assigned 116 coal blocks to CIL. Further, three coal blocks *viz.* Brahmini, Chicro, Pashimal and East of Damogoria from the de-allocated coal blocks have been assigned to CIL for undertaking mining preliminary perspective plan for development of the above blocks.

6.9 The Ministry when asked about perspective plan prepared by CIL for development of these blocks and production from these blocks during 12th Plan period, submitted information to the Committee as under:—

“Ministry of Coal in May, 2012 has tentatively assigned 116 coal blocks to Coal India Limited. In addition, three de-allocated coal

blocks *viz.* Brahmini, Chicro, Pashimal and East of Damogoria from the de-allocated coal blocks have also been assigned to CIL for undertaking mining on priority basis. CIL has submitted its tentative perspective plan for development of the above coal blocks. As reported by Coal India Limited (CIL), project report has been prepared in respect of two coal blocks, geological report is available in respect of 16 coal blocks, exploration activities have been completed in 11 coal blocks, exploration activities are in progress in 24 coal blocks and exploration activities are yet to be taken up in 66 coal blocks. Once exploration is completed, CIL would plan for starting the mining operation. As majority of the coal blocks have not been explored, the exploitable reserves can not be ascertained at this stage. As per the perspective plan submitted by CIL, it appears, none of the blocks would come into production during the 12th Plan period.”

#### **Emergency Coal Production Plan**

6.10 16 opencast projects/mines had been identified (3 in CCL, 6 in NCL, 3 in SECL & 4 in MCL) where production from existing mines/projects could have been enhanced at a higher level yielding additional production of 87.50 MT. Details of projects under Emergency Coal Production plan are given in **Annexure-IV**.

#### **Measures being taken to increase Coal Production**

6.11 The major increase in production is envisaged from the ongoing and the future projects. During the terminal year of 12th Plan period, the likely increase in production from the ongoing projects shall be about 114 MT and from the future/new projects is likely to be 97 MT.

6.12 At present there are 147 ongoing projects with an ultimate capacity of 436.94 Mty, are under various stages of implementation. These projects are likely to contribute 326 MT during the terminal year of 12th Plan period. Out of these 147 projects required clearances are available in 82 projects, 34 projects are awaiting forestry clearances, 13 projects are awaiting environmental clearances and 18 projects require both the environmental and forestry clearances. About 42 major projects are affected due to delays in land acquisition.

6.13 Regarding corrective measures been taken to increase coal production to match the demand of domestic sector during the last

3 years, the Ministry of Coal have furnished replies to the Committee as under:—

“The steps taken for increasing the coal production to increase domestic production of coal have been in the following areas by the Ministry of Coal:—

**New Projects:** Emphasis on taking up of new projects in the coal PSUs—CIL and SCCL and development of new projects through mine developer operator (MDO) route/outsourcing.

**Expansion of Existing projects:** Expansion of existing/ongoing projects wherever feasible and reorganization of existing mines where feasible.

**Better technology:** Adoption of mass production technologies for enhancing production from UG mines and adoption of high capacity Heavy Earth Moving Machinery (HEMM).

**Improved Coal evacuation and movement:** Strengthening of infrastructure for coal movement and constant persuasion with Ministry of Railways for expedition implementation of identified critical railway projects in potential coalfields.

**Better coordination with various Ministries and agencies for clearances:** Constant persuasion with the concerned authorities at Central and State levels for expediting environmental/forestry clearance; land acquisition and R & R issues.

Persuasion of State authorities for addressing law and order and rigorous monitoring of implementation of projects.

**Private sector and captive blocks:** Expediting development of captive coal blocks allocated to private and public sector companies and their monitoring.

**Steps also being taken by CIL to increase the production:** CIL has indicated the following steps to increase coal production to meet the country's requirement up to some extent:—

For Existing and Completed group of Mines:

- Manual loading is being replaced by deployment of SDL/LHD in underground mines and reorganization of transport system, wherever feasible.

- Universal Drilling Machines (UMD) is being deployed for enhancing capacity where feasible in underground mines.
- Additional coal mining equipments are being deployed for enhancing capacity where ever feasible.
- High wall mining technology is planned in some of the mines where geo-mining conditions permits. One of such has already been started in one of the subsidiaries (SECL) of CIL.
- High capacity equipments matching with bench height and stripping ratio are being introduced. For dumpers, up gradation from 35/50T to 60T, 85T to 100T and 120T, 150T to 190 and 240T are being undertaken. Similar action has been taken for standardization of other HEMM also.
- Old and surveyed off equipment are being substituted with higher size equipment.
- Thrust on automation and use of IT.
- Operator Independent Truck Dispatch System (OITDS) are under implementation in 11 existing mines.
- Maintenance and Repair Contract (MARC) with Original Equipment Manufacturer (OEM) are being introduced.
- Introducing of Surface Miners an eco-friendly mining technology is also being introduced in most of the projects whether condition permits.

SCCL has taken the following steps to increase the coal production:—

- Planning of new mines with mechanization.
- Introduction of High capacity Longwall for extraction of deeper deposits.
- Introduction of Continuous Miner.
- Optimum utilization of resources to enhance productivity.
- Expediting implementation of the projects.

In addition to the above following further steps being taken to overcome from perennial problems for enhancing coal production:—

- The increase in production in existing mines is being achieved through improvement in utilization by mechanization and modernization.

- Actions are being taken to implement ongoing projects in time bound manner to achieve targeted production as per schedule.
- Efforts are being taken by all the subsidiaries for obtaining EC/FC within the schedule time frame so that projects could able to start production in time.
- Efforts are also being taken by the subsidiaries with State Government agencies to acquire land for identified and expansion projects.”

## CHAPTER VII

### CONSTRAINTS AND HURDLES IN IMPLEMENTATION OF PROJECTS

There are many social, legal, political and economic dimensions to the execution of coal projects in mining areas. The problems and hurdles are many a time environmental, administrative and social, related to issues of replacement and rehabilitation of project affected persons.

7.2 Asked about the reasons for slippage in the implementation of coal and lignite Projects, the Committee were informed as under:—

- (a) Delay in acquisition of land and associated problems of rehabilitation.
- (b) Delay in diversion of forest land and associated problems of rehabilitation.
- (c) Delay in grant of Environmental and Forest Clearances.
- (d) Delay due to adverse geo-mining condition.
- (e) Delay due to restriction in exploration in forest area by MoEF.
- (f) Other misc. problems such as delay or discontinuance of work by contractor, non-participation in tender, DGMS permissions.

7.3 Regarding measures undertaken to improve project implementation, the Ministry of Coal in their Annual Report 2012-13 have stated as under:—

**(a) Land Acquisition and Rehabilitation:—**

- (i) Vigorous follow up action with concerned State Government Officials is being actively done to expedite land acquisition proceedings.
- (ii) Regular meetings with State Authorities *viz.* Land Revenue Commissioner, LR Secretary, Chief Secretary and Committees constituted by respective State Governments are held to sort out acute problems.
- (iii) Forest officials are contacted on regular basis at District and Tehsildar level to fulfil the requirements and queries. Periodical contacts are done with the Regional



Office and Main office of MoEF for expeditious clearance of the forestry proposals.

- (iv) Discussions held with land owners/villagers for selection of rehabilitation site and they are persuaded to accept the rehabilitation benefits and to shift to the rehabilitation site.

**(b) Geo-mining constraints:**

Sophisticated geological and geo-physical exploration techniques are gradually being introduced for advance and accurate forecasting of geo-mining condition.

7.4 The long waiting list of environmental and forest approvals and problems in land acquisition and rehabilitation are the primary reasons holding back companies. When asked whether Ministry of Coal have given any consideration to the proposal regarding 'Single Window Clearance' mechanism for various statutory clearance by the Government to speed up the project clearances pending long and for attracting investments in coal sector, in a written reply, the Committee were informed as under-

"There are inordinate delays in Land Acquisition (LA) and related Resettlement and Rehabilitation (R&R) process, securing environmental clearance (EC) and also forestry clearances (FC) for the coal mining projects. Since LA and R&R are complex issues and are dealt at State level, single window mechanism may not be feasible. However, it is understood that for single window clearance mechanism for EC & FC, the issue is being addressed by Ministry of Environment & Forests (MoEF). Further, Group of Ministers (GoMs) has directed MoEF to go for online processing of applications for EC & FC. Ministry of Coal has also been requesting to expedite adopting online processing of EC & FC proposals. Besides, Ministry of Coal is taking the pending issues with concerned authorities at State and Central levels on regular basis. Government of India has recently set up a Cabinet Committee on Investment for Fast Tracking of approvals/clearance in respect of large projects in Infrastructure Sector."

7.5 On being asked to furnish company-wise and State-wise details of coal blocks (both public and private) pending for environment and

forest clearance at Centre and State-levels, the Ministry of Coal informed the Committee as under:—

“Following are the number of proposals of CIL which are awaiting clearances at Centre and State levels:—

### Forestry Clearance Proposals

#### (i) Pending at MoEF, New Delhi

Sl. No.	Subs.	No. of cases awaiting Stage-I & II Clearance	State	No. of cases for Stage-II Clearance	No. of cases for Stage-I Clearance	Total area involved (Ha)
1.	ECL	3	Jharkhand	1	2	460.36
2.	BCCL	1	Jharkhand	0	1	6.41
3.	CCL	11	Jharkhand	6	5	928.10
4.	NCL	0	Madhya Pradesh	0	0	0.00
5.	WCL	5	Madhya Pradesh	0	5	431.05
		2	Maharashtra	1	1	409.44
6.	SECL	9	Chhattisgarh	8	1	1754.77
		13	Madhya Pradesh	4	9	1459.36
7.	MCL	3	Odisha	0	3	1835.73
8.	NEC	2	Assam	0	2	307.00
Total :		49		20	29	7592.21

#### (ii) Pending at respective State levels

Sl. No.	Subs.	No. of cases awaiting Stage-I & II Clearance	State	No. of cases for Stage-II Clearance	No. of cases for Stage-I Clearance	Total area involved (Ha)
1	2	3	4	5	6	7
1.	ECL	3	Jharkhand	1	2	714.04
2.	BCCL	1	Jharkhand	0	1	29.75

1	2	3	4	5	6	7
3.	CCL	24	Jharkhand	3	21	2207.30
4.	NCL	3	Madhya Pradesh	0	3	923.00
5.	WCL	20	Madhya Pradesh	4	16	3142.58
		12	Maharashtra	1	11	440.75
6.	SECL	43	Chhattisgarh	15	28	10821.35
		11	Madhya Pradesh	3	8	1280.46
7.	MCL	15	Odisha	3	12	2330.65
8.	NEC	6	Assam	0	6	331.48
Total :		138		30	108	22221.35

**(iii) Pending Environmental Clearance Proposals**

Subs.	MoEF			PC	State		Total Nos. (Mty)
	TOR	EAC	Final Clearance		EAC	Final Clearance	
ECL	1	1		4			6
BCCL		2	4	1			7
CCL	3	3	1	3			10
NCL			2				2
WCL	4	1	7	2		1	15
SECL		1		2	1		4
MCL	1	1	1				3
NEC			2				2
CIL	9	9	17	12	1	1	49
Incr. EC applied	(29.39)	(19.48)	(32.05)	(33.63)	(0.36)	(0.14)	(115.03)

As far as coal blocks allotted to private and public sector companies, the list of coal blocks where forest and environment clearance are pending (as on December, 2012) is at Annexure-II."

7.6 The Committee desired to know any initiative taken by the Government to grant environment and forest clearance to coal blocks allotted to private and public sector companies. In this regard, Ministry of Coal furnished the following reply:—

"The development of allocated coal blocks is the responsibility of the allocatee companies to obtain statutory clearance from the concerned agencies. No proposal/request is forwarded to Ministry of Environment & Forests through Ministry of Coal for grant of Environment and Forest Clearance to coal blocks allotted to private and public sector companies. In regard to the projects related to CIL and its subsidiaries, the Ministry take up the matter with the Ministry of Environment & Forests to speed up the process of clearance in the National Interest."

#### **Land Acquisition**

7.7 Asked about the current status of implementation of new R&R Policy for project affected persons in Coal Mines areas, the Ministry of Coal in a written reply have informed the Committee as under:—

"Details of Revised R&R Policy of CIL, 2012 and details of R&R Policy of SCCL and NLC are as follow:—

#### **Coal India Limited (CIL)**

- (1) Compensation for land, houses, trees, well etc. on the land.
- (2) Option to land losers for rehabilitation and resettlement benefits.
- (3) Provision for solatium and escalation in compensation amount.
- (4) Higher wages with reduced training period-automatic wage revision with National Coal Wage Agreement (NCWA).
- (5) Flexibility to subsidiary companies for taking decision for faster land acquisition.
- (6) For every 2 acre of land one employment can be considered. Land losers having less than 2 acre of land can club their land to the extent of 2 acre and propose for employment for their nominated person. The land losers entitled for employment can also opt for monetary compensation forgoing employment.

- (7) Lump sum monetary compensation *in lieu* of employment at the rate of Rs. 5 lakh for each acre of land on *pro-rata* basis with minimum of Rs. 50000/-.
- (8) Option of annuity in place of lump sum monetary compensation.
- (9) Compensation for homestead, provision for subsistence allowance, compensation to sharecroppers, land lessees, tenants and day labourers.
- (10) Additional benefits for tribes.
- (11) Community facilities at resettlement sites.
- (12) Flexibility to the subsidiary companies for modifications.
- (13) Preference in outside recruitment.
- (14) Budget provision to intensify Corporate Social Responsibility (CSR) activities in and around the villages where land is to be acquired.

#### **Singareni Collieries Company Limited ( SCCL)**

SCCL is implementing R&R Policy, 2005 of Government of Andhra Pradesh as amended from time to time. As per the R&R Policy, Government appoints an officer not below the rank of Joint Collector as Administrator for R&R for implementing the R&R Policy for the Projects of SCCL. Once it is confirmed that the project is displacing 100 or more families in plain areas or 25 or more families in schedule areas *en-masse*, the project area is declared as Affected Zone through a notification in the State Gazette and local Newspapers & in the locality. As per the R&R Policy, the Administrator for R&R undertakes Socio Economic Survey (SES) for the Project Affected People (PAPs) and publishes the draft of survey details in the locality and a 30 days time is given for the PAPs to submit claims or objections, if any, against the SES and after finalizing the claims/objections the Administrator submits final SES survey details to the concerned District Collector for approval. The final data of SES as approved by District Collector is published in the District Gazette and also in the locality for wide publicity to the local people. Based on the approved final SES by the District Collector, the Administrator prepares a draft R&R Plan and discuss in the Grama Sabha. Administrator submits R&R Plan to District Collector for approval.

As per the approval of R&R Plan by District Collector, necessary funds towards payment of R&R benefits are deposited by SCCL with the Administrator and the same are disbursed to the Project Displaced Families (PDFs) by the Administrator. Simultaneously, site for R&R Centre for re-settlement of PDFs is identified by the Administrator by involving the PDFs and SCCL. The civil works for development of land for R&R center and infrastructure facilities are taken up by SCCL.

The Project Displaced Families/Project Affected Families are eligible for the following benefits:—

1. 202 sq.mtrs. of developed house plot in the rural areas (or) 75 sq.mtrs. of developed house plot in urban areas.
2. Grant for house construction @ Rs. 50,000/- and grant of toilet construction @ Rs. 3,000/-.
3. Grant for cattle shed construction @ Rs. 15,000/-
4. Grant for transportation of house hold materials @ Rs. 5,000/-.
5. Income generating scheme grant @ Rs. 25,000/- for the PAF of rural artisans/small trader/self-employed persons.
6. Subsistence allowance @ 240 days minimum agriculture wage.
7. Pension for vulnerable person @ Rs. 500/- per month through Annuity Policies.
8. Tribal PDF is entitled for 500 days minimum agriculture wage for loss of customary rights/usage of forest produce.
9. The PAF who becomes land less farmer after acquisition of his land is entitled for payment of 750 days minimum agriculture wage.
10. The PAF who becomes marginal farmer after acquisition of his land is entitled for payment of 500 days minimum agriculture wage.
11. The PAF who becomes small farmer after acquisition of his land is entitled for payment of 375 days minimum agriculture wage.
12. The PAF belonging to agricultural labour/non-agricultural labour is entitled for payment of 625 days minimum agriculture wage.
13. The PAFs who were in possession of forest lands in the affected area prior to 13.12.2005 are also eligible for all R&R benefits under the Policy.

### **Neyveli Lignite Corporation Limited (NLC)**

At present, NLC is implementing the NRRP 2007 for the project affected persons for current acquisition made after 31.10.2007. The salient features of NLC R&R policy in accordance with NRRP 2007 are given below:—

1. NLC is providing alternate house site of 120 Sq. metre to the squatters of Government land and an *ex-gratia* payment depending upon the value of the house constructed in the affected area.
2. Shifting allowance of Rs. 10,000/- as per NRRP 2007.
3. Subsistence allowance of 300 days minimum agriculture wages for each displaced as per NRRP 2007.
4. One time financial assistance of Rs. 15,000/- towards reconstruction of cattle shed as per NRRP 2007.
5. One time financial assistance of Rs. 25,000/- to the rural artisans, small traders for construction of working shed/shop as per NRRP 2007.
6. One time rehabilitation grant of 750 days minimum agricultural wages *in lieu* of employment as per NRRP 2007.
7. Allotment of alternate house site to the affected family owning house & whose house has been acquired, to a minimum extent of 120 Sq. metre to a maximum of 250 Sq. metre in the resettlement areas as per NRRP 2007.
8. In addition to the above, all other applicable R&R benefits as specified in the NRRP 2007 are also extended to the project affected families.”

## CHAPTER VIII

### ILLEGAL MINING AND THEFT OF COAL

Illegal mining can be defined as mining carried out in contravention of any of the provisions of the applicable Acts, rules & orders. 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.

8.2 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 generate revenue from coal 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. 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. Coal mines are generally located in isolated places, often amidst hilly terrains, forests and tribal areas and many areas being quite interior and sparsely populated are not routinely inspected or monitored by law enforcement agencies. The surrounding areas of coal mines are generally under-developed and the socio-economic conditions of the people are very bad which causes 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.



8.3 As regards the Major reasons for illegal mining of coal, the Committee were informed as under:—

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

8.4 The Ministry of Coal further apprised the Committee about the adverse effects of Illegal Mining which are as under:—

- (i) Leads to accidents and loss of life to persons engaged in illegal mining.
- (ii) Loss of revenue earnings (royalty) of the Government.
- (iii) Adverse impact on the conservation of precious fossil fuel.
- (iv) Creates unsafe conditions in adjoining working mines.
- (v) Causes environmental degradation.
- (vi) Facilitates corruption leading to law and order problems.
- (vii) Creates unaccounted assets and or black money.
- (viii) Encourages involvement of mafia.

8.5 The Committee were interested to know about steps taken by the Ministry of coal and the Coal Companies to tackle coal mafias in coal mining areas and whether the State Government/District administration and Police Department/Intelligence forces were consulted in this regard. The Committee also desired to seek details of Special Task Force (STF) constituted, area-wise, if any and details of FIR's registered so far and arrests made during the last 3 years for large scale theft of coal by coal mafias operating in various coalfields. When specific queries were addressed to the Ministry of Coal in this regard, the Committee were furnished the following information:—

“There are no reports about coal mafia operating specifically in the coal mines of Coal India Limited (CIL). However, it has been observed that during the process of tendering for procurement of

various services through contractors, sufficient response was not received in a some cases raises doubts on the competitiveness of the process which may be due to extraneous pressures on prospective bidders. To encourage more participation in the tendering process the following steps have been taken by CIL:—

- Adoption of e-procurement.
- E-payment to contractors and suppliers.
- Placing Notice inviting Tender (NIT) on website.
- Using reverse e-auction in tenders for supply of explosives.

Illegal mining and theft/pilferage of coal are carried out stealthily and clandestinely. As such, it is not possible to specify the exact quantum of coal stolen and losses incurred on account of illegal mining and theft/pilferage of coal. However, as per raids conducted by security personnel as well as joint raids with the law and order authorities of the concerned State Governments, FIRs lodged and arrests made during the last three years are as under:—

(Provisional)		
Year	FIRs lodged (Nos.)	Arrests Made (Nos.)
2011-12	125	78
2010-11	169	109
2009-10	347	266

The coal companies in close association with the concerned State/ District authorities, has taken several measures to prevent illegal mining and theft/pilferage of coal. The measures include:—

- (i) Rat holes created by 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 erected on the mouth of the abandoned mines to control access and to prevent illegal activities in these areas.
- (iv) Fencing of illegal mining sites and displaying of sign boards mentioning “Dangerous and Prohibited Place”.

- (v) Dumping of 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) Sealing of illegal mining spots is resorted to. Stringent action is taken against transport vehicles caught in the act of theft or pilferage.
- (viii) 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.
- (ix) Engaging of lady security guards for preventing women and children indulging in theft/pilferage of coal.
- (x) 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.
- (xi) Ministry of Coal has been urging from time to time the Coal Producing States to check illegal mining. The State Governments were also advised to instruct their State law enforcing authorities to take stringent action under the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 curbing illegal activities.
- (xii) Installation of check-post at vulnerable points to check transport documents.
- (xiii) The coal companies maintain close liaison with the State authorities.
- (xiv) Regular patrolling is conducted in and around the mine including over burden (OB) dumps.
- (xv) Joint patrolling with local police is also being carried out in areas.
- (xvi) Surprise checks/raids are conducted by flying squads of CISF/security department.
- (xvii) Surprise re-weighment of coal laden trucks is done, at weighbridges.
- (xviii) Regular FIRs are lodged by the Management of the collieries and CISF with local Thana against the pilferage/theft of coal. A close watch on the activities of criminals is being maintained by CISF, etc.

There are no instances of illegal mining and large scale theft and pilferage reported in Singareni Collieries Company Limited (SCCL).”

8.6 On being asked whether any study has been taken conducted by Ministry of Coal/CIL to identify the total quantity of Coal theft during the last 4 years and the total cost of coal lost due to theft, the Ministry of Coal have informed the Committee that no separate study has been conducted by CIL to identify the total quantity of Coal theft during the last 4 years. However, as per raids conducted by security personnel as well as joint raids with the law and order authorities of the concerned State Government, the quantity of coal recovered by CIL and its approximate value during the last three years is as under:

(Provisional)

Year	Qty. Recovered (Te)	Approx. Value (Rs. Lakh)
2011-12	14918.57	316.313
2010-11	20660.04	327.696
2009-10	14427.60	239.799

8.7 When asked about the reasons for low seizing and recovery of Coal from illegal mines/coal mafia and pro-active measures been taken to step up the efforts towards seizing and recovering coal from illegal miners in a more effective and aggressive manner, the Ministry of Coal, in a written replies have informed the Committee as under—

“Illegal mining of coal are carried out stealthily and clandestinely, and illegal mining mainly takes place outside leasehold area of CIL and law and order being State subject, CIL has no control over seizing and recovery of coal from illegal mines.

Ministry of Coal/Coal PSUs with the help of State/District administration have taken many pro-active measures towards seizing and recovering coal from illegal miners in a more effective and aggressive manner by conducting regular raids/checks by CIL security personnel along with law and order authorities of the concerned State Governments.

A proposal to constitute a Core Committee with the participation of State Government, CIL and Para Military Forces to check on illegal mining and transportation of coal in the State is under consideration.”

## CHAPTER IX

### COAL WASHERIES

Coal washing is an important area from economic and environment point of view. A number of studies carried out earlier have clearly highlighted benefits of using washed coal in improving the economics of power generation and also reduction of emissions. The directive of Ministry of Environment & Forests (MoEF) restricts the use of coal containing more than 34% ash content in power stations located 1000 km away from pit heads. MoEF is contemplating to further reduce this distance to 500 km. With this as a driver, the numbers of power utilities have shown inclination to use washed coal for power generation and also coal washing is one of the clean coal technologies prior to combustion of coal.

9.2 According to Ministry of Coal, Coal India is heading in a big way for Coal Beneficiation of all types of coals. The present installed capacity of washery in the country for thermal coal is about 103 MT per annum and it is envisaged to reach about 263 MT per annum in the next five years time.

9.3 To meet the demand supply gap of washed coal, guidelines for setting up of coal washeries on Public Sector Coal Company's land have been issued by Ministry of Coal in September, 2005. Accordingly, subsidiary coal companies of CIL are extending necessary assistance to facilitate setting up of coal washeries on their land to the private operators.

9.4 From the Annual Report, 2012-13 of Ministry of Coal, the Committee observe that CIL has also decided in principle to wash all inferior grade coal linked to non-pit head power stations by setting up washeries with the state-of-the art technology on Build-Operate-Maintain (BOM) concept where CIL will provide the capital funding and other infrastructure facilities to the BOM operator. Further, it has been decided that all new opencast projects of 2.5 MT and above capacity, which are not linked to pithead power stations should be designed with integrated washery.

9.5 The Committee were informed that CIL had decided to set up twenty washeries by the end of 11th Five Year Plan in its various subsidiaries with total installed capacity of 111 Mty, out of which

2 (two) washeries (one of coking coal at Dhori and another of non-coking coal at Piparwar) are proposed under “Turn-key” execution and the rest 18 (eighteen) are on BOM concept under which the capital funding and other infrastructural facilities will be arranged by CIL/ subsidiaries companies. Tenders for 10 washeries have already been floated. Agreements for two washeries have been signed and for two more washeries are expected to be signed soon. The balance six washeries are at various stages of Bid Process Management.

9.6 In addition to the above, CIL have identified to set-up 17 nos. of washeries during 12th Five Year Plan with a total capacity of 128.8 Mty.

9.7 When asked about the progress made in setting up of new coal washeries during the last 3 years, the Ministry of Coal in a written reply informed the Committee as under:—

“Letter of Agreement (LOA) issued for two NLW washeries *i.e.* Madhuband (5.0 Mty) & Patherdih washery (5.0 Mty) and agreement for the two washeries has been signed on 12.11.2012 & 17.10.2012 respectively. Activities like construction of boundary wall, approval of drawing etc. have been started. LoA for Ashoka washery, 10.0 Mty (non-coking coal) has been issued on 20.7.2012. Letter of intimation has been issued for setting up of Dahibari washery (1.60 Mty) on 26.2.2013. Preparation of list of qualified bidders against Centralized Request for Qualification (CRFQ) part of tender for setting up 11 washeries under BOM concept has been completed. Issue of Request for proposal part of tender (RFP) to qualified listed bidders against CRFQ part of tender for 2 washeries *i.e.* Kusmunda washery (10 Mty) & Hingula washery (10 Mty) have been done on 12.01.2012, 10.06.2011 & 4.5.2012 respectively. Re-tendering of Centralized Request for Qualification (CRFQ) part of tender for Basundhara (10 Mty) & Jagannath washery (10 Mty) have been done on 21.11.2011. Letter of Intimation could not be issued to lowest bidder for setting up of Dugda washery (2.50 Mty) as lowest bidder expressed its inability to perform the job. Re-tendering job is in progress. In order to incorporate some added facility to proposed Dhori washery and make tender document more technically transparent, tender floated for setting up of Dhori washery (2.50 Mty) was cancelled. Re-tendering job is in progress.”

## CHAPTER X

### NEW COAL DISTRIBUTION POLICY AND FUEL SUPPLY AGREEMENTS

The New Coal Distribution Policy has introduced the concept of “Letter of Assurance” (LoA), thus providing for assured supply of coal to developers, under the condition of meeting the stipulated milestones. Once the milestones as stipulated in the LoA are met by the developers, LoA holders are entitled to enter into Fuel Supply Agreements (FSAs) with the coal companies for long-term supply of coal. Supply of Coal to all existing valid consumers has been brought under legally enforceable FSAs. The quantity of coal to be supplied along with other commercial terms and conditions are covered in the FSA itself. The Committee observe that in power generation, fuel supply constraints are affecting production prospects.

#### **Supply of Coal to Consumers in Small and Medium Sector**

10.2 Under the New Coal Distribution Policy (NCDP) which is in place since 18.10.2007, 8 million tonne of coal has been earmarked for distribution to the consumers with annual coal requirement upto 4200 tonne per annum, through agencies nominated by the State Governments. These agencies could be State Govt. Agencies/Central Govt. Agencies/National Co-operative Consumers Federation (NCCF)/ National Small Industries Corporation (NSIC) etc., or industries association as the State Govt. may deem appropriate. The agency so notified would be required to enter FSA with the coal company. The agency so notified will continue to distribute coal until the State Govt. decides to de-notify it. These State Government/Central Government agencies would be free to devise their own distribution mechanism but such mechanism should inspire public confidence and should result in distribution of coal in a transparent manner. The concerned State Governments and Central Government Departments, having administrative control over the agencies would be responsible to ensure that coal allotted for targeted consumer is distributed in a fair and transparent manner and appropriate action is taken to prevent its misuse. The price charged to such agencies would be the notified price as applicable to other consumers entering into FSA, but the agency would be entitled to charge actual freight and upto 5% margin as service charge, over and above the basic price charged by the coal company, from their consumers.

10.3 For the year 2012-13, till December 2012, 18 States/Union Territories sent their nomination/confirmation of agencies in whose favour coal was to be released for distribution to the small and medium sector consumers. There are 29 State agencies who were allocated 5.3 million tonnes of coal for drawal under FSA. So far, 19 State agencies are drawing coal under FSA with annual contractual quantity of 3.962 million tonnes.

10.4 In Singareni Collieries Company Limited, the classification of customers into Core & Non-core sector existing prior to NCDP was dispensed with in NCDP. SCCL has been supplying coal to small and medium scale units based on the recommendation of the Industries Department, considering Industries Department recommendations as normative quantity and fixing their MPQ at 75% of the recommended quantity. The units where the quantity is less than 350 TPM/4200 TPA (75% of the recommended quantity), coal is supplied at the notified price.

10.5 At present, SCCL is supplying coal to small and medium scale units under FSAs. In all the FSAs, the minimum obligation to supply/purchase coal is kept at 60% of the Annual Contract Quantity (ACQ). Small and tiny industries whose recommended quantity is less than 350 TPM (75% of the normative quantity) will be supplied coal under non-FSA category at a notified price.

#### **Supply of Coal on “cost plus basis”**

10.6 Under this scheme, financially non-viable specific mines/projects are offered on cost plus basis to ensure IRR of 12% and to maintain a certain level of production. Consumers are required to enter into a cost plus agreement for supply of coal from such mines/projects. Prior to NCDP, consumers were accorded cost plus linkages by Standing Linkage Committee-Long-term [SLC (LT)] for issuance of LoA on cost plus basis.

10.7 As per the policy guidelines to this effect, cost plus projects can be offered to existing linkage holder, FSA holders and then to future LoA applicants—with preference to power sector including IPPs, followed by Fertilizer, Cement, Sponge Iron. The cost plus project can now be offered to multiple consumers and if the total quantity applied becomes less than the estimated production, the balance quantity can be offered through long-term e-auction and the reserve price for such auction can be fixed keeping in view cost of production from such mines.



10.8 WCL even prior to the policy notification, had identified five projects for supply on cost plus basis to MAHAGENCO and MPPGCL. After introduction of the policy, twelve projects aggregating annual production of 10.4 MT were offered for supply under cost plus policy. So far 7.4 MT have been tied up in the cost plus FSA with MAHAGENCO, Ultratech Cement and Wardha Power Co. Limited.

### **Coal Distribution**

10.9 The Ministry have furnished the details regarding New Coal Distribution Policy (NCDP) to the Committee as follows:—

“The major features of the new coal Distribution policy can be summarized as:

- Core & Non-Core classification done away with.
- New Classification - keeping in view the regulatory provision.
- Defence & Railway to get full requirement at notified price.
- Power & Fertiliser Sector to get 100% of normative requirement through FSA at fixed price.
- All others to get 75% of normative requirement through FSA.
- Small & Medium Enterprise Sector having requirement up to 4200MT per year to get coal through Agencies to be nominated by States/UTs—quantity earmarked 8 Mt/year.
- All existing linkage holders including SMEs (at the time of introduction of NCDP) required to execute FSA for continuation of coal supply.
- For new commitments to Power, Cement and Sponge Iron sectors—CIL to recommend issuance of LoA by the supplying coal companies after due clearance by the SLC (LT).
- For other sectors CIL to be responsible for clearance of applications for issuance of LoA by supplies by the coal companies.
- LoA to have validity of 24/12 months for Power/other consumers.
- LoAs to be converted to legally enforceable FSAs after fulfilment of stipulated milestones/conditions within the given time.

- CIL, to meet full domestic requirement of coal under FSA, even by resorting to import, if feasible.
- E-auction to be introduced for sourcing of coal by consumers otherwise unable to procure from the available institutional mechanism.
- Around 10% of the annual production to be earmarked for e-auction.
- Forward e-auction scheme for actual consumer to be introduced for ensuring longer term requirement.

Further, it has been provided under NCDP that in order to meet the domestic requirement of coal CIL may have to import coal as may be required from time to time, if feasible. CIL in that case may adjust its overall price accordingly.”

#### **Power and Coal- Fuel Supply Agreements (FSAs)**

10.10 The Budget document states that in power generation, fuel supply constraints are affecting production prospects. To address this concern, Coal India Limited (CIL) has been advised to sign fuel supply agreements, with power plants that have entered into long-term Power Purchase Agreements with DISCOMs and would get commissioned on or before March 31, 2015.

10.11 The Ministry when asked about the present status and progress regarding such FSAs, the Committee were informed as under:—

“Ministry of Coal and Coal India Limited have been taking necessary steps to ensure that the FSAs with Power Plants are signed expeditiously. A total of 61 FSAs have been signed by the eligible power plants with coal companies.”

10.12 There have been some complaints/reports from Private Power Producers accusing Coal India of drafting a ‘one-sided’ fuel supply agreements (FSAs) favouring Government companies. According to private power producers, the FSA is discriminatory and has set differential treatment that favours Government utilities on many aspects.

10.13 The Ministry of Coal, when asked about their comments of on the same, furnished their written replies to the Committee as under:—

“There is no discrimination *per se* between Private and PSU/ Government Power plants in the FSA models applicable for plants commissioned/being commissioned after 31.3.2009. However,

considering the fact that majority stakes in both Coal India Limited and PSU power stations being controlled by the Government, certain convenience to reduce operational hassles of both sides, like disputes resolution, requirement of security deposit and right to termination of agreement were extended to PSU/Government power stations. There has been no difference in respect of clauses concerning the key parameters of FSAs, *viz.* level of supply, tenure of FSA, requirement of Power Purchase Agreement, trigger for compensation/incentives etc. The matter was deliberated in CIL Board meeting and it was decided to do away with the requirement of security deposit @ 6% of the base price of coal in respect of private IPPs.”

## CHAPTER XI

### E-AUCTION OF COAL/E-MARKETING

New Coal Distribution Policy (NCDP) issued by Government of India on 18.10.2007 paved way for launching of a fresh scheme for sale of coal through e-auction. E-auction would be of two types Spot E-auction and Forward E-auction. Spot E-auction is almost similar to the old E-auction scheme introduced earlier prior to NCDP, where an intended buyer can participate in auction. In case of Forward e-auction, only end-users/actual consumers are eligible to have assured supply over a long period of one year. Each forward e-auction shall be for a period of 12 months consisting of 4 following quarters of 3 months each. Consumers will have the flexibility to bid for any one quarter or for up to all the four quarters in one go. Source selected for offer under forward e-auction are having surplus stock of at least 15 days production and also after ensuring the normal dispatch to consumers under FSA (Fuel Supply Agreement). While in case of forward e-auction, coal was offered at 30% above notified price as minimum reserve price, in case of forward e-auction reserve price was fixed at notified price of all grades of coal plus 60% of the notified price of coal irrespective of whether the mine is running in profit or loss till 31.12.2011. While spot e-auction has been in operation since November, 2007, forward e-auction commenced only from August 2009. Forward e-auction could not be started earlier due to difficulties in implementing certain terms and conditions incorporated in the scheme which were subsequently resolved. Initially reserve price under e-auction was fixed at cost of production plus reasonable return or 100% above notified price whichever was lower which continued to 31.3.2010. But it was noted that such high reserve price was standing as a deterrent and impeding the actual performances. Accordingly Reserve price was reduced to 80% above notified price. But even then performance was not found encouraging. Subsequently from September 2010 same was further reduced to 60% with the hope that position would improve. From 1.1.2012 when the pricing of coal has

been switched over to Gross Calorific Value (GCV) system, reserve price for both spot and forward e-auction has been modified as follows:—

- (i) When the midpoint of the GCV range for the colliery/source exceeds 5500 Kcal/Kg, the notified price of the GCV band corresponding to such midpoint as applicable for sectors other than Power Utilities (including IPPs), Fertilizer and Defence shall be the reserve price for e-auction.
- (ii) When the midpoint of the GCV range for the colliery/source does not exceed 5500 Kcal/Kg, the notified price of the GCV band corresponding to such midpoint as applicable for sector other than Power Utilities (including IPPs), Fertilizer and Defence plus 20% shall be the reserve price for e-auction.

11.2 Under NCDP, CIL has been mandated to offer around 10% of estimated Annual Production of CIL and quantity allocated to the successful bidders has been 10% or above. Performance of E-auction after implementation of NCDP is given as under:—

**Performance of E-auction after implementation of NCDP**

Heads	Spot E-Auction				Forward E-Auction	
	April, 2009-Mar., 2010	April, 2010-Mar., 2011	April, 2011-Mar., 2012	April, 2012-Dec., 2012	April, 2011-Mar., 2012	April, 2012-Dec., 2012
1	2	3	4	5	6	7
No. of Bidders	78155	70977	82343	55696	464	265
No. of Successful Bidders	40848	43929	47860	30877	361	185
Total Qty. offered (lakh tonnes)	541.392	552.71	574.79	345.4	124.17	68.13
Total Qty. allocated (lakh tonnes)	457.321	465.57	497.21	300.83	75.5	37.61
Notified Price of Total Allocated Qty. (Rs. in crore)	4528.956	5048.86	8300	5038.62	907.8	550.58

1	2	3	4	5	6	7
Bid Price of Total Allocated Qty. (in Rs. Crore)	7238.478	9120.92	13826.88	7616.1	1617.25	691.97
% increase over Notified Price	59.8	80.7	66.6	55.1	78.15	25.68

11.3 As per NCDP, SCCL is conducting E-auction from December, 2007. The details of Spot E-auction conduction by SCCL from December, 2008 to December, 2011 are as below:—

**Status of spot E-auction**

Year	Quantity sold (in lakh Tonnes)
2008-2009	26.34
2009-2010	18.61
2010-2011	53.15
2011-2012	29.72
2012-13 (April-January 2013)	30.38

11.4 According to Annual Report (2012-13) of the Ministry of Coal, Company-wise Spot E-auction during April, 2012-December, 2012 (prov.) is as under:—

(in lakh tonnes)			
Company	Offer Qty.	Allocation Qty.	% increase over notified price
ECL	27.35	24.12	28.7
BCCL	22.94	17.36	102.7
CCL	33.11	30.87	63.1
NCL	14.38	14.38	72.4
WCL	36.11	32.13	45.8
SECL	83.59	77.57	57.1
MCL	126.56	103.05	56.5
NEC	1.36	1.36	35.3
CIL	345.40	300.83	55.1

11.5 On E-auction, the Secretary (Coal) during evidence has submitted as under:—

“It is true that we have made it open to general, whoever it is, they have to just register. We have not restricted it to the consumers. There are two methods of doing it. One is existing consumer or to anybody else. But our experience with Singareni, where we restricted it and we had no problem coal company, *per se*, there should not be any problem but some consumer who is having a requirement of 100 or 200 MTs also will be eligible to quote. They are only becoming middlemen..... It becomes so much of complicated in terms of monitoring, etc. Therefore, keeping practicality in mind, that it is better if it is open.”

## CHAPTER XII

### OUTSTANDING DUES OF CIL

As regards the State-wise and utility-wise outstanding dues of Coal India Limited for the last 3 years. Year-wise outstanding dues and recoveries made, the Committee were apprised as under:—

“Statement showing State-wise and utility-wise outstanding dues of Coal India Limited for the last 3 years. Year-wise outstanding dues and recoveries are as under:—

Name of the State	Name of the Power Utility	As on 31.03.2010		As on 31.03.2011		As on 31.03.2012	
		Total Recoveries	Total Dues	Total Recoveries	Total Dues	Total Recoveries	Total Dues
1	2	3	4	5	6	7	8
*	NTPC	11731.85	170.37	13668.09	335.21	14457.23	992.28
Andhra Pradesh	APGENCO	268.25	-0.44	335.96	-0.44	424.75	-15.01
Assam	ASEB	0.00	-0.01	0.00	-0.01	0.00	-0.01
Bihar	KBUNL/VPGC	55.06	0.00	35.55	4.50	35.79	10.43
Bihar	BSEB	46.58	183.42	48.81	181.39	58.60	198.69
Chhattisgarh	CSEB	834.15	12.82	831.07	23.29	763.98	85.98
Chhattisgarh	BALCO	255.81	3.76	309.89	5.77	419.18	18.43
Delhi	DVB	128.00	1.24	83.40	0.08	100.91	-1.22
Delhi	BTPS	542.15	33.47	445.67	71.65	683.50	122.36
Gujarat	GUVNL	1639.11	-86.38	1799.09	-66.24	2153.59	-20.01
Gujarat	AEC	220.53	-10.78	292.61	-37.90	256.53	-22.50
Haryana	HPGCL	1336.86	64.47	1728.20	141.49	1957.10	292.68
Haryana	RGTPP/HESSAR	0.00	0.00	0.00	0.00	160.00	-1.41
Haryana	Jhajjar Power	0.00	0.00	0.00	0.00	41.56	-24.16
Jharkhand	JSEB	44.80	210.84	28.80	267.24	75.00	234.80
Jharkhand	Tenughat/TVNL	196.07	256.10	80.00	384.77	165.00	443.34



1	2	3	4	5	6	7	8
Jharkhand	Bokaro PS	227.00	-22.82	222.83	-12.72	263.00	-7.52
Jharkhand	Maithon Power	0.00	0.00	0.00	0.00	106.90	22.07
Karnataka	KPCL	366.48	-11.81	396.45	-4.32	524.05	-26.35
Madhya Pradesh	MPEB	1980.34	261.12	2132.59	177.29	2994.26	270.84
Maharashtra	MSEB	4030.03	-21.56	3855.18	-188.41	4311.37	-205.64
Maharashtra	BSES	166.26	-6.66	184.99	-3.50	217.23	-24.06
Orissa	OPGC	179.26	2.18	193.43	2.18	238.49	2.07
Punjab	PSEB	728.35	12.12	607.09	12.79	552.58	19.55
Rajasthan	RRVUNL	1509.24	73.63	1812.56	50.75	2671.26	39.04
Tamil Nadu	TNEB	1149.87	30.79	1409.52	31.71	1495.28	435.52
UP	UPRVUNL	2376.47	-12.82	2434.38	25.66	2033.93	50.81
UP	ROSA PS	34.47	-9.64	183.92	-9.61	237.61	-29.87
UP	Bajaj Power	0.00	0.00	0.00	0.00	56.22	-12.42
WB	WBSEB	0.00	1.29	0.00	1.29	0.00	1.29
WB	WBPDC	1935.39	274.79	2405.84	355.61	2190.77	1087.68
WB	DPL	294.77	26.60	209.91	48.83	149.97	70.68
WB	DVC	1832.58	237.58	2403.13	270.74	3012.59	532.39
WB	CESC	508.91	19.10	780.91	47.13	955.30	-80.59
WB	DPS	45.81	1.46	40.91	0.39	27.34	1.08
Total		34664.45	1694.23	38960.78	2116.61	43790.87	4461.24

12.2 Asked about the steps/measures have been undertaken by CIL to recover the same, the Committee were informed that the major power houses contributing to huge coal sale dues are DVC, NTPC, TNEB, WBPDC, HPGCL, JSEB, BSEB, TVNL, and MPPGCL. Special attention has been given by the Director (Marketing) and Director (Finance), CIL, for recovery of coal sale dues which is still outstanding especially in respect of non-payment of dues by State electricity boards like TNEB, WBPDC, HPGCL, TVNL, MPPGCL, DVC, NTPC and others. Letters for taking necessary action for realization of coal dues have also been issued to the CMDs of various Subsidiary coal companies responsible for supplying coal to the above-mentioned

power houses. Also the Director (Marketing), CIL, along with CMDs/Directors/GM (S&M) of the subsidiaries are following up on regular basis and have written to the concerned power houses for earliest payment of their dues for maintaining better business relationship. The Regional sales managers of different Regional Sales Offices spread in different States of India are also in continuous liasion with the consumers for early settlement of their coal sale dues.

## CHAPTER XIII

### MONITORING BY COAL CONTROLLER

The Coal Controller's Organisation (CCO) monitors the progress of allocated coal blocks and associated end use projects on quarterly basis. At the level of Ministry, periodic reviews are carried out by a Committee headed by Additional Secretary (Coal), where representatives from the concerned State Governments also attend. The Coal Controller's Organisation (CCO) is a subordinate Office of Ministry of Coal, having its headquarters at Kolkata and field Offices at Dhanbad, Ranchi, Bilaspur, Nagpur and Kothagudem. Each field office is headed by one GM/DGM level executive working in the capacity of Officer on Special Duty being supported by other technical officers. Apart from carrying out inspection for ascertaining quality in selected mines, the field officers also carry out regular inspections to ensure compliance with specific orders relating to coal quality and resolving statutory complaints. Besides looking after the quality surveillance, the above field officers are also entrusted with field assignments associated with CCDA assistance under Coal Mines (Conservation and Development) Rules 1975, opening/re-opening permission of seams of mines under the Colliery Control Rules, 2004 and co-ordination with the Coal Companies. In addition, one Officer on Special Duty is posted in the Coal Controller's Organisation in Kolkata for co-ordinating the field offices along with in charge of coal mines under Asansol, Sambalpur and NEC Command area, monitoring of captive coal/lignite blocks and their associated end use projects and rendering assistance to Coal Controller on all technical matters like parliamentary questions, Budget and EFC Note etc.

13.2 The Coal Controller being the statutory authority for collection, compilation, publication and dissemination of data regarding different parameters of production and despatch of coal and lignite, provides monthly data to Central Statistical Organisation, RBI, DIPP, Indian Bureau of Mines and other national and international organizations. It also publishes Annual Coal Directory and Provisional Coal Statistics.

13.3 Taking note of the enormous functions assigned to Coal Controller Organisation under different statutory Acts/Rules and its role in inspection of mines and issue of quality/grade certificates for coal produced, the Committee have desired to know the strength of

Coal Controller Organisation. In this regard, Coal Controller has informed the Committee during evidence that he is the only technical man and that also is a temporary post and the organisation has one Surveyor. Other personnel in the organisation are LDCs, UDCs and promotees.

13.4 In this regard, the Secretary, Ministry of Coal submitted during evidence as under:—

“We are going to work on it very seriously. We have to strengthen the organisation. We are working on it.

He further added, “We have initiated the process of strengthening the Coal Controller’s Office. We have searched the records and we have found that there was a report in 2006 about the Indian School of Mines, Dhanbad with regard to the Coal Controller’s Office. We are examining this issue. We may revisit this report.”

## CHAPTER XIV

### IMPLEMENTATION OF RECOMMENDATIONS OF THE COMMITTEE

The Twenty-Fourth Report of the Committee on Coal and Steel on "Demands for Grants (2012-13)" of the Ministry of Steel was presented to Lok Sabha on 25th April, 2012 and laid on the Table of Rajya Sabha on 26th April, 2012. The Report contained 25 Recommendations.

14.2 On the basis of Action Taken Notes furnished by the Ministry of Coal in respect of the recommendations contained in the Twenty-Fourth Report, the Committee presented their Twenty-Seventh Report on Action Taken by the Government on recommendations/ observations contained in Twenty Fourth Report on DFG (2012-13). The Twenty-Seventh Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 17th December, 2012. After analyzing the Action Taken Notes furnished by the Ministry, the Committee commented on the action taken by the Government in the context of recommendation nos. 2, 3, 4, 5, 6, 8, 9, 18, 19, 22 and 24 of the Twenty-Fourth Report. The Analysis further revealed that out of 25 recommendations contained in the Twenty-Fourth Report of the Committee, 13 recommendations (52%) have been accepted by the Committee. In respect of 9 recommendations (36%), the replies of the Government have not been accepted by the Committee. For 2 recommendations, the final replies of the Government are still awaited.

14.3 In terms of Direction 73A of the Directions by Speaker, Lok Sabha, the Minister concerned is required to make a Statement in Lok Sabha about the status of implementation of recommendations contained in the original Report of the Committee within six months of the said Report to Parliament. However, a Statement under Direction 73A in the context of the Twenty-fourth Report was made by the Minister of Coal on 18th December, 2012.

## PART II

### OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

#### *Plan Outlays of Ministry of Coal and PSUs*

1. The Committee note that the total Budgetary Support to the Ministry of Coal for the year 2013-14 is Rs. 497.70 crore (Plan Rs. 450.00 crore and Non-Plan Rs. 47.70 crore) against Rs. 498.35 crore (Plan Rs. 450.00 crore and Non-Plan Rs. 48.35 crore) for 2012-13 at BE stage and Rs. 462.03 crore (Plan Rs. 416.00 crore and non-Plan Rs. 46.03 crore) at RE stage. The Committee also observe that six centrally sponsored schemes *viz.* Conservation and Safety in Coal Mines, Development of Transportation Infrastructure in coalfields areas, Research and Development Programme, Regional Exploration, Detailed Drilling and Environmental Measures and Subsidence Control, are being implemented for coal and lignite sector with the help of Gross Budgetary Support. The Committee's examination and analysis of Demands for Grants (2013-14) of the Ministry of Coal, however, reveal that the Ministry could not utilise the plan budgetary provisions fully for the implementation of many of these central sector schemes and against BE & RE of Rs. 450 crore and Rs. 416 crore under Plan Heads, the actual utilisation was only Rs. 390.64 crore. The Committee are dismayed to note that funds for important schemes including regional/promotional exploration, conservation and safety and Development of Transportation Infrastructure in Coalfields (DTIC) could not be fully utilized during the year 2012-13. While observing under utilization of budgetary allocations in these important schemes as unfortunate, the Committee desire that the Ministry should take necessary corrective measures to ensure proper implementation of these Schemes during 2013-14 so that the scarce funds made available are fully utilised to derive benefits therefrom.

2. The Committee find that for development and acquisition of coal resources abroad, Rs. 4000 crores is reported to have been kept as an *ad hoc* provision during the year 2013-14. The Committee are, however, dismayed to note that against the *ad hoc* provision of Rs. 6000 crore and Rs. 5000 crore during 2011-12 and 2012-13 respectively, the Ministry/CIL have not made any headway in acquisition of coal resources abroad and no amount was utilized during 2011-12 and only Rs. 15 crore was expended during the year

2012-13 for exploration programme in the two coal blocks in Mozambique. Although early acquisition of coal resource abroad will help in overcoming the shortage of coal in the country, the Committee feel that the Ministry of Coal/CIL should accord highest priority to this proposal and pursue the same vigorously. In view of the gross under utilization of planned *ad hoc* investments, the Committee recommend that the Ministry/Coal PSUs should undertake better planning well in advance to ensure that the provision made in the budget outlays for 2013-14 for the purpose are fully utilized in order to avoid drastic reduction in the plan funds at RE Stage which would further hamper the investment plans of the companies in the domestic coal projects.

*Utilisation of Plan Outlays of Coal PSUs*

3. The Committee are concerned to note that against the plan outlay of Rs. 4275 crore for CIL for the year 2012-13 actual expenditure was only Rs. 3250 crore (tentative) which comes out to 76.02% of the budget estimates. Similarly, the investment plan of SCCL against the budget estimates of Rs. 3220 crore during the year 2012-13 the actual (tentative) was only Rs. 1728 crore. The plan investment of Neyveli Lignite Corporation at Rs. 1814 crore has, however, exceeded the budget estimates of Rs. 1687.45 crore for the year. The reasons adduced by the Ministry of Coal for low utilization of plan outlays by CIL for the year 2012-13, *inter-alia*, included inordinate delay in environment forests clearances of major projects, delay in implementation of rail infrastructure projects in few of the growing coalfields like IB/Talchar, NK, Mand-Raigarh and law and order problems in the States of Odisha and Jharkhand disrupting working in the projects. However, the projects of SCCL are reported to be not affected due to non-utilization of funds during the year 2012-13 as SCCL has planned the projects in advance. The Committee are unhappy to note the huge mis-match between the financial outlays of CIL and SCCL during the year 2012-13 which points to systematic flaws in the planning of projects *vis-a-vis* financial requirements. The Committee, therefore, strongly recommend that the Ministry of Coal and CIL should take necessary steps to pursue the matters of environment and forests clearances with the concerned agencies with more seriousness. At the same time, the Committee expect the Ministry of Coal/CIL to take up the matter of construction of rail projects in growing/upcoming coalfields in IB/Talchar, NK and Mand-Raigarh area to ensure dispatch of coal from these coalfields. The Committee are also not satisfied with the reply of the Government that no project of SCCL was affected due to

downward revision of budget estimates from Rs. 3220 crore to Rs. 1728 crore. The Committee would, therefore, like the Ministry to review the working of the company with a view to bringing about perceptible improvements in finalization of annual investment plan as well as physical targets set to be accomplished and implementation of new/ongoing projects.

*NLC-Diversification plan for sustainable growth*

4. The Committee note that as part of NLC's growth plan, it is proposed to go for non-conventional energy like wind power and solar power. The investment of Rs. 133.19 crore for implementing solar power project (10 MW) and Rs. 364.75 crore for wind power has been planned. Further, Rs. 142.23 crore and Rs. 200 crore in RE 2012-13 and BE 2013-14 has been allocated for UP Coal Board Power Project (Neyveli Uttar Pradesh Power Project). However, approval of Public Investment Board (PIB) is yet to be received. The Committee consider the diversification plan of NLC as a step in right direction for its sustainable growth but these projects are required to be completed as per schedule since some of the NLC's projects which were approved way back in 2004 and 2008 are still under various stages of implementation. The Committee, however, would like NLC to accord top priority to these projects for which an advance action plan is needed. The Committee would also like the Government to approve the Neyveli Uttar Pradesh Power Project without any further loss of time.

*Research and Development*

5. The Committee note that the Government of India through Ministry of Coal's Science and Technology (S&T) Plan and Coal India Limited through its R&D Board support research and development activities for improvement in production, productivity and safety in coal mines, coal beneficiation and utilization and protection of environment and ecology. Further, Standing Scientific Research committee under the Chairmanship of Secretary (Coal) is the Apex Body to administer coal related research activities from budgetary Support and research grant of Coal India is administered through CIL R&D Board under the Chairmanship of Chairman, CIL. The Committee are, however, concerned to note that although actual requirement of funds for S&T scheme for 2013-14 is expected to be Rs. 16.00 crore, the approved outlays for the year are Rs. 11.65 crore only. The Committee are further unhappy to observe that against the turnover of Rs. 50299.28 crore and Rs. 62415.43 crore during 2010-11 and 2011-12 respectively; the allocation for R&D by CIL



was merely Rs. 33 crore (0.65% of the turnover) and Rs. 30 crore (0.5% of the turnover) respectively. What further dismayed the Committee is the fact that disbursement of R&D fund by CIL during 2011-12 was only Rs. 16.65 crore against allocated funds of Rs. 30.00 crore. The Committee are also concerned to note the reduced allocation of funds for R&D activities during 2012-13 which were pegged at Rs. 12 crore against Rs. 48398.17 crore turnover of the company (upto December, 2012). While deprecating the lowest ever completion of S&T projects (3 projects completed) during 2012-13, the Committee cannot but deplore the project monitoring by CMPDIL which are further reviewed by the technical sub-Committee of Standing Scientific Research Committee as well as Standing Scientific Research Committee headed by the Secretary, Coal.

6. While taking a serious note of the fact that Standing Scientific Research Committee (SSRC) has not taken advance action to approve the new S&T project during 2013-14, the Committee recommend that the Ministry should make all out efforts for timely completion of various on-going projects and identify the S&T projects to be taken up during the current fiscal. They also desire that the Ministry should take appropriate steps to ensure full utilisation of the funds earmarked for S&T projects during 2013-14 to derive the benefits from such projects. At the same time, the Committee also like the coal PSUs to earmark sufficient funds to augment the R&D activities in developing new and clean technologies for exploitation of coal reserves.

*Development and promotion of Pelletisation technology*

7. The Committee strongly desire that for the development of alternate energy means and resources for meeting domestic energy needs, whatever latest technologies and possible methods are known or available must be explored and exploited to the fullest. The Committee are very well aware about the pelletisation method which essentially seeks to convert lignite into pellets that can compete with coal in terms of calorific value and ability to be transported to longer distances. Pelletisation could give a significant boost to India's power generation capacity as the country's vast lignite resources could be used in more significant scoops for meeting domestic energy needs. The Committee, therefore recommend that the pelletisation technology should be encouraged in the country and consultations/collaborations can be entered into with other countries which have expertise in it. The Committee expect that Neyveli Lignite Corporation (NLC) should give a serious

consideration towards developing capacity and right technology for pelletisation. The Committee would, therefore, like to be apprised of the initiatives and measures taken by NLC in this regard. The Committee also desire that Ministry of Coal should divert greater funds towards development, promotion and absorption of pelletisation technology for lignite sector in the country.

#### *Implementation of EMSC*

8. The Committee note that Environmental and Subsidence Control Scheme is aimed at addressing environmental issues in the coal field at the erstwhile mines in Raniganj and Jharia arising out of unscientific mining carried out by the owners. Although, Ministry of Coal have informed the Committee that all the EMSC schemes have been merged in the Master Plan dealing with fire, subsidence, rehabilitation and diversion of surface infrastructure in Jharia and Raniganj coalfields within the leasehold areas of BCCL and ECL, the Committee are totally dismayed to note that a budgetary support of Rs. 9.00 crore provided at BE 2012-13, was withdrawn at RE stage. From the year-wise funding arrangement for implementation of Master Plan in Jharia and Raniganj area, the Committee observe that besides CIL contribution of Rs. 350 crore per annum for implementation of Plan, Rs. 669.61 crore as CCDAC contribution during the 4th year of the start of the plan has to be infused to ensure the implementation of plan in 10 years as targeted. Taking note of a token provision of Rs. 0.90 crore that has been made for 2013-14 for implementing this scheme, the Committee cannot but deplore the way the implementation of the Plan has been reduced to a mockery. The Committee, therefore, strongly recommend that the Ministry of Coal should play a pro-active role and issue necessary direction to CIL for regularly expending its share of funds for the scheme and pursue the matter with implementing agencies to evolve a suitable mechanism for implementation of the scheme in a time-bound manner.

#### *Regional Exploration*

9. The Committee observe that for identification of additional resources of coal and lignite, the Ministry of Coal sponsor a regional/promotional exploration scheme. The Committee are, however, surprised to note that the funds allocated for the scheme during 2012-13 were drastically reduced from Rs. 62 crore at Budget Estimate Stage to Rs. 13 crore at Revised Estimate Stage. The allocation of funds for the scheme during 2013-14 are also reduced to Rs. 40.90

crore against the projected demand of Rs. 107.35 crore. What further perturbed the Committee is the fact that despite the increasing demand of coal and lignite to support the infrastructure projects in the country, the Revised Estimates of 91000 meter of promotional exploration during 2012-13 has been lowered and it is less than the actual of Rs. 93721 crore achieved during 2011-12. With the increased target of promotional drilling of 1.53 lakh meter in new areas during 2013-14, the Ministry of Coal was candid enough to admit that the budgetary support needs to be projected at RE level. Since the achievements of drilling target for regional/promotional drilling will help in identifying the new and additional coal and lignite resources, the Committee recommend that the target of 1.53 lakh metre during 2013-14 be fully achieved and the funds for the scheme be suitably enhanced.

#### *Detailed drilling*

10. As regards the detailed drilling in non-CIL blocks, the Committee note that against the targets set at 1.75 lakh metres during 2012-13, the RE were 2.79 lakh metres. As against this, 1.96 lakh metre of drilling has been carried out till February, 2013. The target for detailed drilling in non-CIL/Captive Mining blocks is 3.62 lakh metres during 2013-14. The Committee observe that higher drilling target of 2.79 lakh envisaged at RE 2012-13 could not be achieved due to lack of forest clearance in some blocks. The Ministry of Coal have stated that achievement of targets in respect of these centrally sponsored schemes depends upon availability of entry permission to explore in forest areas, improvement in law and order conditions in some coal fields etc. The Committee are, however, concerned to note the lower allocation of funds of Rs. 143.05 crore during 2013-14 which are less than 50 percent of the proposed fund of Rs. 292.73 crore to achieve the detailed drilling target of 3.62 lakh metre. While stressing the need to take adequate steps by the Government to obtain the environment and forest clearance and improvement in law and order conditions with the Ministry of Environment and Forests and the State administrations concerned, the Committee desire that the funds earmarked for the scheme during 2013-14 be suitably enhanced to achieve 3.62 lakh metre of detailed drilling.

#### *North Eastern Region (NER)*

11. The Committee are anguished to note that although they had recommended (24th Report on DFG, 2012-13) the Government to come up with concrete schemes for North Eastern Region and

the Ministry of Coal in their Action Taken Reply have informed that they had noted the recommendation of the Hon'ble Committee for taking appropriate action yet against the budgetary allocation of Rs. 25 crore during 2012-13 for development of North Eastern Region (NER), the actual expenditure was nil. The Committee are constrained to note that Ministry of Coal has no schemes specifically for development of North Eastern Region and as such no expenditure is incurred thereon. The Committee are further surprised to note that Ministry of Coal have not contemplated any scheme for development of North Eastern Region even during the year 2013-14. While recommending the Government to come up with concrete schemes for North Eastern Regions, the Committee hope that the budgetary allocation of Rs. 24 crore earmarked for North Eastern Region during 2013-14 will be fully utilised.

*Tribal Sub Plan (TSP)*

12. The Committee observe that as per instructions from Ministry of Tribal Affairs in February, 2011, Ministry of Coal was required to earmark 8.2% of the outlays for Tribal Sub Plan (TSP) and accordingly they had earmarked Rs. 31.00 crore from the outlays provided in the budget estimates for the year 2012-13 for 3 plan schemes *i.e.* (i) Regional/Promotional Exploration; (ii) Detailed Drilling in non-Coal India Blocks; and (iii) conservation and safety in coal mines. During 2013-14 as well, funds of Rs. 31.60 crore have been earmarked for the above 3 schemes. The Committee are, however, dismayed to note that though the implementing agencies were directed to utilize these amounts earmarked for TSP for their exploration/conservations and safety programmes falling in tribal areas, the utilization of earmarked amount of Rs. 31.00 crore during 2012-13 was nil. As Ministry of Coal have informed the Committee that they do not have any beneficiary-oriented plan schemes for earmarked funds for TSP, the Committee desire that the scheme-wise utilization of funds during the year 2013-14 be planned well in advance by the Ministry to ensure that funds allocated and earmarked under the plan are fully utilized.

*Coal Production & Performance of Coal PSU's*

13. The Committee observe that the coal demand in the country during the year 2012-13 was estimated at 772.84 million tonnes which was subsequently revised to 691.51 million tonnes. The domestic production during the year 2012-13 was estimated at 574.40 million tonnes leaving a gap of 198.44 million tonnes of the targeted demand.

After the revised estimates for 2012-13 were fixed the gap in the coal demand and domestic production is reduced to 117.11 million tonnes. Again during the year 2013-14, the budget estimates for coal demand in the country have been projected at 769.69 million tonnes with the domestic production projected at 604.55 million tonnes leaving a gap of 165.14 million tonnes. The Committee, however, observe that the projected growth of coal production by subsidiary companies of Coal India Limited indicate growth that vary from -1.93% in case of WCL to 10.93% in case of ECL. The Committee are constrained to point out the production of raw coal by CIL and its subsidiaries has not been satisfactory except ECL which registered a growth rate of 10.93% during 2012-13 and achieved 103% of targeted coal production for the year mentioned. The performance of the coal PSU's including CIL has been below the mark failing to meet the targets set for 2012-13. The performance of WCL has been worst with a negative growth of -1.93% in 2012-13 and achieving only 94% of the set target. CCL with 0.10% and NEC with 0.4% growth rate are other poor performers. CCL has been worst in terms of achieving only 87% of the targeted production for year 2012-13. Performance of CIL with only 3.75% growth in coal production during 2012-13 is also not up to the mark as expected. Consequently, the Indian energy sector has been exposed to import fluctuations. Keeping in view of the unsatisfactory production performance of some of the subsidiaries of Coal India Ltd. during the year 2012-13, the Committee recommend the ministry/coal companies to take necessary corrective measures to ensure that targeted production of 604.55 million tonnes during the year 2013-14 are fully achieved. The Committee desire that CIL and its subsidiaries should make all out efforts to enhance the coal production in the country so as to meet the ever increasing domestic demand and take corrective measures to achieve the targets set as much as 100%. The Committee observe that in all respect the performance of WCL is decreasing in every year. Although, in the meetings of the Committee earlier such deterioration was pointed out by the Committee in the presence of all, but there is no improvement in performance of WCL. The Ministry must take immediate steps against such deterioration of performance of WCL.

*Development of Coal Blocks by CIL*

14. The Ministry have informed the Committee that 119 coal blocks have been allotted to Coal India Ltd. in May, 2012 which also included three de-allocated coal blocks. The Coal India Ltd. has reported that project report has been prepared in respect of two coal blocks; geological report is available in respect of 16 coal blocks,

exploration activities have been completed in 11 coal blocks, exploration activities are in progress in 24 coal blocks and exploration activities are yet to be taken up in 66 coal blocks. As per the perspective plan submitted by Coal India Ltd., none of the blocks would come into production during 12th Plan Period. The Committee note that on one hand Coal India Ltd. is under obligation to meet the coal demand from different utilities, on the other hand it has not made any serious effort to develop the coal block allotted to it. Needless to say that these coal blocks were allotted to Coal India Ltd. in pursuance to the repeated recommendations of the Committee made in their previous reports. What is more surprising is that no further action has been taken in 66 coal blocks since May, 2012. The Committee would like Coal India Ltd. to prepare an emergency action plan for the development of these blocks during 12th Plan itself by roping in specialized agencies besides GSI, MECL and CMPDIL. The Committee would also like the Ministry to monitor the progress of these blocks regularly and take remedial measures for the fast track progress.

15. A sustained programme of investment and greater thrust on application of modern technology has made it possible to raise the production of coal from a level of about 96 million tonnes at the time of nationalization of coal mines in early seventies to about 539.94 million tonnes (All India) by 2011-12. As per the assessment during the formulation of Working Group for XII Plan, the targeted coal production in the year 2012-13 will be 575.00 million tonnes. With a view to meet the increased demand of coal, new coal mining projects are proposed to be taken up. CIL has floated Expression of Interest (EOI) for engaging international consultants for modernization and technology development in their mines. The Ministry have often quoted the problems of land acquisition, rehabilitation and resettlement issues, constraints in obtaining environmental and forestry clearances, non-availability of railway rakes and delay in infrastructure facilities, law and order problems in some of the coalfields. Though CIL has taken some corrective measures to increase coal production by improving capacity utilization, timely completion of ongoing projects, better coordination with State and Central Departments for obtaining statutory clearances etc., these steps appears to have not yielded the desired results so far. The progress in the completion of various ongoing projects has been tardy since the above problems have remained unresolved since long. The Committee holds the view that reasons cited are mainly administrative in nature and these could have been resolved by proper planning, anticipation and discharge of

responsibility by the management of the coal PSUs. The Committee would, therefore like the Ministry to facilitate the coal PSUs in removing the bottlenecks by taking appropriate steps.

*PPP route for increasing coal production*

16. The Budget document states that despite abundant coal reserves, import of large volumes of coal is still continued. Coal imports during the period April-December, 2012 have crossed 100 million tonnes. It is estimated that imports will rise to 185 million tonnes in 2016-17. If the coal requirements of the existing power plants and the power plants that will come into operation by 31.3.2015 are taken into account, there is no alternative except to import coal and adopt a policy of blending and pooled pricing. In the medium to long term, our dependence on imported coal must be reduced. The Committee, therefore feel that one of the ways forward is to devise a Public Private Partnership (PPP) policy framework, with CIL as one of the partners, in order to increase the production of coal for supply to power producers and other consumers. The Committee have been apprised that in pursuance of the announcement in the Union Budget, 2013 regarding Public Private Partnership (PPP) Policy Framework with Coal India as one of the partners, Ministry of Coal has set up a Committee with Secretary (Coal) as the Chairman. The Committee, therefore recommend that the process regarding PPP framework formulation may be accorded priority and the same may be expedited in the interest of meeting ever increasing coal demand for domestic industries. The Committee would like to be apprised of the progress made and steps taken in this regard.

*Single Window mechanism for Environment and Forest clearances*

17. The Committee observe that although Ministry of Coal is reported to have taken various steps like vigourously following up the actions taken by State Government to expedite land acquisition, holding regular meetings with Government and forest officials at State and Central level, persuading land owners to accept the rehabilitation benefits etc., yet a long list of coal mining projects is pending for various clearances at State and Central level. Thus, the concrete efforts made by the Ministry of Coal have not shown any significant improvement as presently, for forest clearance, nearly 49 projects are pending with MoEF and 138 are pending at respective State levels. Also, 115 projects are pending for environment clearances. The Committee, thus, come to the conclusion that the

long waiting list of environmental and forest approvals and problems in land acquisition and Resettlement and Rehabilitation (R&R) are the primary reasons holding back coal mining projects and for investments in coal sector. The Committee have been informed that Ministry of Coal has also been requesting MoEF to expedite adopting online processing of EC & FC proposals and taking the pending issues with concerned authorities at State and Central levels on regular basis. As regards a proposal of single window clearance mechanism mooted by various stakeholders, the Ministry of Coal have informed the Committee that land acquisition and Resettlement and Rehabilitation are complex issues and are dealt at State level, and hence single window clearance mechanism may not be feasible. However, for single window clearance mechanism for environmental and forest clearance approvals (EC&FC), the issue is being addressed separately by Ministry of Environment & Forests (MoEF). Taking note of inordinate delays in getting clearance for so many coal projects which would further delay the projected coal production during the 12th Plan, the Committee strongly recommend the Ministry of Coal to take up the matter of getting single window clearance for coal and lignite projects at the highest level in the government in order to avoid inordinate delay at various levels and apprising them the action taken in this regard. According to the Ministry constant persuasion takes place for better coordination with various Ministries and agencies for clearance. But this exercise has not brought about desired results. The Committee, therefore, would like the Ministry to set up a separate cell consisting of an exclusive team of dedicated officers who can be assigned the task of coordinating and interacting with different Ministries, State Governments and agencies for obtaining various clearances for the coal projects.

*Land Acquisition, Rehabilitation and Resettlement*

18. The issue of land acquisition, rehabilitation and resettlement are the prime issues seriously affecting and hampering the initiation, progress as well as completion of various coal and lignite projects in coal mining areas. The Committee observe that though CIL has approved a new R&R policy in March, 2012 wherein the subsidiary companies have been granted greater flexibility in redressing R&R issues with a view to facilitate faster acquisition of land at all levels. While appreciating that CIL has come up with a new R&R Policy being implemented by its subsidiary companies, the Committee strongly recommend that the amount of compensation for land and employment to land owners should be uniform in all the mining areas across the country. Further, all additional benefits extended to



land oustees as well as in affected villages should be the same. At the same time, the subsidiary companies be also allowed to be flexible to resolve the peculiar problems in the lease hold areas as provided in the new R&R policy of Coal India Ltd. The Committee hold the view that the main hurdle in land acquisition is mostly due to the inadequate compensation or ignoring long term interests of the Project Affected Persons. The Committee are of the opinion that the issue of land acquisition needs to be resolved through substantial increase in compensation on the basis of market rates. The targets of coal production and new coal projects are bound to suffer in the absence of a solution to this problem. Delay in implementing beneficial measures will also frustrate the will of the people to handover their land. The Committee, therefore, recommend that the whole scheme and implementation thereof should be well planned in a manner so as to attract the affected persons to give their land to the coal companies. The Committee, therefore, recommend that the new R&R Policy should be sincerely implemented by safeguarding the interests of the project affected persons by offering them attractive rehabilitation package and generation of long term employment opportunities for them.

#### *E-auction of Coal*

19. The Committee observe that New Coal Distribution Policy (NCDP) issued by Government of India on 18.10.2007 paved way for launching of a fresh scheme for sale of coal through E-auction. E-auction is of two types *i.e.* Spot E-auction and Forward E-auction. Spot E-auction is almost similar to the old E-auction scheme introduced earlier prior to NCDP, where an intended buyer can participate in auction. In case of Forward E-auction, only end-users/ actual consumers are eligible to have assured supply over a long period of one year. Under New Coal Distribution Policy (NCDP), CIL has been mandated to offer around 10% of estimated annual production of coal and the quantity allocated to the successful bidders has been 10% or above. The data furnished by the Ministry of Coal regarding performance of E-Auction of Coal after implementation of the NCDP reveals that during 2011-12 total quantity of coal offered for E-auction by Spot E-Auction was 574.79 lakh tonnes against which 497.21 lakh tonnes were actually allocated. Similarly, in case of Forward E-auction for 2011-12 against 124.17 lakh tonnes of coal offered, only 75.5 lakh tonnes could be actually allocated. The data also reveals a big gap between the quantity of coal offered and actually allocated and is higher in case of spot E-auction and much below in case of Forward E-auction where end users/actual

consumers are eligible to participate. The Committee are unhappy to observe that while in case of Spot E-auction coal is presently offered at 30% above the notified price as minimum reserve price and in case of Forward E-auction where end users can only participate, the reserve price is fixed at the notified price of all grades of coal plus 60% of the notified price of coal irrespective of whether the mine is running in profit or not. The Committee do not favour the present system adopted by the Government where the end-users have been allowed to participate in bid under Forward E-auction at a price higher than 60 percent of notified price of coal whereas under Spot E-Auction anyone who intend to participate in bid, it is only 30 percent. As the current system is unfavorable and disadvantageous to end-users of coal, the Committee are of the firm view that unscrupulous traders may create artificial scarcity to make profit by hoarding coal and other manipulations on the ground of technicalities. The Committee, therefore, reiterate their earlier recommendation (24th Report, 15th Lok Sabha) and desire the Government to review the present policy to safeguard the interest of coal users instead of promoting trading in coal supply and more coal be e-auctioned to end users under Forward E-Auction Scheme. The Committee feel that entire E-auction of coal under NCDP by Coal India Ltd. and its subsidiaries be done through Public Sector Undertakings like MSTC Ltd. Further, the Government should frame a policy whereby the coal companies should ensure that unless a person is involved directly/indirectly in use of coal, he should not be allowed to participate in coal e-auction. The Committee would like to be apprised of the action taken by the Government in the matter.

*Fuel Supply Agreement (FSA) with Power Companies*

20. The New Coal Distribution Policy has introduced the concept of "Letter of Assurance" (LoA), thus providing for assured supply of coal to developers, under the condition of meeting the stipulated milestones. Once the milestones as stipulated in the LoA are met by the developers, LoA holders are entitled to enter into Fuel Supply Agreements (FSAs) with the coal companies for long-term supply of coal. Supply of Coal to all existing valid consumers has been brought under legally enforceable FSAs. The quantity of coal to be supplied along with other commercial terms and conditions are covered in the FSA itself. The Committee observe that in power generation, fuel supply constraints are affecting production prospects. The Indian Power Sector may face a serious crisis if the LoAs and FSAs are not entered into by the coal companies, urgently. The Committee, therefore, strongly recommend that the issue regarding

signing of Fuel Supply Agreements with power utilities must be resolved at the earliest on priority basis so as to avoid a situation of energy crisis in the country. To address this concern, Coal India Limited (CIL) should sign Fuel Supply Agreements, with eligible power plants, expeditiously. The Committee also desire that a regulatory and monitoring mechanism should be put in place in New Coal Distribution Policy to ensure that the benefit of cheap coal is passed on to the customer by power producers to whom cheaper domestic coal is sold at regulated rates.

#### *Checking Illegal Mining*

21. The Committee observe that coal mines are generally located in isolated places often, many areas being quite interior and sparsely populated which are not routinely inspected or monitored by law enforcing agencies. Further, the surrounding areas of coal mines are generally under developed and the socio-economic conditions are very bad which causes a fertile ground for coal theft, pilferages and all sorts of anti-social activities. The data submitted by the Ministry of Coal reveals that during the year 2011-12, 125 FIRs were lodged and 78 arrests were made in cases of illegal mining and theft. As no information has been provided as regards the criminal trial pending for illegal and un-authorized coal mining ending with conviction, the Committee feel that non-persuasion of such cases either by the appropriate Government or by the coal companies are resulted in present day unfortunate situation whereby not only the activities of illegal mining and theft has been carried out stealthily and clandestinely, there is a huge loss to the revenue to be generated by the State/Central government. What has further disappointed the Committee is that the Ministry of Coal in their reply has submitted that no separate study has been conducted by CIL to identify the total quantity of coal theft during the last 4 years. The Committee, therefore, reiterate their earlier recommendation (24th Report, 15 Lok Sabha) and desire that the responsibility in this regard should be immediately fixed on personnel and legal officers of the companies for their reluctance to pursue the criminal cases in appropriate criminal court. The Committee also reiterate their earlier recommendation that Core Committee with the participation of State government, CIL and Para Military Forces to check on illegal mining and transportation of coal in the States which is reported to be under consideration of the Government shall be constituted at the earliest. The Committee also recommend that Ministry of Coal/Coal PSU's to maintain a better coordination and liasoning with local police, intelligence forces, security forces, district administration and State Governments as regards checking illegal mining and ensuring higher conviction rate against illegal miners.

22. Coal washing is one of the clean coal technologies prior to combustion of coal. Indian coal contains higher percentage of ash and washing of coal is of utmost importance, from the point of view of efficiency in user plants as well as environmental concerns and fetching higher returns. A number of studies carried out earlier have highlighted the benefits of using washed coal in improving the economics of power generation and emission reduction. The present installed capacity of washery for thermal coal is about 103 Mty and is envisaged to reach about 263 Mty in the next five years time. The Committee have been informed that the directive of Ministry of Environment & Forests restricting the use of coal containing more than 34% ash content in power stations located 1000 k.m. away from pit heads. MoEF is contemplating to further reduce this distance to 500 km. With this as a driver, the numbers of power utilities have shown inclination to use washed coal for power generation. The Committee have also been apprised that CIL has undertaken a massive programme of setting up of new coal washeries and have proposed to set up 20 washeries in its various subsidiaries with total installed capacity of 111 Mty. In addition to the above, CIL have identified to set-up 17 nos. of washeries during XII Five Year Plan (second phase) with a total capacity of 128.8 Mty. The Committee though appreciates the honest intentions and long term planning by CIL in this regard by deciding in principle to wash all inferior grade coal linked to non-pit head power stations by setting up washeries with the state-of-the-art technology on Build-Operate-Maintain [BOM] concept where CIL will provide the capital funding and other infrastructure facilities to the BOM operator but regret to observe that not even a single washery has been set up during the entire XI Plan. The Committee are not satisfied with the slow progress of setting up and starting of new coal washeries. Although, the Committee have been given to understand that tenders for 10 washeries have already been floated and agreements for two washeries have been signed and for two more washeries agreements are expected to signed soon, the Committee consider it as a serious executorial lapse on the part of Ministry of Coal/CIL. The Committee therefore, recommend that the Ministry/CIL should prepare an action plan to expedite the work of commissioning coal washeries envisaged during XI Plan and also new proposals during second phase in XII Five Year Plan. The Committee would like to be apprised of the action taken by the Government/CIL and progress made in this regard.

*Quality of Coal supplied to Power Companies and end users*

23. The Committee observe that there are several complaints/ reports whereby Ministry of Power/Power Companies have complained regarding poor quality of coal supplied to them. The Committee have been informed that CIL tests the quality of coal in its laboratory and categories it into different grades. Every grade of coal is priced differently. The subsidiary coal companies of CIL are supplying the requisite quality/grade and quantity of coal to the power plants and other consumers in terms of the Fuel Supply Agreement (FSA) executed between the concerned subsidiary coal company and the power plant/consumer. As per the FSA, joint sampling and analysis at loading ends are extended to the power plants/consumers and payment against supply of coal is settled as per analyzed grades. However, the Committee observe that the Ministry of Coal has accepted that Coal India Limited receives some complaints on oversized coal and coal mixed with some stones/ boulders normally from power plants which altogether cannot be ruled out due to geo-mining factors/conditions present in coal seams. In view of the foregoing, the Committee recommend that immediate corrective measures be taken by Ministry of Coal/CIL to ensure supply of declared quality of coal to Power Companies and other consumers. In this regard, the Committee desire that CIL should also go for re-doing and re-evaluation of the present mechanism of coal sampling and high quality checks using latest available technology be adopted.

*Outstanding Dues of Coal India Ltd.*

24. In a written reply the Ministry have informed the Committee that different State and power utility owe a sum of Rs. 4461.24 crore to Coal India Ltd. as on 31.03.2012, although a recovery of Rs. 43790.87 crore has already been effected. The steps taken by Coal India Ltd. for recovery of the above amount have not brought about any significant progress. The Committee feel that if the power utilities continue to default in making payment to Coal India Ltd., its profitability is bound to be affected adversely. The Committee, therefore, desire the Coal India Ltd. to pursue the recovery of dues vigorously and take the action against them as per the Fuel Supply Agreement.

*Coal Controller*

25. The Office of the Coal Controller is entrusted to monitor the progress of allocated coal blocks and associated end use projects on quarterly basis. Apart from carrying out inspection for

ascertaining quality in selected mines, the field officers also carry out regular inspections to ensure compliance with specific orders relating to coal quality and resolving statutory complaints. Among the total manpower of the office of Coal Controller, he is the only technical man and that also is a temporary post and the organisation has one Surveyor. Other personnel in the organisation are LDCs, UDCs and promotees. The Committee observe that Coal Controller Office does not have sufficient officers and staff to implement the work/mandate of the Coal Controller. Therefore, the Committee recommend that manpower of Coal Controller Office should be increased.

*Implementation of Recommendations of the Committee contained in 24th Report*

26. The Committee have analyzed the implementation of the observations/recommendations contained in their Twenty-Fourth Report on Demands for Grants for the year 2012-13 of the Ministry of Coal. The analysis of the Committee shows that out of the 25 recommendations pertaining to the Ministry of Coal contained in their Report, 1 recommendation have been implemented by the Government, 15 recommendations are under the process of being implemented by the Ministry and 9 recommendations are yet to be implemented. The Committee would review its implementation in due course. The Committee, therefore, wish that the process of implementation of the recommendations under process be also expedited at the earliest.

NEW DELHI;  
18 April, 2013  

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28 Chaitra, 1935 (Saka)

KALYAN BANERJEE,  
Chairman,  
Standing Committee on Coal and Steel.

## DETAILS OF S&amp;T PROJECTS UNDERTAKEN DURING THE LAST THREE YEARS

Sl.No.	Name of the Project & Implementing Agency	Date of Start	Date of Compl.	Approved Outlay	Progressive disbursement (upto 22.03.2012)
		3	4	5	6
A. Undertaken during 2010-11					
1.	Integrated communication system to communicate and locate trapped under ground miners—MT/158 Implementing Agency: Adcept Technologies Pvt. Ltd., Kolkata	Sep. 2010	Aug., 2013	459.59 For Adcept—407.95 For CMPDI—51.64	410.33 Adcept—405.00 CMPDI—5.33
2.	Development of Self Advancing (mobile) Goal Edge Supports (SAGES) for depillaring operations in underground coal mines—MT/159 Implementing Agency: ISM, Dhanbad & M/s. JBEPL, Hyderabad	Sept. 2010	June, 2013	197.75 For JBEPL—135.65 For ISM—62.10	100.00
B. Undertaken during 2011-12					
1.	Development of software for prediction of subsidence by 3D numerical modeling for SCCL mines—MT/160 Implementing Agency: Anna University, Chennai & SCCL	Aug. 2011	Jul. 2014	53.80 S&T Grant—45.73 Cont. SCCL—8.07	40.00

1	2	3	4	5	6
2.	Development of customized organic coatings for corrosion protection of special mining equipment at Neyvelli Lignite mines—MT/161 Implementing Agency: NLC, Neyvelli & CECRI, Karaikudi	Aug. 2011	Jul. 2014	79.48 For NLC—46.41 For CECRI—33.07	37.00 NLC—19.00 CECRI—18.00
3.	Development of tribo-electrostatic separator for beneficiation of high ash Indian coal mines—CP/44 Implementing Agency: IMMT, Bhubaneswar	Aug. 2011	Jan. 2014	47.67	38.00
4.	Design and development of coal winnowing system for dry beneficiation of coal based on CFD modeling and simulation—CP/45 Implementing Agency: CIMFR Nagpur Unit & NCL Pune	Aug. 2011	Jul. 2013	181.40 For CIMFR, Nagpur—163.78 For NCL—17.62	120.00
5.	Design and development of truck mounted mobile coal sampler for instant coal ash & moisture analyser at site from railway wagon/truck—CP/46 Implementing Agency: CIMFR, Dhanbad & M/s. Pranay Enterprises, Hyderabad	Aug. 2011	Jul. 2013	167.60 For CIMFR—8.85 For M/s. Pranay Enterprises—158.75	41.00
6.	Modeling of airborne dust in opencast mines—EE/43 Implementing Agency: NIT, Surathkal	Aug. 2011	Jul. 2014	77.04	45.00
C.	Undertaken during 2012-13				
1.	Development of tele robotics and remote operation technology for underground coal mines—MT (Eo)/162 Implementing Agency: CMERI, Durgapur, CIMFR, Dhanbad & CMPDI, Ranchi	Sep. 2012	Aug. 2015	440.12 For CMERI—251.57 For CIMFR—125.55 For CMPDI—63.00	170.00 CMERI—95.00 CIMFR—75.00



1	2	3	4	5	6
2.	Enhancing life of de-watering pipes in coal/lignite mines by prevention of erosion-corrosion with nano-crystalline surface Engineering Treatments—MT/163 Implementing Agency: NLC, Neyveli & NITT, Tiruchirappalli	Sep. 2012	Aug. 2016	293.99 For NLC—78.68 For NITT—215.31	145.00 NITT—95.00 NLC
3.	Shale gas potentiality evaluation of Damodar basin of India—CE (EoI)/30 Implementing Agency: NGRl, Hyderabad; CIMFR, Dhanbad & CMPDI, Ranchi	Dec. 2012	Nov. 2015	1686.84 For NGRl—462.59 For CIMFR—169.95 For CMPDI—1054.30	360.00 NGRl—260.00 CIMFR—100.00
4.	Blast design and fragmentation control—key to productivity—MT/164 Implementing Agency: CIMFR, Dhanbad	Jan. 2013	Dec. 2015	303.86	200.00

## DETAILS OF S&amp;T PROJECTS UNDER COAL S&amp;T PROGRAMME OF MOC

Sl.No.	Name of the Project & Implementing Agency	Date of Compl.	Approved Outlay	Disbursement		Disbursement during 2012-13 (upto 19.3.2013)	BE 2013-14
				Progressive (upto 19.3.2013)	Actual 2011-12		
1	2	3	4	5	6	7	8
A. S&T Projects							
1.	Integrated communication system to communicate and locate trapped under ground miners-MT/158 Implementing Agency: Adcept Technologies Pvt. Ltd., Kolkata	Aug. 2013	459.59 For Adcept-407.95 For CMPDI-51.64	410.33 Adcept-405.00 CMPDI-5.33	75.00	27.33 Adcept-22.00 CMPDI-5.33	15.00
2.	Development of Self Advancing (mobile) Goaf Edge Supports (SAGES) for depillaring operations in underground coal mines-MT/159 Implementing Agency: ISM, Dhanbad & M/s. JBEPL, Hyderabad	Dec. 2012	197.75 For JBEPL-135.65 For ISM-62.10	100.00	30.00	-	-
3.	Development of software for prediction of subsidence by 3D numerical modeling for SCCL mines-MT/160 Implementing Agency: Anna University, Chennai & SCCL	Jul. 2014	53.80 S&T Grant-45.73 Cont. SCCL-8.07	40.00	30.00	10.00	-
4.	Development of customized organic coatings for corrosion protection of special mining equipment at Neyvelli Lignite mines-MT/161 Implementing Agency: NLC, Neyveli & CECRI, Karaikudi	Jul. 2014	79.48 For NLC-46.41 For CECRI-33.07	37.00 NLC-19.00 CECRI-18.00	37.00	-	30.00

1	2	3	4	5	6	7	8
5.	Development and optimization of coal bed recovery process for CO <sub>2</sub> sequestration-CE/29 Implementing Agency: ISM, Dhanbad Indian coal mine-CP/44	Jun. 2012	26.98	25.00	6.00	-	-
6.	Development of tribo-electrostatic separator for beneficiation of high ash Implementing Agency: IMMT, Bhubaneswar	Jan. 2014	47.67	38.00	18.00	20.00	5.00
7.	Design and development of coal winnowing system for dry beneficiation of coal based on CFD modeling and simulation-CP/45 Implementing Agency: CIMFR Nagpur Unit & NCL Pune	Jul. 2013	181.40 For CIMFR, Nagpur-163.78 For NCL-17.62	120.00	120.00	-	10.00
8.	Design and development of truck mounted mobile coal sampler for instant coal ash & moisture analyser at site from railway wagon/truck-CP/46 Implementing Agency: CIMFR, Dhanbad & M/s. Pranay Enterprises, Hyderabad	Jul. 2013	167.60 For CIMFR-8.85 For M/s. Pranay Enterprises-158.75	41.00	41.00	-	25.00
9.	Development of Indigenous catalyst through Pilot Scale Studies of Coal-to-Liquid (CTL) conversion technology-CU/57 Implementing Agency: CIMFR, Dhanbad & CMPDI, Ranchi	Dec. 2012	805.40 For CIMFR-688.50 for CMPDI-116.90	311.72 CIMFR-250.00 CMPDI-61.72	37.89	2.59	-
10.	An approach to explore the applicability of spectro-radiometry as a tool for assessment of coal quality-CU/58 Implementing Agency: CIMFR, Dhanbad	Dec. 2012	147.61	125.00	-	-	-

1	2	3	4	5	6	7	8
11.	Development of methodology for estimation of Green House Gas (GHG) Emissions in mine fire areas and their mitigation through terrestrial sequestration-EE(EoI)/39 Implementing Agency: CIMFR, Dhanbad & BHU, Varanasi	Jun. 2013	354.491 For CIMFR-341.77 For BHU-12.721	327.00 CIMFR-315.00 BHU-12.00	3.00	-	5.00
12.	Treatment of acid mine water generated in Indian coal mines using low coal material-EE/41 Implementing Agency: CIMFR, Dhanbad	Dec. 2012	44.17	30.00	-	-	-
13.	Emissions from coal-based industries-development of predictive models-EE/42 Implementing Agency: NEIST, Jorhat	Dec. 2012	82.46	81.00	20.00	16.00	-
14.	Modeling of airborne dust in opencast mines-EE/43 Implementing Agency: NIT, Surathkal	Jul. 2014	77.04	45.00	45.00	15.00	15.00
15.	Development of tele robotics and remote operation technology for underground coal mines-MT (EoI)/162 Implementing Agency: CMERI, Durgapur; CIMFR, Dhanbad & CMPDI, Ranchi	Aug. 2015	440.12 For CMERI-251.57 For CIMFR-125.55 For CMPDI-63.00	170.00 CMERI-95.00 CIMFR-75.00	-	170.00 CMERI-95.00 CIMFR-75.00	125.00
16.	Enhancing life of de-watering pipes in coal/lignite mines by prevention of erosion-corrosion with nano-crystalline surface Engineering Treatments-MT/163 Implementing Agency: NLC, Neyveli & NITT, Tiruchirappalli	Aug. 2016	293.99 For NLC-78.68 For NITT-215.31	145.00 NITT-95.00 NLC-50.00	-	145.00 NITT-95.00 NLC-50.00	50.00

1	2	3	4	5	6	7	8
17.	Shale gas potentiality evaluation of Damodar basin of India-CE (Eol)/30 Implementing Agency: NGRI, Hyderabad; CIMFR, Dhanbad & CMPDI, Ranchi	Nov. 2015	1686.84 For NGRI-462.59 For CIMFR-169.95 For CMPDI-1054.30	360.00 NGRI-260.00 CIMFR-100.00	-	360.00 NGRI-260.00 CIMFR-100.00	100.00
18.	Blast design and fragmentation control-key to productivity-MT/164 Implementing Agency: CIMFR, Dhanbad	Dec. 2015	303.86		-	200.00	50.00
	Sub-Total (A)					965.92	430.00
B.	Projects in pipeline/new Projects (Lumpsum)				-	-	450.00
C.	S&T Co-ordination						
(i)	Manpower				202.77	185.83	250.00
(ii)	Publication/Equipment				1.80	-	10.00
(iii)	Seminars/Workshops/Meetings				0.20	-	10.00
	Sub-Total (C)				204.77	185.83	270.00
D.	Completed Projects				115.08	1.89	15.00
E.	Re-application of Successful S&T Projects				-	-	-
F.	Expenditure pertaining to 2010-11 incurred but could not be reimbursed during 2010-11				181.27	-	-
	Grand Total (A+B+C+D+E+F)				964.01	1153.64	1165.00

## ANNEXURE III

MOC RELEASED AMOUNT UNDER CCDAC HEAD  
(DTIC) FOR THREE YEARS

Coal Company	2010-11	2011-12	2012-13	Company-wise Total For Three Years 2010-2013
ECL	4224623	2806053	2500000	9530676
BCCL	0	12306116	35292187	47598303
CCL	0	0	0	0
CCL RAIL	0	0	0	0
NEC	4485232	0	2500000	6985232
MCL	4591397	41029937	124648979	170270313
WCL	27922956	33036029	9700397	70659382
SECL	100692925	50571355	97871164	249135444
NCL	0	0	0	0
NCL RAIL	0	0	0	0
TOTAL CIL (PSU)	141917133	139749490	272512727	554179350
SCCL (PSU)	78082867	80250510	127487273	285820650
G. Total	220000000	220000000	400000000	840000000

## DETAILS OF PROJECTS UNDER EMERGENCY COAL PRODUCTION PLAN ARE GIVEN BELOW

## Details of Projects under Emergency Coal Production Plan

Sl.No.	Project	Sanc. Cap. (Mty)	Enhanced Capacity Proposed (Mty)	Incr. Prod. Capacity under ECPP (Mty)	Likely Capital for Incr. Capacity (Rs. crs.)	Target for 2012-13 (Mte)	Remarks
1	2	3	4	5	6	7	8
1.	Lakhampur OC Expn., MCL	10.00	15.00	5.00	116.54	15.00	Expn. PR of 15 Mty. (Incr. 5 Mty) approved in Sep. 2008 for sanc. Capital of Rs. 116.54 crs. EMP clearance obtained. FC for 94,399 Ha granted in 19.01.2012.
2.	Ashoka OC, CCL	6.50	10.00	3.50	341.63	8.70	Expn. PR of 10 Mty (Incr. 3.5 Mty) approved in Dec. 2007, EMP clearance obtained. Project delayed due to delay in construction of Railway siding and due to delayed diversion of forest land which is awaiting Stage-I clearance at MoEF, New Delhi.
3.	Kaniha OC Expn. MCL	3.50	10.00	6.50	457.77 (Incl. 96.18 existing capital)	2.00	Expn. PR of 10 Mty (Incr. 6.5 Mty) approved in Dec., 2007 for a capital of Rs. 457.77 crs. EMP clearance obtained. 167.70 Ha Forest land awaiting Stage-I clearance for want of NOC from DC, Angul, CA scheme by DF, Angul, DGPS map and Wildlife Plan.

1	2	3	4	5	6	7	8
4.	Bhubaneswari Expn. MCL	10.00	20.00	10.00	490.10 (Incl. 336.68 existing capital)	10.00	Expn PR of 20 Mty (Incr. 10 Mty) approved in Dec. 2007 for Sanc. Capital of Rs. 490.10 crs. EC for 20 Mty obtained on 30.11.2012
5.	Dipka OC Expn. SECL	20.00	25.00	5.00	675.13	25.00	Expn. PR of 25 Mty (Incr. 5 Mty) approved in Dec. 2009 for sanc. Capital of Rs. 1946.66 crs. (Incr. Rs. 675.13 crs.). EMP clearance obtained. 148.87 Ha forest land pending at State level stage II for CA scheme and FRA, 33.84 Ha forest land pending at State level stage II for NOC under FRA and 206.64 forest land pending at MoEF level stage II for final clearance. Compensation for 299.19 Ha Other land under preparation.
6.	Gevra OC Expn. SECL	25.00	35.00	10.00	1008.11	35.00	Expn. PR of 35 Mty (Incr. 10 Mty) approved in Dec. 2009 for sanc. Capital of Rs. 2675.67 crs. (Incr. Rs. 1008.11 crs.). EMP clearance obtained. 126.34 Ha forest land pending at State level stage I for NOC under FRA and R&R plan of tenants, other three proposals of 564.86 Ha, 46.20 Ha and 192.05 Ha forest land pending for clearance at MoEF level stage II for resolution of Gramsabha, payment of difference of CA and PCA at new rates. 8% Ha Tenancy notified u/s 11(i) Compensation settled for 146 Ha Tenancy land. Disbursement under progress. 291.285 Ha land of Pondi (2nd extn.) notified u/s 11(i) on 5.2.2011.



1	2	3	4	5	6	7	8
7.	Krishnashila OC, NCL	4.00	4.00	-	741.62	4.00	UCE of ongoing project approved in Jun. 2011. EMP for 4 Mty obtained EC for 5.0 awaiting FC obtained. Possession required immediately.
8.	Amlohri OC Expn., NCL	4.00	10.00	6.00	1670.875 (Incl. 1143.54 Incr.)	8.00	Expn. PR for 10 Mty (Incr. 6 Mty) sanctioned in Dec. 2009 for Sanc. Capital of Rs. 1670.65 crs. (Incr. Rs. 1143.54 crs.) EMP for 10 Mty obtained in Feb. 2006.
9.	Kusmunda OC Expn., SECL	10.00	15.00	5.00	450.56	15.00	Expn. PR of 15 Mty (Incr. 5 Mty) approved in Jun. 2008 for sanc. Capital of Rs. 1188.31 crs. (Incr. Rs. 450.56 crs. EMP for 10 Mty obtained in Feb. 2006. 40.54 Ha forest land pending at State level stage I for NOC under FRA, 324.84 Ha forest land pending at MoEF level stage I for NOC under FRA and 72.42 Ha (combined) forest land pending at State level stage I for NOC under FRA. Compensation settled for 23 Ha Tenancy land. Disbursement under progress.
10.	Block-B OC, NCL	3.50	3.50	-	535.10	4.00	UCE of ongoing project approved in Jun. 2011. Compensation for 43.32 Ha other land is being paid 85 Ha notified u/s 9(i) and revenue records are being collected.

1	2	3	4	5	6	7	8
11.	Magadh OC Expn. CCL	12.00	20.00	8.00	706.40 (Total OS option)	0.00	Expn. PR of 20 Mty (Incr. 8 Mty) approved in Aug. 2008 for sanc. Capital of Rs. 706.40 crs. (Incr. Rs. 236.62 crs.). EMP clearance obtained. Physical possession of tenancy land delayed due to demand of compensation and employment beyond company norms.
12.	Bharatpur OC Expn. MCL	11.00	20.00	9.00	131.39 Coal and Incr. OB-OS for 5 years	10.00	Expn. PR of 20 Mty (Incr. 9 Mty) approved in Feb. 2007 for Incr. capital of Rs. 131.39 crs. EMP clearance obtained. 134.59 Ha forest land pending for Stage I clearance at State level. Proposal pending at CCF (Nodal) for FRA of 0.18 Ha Safety Zone Area.
13.	Khadia OC Expn., NCL	4.00	10.00	6.00	1131.28	4.50	Expn. PR of 10 Mty (Incr. 6 Mty) approved in Jun. 2011 for sanc. Capital of Rs. 1720.03 crs. (Incr. Rs. 1131.28 crs.) EMP clearance obtained. Stage-II clearance obtained on 14.09.2010 38 Ha land handed over. Early hand over of balance land is required.
14.	Piparwar OC CCL	6.50	10.00	3.50	21.87	11.00	Expn. PR of 10 Mty (Incr. 3.5 Mty) approved in Sep. 2006 for sanc. Capital of Rs. 812.52 crs. (Incr. Rs. 21.87 crs.). EMP clearance obtained. Completion delayed due to delay in land acquisition and commissioning of Railway siding.

1	2	3	4	5	6	7	8
15.	Jayant OC NCL	10.00	15.00	5.00	1060.03	13.00	Stage-I clearance obtained but final clearance could not be obtained due to lack of EMP clearance over extended area. EMP clearance for 15.5 Mty in area of 10 Mty mine obtained. 94 Ha Forest land awaiting Stage-I clearance.
16.	Dudhichua OC, NCL	10.00	15.00	5.00	326.75	13.00	Stage-I clearance obtained but final clearance could not be obtained due to lack of EMP clearance over extended area. EMP clearance for 15.5 Mty in area of 10 Mty mine obtained. 443 Ha Forest land awaiting Stage-I clearance.

ANNEXURE V

DETAILS OF BLOCK WHERE FOREST AND ENVIRONMENT  
CLEARANCE ARE PENDING AS ON DEC. 2012

Sl.No.	Block Name and allotment (Private or Govt.)
1	2
1.	Gangaramchak and Gangaramchak Bhadulia (Government)
2.	Tara (Government)
3.	Majra (Private)
4.	Badam (Government)
5.	Utkal 'E' (Government)
6-7.	Gidhmuri and Paturia (Government)
8.	Panchwara North (Government)
9.	Moitra (Private)
10-11.	Brinda, Sasai (Private)
12-13.	Kotre-Basantpur and Pachamo (Private)
14.	Lohari (Private)
15.	Chitarpur (Private)
16-17.	Marki Mangli II & IV (Private)
18.	Talabira II & III (Government)
19.	West of Gopal Prasad (W) and Utkal-A (Government)
20.	Tadicherla-I (Government)
21.	Amelia (North) (Government)
22.	Amelia (Government)
23.	Bijahan (Private)
24.	Madanpur South (Private)
25-26.	Nakia I + Nakia II (Private)
27.	Gare Pelma IV 16 (Private)
28.	Gare Pelma IV/8 (Private)
29.	Madanpur (North) (Private)

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30. Gondulpara (Government)
  31. Dumri (Private)
  32. Talaipalir (Government)
  33. Dulunga (Government)
  34. Sugia Closed mine (Government)
  35. Rauta Closed mine (Government)
  36. Burakhap small patch (Government)
  - 37-38. Mahanadi Machhakata (Government)
  39. Radhikapur (East) (Private)
  40. Mahan (Private)
  41. Bundu (Private)
  42. Radhikapur (West) (Private)
  43. Parsa (Government)
  44. Gare Pelma, Sector-I (Government)
  45. Gare Pelma Sector II (Government)
  46. Morga-I (Government)
  47. Morga-II (Government)
  48. Gomia (Government)
  49. Saria Koiyatand (Government)
  50. Rajbar E&D (Government)
  51. Marki-Zari-Jamani-Adkoli (Government)
  52. Mara II Mahan (Government)
  53. Nuagaon Telisahi (Government)
  54. Ichapur (Government)
  55. Kulti (Government)
  - 56-58. Meenakshi Dip side of Meenakshi & Meenakshi B (Private)
  59. Chhatrasal (Private)
  60. Biharinath (Private)
  61. Chakla (Private)
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62. Jitpurt (Private)
  - 63-64. Chendipada, Chendipada-II (Government)
  - 65-66. Manoharpur & Dipside of Manoharpur (Government)
  67. Urma Paheritola (Government)
  68. Jaganathpur A (Government)
  69. Jaganathpur B (Government)
  70. Suliyarils Belwar (Government)
  71. Marki Barka (Government)
  72. Morga III (Government)
  73. Morga IV (Government)
  74. Sondiha (Government)
  75. Sahapur East (Government)
  76. Sahapur West (Government)
  77. Bicharpur (Government)
  78. Mandla South (Government)
  79. Warora (Government)
  80. Brahmpuri (Private)
  81. Kerandari BC (Private)
  82. Tubed (Private)
  83. Mandla North (Private)
  84. Ashok Karkatta Central (Private)
  85. Patal East (Private)
  86. Sayang (Private)
  87. Durgapur-II/Sarya (Private)
  88. Durgapur-II/Taraimar (Private)
  89. Lohara West Extn. (Private)
  90. Sitarampur (Government)
  91. Mandakini A(Private)
  92. Seregarha (Private )
  93. Mahuagarhi (Private)
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94. Amarkonda Murgadangal/Private)
  - 95-96. Rampia & Dip Side of Rampia (Private)
  97. Fatehpur East (Private)
  98. Fatehpur (Private)
  99. Jageshwar & Khas Jageshwar (Government)
  100. Rohne (Private)
  101. Bhivkund (Private)
  102. Kesla North (Private)
  103. Tandsi III & Tandsi III Extn. (Private)
  104. Bikram/Private)
  105. GarePelma Sector-III (Government)
  106. Raihara North (Central & Eastern) (Private)
  107. Thesgora-B/Rudrapuri (Private)
  108. Ramchandi Promotional Block (Private)
  109. North of Arkhapal-Srirampor Private)
  110. Mednirai (Private)
  111. Ganeshpur (Private)
  112. Bander (Private)
  113. Khappa Extention (Private)
  114. Rajgamar Dipside (South of Phulikdih Nala) (Private)
  115. Mourya OC (Private)
  116. Andelal East (Private)
  117. Pindrakhi (Private )
  118. Puta Parogia (Private)
  119. Moira Madhujore (Private)
  120. Urtan North (Private)
  121. Bankui (Private)
  122. Rajgamar Dipside (Devnara) (Private)
  123. Vijay Central (Private)
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ANNEXURE VI

MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL HELD ON 2 APRIL 2013 IN  
COMMITTEE ROOM 'E', PARLIAMENT  
HOUSE ANNEXE, NEW DELHI

The Committee sat from 1100 hrs. to 1500 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Hansraj G. Ahir
3. Smt. Jyoti Dhurve
4. Shri Ganeshrao Nagorao Dudhgaonkar
5. Shri Vishwa Mohan Kumar
6. Shri Babu Lal Marandi
7. Shri Govind Prasad Mishra
8. Kumari Saroj Pandey
9. Shri Gajendra Singh Rajukhedi
10. Shri Pashupati Nath Singh
11. Shri Uday Pratap Singh
12. Shri Om Prakash Yadav

*Rajya Sabha*

13. Shri Ali Anwar Ansari
14. Dr. Pradeep Kumar Balmuchu
15. Smt. Smriti Zubin Irani
16. Shri Sanjay Raut
17. Shri Dhiraj Prasad Sahu



SECRETARIAT

1. Shri S. Bal Shekar — *Additional Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Deputy Secretary*

WITNESSES

MINISTRY OF COAL AND ITS PSU'S

1. Shri S.K. Srivastava — Secretary, Ministry of Coal
2. Dr. A.K. Dubey — Addl. Secretary
3. Shri A.K. Bhalla — Joint Secretary
4. Shri Sailesh Kumar Singh — Joint Secretary
5. Smt. Anjali Srivastava — Joint Secretary and FA
6. Dr. M.R. Anand — Economic Advisor
7. Shri D.N. Prasad — Advisor (P)
8. Shri V. Peddana — Director, Parl./Vig.
9. Shri S. Narsingh Rao — Chairman, Coal India Ltd.
10. Shri Abhijit Chatterjee — Director, CIL,
11. Shri R. Mohan Das — Director (P&IR), CIL
12. Shri B. Surendra Mohan — CMD, Neyveli Lignite Corporation Ltd.
13. Shri A.K. Debnath — CMD, CMPDIL
14. Shri T.K. Lahiry — CMD, BCCL
15. Shri D.C. Garg — CMD, WCL
16. Shri Gopal Singh — CMD, CCL
17. Shri N. Kumar — CMD, SECL
18. Shri Rakesh Kumar Sinha — CMD, ECL
19. Shri S. Bhattacharya — CMD, SCCL
20. Shri N. Dash — Director, NCL
21. Shri Rakesh Kumar, — Director, NLC
22. Shri K. Biswal — Director, MCL
23. Shri Amrita Bhattacharya — Coal Controller

2. At the outset, the Chairman welcomed the Secretary, Ministry of Coal and other representatives of Ministry of Coal and Coal PSUs to the sitting of Committee convened in connection with examination of “Demands for Grants (2013-14)” of the Ministry of Coal.

3. Thereafter, the Secretary, Ministry of Coal briefed the Committee about Plan Outlays *vis-a-vis* actual utilisation by the Ministry and PSUs under its administrative control and the physical achievements during 2012-13. In a visual presentation, he also explained the financial and physical targets set and achieved for these organizations during the 11th Plan Period and for the year 2013-14 and thrust areas envisaged for the development of coal sector during XII Plan.

4. The Committee, during the sitting discussed the issues relating to the detailed plan outlays and expenditure by Coal PSUs, coal production, physical and financial performance of CIL and its subsidiaries, detailed drilling, issues relating to environment and forests clearance, land acquisition and rehabilitation, allocation and monitoring of captive coal blocks, Fuel Supply Agreements, e-auction of coal, tribal-sub plan, issues related to coal royalty to States, acquisition of assets by CIL abroad, etc.

5. The Members raised their concerns on the above issues and sought clarifications from the Ministry of Coal. Some of the points were clarified by the representatives of Ministry of Coal. The Chairman directed the representatives of the Ministry of Coal to furnish written replies to the queries raised by the Members which could not be responded to.

A copy of verbatim proceedings of the sitting of the Committee has been kept on record.

*The Committee then adjourned.*

ANNEXURE VII

MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL HELD ON 17 APRIL 2013 IN  
COMMITTEE ROOM 'B', PARLIAMENT  
HOUSE ANNEXE, NEW DELHI

The Committee sat from 1430 hrs. to 1500 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Hansraj G. Ahir
3. Shri Sanjay Bhoi
4. Shri Vishwa Mohan Kumar
5. Shri Yashbant N.S. Laguri
6. Shri Govind Prasad Mishra
7. Shri Rajaram Pal
8. Shri Gajendra Singh Rajukhedi
9. Shri Pashupati Nath Singh
10. Shri Om Prakash Yadav

*Rajya Sabha*

11. Shri Ali Anwar Ansari
12. Dr. Pradeep Kumar Balmuchu
13. Smt. Smriti Zubin Irani
14. Shri Dhiraj Prasad Sahu

SECRETARIAT

1. Shri S. Bal Shekar — *Additional Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Deputy Secretary*

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

3. The Committee thereafter took up for consideration the following Draft Reports:—

- |       |  |    |    |    |
|-------|--|----|----|----|
| (i)   | **   | ** | ** | ** |
| (ii)  | **   | ** | ** | ** |
| (iii) | **   | ** | ** | ** |
| (iv)  | Report on "Demand for Grants (2013-14)" of the Ministry of Coal. |    |    |    |

4. The Committee adopted the all four Reports with minor changes/modifications. The Committee then authorized the Chairman to finalise the Reports on the basis of factual verification from the concerned Ministry and present the same to both the Houses of Parliament.

*The Committee then adjourned.*

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\*\*Do not pertain to this Report.