

FIRST REPORT
STANDING COMMITTEE ON
COAL AND STEEL
(2014-2015)

(SIXTEENTH LOK SABHA)

MINISTRY OF COAL

DEMANDS FOR GRANTS
(2014-2015)

Presented to Lok Sabha on 22.12.2014

Laid in Rajya Sabha on 22.12.2014



LOK SABHA SECRETARIAT
NEW DELHI

December, 2014/Pausa, 1936 (Saka)

CC&S No. 72

Price : ₹ 83.00

© 2015 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fifteenth Edition) and printed by Anupam Art Printers, New Delhi.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
REPORT	
PART I	
CHAPTER I Introductory	1
CHAPTER II Analysis of Demands for Grants (2014-15)	6
CHAPTER III Implementation of Central Sector Schemes.....	15
CHAPTER IV Investment in PSUs	34
CHAPTER V Tribal Sub-Plan	43
CHAPTER VI Constraints and Hurdles in Implementation of Projects	44
CHAPTER VII Coal Washeries	51
CHAPTER VIII E-auction of Coal/E-Marketing	53
CHAPTER IX Corporate Social Responsibility	56
CHAPTER X Implementation of Recommendations of the Committee	59
PART II	
Observations/Recommendations of the Committee	60
ANNEXURES	
I. Minutes of the Sitting of the Standing Committee on Coal and Steel (2014-15) held on 03.11.2014	71
II. Minutes of the Sitting of the Standing Committee on Coal and Steel (2014-15) held on 19.12.2014	75

COMPOSITION OF THE STANDING COMMITTEE
ON COAL AND STEEL (2014-15)

Shri Rakesh Singh[#] – *Chairperson*

MEMBERS

Lok Sabha

2. Shri A. Arunmozhithevan
3. Shri Kalyan Banerjee
4. Shrimati Jyoti Dhurve
5. Shri Faggan Singh Kulaste
6. Shri Shailesh Kumar
7. Dr. Banshilal Mahato
8. Shri Godam Nagesh
9. Shri Devji M. Patel
10. Shrimati Riti Pathak
11. Shrimati Ranjit Ranjan
12. Dr. Ravindra Kumar Ray
13. Shri Neiphiu Rio
14. Shri Tamradhwaj Sahu
15. Shri Tathagata Satpathy
16. Shri Janardan Singh "Sigriwal"
17. Shri Pashupati Nath Singh
18. Shri Sunil Kumar Singh
19. Shri Sushil Kumar Singh
20. Shri Rama Kishore Singh
21. Shri Krupal Balaji Tumane

Rajya Sabha

22. Shri Ali Anwar Ansari
23. Dr. Pradeep Kumar Balmuchu

[#]Shri Rakesh Singh appointed w.e.f. 27.11.2014 vice Shri Hansraj G. Ahir who has been appointed as Minister.

24. Shri Srinjoy Bose
25. Shri B.K. Hariprasad
26. Shri Jugul Kishore
27. Shri Avinash Pande
28. Dr. Satyanarayan Jatiya*
29. Shri Sanjay Raut
30. Shri Nand Kumar Sai
31. Shri Dilip Kumar Tirkey

SECRETARIAT

1. Shri Shiv Singh — *Joint Secretary*
2. Shri Arvind Sharma — *Additional Director*
3. Ms. Miranda Ingudam — *Under Secretary*

*Dr. Satyanarayan Jatiya nominated w.e.f. 25.09.2014 vice Shri Basawaraj Patil.

INTRODUCTION

1, the Chairperson, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this First Report (Sixteenth Lok Sabha) on Demands for Grants (2014-15) 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 31.7.2014. 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 the Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament. Thereafter the Demands are considered by the House in the light of the Report of the Committee. However, this year the Demands for Grants of the Ministry of Coal were passed by the Lok Sabha on 23.7.2014, prior to their consideration by the Standing Committee on Coal and Steel. Nonetheless, in pursuance of the observations made by the Chair, the Committee examined Demands for Grants (2014-15) of the Ministry of Coal and issues arising therefrom.

3. The Committee took evidence of the representatives of the Ministry of Coal on 3.11.2014.

4. The Report was considered and adopted by the Committee at their sitting held on 19.12.2014.

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;
19 December, 2014
28 Agrahayana, 1936 (Saka)

RAKESH SINGH,
Chairperson,
Standing Committee on
Coal and Steel.

REPORT

PART I

CHAPTER I

INTRODUCTORY

The strategic importance of Coal in the country's energy security can be gauged from the fact that coal accounts for over fifty per cent of the primary energy supply and over seventy per cent of coal production/supply goes for power generation with the share expected to go up in the near future. Disappointingly, India remains the fourth largest importer of coal despite having the fifth largest coal reserves in the world. The increasing imports of coal to meet the demand supply gap viz. 145.8 MT in 2012-13 to 168.4 MT in 2013-14 which is estimated to reach 185 MT in 2016-17 as per the XIIth Plan Document, and its consequent financial burden on the exchequer remains a serious cause of concern. The daunting tasks before the Government are to seriously address the various constraints impeding off take of domestic production and capacity expansion with a renewed thrust to set optimistic targets and timelines for realistic achievements. Major Plan Schemes include *inter-alia* Research and Development; Regional exploration in both CIL and Non-CIL Blocks; Detailed drilling; Environmental Measures and Subsidence Control; Conservation and Safety in Coal Mines and Development of Transport Infrastructure under CCDA; Expediting pending environment and forest clearances for projects; Implementation of critical Rail links for evacuation of coal; Accelerating the pace of development of Captive Blocks; Identification of inviolate areas and eco-sensitive zones; Third Party Environment Audit; Action Plan for Technology Development and Modernization of Mines; Strengthening the Coal Controller's Organization and CMPDIL; Action Plan for enhancing underground mining; Land Acquisition and Reclamation; Rationalization of Coal Linkages; etc. The Ministry of Coal is also presently seized with the challenges in the wake of the Supreme Court Judgement dated 25.9.2014 cancelling allocation of 204 Coal Blocks out of 218 Coal Blocks and the Coal Mines (Special Provision) Ordinance, 2014 was promulgated on 21.10.2014 to deal with the immediate situation arising thereof. Undoubted while enhancing a sustainable commensurate increase in the production of coal to meet the increasing domestic demand is of paramount importance, the

aspect of bringing about objectivity and transparency in the allocation of coal blocks particularly for captive mining and also ensuring a stringent monitoring mechanism will go a long way in resolving the current challenges.

1.2 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.

- Administration of the Coal Mines (Special Provision) Ordinance, 2014
- Administration of the Coal Mines (Nationalisation) Act, 1973

1.3 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)

1.4 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)

1.5 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)

1.6 The Singareni Collieries Company Limited incorporated as public limited company in 1920 became a Government company in 1956 with headquarters at Kothagudem in Telangana. The company is a joint undertaking of Government of Telangana and Government of India. The share capital of this company is held by the Government of

Telangana 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 Telangana.

1.7 The following subordinate Offices and autonomous organisations are also under the Administrative control of this Ministry:—

Coal Controller's Organisation (CCO)

1.8 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)

1.9 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.

1.10 The Ministry in their Outcome Budget (2014-15), while detailing the Budget Estimates and the Plan Outlay of the Ministry of Coal and Coal PSUs, also brings out the expected outcomes in terms of quantifiable deliverables in 2014-15 and physical outputs along with the timelines for both the Plan and Non Plan schemes operated in the Ministry of Coal. The outcome budget also brings out some important reform measures and policy initiatives undertaken by the Ministry in recent times viz. efforts to increase Public Private Partnership (PPP) in the coal sector; renewed policy thrust to increase coal production and enhancing underground mining; new policy initiatives to expedite environmental and forest clearance and push critical rail-link projects; rationalization of linkage of coal; ensuring stringent quality control measures; streamlining land and rehabilitation related issues; special thrust on monitoring of development of captive coal blocks; fast tracking of auction of coal blocks by competitive bidding for specified end use; introduction of appropriate technology for benchmarking productivity, safety, quality and crushing of coal; technology development and

modernization of mines in CIL; Master Plan to address fire, subsidence and rehabilitation; Third Party Monitoring of Mine Reclamation and Rehabilitation Satellite surveillance for land reclamation, etc. Besides, achievements in bringing forth amendment of the Mines and Minerals (Development and Regulation) Amendment Act, 2010 and notification of the Auction by Competitive Bidding of Coal Mines (Amendment) Rules, 2012; and introduction of the Coal Regulatory Authority Bill, 2013 in Lok Sabha on 13.12.2013 and the Coal Mines (Conservation and Development) Amendment Bill, 2012 were cited. The Outcome Budget also details the amount earmarked and utilized by CIL and its subsidiaries under the Corporate Social Responsibility fund during each of the last three years (2010-11, 2011-12 & 2012-13). In addition, the outcome budget dedicates a chapter on Financial Review of the PSUs as well as various Plan and Non-plan Schemes Projects administered by the Ministry of Coal and also stated that as on 31.03.2014, there were are no outstanding utilization certificates pending with the Ministry. The Committee was also apprised that in the aftermath of the Supreme Court Judgement dated 24.09.2014 cancelling allocation of 204 Coal Blocks out of 218 Coal Blocks, the Government promulgated the Coal Mines (Special Provision) Ordinance, 2014 dated 21.10.2014 to implement the Supreme Court order.

1.11 The detailed Demands for Grants of the Ministry of Coal were presented to Lok Sabha on 31st July, 2014. Besides analyzing the detailed Demands for Grants (2014-15) 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 2014-15, the detailed analysis alongwith observations/recommendations of the Committee on various issues have been given in the succeeding chapters of the Report.

CHAPTER II

ANALYSIS OF DEMANDS FOR GRANTS (2014-15)

A. SUMMARY OF DEMANDS FOR GRANTS 2014-15

The Demands for Grants of the Ministry of Coal reflect a Plan provision of Rs. 550 crore and a Non plan provision of Rs. 1697.00 crore as Gross Budgetary Support in the Demand No. 10 of the Ministry of Coal. A non-plan provision of Rs. 50 crore has been reflected in the Demand to meet the demands of the Secretariat, Coal Controller's Organization and the CMPS scheme. A provision of Rs. 1647.00 crore has been made for Acquisition of Coal Bearing Areas for which the amount is deposited by CIL in advance to Government. The same is released back to CIL. Apart from the gross budgetary support reflected in the Demands for Grants as discussed above, 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 allocations earmarked for the central schemes/programmes and programmes/projects being implemented by the PSUs for the year 2014-15 are indicated hereunder:—

Table 2.1: Schemes/Programmes being implemented with Gross Budgetary Support

Name of Scheme/programme	2014-15 (BUDGET) (Rs. in crore)		
	Plan	Non-Plan	Total
Revenue			
1	2	3	4
1. Secretariat - Economic Services Labour and Employment Coal Mines Labour Welfare	1.25	18.00	19.25
2. Contribution to Coal Mines Pension Scheme/Deposit Link Insurance Scheme Coal and Lignite	0.00	24.00	24.00
3. *Conservation and Safety in Coal Mines (met out of cess collections)	185.00	0.00	185.00

1	2	3	4
4. Development of Transportation Infrastructure in coalfields areas (Met out of cess collections)	75.00	0.00	75.00
5. Research & Development Programme	17.95	0.00	17.95
6. *Regional Exploration	56.65	0.00	56.65
7. *Detailed Drilling	184.45	0.00	184.45
8. Environmental Measures and Subsidence Control	0.40	0.00	0.40
9. Coal Controller	0.30	8.00	8.30
Total Coal and Lignite	519.75	8.00	527.75
10. Lumpsum provision for North Eastern Areas	29.00	0.00	29.00
Total (Revenue)	550.00	50.00	600.00
Capital			
Expenditure on Acquisition of Coal bearing areas from CBA Acquisition Fund			
11. Acquisition of Coal Bearing Areas	0.00	1647.00	1647.00
12. Deduct Expenditure met from C.B.A. Acquisition Fund	0.00	-1647.00	-1647.00
Total (Capital)	0.00	0.00	0.00
Total (Revenue+Capital)	550.00	50.00	600.00

*Including Tribal Sub Plan component.

Table 2.2: Investment in Public Enterprises from their own Internal and Extra Budgetary Resources (IEBRs)

(Rs. in crore)

	Budget Support	IEBR	Total
1	2	3	4
1. Coal India Limited	0.00	5225.00	5225.00
2. Singareni Collieries Company Ltd.	0.00	3850.00	3850.00

	1	2	3	4
3. Neyveli Lignite Corporation Limited (Mines)		0.00	272.00	272.00
4. Neyveli Lignite Corporation Limited (Power)		0.00	2664.00	2664.00
5. Neyveli Lignite Corporation Limited (Total)		0.00	2936.00	2936.00
6. Total (Investment in PEs on Coal and Lignite)		0.00	12011.00	12011.00
7. Total (Investment in PEs on Power)		0.00	2664.00	2664.00
8. Total (B) (Plan Investment in Public Enterprises of MOC)		0.00	9347.00	9347.00
Total Plan Outlay (MOC) (A+B)		550.00	12011.00	12561.00

B. ANALYSIS OF DEMANDS FOR GRANTS (PLAN) FOR THE LAST THREE YEARS

2.2 The allocations for various Projects/Programmes for the year 2014-15 are analyzed with reference to allocations/actual utilizations in previous years as hereunder:

Table 2.3 Plan Schemes/Programmes being implemented with Gross Budgetary Support (Actual Expenditure and Outlay)

(Rupees in crore)

Name of the scheme and percentage increase over the previous year	Actual 2011-12	Actual 2012-13	Actual 2013-14	BE 2014-15
1	2	3	4	5
(i) Research and Development Projects	10.62	11.40	11.65	17.95
Percentage increase over previous year	6.2	7.34	2.19	
*(ii) Promotional (Regional) Exploration	64.00	19.00	63.30	56.65
Percentage increase over previous year	-5.88	-70.31	233.15	

	1	2	3	4	5
* (iii) Detailed Drilling in Non CIL Blocks		109.17	200.59	184.50	184.45
Percentage increase over previous year		-0.75	83.74	-8.02	
(iv) Environmental Measures and Subsidence Control (EMSC)		0.00	0.00	0.05	0.40
Percentage increase over previous year		-100.00	0.00	100	
* (v) Conservation and Safety in Coal Mines		121.11	119.01	185.00	185.00
Percentage increase over previous year		-10.28	-1.73	55.44	
(vi) Development of Transport Infrastructure		22.00	40.00	75.00	75.00
Percentage increase over previous year		0.00	81.81	87.5	
(vii) Lumpsum Provision for Development of North Eastern Region/Sikkim		0.00	0.00	1.76	29.00
Percentage increase over previous year		0.00	0.00	100	
(viii) Secretariat Proper (Plan)		0.45	0.50	1.25	1.25
Percentage increase over previous year		200.00	11.11	150.00	
(ix) Coal Controller's Organisation (Plan)		0.22	0.26	0.18	0.30
Percentage increase over previous year		0.00	18.18	-44.44	

*Including Tribal Sub Plan component.

Table 2.4 Investment in Public Enterprises from their own Internal and Extra Budgetary Resources (IEBRs)-Plan (Actual Expenditure and Outlay)

(Rupees in crore)

Name of PSUs	Actual 2011-12	Actual 2012-13	Actual 2013-14	BE 2014-15
1	2	3	4	5
CIL	3727.17+ 1000.00#	2915.23	4329.86	5225.00

	1	2	3	4	5
% increases over last year		46.75	-21.78	48.52	
NLC		1684.38	1827.90	1817.32	2936.00
% increases over last year		16.59	8.52	-0.57	
SCCL		1070.56	2047.26	2591.05	3850.00
% increases over last year		68.64	91.23	26.56	

#ad-hoc provision for acquisition abroad.

C. PHYSICAL TARGETS AND FINANCIAL REQUIREMENTS

2.3 The physical targets (relating to the Coal Production, dispatches, OMS and Profit/Loss) and achievements of PSUs for last three years are given as under:

(i) Coal India Limited

Table 2.5: Physical Targets of Coal India Limited

Particulars	2011-12 Actual	2012-13 Actual	2013-14 Target/BE	2013-14 Actual	2014-15 Target/BE
Production (MT)	435.84	452.21	482.00	462.53	507.00
Dispatch (MT)	433.08	464.95	492.00	471.50	520.00
OMS (Tonnes)	4.99	5.32	5.54	5.62	5.92
Capital Exp./Outlay (Rs. in crores)	3727.17	2915.23	5000.00	4329.86	5225.00

(ii) Singareni Collieries Company Limited (SCCL)

Table 2.6: Targets of Singareni Collieries Co. Ltd.

Particulars	2011-12 Actual	2012-13 Actual	2013-14 Target/BE	2013-14 Actual	2014-15 Target/BE
Production (MT)	52.21	53.19	54.30	50.47	55.00
Dispatch (MT)	51.39	53.28	56.00	47.89	55.50
OMS (Tonnes)	3.93	3.94	4.39	3.86	4.60
Capital Exp./Outlay (Rs. in crores)	1070.56	2047.26	4000.00	2591.05	3850.00

(iii) Neyveli Lignite Corporation Ltd.

Table 2.7: Physical Targets of NLC Ltd.

(Rs. in crores)

Particulars	2011-12	2012-13	2013-14	2013-14	2014-15
	Actual	Actual	Target/BE	Actual	Target/BE
Lignite Production in MT	24.59	26.22	25.20	26.61	25.60
Power Generation Gross in MU	18789.44	19902.34	18929.00	19988.65	20285.00

Table 2.8: Financial analysis for NLC

(Rs. in crores)

Sector	2011-12	2012-13	2013-14	2013-14	2014-15
	Actual	Actual	Target/BE	Actual	Target/BE
Lignite/Coal Sector	77.54	57.89	107.60	71.94	272.00
Power Sector	1606.84	1770.01	2382.54	1745.38	2664.00
Total	1684.38	1827.90	2490.14	1817.32	2936.00

D. CAPITAL OUTLAY IN THE XIIITH PLAN

2.4 Further, the details of Capital Outlay in the current XIIth Plan proposals from 2009 to 2012-13 (Actual), 2013-14 (BE&RE) and 2014-15 (BE) are as under:

Table 2.9: Details of Capital Outlay in the XIIth Plan

(Rs. in crores)

Schemes	XII Plan	2011-12	2012-13	2013-14	2013-14	2013-14	2014-15
	2012-17	Actual	Actual	BE	RE	Actual	BE
1	2	3	4	5	6	7	8
CIL	25400.00+ 25000.00## 10000.00#	3727.17	2915.23	5000.00+ 4000.00#	5000.00	4329.86	5225.00
SCCL	10350.00	1070.56	2047.26	4000.00	2900.00	2591.05	3850.00
NLC-Mines	2510.70	77.54	57.89	107.60	107.60	71.94	272.00

1	2	3	4	5	6	7	8
Power	26728.40	1606.84	1770.01	2382.54	2382.54	1745.38	2664.00
Total NLC	29239.10	1684.38	1827.90	2490.14	2490.14	1817.32	2936.00
Sub Total	64989.10	6482.11	6790.39	11490.20	10390.14	8738.23	12011.00
Research & Development (S&T)	100.00	10.62	11.40	11.65	11.65	11.65	17.95
*Regional Exploration	456.00	64.00	19.00	45.00	63.00	63.30	56.65
*Detailed Drilling	975.00	109.17	200.59	157.45	184.50	184.50	184.45
EMSC	1663.60	0.00	0.00	0.90	0.35	0.05	0.40
*Conservation and safety in coal mines	820.00	121.11	119.01	160.00	185.00	185.00	185.00
Dev. of Transportation Infra. in coalfield areas	600.00	22.00	40.00	50.00	75.00	75.00	75.00
Coal Controller Information Technology	1.25	0.22	0.26	0.30	0.30	0.18	0.30
NE Component	–	0.00	0.00	24.00	28.95	1.76	29.00
Sub Total Schemes	4615.85	327.57	390.76	450.00	550.00	522.69	550.00
Grand Total	69604.95	6809.68	7181.15	11940.20	10940.14	9260.92	12561.00

#Ad-hoc provision for proposed acquisition of assets abroad and in Mozambique.

*Including Tribal Sub Plan component.

Table 2.10: Funds allocated during the Vote on Account (2014-15) and actual expenditure

(Rs. in crores)

Revenue	BE 2014-15		Vote on Account (2014-15)		Actual Expenditure (Upto July 2014)	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
Plan	550.00	0.00	183.00	0.00	27.08	0.00
Non-Plan	50.00	1647.00	17.00	549.00	13.68	174.51
Total	600.00	1647.00	200.00	549.00	40.76	174.51

Table 2.11: Budget provisions and expenditure under Plan during the last two years

Year	Budget	Revised Estimate	Expenditure	% of expenditure with regard to RE
2012-13	450.00	416.00	390.76	93.93
2013-14	450.00	550.00	522.69	95.03

Table 2.12: Plan Expenditure

(Rs. in crore)

Year	Capital Expenditure of CIL	Capital Expenditure of SCCL	Capital Expenditure of NLC	S&T/RE/EMSC D.D./VRS#
2011-12(BE)	4220.00	2804.30	1858.55	222.59
2011-12 (RE)	4195.00	1389.61	1417.85	240.52
2011-12 (Actual)	3370.21	1070.56	1684.38	327.57
2012-13 (BE)	4275.00	3220.33	1687.45	544.00
2012-13 (RE)	3900.00	3220.33	1782.26	416.00
2012-13 (Actual)	2915.23	2047.26	1827.90	212.69
2013-14 (BE)	5000.00	4000.00	2490.14	239.00
2013-14 (RE)	5000.00	2900.00	2490.14	288.45
2013-14 (Actual)	4200.00	2591.05	1817.32	214.15
1st Jan. 2013 to 31st March 2013	1657.00	662.93	566.59	—
2014-15 (BE)	5225.00	3850.00	2936.00	288.45

#S&T - Science & Technology.

R.E - Regional Exploration.

EMSC - Environmental Measures & Subsidence Control.

D.D - Detailed Drilling.

V.R.S. - Voluntary Retirement Scheme.

E. NON-PLAN OUTLAY

2.5 During the financial year 2013-14, out of the budgeted amount of Rs. 550 crores, an amount of Rs. 522.69 crores was utilized, representing a 33.76% increase over the expenditure (Rs. 390.76 crores)

in 2012-13. The remaining unutilized amount Rs. 27.31 crores pertained to mandatory provisions for the North-East region (Rs. 27.19 crores) and the Coal Controller's Organization (Rs. 0.12 crores) on account of salary. The Plan allocation of the current financial year (2014-15) is of the order of Rs. 550 crores.

2.6 The Non-Plan Budget (2014-15) of Rs. 50 crores mainly comprises of funds required for Secretariat (Economic Services), Coal Controller's Organization, payment of Government contribution statutorily required under Coal Mines Pension Scheme, 1998 framed under Coal Mines Provident Fund and Misc. Provisions Act, 1948.

Table 2.13: Non-Plan Schemes/Programmes being Implemented with Gross Budgetary Support (Actual Expenditure and outlay)

(Rupees in Crore)

Schemes/Programmes	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 BE
(i) Secretariat Proper (Non-Plan)	12.51	13.23	16.27	18.00
(ii) Coal Mines Pension Schemes and Coal Mines Deposit Linked Insurance Schemes (Non-Plan)	26.98	24.21	22.00	24.00
(iii) Coal Controller's Organisation (Non-Plan)	6.15	6.83	7.19	8.00

Table 2.14: Non-Plan Schemes/Programmes being implemented with no net Budgetary Support (Actual Expenditure and outlay)

Schemes/Programmes	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 BE
Payment of compensation for acquisition of Coal Bearing Areas (Non Plan) [#]	28.96	309.85	735.68	1647.00

[#]Provision is for acquisition of Coal Bearing Areas for Coal India Limited. It is a statutory requirement on the part of the Government to pay compensation to the land owners ousted from the lands acquired for coal exploration by CIL. Since these lands become property of the subsidiary companies of Coal India Limited, CIL places in advance a fund (equal to the cost of the land acquired) at the disposal of Government of India for payment of compensation. Thus there is no outgo from the Consolidated Fund of India.

CHAPTER III

IMPLEMENTATION OF CENTRAL SECTOR SCHEMES

CENTRAL SECTOR SCHEMES

The Ministry of Coal in their Background Note stated that the following Central Sector Schemes are proposed to be continued from XI Plan to the XII Plan along with their North Eastern Region (NER) and Tribal Sub Plan (TSP) components:

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

3.2 The Ministry further furnished the physical targets and explanation of financial requirement in respect of the above schemes as follows:

Table 3.1: Physical Targets and explanation of financial requirements of Central Sector Scheme

Schemes	Physical Targets and explanation of financial requirement	(Rs. in crore)		
		2013-14		BE 2014-15
		BE	RE	
1	2	3	4	5
*Detailed Drilling in Non CIL Blocks	The target of drilling for 2013-14 was 3.23 lakh meters & for 2014-15 it is 4.16 lakh meters for which the proposed outlay is needed.	157.45	184.50	184.45

1	2	3	4	5
*Regional/Promotional Exploration	The target of drilling for 2013-14 was 1.53 lakh meters and for 2014-15 it is 1.65 lakh meters for which the proposed outlay is required.	45.00	63.00	56.65
Research and Development/ S&T. This scheme supports Coal S&T for application oriented research projects	Out of 15 on-going projects during 2013-14, 5 have been completed. During 2014-15, out of 12 on-going projects, 3 projects are expected to be completed.	11.65	11.65	17.95
Environmental Measures and Subsidence Control. This scheme is aimed at addressing environmental issues in the Coalfields at Raniganj and Jharia arising out of unscientific 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 Government in Aug, 2009 at an investment of Rs. 9657.61 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&D) Act, 1974.	0.90	0.35	0.40
*Conservation and safety of Coal mines	To reimburse partially stowing/ protective works to ensure enhanced coal production and subsidence control, under the provision of Coal Mines Conservation & Development Act.	160.00	185.00	185.00
Development of transportation infrastructure in coalfield areas	To reimburse partially development of transport infrastructure in coalfield areas to facilitate coal/sand transportation, under the provisions of the Coal Mines Conservation & Development Act.	50.00	75.00	75.00

1	2	3	4	5
Lumpsum provision for NER	The provision is made for projects/schemes for the benefit of North Eastern Region and Sikkim as per Government guidelines.	24.00	28.95	29.00

*Including Tribal Sub Plan component.

3.3 The Committee was also apprised of the reasons for not achieving the targets set for various schemes.

Table 3.2: Reasons for Non-achievement of Targets for Central Sector Schemes

Sl. No.	Name of the Scheme	XII Plan Approved outlay 2012-17 (approved)	Actual 2011-12	2012-13		2013-14		Remarks
				BE	Actual	RE	Actual	
1	2	3	4	5	6	7	8	9
1.	Research and Development	100.00	10.62	11.40	11.40	11.65	11.65	
2.	*Promotional/ Regional Exploration (i) Financial Outlay	456.00	64.00	68.00	19.00	63.00	63.30	
	(ii) Drilling (in lakh meters)	9.95	0.93	1.11	1.13	1.50	1.32	Reason for not achieving the targets during 2013-14 is due to non-availability of forest clearance.
3.	*Detailed Drilling in Non-CIL Blocks (i) Financial Outlay	975.00	109.17	135.60	200.59	184.50	184.50	
	(ii) Drilling (in lakh meters)	19.03	2.21	1.75	2.28	2.4	2.38	

1	2	3	4	5	6	7	8	9
4.	Environmental Measures and Subsidence Control (EMSC)	1663.60	-	9.00	0.00	0.35	0.05	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 Aug, 2009 at an investment of Rs. 9657.61 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&D) Act, 1974.
5.	*Conservation and Safety in Coal Mines	820.00	121.11	150.00	119.01	185.00	185.00	
6.	Development of Transportation Infrastructure in Coalfields	600.00	22.00	50.00	40.00	75.00	75.00	
7.	Lumpsum provision for North East Region and Sikkim		0.00	25.00	0.00	28.95	1.76	

*Including Tribal Sub Plan component.

3.4 It was further submitted that the overall Plan Expenditure of Rs. 522.70 crores in 2013-14 reflects a 33.77% increase over the overall Expenditure of Rs. 390.70 crores in 2012-13 representing a tangible scaling up of operations in all the major schemes.

- The expenditure in the scheme 'Development of Transport Infrastructure' was Rs. 75.00 crores against Rs. 50.00 crores in the previous financial year showing an increase of 50%.
- The expenditure in the scheme 'Regional Exploration' was Rs. 59.20 crores against Rs. 19.00 crores in the previous financial year indicating a two fold increase.
- The expenditure in the scheme 'Conservation and Safety' in Coal Mines was Rs. 171.90 crores against Rs. 119.00 crores in the previous financial year showing an increase of 45%.

3.5 The Ministry further explained that the expenditure would have been nearly 100% (of the augmented RE) but for the component earmarked for the NE region, an area that has difficult terrain. This component has over the years remained completely unutilized. 2013-14 in a certain sense marks a new beginning with an amount of Rs. 1.76 crores being spent from the budgeted provision for the development of the NE region, for schemes which are exploratory in nature.

REVIEW OF PLAN SCHEMES

A. Research and Development Projects

3.6 Research and Development projects are covered under four thematic areas *viz.*; improvement in production, productivity and safety in coal mines; coal beneficiation and utilization, and protection of environment and ecology. The Standing Scientific Research Committee (SSRC) under the Chairmanship of Secretary (Coal) is the apex body for administering coal related research. The Central Mine Planning and Design Institute (CMPDI) is the nodal agency for the coordination and monitoring of Science and Technology Plan schemes and of CIL's Research and Development projects. The cutting edge projects are implemented by pioneering research and academic institutes related to coal and allied industries with active participation of coal and lignite mining companies.

3.7 The Outcome Budget (2014-15) also tabulates the status of Coal S&T Projects funded by the Ministry under the S&T grant during the XI Plan and XII Plan period (till 31.03.2014) as below:

Table: 3.3: Status of Projects under S&T Grant during Xith and XIIth Plan Period

(Quantum of Project)

Plan Year	XI Plan					XII Plan		
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Spill over projects from previous year	36	34	28	23	16	14	15	12
Projects sanctioned during the year	09	05	07	02	06	04	02	
Projects on-going during the year	45	39	35	25	22	18	17	
Projects completed during the year	10	10	10	08	07	03	05	
Projects terminated/foreclosed during the year	01	01	02	01	01	-	-	
Ongoing projects	-	-	-	-	-	-	-	12

Table 3.4: The Budget provision and Expenditure including Tribal Sub-Plan component for Research and Development Projects

(Rs. in crores)

Expenditure 2011-12	Expenditure 2012-13	BE 2013-14	RE 2013-14	Expenditure 2013-14	BE 2014-15
10.62	11.40	11.65	11.65	11.65	17.95

3.8 When asked as to whether the funds allocated under R&D for 2014-15 are sufficient for implementing the schemes, the Ministry of Coal replied in the affirmative and stated that the approved outlay for S&T schemes for 2014-15 is Rs.18.0 crore (Ex-NE) against the proposed outlay of Rs. 20.0 crore. The Ministry also furnished PSU/Subsidiaries-wise funds allocated and utilized for R& D activities during the last 3 years.

Table 3.5: Funds allocated and utilized for R&D projects in CIL

(Figs. in Rs. crore)

Company	2011-12		2012-13		2013-14	
	BE	Actual	BE	Actual	BE	Actual
CIL	45.00	16.65	20.00	11.22	20.00	10.97

Table 3.6: Total Expenditure incurred from 2011-12 to 2013-14 for R&D activities in CIL

Year	R&D Expenditure (Rs. Crore)	R&D expenditure as % of PAT
2011-12	16.65	0.11
2012-13	11.22	0.06
2013-14	10.97	0.07

3.9 On the aspect of utilization of funds allocated for R&D activities, the Ministry submitted that in CIL, R&D projects are implemented in the following two ways:—

- (i) **R&D projects under S&T Grant**—The R&D activity in coal sector is administered through an apex body namely, the Standing Scientific Research Committee (SSRC). The members of this apex body include CIL, CMPDI, SCCL and NLC, concerned CSIR laboratories, Department of S&T, Planning Commission, Educational Institutions. The SSRC is assisted by a Technical sub- committee headed by the CMD, CMPDI. The committee deals with research proposals related to coal exploration, mining, mine safety, coal beneficiation and utilization and also project proposals on mine environment and reclamation. CMPDI acts as a nodal agency for co-ordination of research activities in coal sector, which involves identification of ‘Thrust Areas’ for research activities, identification of agencies which can take up the research work in the identified fields, processing proposals for Government approval, preparation of budget estimates, disbursement of funds, monitoring progress of implementation of projects etc.
- (ii) **CIL R&D Projects**—CMPDI acts as the Nodal agency for processing the proposals for approval, preparation of budget estimates, disbursement of funds, monitoring progress of implementation etc. The Apex Committee of R&D Board is empowered to sanction individual R&D projects up to Rs. 5.0 crores value with a limit of Rs. 25.0 crores per annum. The CIL R&D Board is empowered to sanction individual R&D projects up to Rs. 50.0 crores.

Table 3.7: Status of R&D Projects undertaken during the last 3 years is:

(Figs. in Nos.)

Sl. No.	Projects	R & D Projects					
		Under S&T Grant			Under CIL		
		2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
(i)	Ongoing as on 01.04 (start Year)	16	14	15	24	24	23
(ii)	Sanctioned during	06	04	02	06	05	02
(iii)	Completed during	08	03	05	05	06	07
(iv)	Ongoing as on 01.04 (closing Year)	14	15	12	24	23	18

3.10 On being asked to furnish data relating to investments in R&D Sector by Coal Companies in relation to their turnover/profit in major coal producing countries the Ministry submitted that no such data was available.

3.11 On being asked to elaborate the initiatives/measures taken by CMPDIL for technological up-gradation works regarding coal mining during the last 3 years, the Ministry stated in a written reply that continuous effort was being made for technological up-gradation in underground and opencast mines of CIL to achieve high production/productivity. Steps taken to upgrade the technology in underground mines include *inter-alia* application of High-wall mining; introduction of SDL (Side Discharge Loader)/LHD (Load Haul Dumper) as loading machines replacing manual basket loading and adoption of Long-wall Technology or deployment of Continuous Miners feasibility study of High Angle conveying system in open cast mines. Similar steps taken in Opencast Mining include *inter-alia* as a cost saving method of transporting material out of the pit. Statedly, the advantages of High Angle Conveying System are ability to extract coal at greater depth economically; superior energy efficiencies; Less dependency on petroleum products; Environment friendly operations, no spillage and less noise; More space for internal dumping; Less haulage road maintenance; Low operational and maintenance manpower requirements. The Ministry further submitted that funds allocated for this R&D job undertaken between Dec. 2010 and Nov. 2013 were of the order of Rs. 2.115 crore and actual expenditure stands at Rs. 1.44 crores. Further, study of Blasting-free Overburden removal using Ripper

Dozer for blast free overburden removal at areas close to villages at Lakhanpur area of MCL was carried out by the company during the year 2011 and 2012 at an actual cost of Rs. 10.56 lakh. Besides, current S&T Activities in CMPDIL include *inter alia* investigations for Geo-Chemical, Coal Petrography, Mining Technology, Coal Bed Methane, Coal Washability, Environmental and Geo-physical studies. 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. The data generated by these laboratories form the basis for characterization and grading of coal in exploration, mine feasibility reports, washery design, CBM assessment, preparation of EMP and downstream utilization of coal. Further, CMPDI/CIL has taken commercial development of CBM on priority for developing new and clean technologies for exploitation of coal reserves and to facilitate assessment of CBM resource for its commercial development, a CBM lab was established in CMPDI during 2008 and it has equipped itself with an Adsorption Isotherm (AI) setup only one of this kind in the country which is capable in measuring methane adsorption capacity of coal samples. Besides, an S&T project is under implementation by CMPDI, Ranchi in association with NGRI, Hyderabad and CIMFR, Dhanbad for evaluation of Damodar basin for shale gas potentiality through integrated geophysical, geological, geo-chemical and petrography investigations. The Ministry also furnished the following data on major research projects under S&T grants:

Table 3.8: Major Research Projects supported under S&T Grant of Ministry of Coal for technology upgradation in respect of coal mining

(Fig. in Rs.)

Sl. No.	Project	Total approved cost	Total fund disbursed
1.	Delineation of barrier thickness against water logged workings in underground coal mines.	382.12 lakh	381.00 lakh
2.	Integrated communication system to communicate and locate trapped underground miners	459.59 lakh	428.69 lakh
3.	Development of Tele robotics and remote operation technology for underground coal mines.	440.12 lakh	240.00 lakh
4.	Development of self-advancing (Mobile) Goaf Edge Supports (SAGES) for depillaring operations in underground coal mines.	197.75 lakh	195.00 lakh

3.12 On being asked to furnish details of new projects which are proposed to be undertaken during 2014-15 for R&D, the Ministry in a written reply informed the Committee that new S&T projects will be commenced only after the approval of the Standing Scientific Research Committee (SSRC) during 2014-15. However, as on 24.10.2014, the Technical Sub-committee of Standing Scientific Research Committee (SSRC) had recommended the following two new S&T projects for consideration of SSRC:

- (i) Suitable livelihood activities on reclaimed open cast coal mines: a technology enabled integrated approach for possible replication in Indian coal sector.
- (ii) Assessment of mine water environment and development of suitable and cost effective mine void aqua-ecosystem for promoting fish culture in abandoned coal quarries of Coal India Limited.

3.13 Enquired about the steps taken or proposed to be taken by CMPDIL to ensure timely completion of various ongoing and new projects under R&D, the Ministry stated that the steps taken for timely completion of various ongoing and new projects under R&D include *inter-alia* (i) Monitoring of progress of Coal S&T projects by CMPDI and review by the Technical Sub-committee of Standing Scientific Research Committee (SSRC) as well as the SSRC headed by Secretary (Coal); and through (ii) Periodic visits to the implementing institutes undertaken by CMPDI officials.

B. Promotional (Regional) Exploration in Coal and Lignite

3.14 The Outcome Budget highlights that the aim of the scheme is to undertake preliminary drilling to assess the availability of coal in various areas. The scheme is being implemented through CMPDIL. GSI, MECL, State Governments and CMPDI carry on Promotional Exploration in Coal and Lignite. The status of Promotional Drilling carried out in Coal and Lignite sectors in 2011-12, 2012-13 and 2013-14 and estimates for 2014-15 and is likely to continue in the next year in many of the blocks are given below:

Table 3.9: Status of Promotional Drilling

Command Area	(Drilling in meter)			
	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Estimated*
1	2	3	4	5
Physical:				
1. Drilling in C.I.L. Command Area	34,930	36,725	53,695	75,000

	1	2	3	4	5
2. Drilling in S.C.C.L. Command Area		9,228	8,899	9,553	15,500
3. Drilling in Lignite Areas		49,564	67,728	68,774	74,500
TOTAL		93,722	1,13,352	1,32,022	1,65,000
Growth %		-8.71	20.94	16.47	

*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.

Table 3.10: Promotional (Regional) Exploration in Coal and Lignite (Budget Provision and Expenditure including Tribal Sub-Plan)

(Rs. in crores)

Expenditure 2011-12	Expenditure 2012-13	BE 2013-14	RE 2013-14	Expenditure 2013-14	BE 2014-15
64.00	19.00	45.00	63.00	63.30	56.65

3.15 As regards the issue of Regional Exploration, the Ministry were asked to furnish the physical and financial targets during 2013-14 and the actual achievements. The Ministry thereupon stated that the work has been undertaken from the fund provided by the Ministry of Coal and also furnished the following:—

Table 3.11: Physical-financial targets and achievements of Promotional (Regional) Drilling and associated studies in 2013-14

Year	Physical (Drilling in lakh m)		Financial (Rs. crore)	
	BE (Ex-NE)	Actual	BE (Ex-NE)	Actual
2013-14	1.53	1.32	45.00*	62.94

*including Tribal Sub-plan.

It was further stated that the target of drilling in 2013-14 could not be achieved mainly due to non-availability of forest clearance and unfavorable law & order conditions.

3.16 On being asked about the target for 2014-15 and whether the funds provided at BE stage are sufficient for meeting the targets, the Ministry stated that a target of 1.65 lakh meter of Promotional (regional) drilling along with associated studies have been kept for 2014-15.

CMPDI has requested for Rs. 109.67 crore for the work. However, Rs. 63.00 crore has been provided at BE stage which needs to be increased at RE stage.

C. Detailed Exploration in Non-CIL Blocks

3.17 The Outcome Budget highlights that CMPDI carries on Detailed Exploration in CIL and Non-CIL blocks as per strict timelines to bring resources falling in indicated and inferred category into the proven category. The drilling capacity of CMPDI has been suitably enhanced, with a drilling target of 12 lakh meters in 2014-15, through departmental and contractual modes. The details of actual drilling in Non-CIL/Captive Mining Blocks in 2011-12, 2012-13 and 2013-14 and programme for 2014-15 are as follows:

Table 3.12: Actual Drilling in Non-CIL/Captive Mining Blocks

Agency	(Drilling in metre)			
	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Estimated
Physical:				
1. CMPDI Departmental	55,230	77,458	93,742	65,100
2. Outsourcing by CMPDI	1,66,648	1,50,250	1,44,159	3,51,000
TOTAL	2,21,878	2,27,708	2,37,901	4,16,100

Table 3.13: Detailed Drilling in Non-CIL /Captive Mining Blocks Budget Provision and Expenditure including Tribal Sub-Plan

(Rs. in crores)					
Expenditure 2011-12	Expenditure 2012-13	BE 2013-14	RE 2013-14	Expenditure 2013-14	BE 2014-15
09.17	200.59	157.45	184.50	184.50	184.45

3.18 On being asked as to state whether any drilling was carried out by CMPDIL in Non-CIL/Captive coal blocks during the last 3 years along with the targets fixed and actual achievements, the Ministry stated that the detailed drilling was carried out in Non-CIL/Captive Mining Blocks through the fund provided by Ministry of Coal. They also

furnished the targets and achievements in the previous three years as under:—

Table 3.14: Targets and achievements of detailed drilling in Non-CIL Captive Mining Blocks

Year	BE	Actual (Lakh m)
2011-12	1.96	2.22
2012-13	1.75	2.28
2013-14	3.62	2.38

It was further submitted that the targets of detailed drilling in Non-CIL blocks are higher 4.11 lakh meter in 2014-15 due to the greater thrust on drilling.

3.19 On being asked to furnish details of the measures taken by CMPDIL for improving the drilling capacity during the last 3 years, the Ministry stated in their written reply that CMPDI procured 10 new drills in 2011-12, 6 in 2012-13 and 9 in 2013-14 for improving the drilling capacity during last three years. However, the total drill deployment has increased from 53 in 2012-13 to 57 in 2013-14. Other drills have been deployed as replacement of existing old drills. CMPDI also procured 28 trucks and 17 jeeps to improve existing machineries, during the period. The total capital investment for above procurement was Rs. 13.2 crore. Apart from the above, CMPDI also expanded the capacity through outsourcing of exploration/drilling work. The quantum of drilling through outsourcing increased from 2.24 lakh meter (2010-11) to 3.72 lakh meter (2013-14) during the last three years.

3.20 It was observed that in the budget 2014-15(BE), the allocation for detailed drilling was Rs. 184.45 crore as compared to BE of Rs. 157.45 crore and RE/Actual of Rs. 184.50 crore during 2013-14. In this connection, the Ministry were asked to state the targets for detailed drilling during 2013-14 and achievements thereof. The Ministry replied thereon that while a target of 3.62 lakh meter of detailed drilling in Non-CIL blocks was set for the year 2013-14, the actual achievement was, however, 2.38 lakh meter. It was further submitted that the non-achievements of targets in 2013-14 was mainly due to non-availability of forest clearance to explore in forest bearing and adverse law and order conditions at many places. As regards the reason for enhancing BE it was stated that it was due to the fact that higher amount of detailed drilling in Non-CIL blocks was envisaged in 2013-14 as compared to 2012-13. The Ministry also stated that a total of 4.11 lakh meter of detailed drilling in 33 Non-CIL blocks has been programmed in 2014-15.

D. Environmental Measures and Subsidence Control

3.21 The Outcome Budget states that 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 XIIth Plan period are control of subsidence in the old, abandoned, waterlogged workings in Raniganj coalfields, control of mine fires and subsidence in Jharia coalfields, and rehabilitation of persons residing in these locations.

The Master Plan for Jharia and Raniganj coalfields dealing with fire, subsidence and rehabilitation and diversion of surface infrastructure was approved in August, 2009 at an estimated investment of Rs. 9657.61 crores (Rs. 7028.40 crore for Jharia Coalfield and Rs. 2629.21 crores for Raniganj Coalfield). The Committee sought the details of amount released and spent (item-wise) under environmental measures and subsidence in the years 2010-11, 2011-12 and 2012-13 by CIL and its subsidiaries. The Ministry thereupon replied that all the existing EMSC Schemes had been dovetailed in to Master plan for Jharia and Raniganj Coalfields and the Master plan was approved by the Government. According to the approval, the funding arrangement for implementation of Master Plan for Jharia and Raniganj Coalfields is through internal resources of Coal India Ltd. and collection of Stowing Excise Duty (SED) under CCDA Act. For Joint implementation of Jharia and Raniganj Master Plans, CIL have been directed to contribute Rs. 350 crore per annum from their internal resources and balance to be provided from the collections of SED under CCDA Act. Jharia Rehabilitation and Development Authority (JRDA) is the implementing agency for rehabilitation of non-BCCL people under Master Plan and implementing Agency for rehabilitation for Raniganj Master Plan is Asansol Durgapur Development Authority (ADDA). The Ministry also furnished the details of amount released and spent (item-wise) under Master Plan, erstwhile environmental measures and subsidence control (EMSC) during 2010-11, 2011-12 and 2012-13 in the lease hold of ECL and BCCL as per Annexure-XII. The Jharia Rehabilitation and Development Authority (JRDA) and Asansol Durgapur Development Authority (ADDA) have been identified as implementing agencies for rehabilitation of non-ECL/ non-BCCL houses by the State Governments of Jharkhand and West Bengal respectively. So far, nine meetings of this Committee have been held and the progress is being reviewed on a quarterly basis. Year-wise fund released by CIL for implementation of Master Plan is given below:—

Table 3.15: Year wise fund released by CIL for implementation of Master Plan

(Figure in crores)

Sl. No.	Year	Amount Released to ECL	Amount Released to BCCL	Total Amount Released by CIL
1.	2010-11	Rs. 159.72	Rs. 14.34	Rs. 174.06
2.	2011-12	Rs. 0.93	Rs. 30	Rs. 30.93
3.	2012-13	—	Rs. 102.04	Rs. 102.04
4.	2013-14	Rs. 0.14	Rs. 229.71	Rs. 229.85

Table 3.16: Environmental Measures and Subsidence Control (Budget Provision and Expenditure including Tribal Sub-Plan)

(Rs. in crores)

Expenditure 2011-12	Expenditure 2012-13	BE 2013-14	RE 2013-14	Expenditure 2013-14	BE 2014-15
0.00	0.00	0.90	0.35	0.05	0.40

3.22 It was observed that against the Budget Estimates of Rs. 0.9 crore, during 2013-14 for EMSC, the RE was Rs. 0.35 crore. Further, the budget allocation for 2014-15 has proposed a meager 0.40 crore for the Jharia and Raniganj. The Ministry was asked to furnish the reasons for downward revision of BE for 2013-14 towards environmental measures and subsidence control in coal mine areas and also State whether the budget allocation for 2014-15 was sufficient for meeting the responsibility towards environmental measures and subsidence control including Jharia and Raniganj areas. The Ministry thereupon stated that as per the Master Plan for Jharia and Raniganj, the Coal India Limited has to first spend from its own resources. Additional funds, if any, are to be made available from the budget. Accordingly, only nominal provision was made under the scheme from the Ministry's budget. The expenditure has been less than CIL's contribution of Rs. 350.00 crores every year due to land acquisition problems and delay in demographic survey. Hence the allocation has been reduced under the scheme and there would not be any additional requirement from the Ministry's Budget during the current year.

3.23 Asked to furnish details of the EMSC schemes that are under implementation at present, with their present status, estimated cost, schedule of completion, implementing company/agency-wise and

reasons for delay, if any, the Ministry stated that Government has approved the Master Plan dealing with fire, subsidence and rehabilitation and diversion of surface infrastructure within the leasehold of Bharat Coking Coal Limited (BCCL) and Eastern Coalfields Limited (ECL) on 12.08.2009 at an estimated investment of Rs. 9773.84 crore [Rs. 7112.11 crore for Jharia Coal Field (JCF) and Rs. 2661.73 crore for Raniganj Coalfield (RCF)] including Rs. 116.23 crore sanctioned earlier for various Environmental and Subsidence Control (EMSC) Schemes. The Master Plan is scheduled to be implemented in 10 years' time and in case of BCCL two additional years for completion of pre-implementation activities. All the existing EMSC Schemes have been dovetailed in to Master Plan for Jharia and Raniganj Coalfield approved by the Government. Under the Master Plan, total 28 Fire schemes have been proposed in Phase-I to be formulated/prepared for dealing with 67 fires sites spread in 41 collieries in JCF. Till date, 11 fire schemes have been approved by Board out of which 4 schemes have been completed. Further, for expediting the fire dealing process, excavation methods have been resorted to by deploying hired HEMM at various mines of BCCL.

E. Conservation and Safety in Coal Mines and Development of Transport Infrastructure under CCDA.

3.24 The Outcome Budget states that under these schemes, the expenditure incurred by coal companies is reimbursed partially as per the statutory provisions under the Coal Mines (Conservation and Development) Act, 1974. The principal objective of the Act is to collect excise duty on coal for disbursing the same to the coal mines for conservation and development related works including infrastructure development.

The examination and scrutiny for reimbursement is carried out by a duly constituted 'Coal Conservation and Development Advisory Committee' (CCDA Committee) as per the provisions of Coal Mines (Conservation and Development) Rules, 1975. The Government partially reimburses costs due to coal companies through budget provision taking into account commitment/liability already existing during the preceding financial year. The details of achievement made under these two schemes during the financial years 2012-13 and 2013-14 are as under:—

Table 3.17: Details of achievements during 2012-13 and 2013-14

	2012-13	2013-14
1	2	3
Amount disbursed for Stowing & protective work	Rs. 119.00 crores	Rs. 184.96 crores

	1	2	3
No. of stowing mines	96		90
Sand stowed	61.22 lakh cum.		61.80 lakh cum
No. of protective work taken up	32		17
Amount disbursed for transport infrastructure development	Rs. 40.00 crores		Rs. 76.02 crores
No. of road projects partially funded	24		13
No. of rail projects partially funded	5		2

Table 3.18: Conservation and Safety in Coal Mines (Budget Provisions and Expenditure including Tribal Sub-Plan)

(Rs. in crores)

Expenditure 2011-12	Expenditure 2012-13	BE 2013-14	RE 2013-14	Expenditure 2013-14	BE 2014-15
121.11	119.01	160.00	185.00	185.00	185.00

Table 3.19: Development of Transport Infrastructure (Budget Provisions and Expenditure including Tribal Sub-Plan)

(Rs. in crores)

Expenditure 2011-12	Expenditure 2012-13	BE 2013-14	RE 2013-14	Expenditure 2013-14	BE 2014-15
22.00	40.00	50.00	75.00	75.00	75.00

3.25 It is observed that in Budget 2013-14, Rs. 50 crores have been allocated for DTIC scheme as against Rs. 40 crore in RE 2012-13. These were revised to Rs. 75 crore during 2013-14. Again during 2014-15, a provision of Rs. 75 crore has been made under the scheme. The Ministry was asked to state the actual expenditure incurred during 2013-14 against the RE of Rs. 75 crore and also furnish complete details of Transport Infrastructure created/developed during 2013-14. The Ministry thereupon stated that the actual expenditure incurred during 2013-14 against the RE of Rs. 75 crore is Rs. 104.6025217 crore.

F. Development of North-Eastern Region/Sikkim

3.26 The Outcome Budget states that 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. Accordingly, Rs. 28.95 crore were earmarked towards schemes of Research and Development, Regional Exploration, Detailed Drilling and Environmental Measures and Subsidence Control in 2013-14. The other two schemes namely Conservation and Safety in Coal Mines and Development of Transport Infrastructure in Coalfield Areas are outside the orbit of its provisioning. Development of North-Eastern Region/Sikkim (Budget Provisions and Expenditure including Tribal Sub-Plan) is as under:—

Table 3.20: Development of North-Eastern Region/Sikkim (Budget Provisions and Expenditure including Tribal Sub-Plan)

(Rs. in crores)

Expenditure 2011-12	Expenditure 2012-13	BE 2013-14	RE 2013-14	Expenditure 2013-14	BE 2014-15
0.00	0.00	24.00	28.95	1.76	29.00

3.27 It was observed that an allocation of Rs. 24 crore (major head-2552) was made for North-Eastern Region and Sikkim during 2013-14. These were revised to Rs. 28.95 crore at RE stage. However expenditure during the year was only Rs. 1.76 crore. During 2014-15, a provision of Rs. 29 crore has been made. In this connection, when asked to state the reasons for low utilization of funds under the Scheme in spite of increasing funds at RE Stage, the Ministry have informed the Committee that as regards Detailed Drilling in Non-CIL Blocks & Promotional Exploration out of the total reported coal resources of India, only 0.5% are in NE region. The difficult geological characteristics, large forest covers, adverse law & order conditions and land-issues cause hindrance in work. Further, as regards S&T Schemes very limited research proposals are being submitted by institutes located in the North-East or, elsewhere. Efforts are being made to increase expenditure on R&D for the NER by way of inviting R&D proposals for effective exploitation of coal deposits and other related issues.

3.28 On being asked to furnish details of the Schemes implemented by Ministry of Coal in North-Eastern Region including Sikkim during the last 3 years under this head, Ministry stated that as regards Detailed

Drilling in non-CIL Blocks & Promotion Exploration; Under Promotional (Regional) Exploration programme, DGM-Nagaland and DGM-Assam have taken up some exploratory work. In spite of difficult terrain conditions, the DGM-Nagaland has completed drilling in one coal block. The second block is likely to be taken up after the rainy season is over. The Directorate of Geology & Mining (DGM) of Government of Assam has not been able to proceed further after initial work due to adverse law & order conditions in area of operation. Further, as regards S&T Schemes, a project titled “Emissions for Coal Based Industries - Development of Predictive Models” was executed by the North-East Institute of Science & Technology (NEIST), Jorhat for which Rs. 0.36 crore was disbursed during 2011-13. The project was completed in Dec. 2012.

3.29 On being asked as to whether Ministry had completed any scheme for development of coal reserves in North-Eastern region during 2013-14, the Ministry stated that as regards, Detailed Drilling in Non-CIL Blocks & Promotion Exploration, the DGM-Nagaland had concluded Promotional Drilling in Mokokchung coal block in 2013-14 (extended up to May, 2014) and the report was under preparation while for S&T Schemes, it was submitted that no S&T Projects was being implemented in the North Eastern Region.

CHAPTER IV

INVESTMENT IN PSUs

The Capital Outlay of Public Sector Undertaking (PSUs) as highlighted in Outcome Budget (2014-15) is as under:—

Table 4.1: Capital Outlay of PSUs

(Rs. in crores)

Name of PSUs	Expenditure 2011-12	Expenditure 2012-13	BE 2013-14	RE 2013-14	Expenditure 2013-14	BE 2014-15
CIL	3727.17	2915.23	5000.00	5000.00	4329.86	5225.00
SCCL	1070.56	2047.26	4000.00	2900.00	2591.05	3850.00
NLC	1684.38	1827.90	2490.14	2490.14	1817.32	2936.00
Total	6482.11	6790.39	11490.14	10390.14	8738.23	12011.00

4.2 The Committee sought to know the amount earmarked during previous two Annual Plans, the amount spent and the achievements made against the targets (both physical and financial) fixed for various activities. The Ministry of Coal in a written reply furnished the following information:—

Table 4.2: PSU-wise budget allocation and expenditure

(Rs. in crores)

Name of PSU	2012-13			2013-14		
	BE	RE	Exp.	BE	RE	Exp.
CIL	4275.00	4100.00	2915.00	5000.00	5000.00	4329.86
NLC	1687.45	1782.26	1827.90	2490.14	2490.14	1817.32
SCCL	3220.33	3220.33	2047.26	4000.00	2900.00	2591.05
Total	9182.78	9102.59	6790.16	11490.14	10390.14	8738.23

Table 4.3: Physical Performance of CIL and SCCL

(in million tonnes)

Company	2012-13 Actual	2013-14 RE	2013-14 Actual	2014-15 BE
CIL	452.21	482.00	462.53	507.00
SCCL	53.19	54.30	50.47	55.00
Others	52.31	68.25	52.64	68.25
Total All India	557.71	604.55	565.64	630.25

Table 4.4: Financial performance of NLC

(Rs. in crores)

Year		Coal Sector	Power Sector	Total
2011-12	Target	104.58	1753.97	1858.55
	Actual	77.54	1606.84	1684.38
	Achievement (%)	74.14	91.61	90.62
2012-13	Target (BE)	131.70	1555.75	1687.45
	Actual	57.89	1770.01	1827.90
	Achievement (%)	43.96	113.77	108.32
2013-14	Target (BE)	107.60	2382.54	2490.14
	Actuals	71.94	1745.38	1817.32
	Achievement (%)	66.68	73.26	72.98
2014-15	Target (BE)	272.00	2664.00	2936.00

Table 4.5: The physical performance of Neyveli Lignite Corporation (NLC)

Year		Lignite (LT)	Power (Gross) (MU)
2012-13	Target (BE)	248.00	18600.00
	Actuals	262.23	19902.34
	Achievement (%)	105.74	107.00
2013-14	Target	252.00	18929.00
	Actuals	266.09	19988.73
	Achievement (%)	105.59	105.60
2014-15	Target (BE)	256.00	20285.00

4.3 On being asked to furnish details of pre-budget Memorandum submitted by PSUs/Ministry and follow up action taken thereon by the Government, the Ministry furnished the following details:—

Table 4.6: Plan Outlay of PSUs and Central Sector Schemes approved by Planning Commission/Finance Ministry for the year 2014-15

(Rs. in crore)

A. Capital Section (IEBR)	BE 2014-15
Coal India Limited	5225.00
Neyveli Lignite Corporation	2936.00

Singareni Collieries Company Ltd.	3850.00
Total (A)	12011.00
B. Revenue Section (Budgetary Support)	
Coal Controller Organization	0.30
Science and Technology	17.95
*Regional Exploration	56.65
Environmental Measures and Subsidence Control	0.40
*Detailed Drilling	184.45
*Conservation & Safety in Coal Mines	185.00
Development of Transportation	75.00
Infrastructure in coalfield areas	
Information Technology	1.25
NE Region/Sikkim	29.00
Total (B)	550.00
Total (A+B)	12561.00

(*Including Tribal Sub Plan component.)

4.4 On being asked to furnish reasons for low utilization of Plan Outlays by CIL, SCCL and NLC during 2013-14, the Ministry in a written reply furnished to the Committee informed as under—

CIL

- Constraints in rehabilitation caused less capital expenditure against R&R.
- Delivery could not be made against orders issued for major HEMM and other P&M items.
- Delay in construction of some of the CHP/ P&M by contractors.
- Supply pending against orders issued against major HEMM & other P&M items.
- Major civil works that are in early phases of execution.
- Less expenditure in land due to Cost Plus Issue in WCL
- Non supply & delay in commissioning of Draglines.
- Order for dumpers placed but not yet delivered.

- Slow progress of work by HEC in construction of CHP at Krishnashila Project in NCL.
- Policy of hiring of shift buses and jeeps instead of incurring expenditure on procurement.

SCCL

- Delay in passing consent award by Government of AP in respect of private and forest land for the following Projects.: RGOC-II, RGOC-III Extension, Khairagura: and SRP OC-II:
- Delay in acquisition of Private Land and R&R issues in certain Projects, viz., RGOC-II, RGOC-III Extension and SRP OC-II.
- Delay in construction of housing project, delay in finalization of payment terms for sharing the cost of Godavari water supply scheme between AP Genco & SCCL and delay in design studies for diversion of Gundla vagu at Bhupalpalli Area.
- An amount of Rs. 667.29 crores was provided for procurement Plant and Machinery of which only 340.41 crores could be utilized.

NLC

- TPS-II delayed by 60 months due to delayed supplies and erection activities by M/s. BHEL, the main plant contractor. Unit-I was first synchronised on 18th May 2011 but was shut down on 25th November 2012 due to failure of tube support in Fluidised Bed Heat Exchanger (FBHE) and refractory. Since synchronisation, the Unit worked for 52 days generating 28 MU. BHEL installed a modified tube support system and Unit was again synchronised on 13th February 2014. The Unit could not be kept in service and was shut down due to various defects/coil puncture in super heater in Fluidised Bed Heat Exchanger No. 1.
- Ghatampur Thermal Power project (Uttar Pradesh): Government of India Sanction yet to be obtained. The coal block falls partly in the forestlands with tribal settlements. The area is dominated by tribal population and has law & order problems. CMPDIL had engaged a contractor for exploratory drilling in Jan 2013. After drilling one bore hole, the work has been suspended due to law & order problems. CMPDIL has declined to undertake work of preparation of Mine Plan and Feasibility Report stating that in the absence

of a detailed geological report it is not possible to prepare Mine Plan. Order was placed for DGPS survey but the same is not progressing due to law & order problems.

- Delay in transfer of land and delayed supplies in wind farms.
- Order could not be issued in the solar power project case as scheduled due to retender.

4.5 On being asked to furnish details of physical targets set for 2014-15 by CIL and its subsidiaries with an enhanced capital outlay of Rs. 5225 crore as compared to Actual of Rs. 4329.86 crore during 2013-14, the Ministry furnished the following information:—

Table 4.7: Physical targets set for 2014-15 by CIL

(In crores Rs.)

Company	Coal Prod (Mt) 2014-15 Target	Off-take (Mt) 2014-15 Target	Capital Outlay (Mt) 2014-15 BE
ECL	38.00	38.00	970.00
BCCL	34.00	35.00	350.00
CCL	55.00	58.00	585.00
NCL	77.00	78.00	600.00
WCL	44.00	45.00	475.00
SECL	131.00	133.00	980.00
MCL	127.00	132.00	700.00
NEC	1.00	1.00	15.00
Others*			200.00
Master Action Plan (Jharia & Ranigunj Fire)			350.00
CIL	507.00	520.00	5225.00

*NEC/CIL (HQ)/CMPDIL/R&D

4.6 The Committee further sought to know the year-wise and subsidiaries-wise investment made during 2013-14 and proposed for the rest of the 12th plan period by CIL to increase the coal production. The Ministry thereupon furnished the following year-wise and subsidiary-wise investments made during 2013-14 and proposed for the rest of

the XII plan period by CIL to increase the coal production up-to 615 Mt by the terminal year of XII Five Year Plan (2016-17).

Table 4.8 : Capital Expenditure/Outlay

(in Rs. crores)

Company-CIL	2013-14 Actual	2014-15 BE	2015-16	2016-17 Projection
ECL	408.87	970.00	319.54	287.26
BCCL	504.24	350.00	550.00	650.00
CCL	657.18	585.00	520.00	470.00
NCL	301.76	600.00	900.00	950.00
WCL	287.66	475.00	485.00	435.00
SECL	956.21	980.00	1030.00	1110.00
MCL	876.84	700.00	1000.00	1200.00
NEC	20.26	15.00	15.00	15.00
Others*	102.21	200.00	85.00	85.00
Master Action Plan (Jharia & Ranigunj Fire	214.63	350.00	350.00	350.00
CIL	4329.86	5225.00	5254.54	5552.26
Additional Ad-hoc provision has been made for Acquisition of assets in abroad	-	4500.00	5000	5000
Ad-hoc provision for Development of Coal Block in Mozambique	40.77		3500	2000

*CIL(HQ)/CMPDIL/NEC/R&D

4.7 On being asked to state the physical targets (both B.E. and R.E. stage) set out for coal and Lignite PSUs (Separate figures for CIL and its subsidiaries, SCCL and NLC Ltd.) during each of the last three years and achievements thereof, with reasons for shortfall, if any, in achievement of targets, the Ministry furnished the following information:

Table 4.9: Subsidiary-wise Production of CIL & its subsidiaries

(in Mt.)

Com.	2011-12			2012-13			2013-14		
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual
ECL	33.00	31.00	30.56	33.00	33.30	33.91	34.50	34.50	36.05
BCCL	30.00	30.20	30.21	31.00	31.10	31.21	32.50	32.50	32.61
CCL	51.00	49.00	48.00	55.00	48.06	48.06	53.50	53.50	50.02
NCL	68.50	68.50	66.40	70.00	70.00	70.02	72.20	72.20	68.64
WCL	45.50	43.80	43.11	45.00	42.20	42.29	44.00	44.00	39.73
SECL	112.00	113.75	113.84	117.00	118.00	118.22	124.30	124.30	124.26
MCL	106.00	103.00	103.12	112.00	108.00	107.89	120.00	120.00	110.44
NEC	1.00	0.75	0.60	1.10	0.60	0.61	1.00	1.00	0.66
CIL	447.00	440.00	435.84	464.1	451.25	452.21	482.00	482.00	462.41
Singareni Collieries Company Ltd. (SCCL) (in Mt.)									
SCCL	51.00	51.00	52.21	53.10	53.19	53.19	54.30	50.30	50.47
Neyveli Lignite Corporation (NLC) – (Lignite in Mt. & Power in MU)									
Lignite	23.95	27.75	24.59	24.80	24.45	26.22	25.20	25.20	26.61
Power	18576.00	17222.00	18789.44	18600.00	17619.00	19902.34	18929.00	118929.00	19988.65

4.8 On being asked to furnish details of new projects proposed to be undertaken by CIL during 2014-15, the Ministry furnished the following information:—

Table 4.10: Projects Planned to start contribution during 2014-15

Sub	Project	Type	Capacity
1	2	3	4
CCL	Amrapali	OC	12.000
CCL	Konar	OC	3.500
CCL	Magadh Expn.	OC	20.000
ECL	Jhanjra 2nd CM (UCE)	UG	0.510
SECL	Jampali	OC	2.000
SECL	Ketki	UG	0.420

1	2	3	4
SECL	Saraipali	OC	1.400
SECL	Vindhya Aug	UG	0.590
WCL	Bhanegaon	OC	0.600
WCL	Durwasa Expn. Scheme	OC	0.900
WCL	Makardhokra-I	OC	1.000
WCL	Telwasa Expn. Scheme	OC	0.700

4.9 On being asked to state the operating cost of CIL and its subsidiaries during the last three years and measures taken to bring down the operating cost, the Ministry furnished the following information:—

Table 4.11: Operating cost of CIL and its subsidiaries

(In Rs. per tonne)			
Company	2013-14	2012-13	2011-12
ECL	2243.15	2173.11	2358.81
BCCL	2111.95	2201.50	2162.96
CCL	1244.29	1260.04	1157.11
NCL	876.17	758.04	648.63
WCL	1664.82	1597.88	1526.21
SECL	888.60	906.94	823.50
MCL	565.75	518.43	512.12
OVERALL CIL	1117.87	1090.02	1038.86
% INCREASE	2.55	4.92	

It was further stated that as is evident from the above table that even though the annual increase in salary & wages in CIL is around 10% and normal annual inflationary trend in business is 7-8% by exercising strict vigil over operating cost, the same has been kept under control. The increase in operating cost per tonne from 2011-12 to 2012-13 was 4.92% and from 2012-13 to 2013-14 was only 2.55%.

4.10 On being asked as to what actions/measures are proposed to be taken for the proper utilization of funds and timely implementation

of various schemes during 2014-15, the Ministry stated that in CIL, regular monitoring of CAPEX was being executed for proper utilization of funds and timely implementation of various schemes. The actual domestic CAPEX of CIL during the 1st quarter of the financial year (*i.e.* April to June 2014) was Rs. 915 crore against a target of Rs. 954.9 crore. The slight shortfall in CAPEX during Q1 of FY 2014-15 was mainly on account of less expenditure in the Master Action Plan of Jharia and Raniganj coalfields.

Neyveli Lignite Corporation (NLC)

4.11 On being asked to furnish details of lignite resources exploited in States other than Tamil Nadu and Rajasthan by NLC Ltd., the Committee was apprised that NLC had not exploited lignite resources in States other than Tamil Nadu and Rajasthan.

4.12 The Outcome Budget while highlighting the renewed policy thrust to increase coal production stated that the envisaged coal production from CIL in the terminal year 2016-17 of the XII Five Year Plan and projected production in 2021-22, the terminal year of the XIII is as under:—

Table 4.12: Coal Production from CIL in the year 2016-17

	(Production in million tonnes)
	2016-17
Existing mines	23.82
Completed projects	161.72
On-going projects	333.33
New projects	96.13
Total	615

A major growth in production is envisaged from three Coalfields *i.e.* North Karanpura in CCL; Mand-Raigarh in SECL and IB valley in MCL and is contingent upon commissioning of railway projects in these three Coalfields. MoC has been working with its PSUs in overcoming their constraints/problems. The expected outcome is achievement of Annual Action Plan, production and off-take targets, OBR removal, lignite production and lignite based power generation targets. Increasing coal-washing capacity and close monitoring of implementation of critical rail and road links are also expected to lead to positive outcomes. As per the perspective plan of CIL the projected production in 2021-22, the terminal year of the XIII Plan is 795 million tonnes.

CHAPTER V

TRIBAL SUB-PLAN

Tribal Sub-Plan is component of State/central plan that is 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 work 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 implement 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 2006.

5.3 In BE 2014-15, Rs. 37.72 crore have been allocated as lumpsum 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 2013-14 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 2014-15 in tribal mining areas, submitted the following information to the Committee:—

“Promotional Drilling, Detailed Drilling in Non-CIL blocks and Conservation and Safety in Coal Mines were undertaken in TSP areas also and fund was fully utilized. This Ministry has earmarked 8.2% of outlay of three plan schemes *i.e.* (i) Regional Exploration (ii) Detailed Drilling and (iii) Conservation and Safety for Tribal Sub-Plan. Implementing agencies utilize this amount for exploration and conservation & safety programmes falling in tribal areas.”

CHAPTER VI

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 times centred around environmental, administrative and social issues related to displacement and rehabilitation of project affected people.

6.2 The Annual Report (2013-14) of the Ministry of Coal cites the following main reasons for slippage in the implementation of Projects:—

- (a) Delay in acquisition of land and associated problems of rehabilitation.
- (b) Delay in grant of Environmental & Forest Clearances.
- (c) Delay due to adverse geo-mining conditions.
- (d) Other misc. problems such as delay or discontinuance of work by contractor, non-participation in tender, DGMS permissions etc.

6.3 The Annual Report (2013-14) also highlights the steps taken to improve project implementation. On the aspects pertaining to land acquisition and rehabilitation, it was stated that CIL has approved a new Rehabilitation & Resettlement Policy in March 2012, wherein the subsidiary companies have been granted greater flexibility in addressing R&R issues with a view to facilitate faster acquisition of land at all levels. Further, vigorous follow up action with concerned State Government Officials are being actively done to expedite land acquisition proceedings. 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; regular contact with a District and Tehsildar level to fulfill the requirement & queries for expeditious clearance of the forestry proposals and persuading of land owners/villagers to accept the rehabilitation benefits were some of the initiatives cited to tackle hurdles on this aspect. It was further stated that to overcome the Geomining conservations sophisticated geological and geophysical exploration techniques were gradually being introduced for advance & accurate forecasting of geomining condition.

6.4 The Project Management initiatives highlighted in the Annual Report to accelerate implementation of projects *inter-alia* include comprehensive guidelines for project formulation and monitoring issued by the Government; standardization of the system of monitoring at various levels on regular monthly basis or at shorter intervals at the area level by General Manager/Chief General Managers and by Director [Projects] and CMDs at corporate level; Review of status of projects at every Company Board meeting; mandatory review of the projects at company level when the expenditure of the project exceeds 50% of the sanctioned capital; Review of Projects costing Rs. 100 crore and above by CIL Board; regular submission of Progress reports in respect of projects costing Rs. 150 Crore and above to Department of Programme Implementation; regular monitoring by the Ministry of Statistics & Programme Implementation for projects costing Rs. 150 crore and above; etc. Besides, the Cabinet Committee on Investment (CCI) was constituted. Its main functions are (i) to identify key projects required to be implemented on a time bound basis involving investments of Rs. 1000 crore or more or any other critical projects; (ii) to prescribe time limits for issue of requisite approval; (iii) to monitor the progress of identified projects; (iv) to review implementation of projects; and (v) to review the procedures followed by Ministries/Departments to grant/refuse approval and clearances. Moreover, the Project Monitoring Group (PMG), a special Cell created in the Cabinet Secretariat which regularly monitors only pending projects listed in their website for any pending issues at State and Central level and holding regular meetings with State Government and Central Ministries for addressing pending issues.

6.5 The Ministry have also incorporated the initiatives taken to seek cooperation from State Governments in Project Implementation viz sharing of responsibility for acquisition of land along with Coal Companies; Public Hearing in time bound manner to expedite the approval of proposals for Environmental Clearance (EC); Holding of time bound Gram Sabha for expediting NOC under FRA Act. Implementation of the following three Critical Railway Lines in three potential Coalfields in order to evacuate/transport Coal have also been cited viz:—(i) Tori-Shivpur-Kathautia Railway Line (90.7 kms) in North Karanpura in Jharkhand, (ii) Jharsuguda-Barpalli-Sardega Railway Line (53 kms.) in IB Valley, Odisha and (iii) Bhupdevpur-Korichapar-Dharamjaigarh (180 kms.) in Mand-Raigarh Coalfield, Chhattisgarh.

6.6 On being asked as to whether the Ministry of Coal have given any consideration to the proposal regarding 'Single Window Clearance' mechanism for various statutory clearances by the Government to speed up the project clearances pending for long and for attracting

investments in coal sector, it was stated that for coal mining projects land acquisition and related Resettlement and Rehabilitation (R&R) processes, Environmental Clearances (EC) and Forestry Clearances (FC) are the main obstacles. Since land acquisition and R&R are complex issues dealt at the State level, Single Window mechanism may not work. For a Single Window Clearance Mechanism for EC & FC, the issue was being addressed by the Ministry of Environment & Forests (MoEF).

6.7 The Committee was also apprised of the following company-wise and State-wise details of coal blocks (both public & private) pending for environment and forest clearance at centre and State-levels.

Table 6.1 : Details of allocation of coal blocks to eligible public and private companies under The Coal Mines (Nationalisation) Act, 1973 from 1993 till 2011

Sl. No.	Sector	To Govt. Companies	To Private Companies	To UMPPs/ Tariff based bidding	Total blocks
		No. of Blocks	No. of Blocks	No. of Blocks	
1.	Power	54	30	12	96
2.	Commercial Mining	42	-	-	42
3.	Iron & Steel	4	66	-	70
4.	Cement	-	6	-	06
5.	Small & Isolated	-	2	-	02
6.	CTL	-	2	-	02
Total		100	106	12	218

It was further submitted that the Hon'ble Supreme Court in its judgment dated 25.08.2014 in WP No. (Cr.) No. 120/2012 has cancelled allocation of all the coal blocks except two coal blocks allocated to Steel Authority of India Ltd. (SAIL) and National Thermal Power Corporation Ltd. (NTPC) respectively. In addition, two coal blocks allocated for Sasan UMPP which are under production shall also continue since allocation of UMPP blocks has not been declared illegal. Allocation of the remaining coal blocks (except UMPP blocks) has been cancelled.

6.8 On e-auction, the Secretary (Coal) deposed during evidence as under:—

“...The Ordinance relates primarily to these blocks that have been cancelled. As far as Coal India is concerned, the Ordinance does

not touch it at all. They have to stand alone and do their job as they are doing. There was some misapprehension in the minds of people around that some sort of a de-nationalization is happening. Nothing of that sort is going to happen. Coal India remains where it is. It is not being touched. We are only looking at these 204 coal blocks, of which 42 are functioning till 31st of March. What we are trying to put in place is an extremely transparent process of e-auction, taking care of the existing owners so that there could be a seamless transfer from existing owners to the next owners, which could be the existing owners also. It is because the existing owners are also allowed to bid provided they pay the amount that has been fixed by the Supreme Court, that is, Rs. 295 per ton. Then, they can bid in the auction. There are three categories of mines in the Ordinance. Schedule-I is the 204 mines, it is the universe which we are considering. Schedule-II is the 42 mines, that has been mentioned by the Supreme Court in its order, which are being used till 31st of March. Apart from these 42, there are 32 other mines, which are ready to be mined but were not actually being mined. So, our concern is for 42 plus 32 mines, which should add to the coal supply of this country. 42 mines are already doing it and 32 mines would do it. In the first tranche, we are going for e-auction of these 74 mines. We are hopeful that by 31st of March, in almost all of them, we should be able to place somebody there, who can do the mining there. That is what we are trying to do. e-auction here means, e-auction for these 74 mines, which will be totally transparent. What we are also trying to do is, place everything that we do on our web portal so that everyone knows what we are doing. There will not be any secrecy and everything is available to everybody. We are very intensively interacting with all the stakeholders to get their feedback to get it moving. I have said this in less than five minutes, but it is a very stupendous task and we are already at it. Hopefully, we should be able to put these in place. Once we are through with these 74 emergent mines, their coal production is either happening or likely to happen, then we will indulge in the remaining 130 mines, which are not ready for production because variety of clearances are there. So, that is how we have structured it.”

6.9 On being asked as to whether the Government has taken any initiative to facilitate environment and forest clearance to coal blocks allotted to private and public sector companies, the Ministry stated that meetings were held at the highest levels between the MoC & MoEF for sorting out issues related to EC & FC proposals and expediting proposals which are critical for enhancing/augmenting the coal

production levels in the country. Review meetings were also being taken by the Principal Secretary to the Prime Minister for streamlining the process of environmental, forest & wildlife clearances of infrastructure projects which include coal projects. Further, the submissions of EC proposals have been made online since July 2014. CEPI moratorium has now been lifted from coal mining areas to facilitate grant of fresh & expansion of ECs to coal projects.

6.10 On being asked to state the time by which pending coal blocks are likely to be granted EC and FC, the Ministry replied that this issue comes under the purview of Ministry of Environment and Forests.

6.11 The Committee also sought the State-wise status of projects pending due to delay in Land Acquisition process alongwith the efforts made thereof to resolve these problems. The Ministry thereupon furnished the following:—

Table 6.2: State-wise details of projects affected due to delay in land acquisition process

Sl.No.	State	No. of projects affected
1.	West Bengal	11
2.	Jharkhand	15
3.	Uttar Pradesh	03
4.	Madhya Pradesh	04
5.	Maharashtra	18
6.	Chhattisgarh	05
7.	Odisha	02
	Total	58

It was also submitted that efforts were made to resolve the related problems including *inter-alia* regular correspondence with the State Governments and concerned State officials to expedite & facilitate acquisition/possession of land; vigorous follow up action with land officials of State Governments to expedite issue of authentication of land records & for establishing Record of Right for the acquired land; Payment of Land compensations as per the revised rates notified by the State Governments and in States where the rates have not been revised, the compensation was being paid as per the revised rates of the neighboring States; Amendment of R&R policy as per the needs of the time, etc.

6.12 The Committee also sought the details of Third Party Environment Audit. It was thereupon stated that Third party environmental audit of 20 opencast and 5 underground coal mines of CIL will be done by ICFRE (Indian Council of Forestry Research and Education), Dehradun, an independent agency.

6.13 On the reasons for slow pace of development of captive coal blocks, the Committee were apprised that Development of coal blocks involves a gestation period of 3 to 7 years for reaching the production stage and another two to three years for reaching the optimal production capacity. As per the guidelines, coal production from a captive coal blocks should commence within 36 months (42 months in case the area falls in forest land) in case of open cast mines and in 48 months (54 months in case the area falls in forest land) in case of underground mine, from the date of allocation. If a coal block is not explored, additional two years are allowed for detailed exploration and three months for preparation of geological report. The major constraints faced by the allocatees for slow pace in development of captive coal blocks were (i) Time taken for obtaining various clearances for mining and land acquisition and (ii) Delay in setting up of end-use projects. It was further stated that major part of delay relate to forests and environment clearance and land acquisition on the part of allocatee. Forests and environment clearances fall under the realms of the Ministry of Environment & Forest, whereas the concerned State Government is to facilitate acquisition of land.

6.14 The Committee were informed of the major hindrances in completion of projects which inter-relation include Physical possession of land & related R&R issues; Delay in Forestry and environmental clearances; Lack of proper coal evacuation facilities; Delay in Finalization of global bids; and Law & order situation especially in States of Jharkhand & Odisha. The actions/initiatives stately taken to expedite completion of projects include the following:-

1. Issues related to EC, FC & Land acquisition are regular monitoring by PMO expediting the same.
2. MoC is regularly corresponding with the State governments & holding meetings with concerned state officials to expedite & facilitate acquisition/possession of land, and expediting EC & FC issues.
3. The institution of PMG has initiated vigorous follow up with state governments for expediting land acquisition/possession, EC & FC issues.

4. Secretary level meetings are held at regular intervals between the MoC & MoEF for sorting out issues related to EC & FC proposals and expediting proposals which are critical for enhancing/augmenting the coal production levels in the country.
5. Subject experts & officials from the Forest Services cadre have been appointed by CIL & its subsidiaries for suitable advice, scrutiny & expediting proposals through vigorous follow-up.
6. Vigorous follow up action with land officials of State Govts. to expedite issue of NoC regarding the type of land.
7. Forest Officials are contacted and followed up on regular basis at District level to fulfill the requirement & queries. Periodical contacts are done with the Regional Office of MOEF/MOEF, New Delhi for expediting clearance of the forestry proposals.
8. State authorities are pursued regularly to issue “Consent to operate” & “Consent to establish” after issue of EC by MoEF. A constant follow up is also being made for notifying dates for Public Consultation/Hearing.
9. CIL has initiated investments for laying dedicated rail corridors in order to facilitate coal evacuation from coalfields with growth potential.
10. The process of tendering has been revised to encourage better & wider participation through e-tendering, pre-NIT & pre-Bid meets, quicker grievance disposal etc.
11. State authorities are persuaded at all levels for the improvement law & order situation.

CHAPTER VII

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.

7.2 According to Ministry of Coal, Coal India Ltd. 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 244 MT per annum in the next five years time.

7.3 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.

7.4 From the Annual Report, 2013-14 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.

7.5 It has also been stated that CIL has undertaken a massive programme of setting up of new washeries and proposed to set up 16 nos. of washeries in its subsidiaries with total installed capacity of

92.1 MT (18.6 MT in coking Coal and 73.5 MT in non-coking Coal sector). Out of the above 16 nos. of new washeries, tenders for 10 washeries have been floated. Out of these 10, Agreement for 3 washeries has been signed and 2 more washeries is expected to be signed soon. Construction work for 2 washeries has already been started out of three [3] washeries, for which agreement has been signed. Balance five nos. of washeries are at various stages of Bid Process Management. Tender for remaining six washeries will be floated as soon as acquisition of land and finalization of infrastructure facilities are completed. Two R&D Projects to promote dry Coal beneficiation under implementation with CIL R&D Grant viz. (i) Radiometric dry deshaling plant (Ardee-Sort) at Madhuband washery, BCCL where tender has been finalized, Work Order issued and construction work started at site; and (ii) All-mineral All-air Jig dry deshaling system at Bharatpur, MCL where tender has been floated and evaluation of offers received was under process. It was further stated that besides the above, CIL has identified to set up sixteen nos. of washeries with a total capacity of 126.3 MT in the second phase. Further, to expedite the process of setting up of washeries, CIL was also exploring the possibility of setting up of washeries on Build-Own-Operate (BOO) concept, where preparation of Model Bid Document (RFQ & RFP) had been completed and forwarded for approval of competent authority.

CHAPTER VIII

E-AUCTION OF COAL/E-MARKETING

E-Auction in CIL

Coal is also being regularly sold through electronic auction (e-auction) route at a market driven price every month in accordance to the NCDP provision. e-auction is of two types- 'Spot e-auction' and Forward e-Auction. Spot e-auction is meant for all categories of buyers. In case of Forward E-auction, only end users/actual consumers are eligible to participate and could have assured supply of Coal over a longer period, generally one year. Each forward e-Auction is for a period of 12 months consisting of 4 following quarters of 3 months each. Consumers have the flexibility to bid for any one quarter or for up to all the four quarters in one go. Bidders/consumers make bid at or above reserve price. While Spot e-Auction has been in operation since November 2007 forward e-auction commenced from August 2009. Under e-auction channel Coal Companies of CIL are entitled to offer around 10% of estimated annual production.

8.2 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:—

Table 8.1: Performance of E-auction after implementation of NCDP

	Spot E-auction				Forward E-auction			
	Apr 12- Dec 12	Apr 13- Dec 13	Jan 13- Mar 13	Apr 13- Mar 14	Apr 12- Dec 12	Apr 13- Dec 13	Jan 13- Mar 13	Apr 13- Mar 14
1	2	3	4	5	6	7	8	9
No. of Bidders	55596	63408	28057	84485	265	270	81	354
No. of Successful bidders	30877	36586	17238	50937	185	175	71	239
Total Qty. offered (L.Tonnes)	345.40	480.55	178.92	688.62	68.13	57.23	18.66	78.80
Total Qty. allocated (L. Tonnes)	300.83	404.70	141.72	581.25	37.61	31.55	12.01	40.94

1	2	3	4	5	6	7	8	9
Notified Price of Total Allocated Qty. (in ₹ Cr.)	5038.62	6576.13	2397.93	9281.04	550.58	326.21	106.05	444.46
Bid Price of Total Allocated Qty. (in ₹ Cr.)	7816.10	8971.31	3332.42	12767.06	691.97	469.81	133.53	621.55
% increase over Notified Price	55.1	36.4	39.0	37.6	25.7	44.0	25.9	39.8

8.3 Further, according to Annual Report (2013-14) of the Ministry of Coal, Company-wise Spot E-Auction during January, 2013 March, 2014 (prov.) is as under:—

Table 8.2: Company-wise spot E-Auction during Jan. 2013-Mar. 2014 (prov.)

(In lakh tonnes)

Company	Offer Qty.	Allocation Qty.	% increase over notified price
ECL	71.37	54.85	21.6
BCCL	37.69	30.76	63.5
CCL	109.94	87.46	56.1
NCL	66.51	66.33	49.0
WCL	94.50	64.76	31.6
SECL	247.45	211.63	33.9
MCL	236.04	204.23	36.9
NEC	4.03	2.94	7.1
CIL	867.54	722.97	38.2

It was further stated that SCCL has started spot e-auction of Coal in December, 2007. The details of Coal sold by SCCL through spot e-auction during January, 2013 to March, 2014 are as follows:—

Table 8.3: Spot E-auction in SCCL

Company	Offered Quantity	Sold Quantity	% increase over notified price
SCCL	8.25 LT	7.11 LT	31

It was also stated that SCCL is not conducting forward e-auction.

8.4 Asked if the Government is planning to do away with e-auction, Secretary, Ministry of Coal stated during evidence that coal is allocated to regulated sector like power at low prices to keep the power tariff low. However, unregulated sector like steel, cement and other industries, coal cannot be kept on the same pedestal. Therefore, in common market, coal is allocated by way of e-auction and the percentage of e-auction will depend on the availability of coal.

8.5 Regarding e-auction by NLC, CMD supplemented on the issue as under:

“.....Their total production goes only to power plants. If we are doing e-auction for small quantity, then we do not allow traders. We only inspect the site of the consumer to see that they are having industry/factory or not. We are having two types of e-auction, namely, for bulk consumers like cement plant, etc. and for small consumers like big manufacturers and small consumers who are really having their own industry. We go and check it, and subsequently we allow them. But we do not allow any traders to participate in it.”

8.6 On pointedly being asked to confirm as to whether in e-auction of Lignite, no traders are allowed, CMD, NLC submitted during evidence:-

“No, NLC is not allowing traders, and it is only consumers. We inspect that factory, and we see it.”

8.7 The Committee further sought to know whether the Ministry have a database for e-auction. The witness stated during oral evidence that:-

“Yes, we do have a database, and MSTC does the e-auction for us. It is only small quantities of 8-10 lakh tonnes per annum because most of the thing goes to the power plant only. It is small quantity because in surrounding areas they want Lignite, and we are giving it.”

CHAPTER IX

CORPORATE SOCIAL RESPONSIBILITY

The Outcome Budget (2014-15) of the Ministry of Coal highlights that CIL and its subsidiary companies are undertaking different welfare activities, in and around the Coalfield areas, under the CSR policy. The CIL has a well-defined CSR policy introduced in June, 2010 based on the guidelines issued by the Department of Public Enterprises for Central PSUs on CSR, which is also applicable in respect of the subsidiary companies of CIL. In addition Section 135 of the Companies Act, 2013 deals with Corporate Social Responsibility (CSR). The details of the amount earmarked and utilized by the Coal India Limited (CIL) and its subsidiaries under the Corporate Social Responsibility (CSR) fund during each of the last three years and the current year subsidiary-wise are as under:

Table 9.1: CSR fund utilized by CIL and its Subsidiaries

Company	(Rs.in crore)							
	2010-11		2011-12		2012-13		2013-14 (Upto Dec. 13)	
	Budget	Expndt.	Budget	Expndt.	Budget	Expndt.	Budget	Expndt.
ECL	5.00	4.74	16.50	3.14	23.89	09.42	29.35	6.09
BCCL	13.75	3.15	14.50	05.53	23.63	07.43	30.50	5.01
CCL	25.69	10.98	53.88	11.00	47.72	13.66	26.42	17.20
WCL	23.00	7.13	55.82	07.85	40.67	20.96	29.46	10.98
SECL	54.00	7.05	146.44	17.66	181.79	46.63	63.94	43.38
MCL	52.04	53.46	82.00	14.47	73.36	25.56	101.72	59.07
NCL	36.00	4.25	93.42	09.25	95.73	17.64	48.99	28.79
CMPDIL	0.20	0.19	0.77	00.49	1.63	01.06	1.82	0.51
CIL & NEC	52.60	8.71	90.00	02.59	107.32	07.19	142.16	107.36
Total	262.28	99.66	553.33	82.00	595.74	149.55	477.36	278.39

9.2 On being asked to state the present guidelines for allocating CSR funds by CIL and NLC Ltd., the Ministry stated that as per Section

135 of New Companies Act, 2013 the budget on CSR was allocated based on 2% of the average Net Profit of the Company during the three immediate preceding financial years or Rs. 2.00 per tonne of Coal production of previous year whichever is higher.

9.3 The Committee sought the subsidiary-wise details of unutilized funds from the previous year allocation under CSR head which will get carried over to the current financial year and also the reasons for non-utilization of funds. The Ministry thereupon furnished following:—

Table 9.2: Subsidiary-wise details of unutilized funds from the previous year allocation under CSR head that has been carried forward to the current year

Year Company	2013-14		2014-15		Remarks
	Budget	Expendt.	Unutilized fund carried forward	Budget	
ECL	29.35	–	7.38	37.90	Rs. 21.97 cr. in respect of ECL incurred from CIL's budget.
BCCL	30.50	20.00	3.80	30.00	Rs. 7.80 in respect of BCCL incurred from CIL's budget.
CCL	26.42	26.94	(-) 0.52	48.00	
WCL	29.46	23.80	5.66	7.95	
SECL	63.94	43.91	20.03	129.00	
MCL	101.72	111.48	9.76	112.48	
NCL	48.99	39.72	9.27	80.28	
CMPDIL	01.82	01.82	0.00	2.00	
CIL/NEC	142.16	141.70	0.46	24.04	
Total	474.36	409.37		471.65	

It was further submitted that the department of Public Enterprises framed the CSR policy in the year 2010 and subsequently based on these guidelines CIL formulated a well-defined CSR policy in June, 2010 which is also applicable for its subsidiaries. In the aftermath of the formulation, a lack of infrastructure facilities resulted in shortfall in utilization of funds. Delay in getting NOC/Site Clearance from local authorities was also an area of constraint. In order to smoothen the process CIL has engaged the Tata Institute of Social Sciences, Mumbai as adviser for CSR activities. TISS has conducted baseline surveys and formulated detailed guidelines for implementing CSR projects.

9.4 On being pointed as to whether any new Revised Guidelines on CSR for CPSEs have been issued by Department of Public Enterprises, the Ministry stated that no new Revised Guidelines on CSR have been issued by Department of Public Enterprises (DPE) during 2014-15.

9.5 During evidence, the Committee sought to know the areas where this fund is going to be spent and in what way the Ministry also submitted that half of there CSR Budget for the current year has been earmarked for the Swatch Bharat Campaign. In this regard, representative of the Ministry of Coal further deposed as under:

“For the year 2013-14, we have spent the CSR fund completely. This year, a fund of Rs. 470 crore has been allotted towards CSR activities. Around 50 per cent of that fund, which comes to Rs. 237 crore, we are spending on the sanitation programme. Before that also, we have been doing the sanitation programme. We used to adopt small villages. In those villages, we used to do the sanitation plus other developmental activity. Since the Government has come out with a big scheme, we are responding to the Government’s call and we have increased our allocation.”

9.6 The Ministry also submitted that half of the CSR Budget for the current year (2014-15) has been earmarked for the Swatch Bharat Campaign.

CHAPTER X

IMPLEMENTATION OF RECOMMENDATIONS OF THE COMMITTEE

The Thirty-third Report of the Committee on Coal and Steel on “Demands for Grants (2013-14)” of the Ministry of Coal was presented to Lok Sabha and laid on the Table of Rajya Sabha on 23rd April, 2013. The Report contained 26 Recommendations.

10.2 On the basis of Action Taken Notes furnished by the Ministry of Coal in respect of the recommendations contained in the Thirty-third Report, the Committee presented their Forty-fourth Report on Action Taken by the Government on recommendations/observations contained in Thirty-third Report on DFG (2013-14). The Forty-fourth Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 17th December, 2013. 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. 6, 11, 13, 14, 17 and 18 of the Thirty-third Report. The Analysis further revealed that out of 26 recommendations contained in the Thirty-third Report of the Committee, 13 recommendations (50%) have been accepted by the Committee. In respect of 8 recommendations (31%), the replies of the government have not been accepted by the Committee. For 3 recommendations, the final replies of the Government are still awaited.

10.3 In terms of Direction 73 A 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 73 A in the context of the Thirty-third Report was made by the Minister of Coal on 17th December, 2013 *i.e.* after about 8 months of the presentation of the Report.

PART II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1. The Committee observe the strategic importance of coal in the country's energy security with over fifty percent of the primary energy supply and over seventy percent of coal production/supply going for power generation, the most important facts for accelerating the much needed development activities to which the Government is committed. The Committee are, therefore, unhappy to note the increasing imports of coal to meet the demand supply gap viz. 145.8 MT in 2012-13 to 168.4 MT in 2013-14 and estimated to reach 185 MT in 2016-17. The Committee note with serious concern the consequential financial burden on the exchequer due to the increasing imports and exhort the Government to seriously address the various constraints impeding offtake of domestic production and capacity expansion with a renewed thrust to set optimistic targets and timelines for realistic achievements. The Committee further observe that while ensuring a sustainable increase in domestic production commensurate with increasing domestic demand is of paramount importance, the Ministry also need to seriously address the aspect of bringing about objectivity and transparency in the allocation of coal blocks particularly in the wake of the Hon'ble Supreme Court judgement cancelling allocation of coal blocks. The Committee expect the Ministry to put in place an effective and transparent mechanism to resolve the current challenges.

Plan outlays of Ministry of Coal and PSUs

2. The Committee note that the total Budgetary Support to the Ministry of Coal for the year 2014-15 is Rs. 600.00 crore (Plan Rs. 550.00 crore and Non-Plan Rs. 50.00 crore) against Rs. 497.70 crore (Plan Rs. 450.00 crore and Non-Plan Rs. 47.70 crore) during 2013-14. The Committee also observe that six centrally sponsored schemes viz. Conservation and Safety in Coal Mines and Development of Transportation Infrastructure under CCDA, Research and Development Projects; Promotional (Regional) Exploration; Detailed Exploration in non-CIL blocks; Environmental Measures and Subsidence Control and Development of North Eastern Region/ Sikkim are being implemented for coal and lignite sector with the help of Gross Budgetary Support. The examination and analysis of Demands for Grants (2014-15) of the Ministry of Coal, however, reveal that

the Ministry could not utilize the plan budgetary provisions fully for the successful implementation of these central sector schemes. The Committee note that during the financial year 2013-14, out of the budgeted amount of Rs. 550 crore, an amount of Rs. 522.69 crore was utilized, representing a 33.76% increase over the expenditure (Rs. 390.76 crore) in 2012-13. The Committee further note with concern that almost the whole of the remaining unutilized amount of Rs. 27.31 crore pertained to mandatory provisions for the North Eastern Region amounting to Rs. 27.19 crore and the remaining Rs. 0.12 crore pertains to the Coal Controllers Organization on account of salary. The Committee are unhappy to note that the budgetary provisions earmarked for the North Eastern Region has remained completely unutilized over the years reportedly due to the difficult terrain. The Committee, however, note that an amount of Rs. 1.76 crore were utilized for the first time during the year 2013-14 for exploratory schemes marking a new beginning. The Committee are happy to note that the expenditure in some of the schemes manifested a marked increase *vis-à-vis* the present financial year *viz.* Development of Transport Infrastructure showed an increase of 50% (Rs. 75 crore against Rs. 50 crore); Regional Exploration showed a two fold increase (Rs. 59.20 crore against Rs. 19.00 crore); and Conservation and Safety in Coal Mines showed an increase of 45% (Rs. 171.90 crore against Rs. 119.00 crore). The Committee, however, observe that funds for important schemes like EMSC was grossly underutilized during the year 2013-14 (RE - 0.35 crore; Actual Expenditure - 0.05 crore) While observing underutilization of budgetary allocations in these important schemes, the Committee desire that the Ministry should strive hard to ensure that the scarce funds made available are fully utilized to derive the intended benefits therefrom. The Committee note with serious concern non-utilization of plan budgetary provisions during the last two years (2012-13 : RE - Rs. 416 crore and Expenditure Rs. 390.76 crore) and (2013-14 : RE - Rs. 550 crore and Expenditure Rs. 522.69 crore) where the percentage of actual expenditure *vis-à-vis* revised estimates stand at 93.93% and 95.03% respectively.

Utilization of Plan outlays by PSUs

3. The Committee note that against the plan outlay of Rs. 5000 crore for CIL for the year 2013-14, actual expenditure was only Rs. 4200 crore which comes out to 95.69% of the budget estimates of the year (2013-14, Rs. 5000 crore). Similarly, the investment plan of SCCL against the budget estimates of Rs. 4000 crore during the year 2013-14, the actual was only Rs. 2591.05 crore (64.78%).

Similarly, the plan investment of Neyveli Lignite Corporation (NLC) at Rs. 1817.32 crore is found to be 72.98% of budget estimates of Rs. 2490.14 crore for the year. The Committee are unhappy to note the huge mis-match between the financial outlays of SCCL and NLC during the year 2013-14 which points to systematic flaws in the implementation of projects *vis-a-vis* financial requirements. The Committee, therefore, stress that the Ministry should accord utmost priority for realistic budget estimates of annual investment plan of PSUs as well as their physical targets set to be accomplished so that funds granted are fully utilized during the financial year.

Research and Development (R&D)

4. The Committee note that Research and Development Projects are covered under four thematic areas *viz.* 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 CMPDIL, being the nodal agency for consideration and monitoring of Science and Technology plan schemes and of CIL's R&D Projects. The Committee are concerned to note the apparent decrease in the number of projects sanctioned under S&T grant as well as completed year-wise from the XIth Plan to the XIIth Plan with only 4 and 2 Projects sanctioned in the years 2012-13 and 2013-14 (XIIth Plan) as against 9 projects sanctioned in the year 2007-08 (XIth Plan) with 10 completed projects in the same year which also included spillover projects. The Committee also note with concern the dismal track record for utilization of funds for R&D projects in CIL in the last 3 years *viz.* actual expenditure of Rs. 16.65 crore, Rs. 11.22 crore and Rs. 10.97 crore against the Budget Estimates of Rs. 45 crore, Rs. 20 crore and Rs. 20 crore for the year 2011-12, 2012-13 and 2013-14 respectively, which accounts for 37%, 56.1% and 54.9%. The Committee are happy to note that continuous efforts are being made for technological up-gradation in underground and opencast mines in CIL to achieve higher production/productivity. Although most of the funds approved have been disbursed for 3 out of 4 major Research projects supported under S&T grant of Ministry of Coal for technology up-gradation in respect of coal mining, the Committee desire that a more robust system of monitoring and time bound implementation of R&D projects be put in place by CMPDIL.

Promotional (Regional) Exploration in Coal and Lignite

5. The Committee note that the scheme on promotional exploration was being implemented by various agencies *viz.* (CMPDIL, GSI, MECL and State Governments concerned), with the aim to

undertake preliminary drilling to assess availability of Coal in various areas. The Committee are happy to note that the percentage growth of promotional drilling in various areas viz. CIL command area; SCCL command area and Lignite areas saw a consistent increase of 20.94% and 16.47% in the years 2012-13 and 2013-14 respectively as compared to the negative growth of -8.71%, in the year 2011-12. The Committee, however, desire that more sustained and proactive efforts are needed to remove the cited hindrance viz. non-availability of forest clearance for exploration and adverse law and order situation for timely achievements of targets so that regional exploration in Coal and Lignite gets the needed thrust it deserves.

Detailed Exploration in Non-Cil Blocks

6. The Committee note that the scheme of detailed exploration was aimed at bringing resources falling in indicated and inferred category into the proven category and in the year 2014-15, a drilling target of 12 lakh meters has been set which was to be carried out through departmental and contractual modes. The Committee note with concern that the actual total quantum of detailed exploration in Non-CIL/Captive Mining Blocks in the last three years *i.e.* 2011-12, 2012-13 and 2013-14 remains stagnated at 2.22 lakh meters, 2.28 lakh meters and 2.38 lakh meters respectively and the drilling target made for the year 2014-15 stands at 4.11 lakh meters. The Committee desire the Ministry to make efforts to achieve the target of detailed drilling for 4.16 lakh meters for the current year. To this end, the Committee further desire the Ministry to accelerate needed procurement for new drill and other essential machineries and also explore the idea of increasing outsourcing work of drilling to potential private agencies with accredited track record of timely achievement of targets set.

Environmental Measures and Subsidence Control Scheme

7. 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 for rehabilitation of persons residing in these locations. 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 unhappy to note that against the budget estimates

of Rs. 0.9 crores during 2013-14 for EMSC, the RE was Rs. 0.35 crores. The Committee also note the further downward revisions of BE for 2014-15 which has proposed a meager 0.40 crore for Jharia and Raniganj. Statedly, as per the Master Plan for Raniganj, CIL need to first spend from its own resources and the additional funds required, if any, were to be made available from the budget and as the expenditure has been less than CIL's contribution of Rs. 350.00 crores every year due to land acquisition problem and delay in demographic survey, budget allocation has been reduced. The Committee desire that the inherent problems pertaining to land acquisition and delay in demographic survey which are major constraints impeding implementation of the EMSC Scheme need to be tackled seriously. The Committee observe that such an important scheme having ramification on the environment as well as rehabilitation of persons residing in these locations has not been given the priority it deserves due to CIL's non-ability to spend funds already made available to them. The Committee, therefore, recommend that all-out effort be made for the implementation of Master Plan dealing with fire, subsidence and rehabilitation in Jharia and Raniganj Coalfields.

Conservation of Safety in Coal Mines and Development of Transport infrastructure under CCDA

8. The Committee note that under the schemes for Conservation of Safety in Coal Mines and Development of Transport Infrastructure under CCDA, the expenditure incurred by Coal Companies are reimbursed partially as per the statutory provisions under the Coal Mines (Conservation and Development) Act, 1974, the principal objective of which is to collect excise duty on coal for disbursing the same to the coal mines for conservation and development related works including infrastructure development, for which budget provisions are made taking into account existing commitment/liability of the preceding financial year. The Committee note that a total amount of Rs. 2825.80 lakhs were spilled over to 2014-15 pertaining to development of Railway Infrastructure of Jharsuguda alignment from Gopalpur Manoharpur Block (100% CCDAC assistance) under MCL whereas for all other Road/Rail Infrastructure projects, there was no spill over amount to 2014-15. The Committee also observe with profound concern the decreasing expenditure incurred on Roads meant for coal transportation by ECL (Rs. 819.66 lakhs in 2012-13 to Rs. 596.77 lakh in 2013-14); NEC (Rs. 103.30 lakhs in 2012-13 to Rs. 33.82 lakhs in 2013-14); and CCL (Rs. 2264.22 lakhs in 2012-13 to Rs. 1934.87 lakhs in 2013-14). The Committee desire that

more thrust be given on creation of transport infrastructure, an important and essential component for more speedy delivery of coal to defined destination for specified end use. The Committee, therefore, recommend that more funds be made available and also utilized optimally for creation of such infrastructure assets.

North Eastern Region (NER)

9. The Committee are concerned to note that the North-Eastern Region remains a totally neglected area with the lowest implementation record as exuded by the fact that year after year, the budget provisions pertaining to development of NER/Sikkim remain totally unutilized till 2012-13. Taking note of such gross un-utilization, Committee had recommended (24th Report on DFG, 2012-13) the Government to come up with concrete schemes for North Eastern Region. The Ministry of Coal in their Action Taken Reply had informed that they had noted the recommendation of the Hon'ble Committee for taking appropriate action. However, the Committee were unhappy to note that against the budgetary allocation of Rs. 25 crore during 2012-13 for development of North Eastern Region (NER), the actual expenditure was nil as no schemes specifically for development of North Eastern Region were formulated and as such no expenditure was incurred thereon. While recommending the Government to come up with concrete schemes for North Eastern Region, the Committee had then expected that the budgetary allocation of Rs. 24 crore earmarked for North Eastern Region during 2013-14 will be fully utilized. However, yet again the Ministry of Coal in their Action Taken Reply made the off-repeated assurance that the concern of the Hon'ble Committee have been noted and concerted efforts to utilize funds earmarked were being made. The examination of the scheme for North Eastern Region, however, reveals that despite repeated assurances and much prodding by the Committee, the Ministry could utilize mere Rs. 1.76 crore out of the budget provisions of Rs. 28.95 crores. Surprisingly, defying any logic, the Budget Estimates for 2014-15 further raised the amount to Rs. 29 crores. The Committee note the reasons cited by the Ministry such as hindrances in exploration work *viz.* difficult geological characteristics, large forest covers, adverse law and order conditions and land issues, very low estimates of coal resources in the region (0.5% of total reported coal reserves of India) and for non-implementation of S&T schemes *viz.* limited research proposals being submitted by Institutes located in the North East or elsewhere. Alarming no S&T projects was being implemented in the NER. The Committee are not satisfied with the repeated replies of the Ministry

that efforts are being made to increase expenditure on R&D for the NER by way of inviting R&D proposals for effective explorations of Coal deposits in the region. The Committee, therefore, recommend the Ministry to provide needed incentives for evoking adequate response of R&D proposals for effective exploration of Coal reserves in the area. The Committee may like to be apprised of tangible efforts in terms of concrete deliverables made in this regard.

Investment in Coal PSUs

10. The Committee are concerned to note non-unutilization of funds by all the Coal PSUs viz. CIL, SCCL and NLC. The Committee note that the percentage utilization of funds for CIL stands at 88% and 68% in 2011-12 and 2012-13 showing a downward trend; SCCL from 77% in 2011-12 to 64% in 2012-13 and then rising to 85% in 2013-14. The Committee further note the various reasons cited for delay in implementation of projects and time overruns with consequential under-utilization of plan outlays viz. delay in grant of Forest Clearance and Environmental Clearance; delays in finalization of global tender for deployment of needed equipments and machineries and consequent delay in their procurement and commissioning; delays in rehabilitation; problem of land acquisition/possession; lack of coal evacuation facility; delay in construction of needed infrastructure such as Rail links, Pucca Roads etc.; delays in settlement of compensation for land acquisition; Law and Order problems, etc. Needless to say, delays lead to time overrun with consequent cost-overrun of projects. The Committee, are, therefore constrained to observe that year after year the same reasons are being cited for time overrun and consequent unutilization of funds made available as per plan outlay. The Committee desire that utmost priority need to be given to remove infrastructure bottlenecks and project implementation by various PSUs need review at the highest hierarchy in the Government so that inter-Ministerial issues such as delays due to environment and forest clearance are tackled on priority.

11. The Committee have been given to understand that coal production from CIL in the terminal year 2016-17 of the XIIth Five Year Plan is estimated to be 615 MT. However, a major growth in production is contingent upon commissioning of railway project in three coalfields i.e. North Karampura in CCL, Mand-Raigarh in SECL and Ib valley in MCL. Some coal projects are reportedly lacking adequate coal evacuation infrastructure. The Committee believe that commissioning of the three rail projects is critical for coal

evacuation which ultimately retard the coal production. The Committee therefore, would like the Ministry to take matter with the Ministry of Railways at the highest level to thrashout the issue.

Tribal Sub Plan (TSP)

12. The Committee observe that the outlays provided in the budget estimates for the year 2014-15 indicate an allocation of Rs. 37.72 crore in lump sum provision for Tribal Sub-Plan. The Committee were further apprised that the Ministry of Coal had earmarked 8.2% of outlays to three Plan Schemes viz. Regional Exploration; Detailed Drilling and Conservation and Safety for Tribal Sub-Plan. The Committee in their 33rd Report on Demands for Grants (2013-14) (15th Lok Sabha), had observed that utilization of funds earmarked for the Tribal Sub-Plan for implementation of the scheme remained totally unutilized. The Committee (2013-14) had therefore desired 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. The Committee are happy to note that the Ministry in their Action Taken Notes had stated that the allocated funds for the Tribal Sub-Plan in 2012-13 under the scheme had been fully utilized and it was expected that the funds earmarked for the year 2013-14 will also be fully utilized. The Committee earnestly hope that the Ministry continue their zeal for utilization of the full funds so that intended benefits of this special provision for focused emphasis on the integrated development of the tribal areas and communities are met in letter and spirit.

Constraints and Hurdles in Implementation of Projects

13. The Committee observe that there are many social, legal, political and economic dimensions to the execution of coal projects in mining areas which centre around environmental, administrative and social issues related to displacement and rehabilitation of project affected people. Undoubtedly, issues of such serious magnitude have implications on the human rights and Fundamental Rights of these people. The Committee note that the Ministry of Coal in their Annual Report (2013-14) cites the main reasons for slippage in implementation of projects viz. delay in acquisition of land and associated problems of rehabilitation; delay in grant of Environmental and Forest clearances; delay due to adverse geo-mining conditions, etc. Various steps to improve project implementation as have been cited in the Annual Report are formulation of new Rehabilitation

and Resettlement Policy; expeditious land acquisition proceedings; introduction of sophisticated geological and geophysical exploration techniques for advance and accurate forecasting of geo-mining conditions; Standardization of the Monitoring system for Project Implementation; various initiatives taken up for expeditious NOC under Forest Right Act, implementation of critical rail links for evacuation/transportation of coal; revision of the process of tendering for encouraging better and wider participation through e-tendering; etc. The Committee hardly need to emphasize that the first and foremost priority of the Ministry should be to tackle with renewed vigor and thrust, the various constraints and hurdles being faced presently for implementation of projects, which will go a long way in domestic exploration and production of coal to achieve self reliance in domestic coal production and to reduce the dependency on coal imports. The Committee, therefore, desire that the Ministry come out with a road map with specific timelines for resolving the main hurdles and constraints faced. The Committee may be apprised of the action taken thereon.

Coal Washeries

14. The Committee note that coal washing is an important activity both from economic as well as environmental point of view with studies clearly highlighting benefits of using washed coal in improving the economics of power generation and also reduction of emissions. The Committee also note the directive of Ministry of Environment and Forests with regard to restricting the use of coal containing more than 34% ashes content in power stations located 1000 KM away from pit heads. At present, subsidiary coal companies of CIL are facilitating setting up of coal washeries to meet the demand supply gap of washed coal in accordance with guidelines issued in this regard. The Committee observe that the Ministry is in the process of augmenting the washing capacity from the present installed capacity of about 103 MT per annum to about 244 MT per annum in the next five years. The Committee recommend that there is an imperative need for the use of washed coal and the ongoing initiatives to augment coal washeries should be given adequate impetus so that the goal of achieving clean coal technologies through use of more and more washed coal for power generation is sustained.

Coal Distribution Policy

15. The Committee note that in accordance with the provisions under the New Coal Distribution Policy (NCDP) issued by the Government of India on 18.10.2002, sale of coal through two types

of e-auction viz spot e-auction where an intended buyer can participate in auction and forward e-auction where only end-users/ actual consumers are eligible to have assured supply over a long period of one year. The Committee further note that under this new policy, 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 Committee observe from the data furnished by the Ministry of Coal regarding performance of e-auction during April 2013-March 2014 that in the case of spot e-auction, out of a total 84485 bidders, 50937 were successful bidders and out of 688.62 lakh tonnes of total quantity of coal offered, only 581.25 lakh tonnes were allocated at a bid price of Rs. 12767.06 crores with 37.6% increase over the notified price of Rs. 9281.04 crores. Similarly, the Committee observe that in the forward e-auction held during April 2013-March 2014, out of actual 354 bidders, 239 successful bidders were allocated 40.94 lakh tonnes of coal at a bid price of total allocated quantity of Rs. 621.55 crore with 39.8% increase over the notified price of Rs. 444.46 crores. The Committee observe a big gap between the quantity of coal offered and that actually allocated in the case of both spot e-auction as well as forward e-auction. The Committee are concerned to note that their recommendation made in 24th Report, (15th Lok Sabha) and 33rd Report on DFG (2013-14) (15th Lok Sabha) urging the Government to put in place adequate safeguards to protect the interest of coal users and also to increase the quantity of coal auctioned through the forward e-auction scheme has not been implemented by the Government so far. The Committee also observe that the total quantity of coal offered remained low for forward e-auction at 78.80 lakh tonnes as compared to 688.62 lakh tonnes offered under the spot e-auction scheme. The Committee, therefore, desire that the quantity offered for actual end users of coal be adequately increased so that the intended purpose of assuring uninterrupted supply to actual consumers is achieved. The Committee may be apprised of the action taken in this regard.

Corporate Social Responsibility (CSR)

16. The Committee note that under the CSR policy, CIL and its subsidiary companies undertake different welfare activities, in and around coalfield area through amount earmarked against the CSR fund. The Committee further note that as per section 135 of new Companies Act, 2013, the budget on CSR was allocated based on 2% of the average Net Profit of the Company during the three immediate preceding financial year or Rs. 2.00 per tonne of coal production of

previous year whichever is higher. The Committee are happy to observe that in the year 2013-14, the CSR fund has been utilized completely and in the current year (2014-15), a fund of Rs. 470 crore has been allocated towards CSR activities. The Committee have been apprised that around 50 percent of that CSR fund, which comes to Rs. 235 crore are being allocated for sanitation programme under the 'Swacchh Bharat Campaign'. The Committee desire that efforts towards optimum utilization of the CSR fund be directed towards achieving the intended benefits.

Implementation of Recommendation of the Committee contained in the 33rd Report

17. The Committee have analyzed the implementation of the observations/recommendations contained in their Thirty-Third Report (15th Lok Sabha) on Demands for Grants for the year 2013-14 of the Ministry of Coal. The analysis of the Committee shows that out of the 26 recommendations pertaining to the Ministry of Coal contained in their Report, only 13 recommendations (Sl. Nos. 1, 2, 3, 4, 5, 10, 12, 16, 19, 22, 23, 24 and 25) were accepted by the Government. No recommendation have yet been implemented by the Government. The Committee expect the Ministry to expedite the process of implementation of the recommendations.

NEW DELHI;
19 December, 2014
28 Agrahayana, 1936 (Saka)

RAKESH SINGH,
Chairperson,
Standing Committee on
Coal and Steel.

ANNEXURE I

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL
AND STEEL HELD ON 3 NOVEMBER, 2014 IN COMMITTEE ROOM '139',
FIRST FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1730 hrs.

PRESENT

Shri Hansraj G. Ahir – *Chairperson*

MEMBERS

Lok Sabha

2. Shri Kalyan Banerjee
3. Shrimati Jyoti Dhurve
4. Shri Faggan Singh Kulaste
5. Dr. Banshilal Mahato
6. Shri Devji M. Patel
7. Shrimati Riti Pathak
8. Shri Neiphiu Rio
9. Shri Tamradhwaj Sahu
10. Shri Tathagata Satpathy
11. Shri Janardan Singh "Sigriwal"
12. Shri Pashupati Nath Singh
13. Shri Sunil Kumar Singh
14. Shri Sushil Kumar Singh
15. Shri Rama Kishore Singh
16. Shri Krupal Balaji Tumane

Rajya Sabha

17. Shri Ali Anwar Ansari
18. Dr. Pradeep Kumar Balmuchu
19. Shri Jugul Kishore
20. Shri Avinash Pande
21. Dr. Satyanarayan Jatiya
22. Shri Sanjay Raut

SECRETARIAT

1. Shri Shiv Singh – *Director*
2. Shri Arvind Sharma – *Additional Director*
3. Ms. Miranda Ingudam – *Under Secretary*

WITNESSES

Ministry of Coal and its PSUs

1. Shri Anil Swarup Secretary
2. Shri A.K. Bhalla Joint Secretary
3. Shri Shailesh Kumar Singh Joint Secretary
4. Smt. Sujata Prasad Joint Secretary & FA
5. Shri Vivek Bharadwaj Joint Secretary
6. Dr. M.R. Anand Economic Advisor
7. Shri D.N. Prasad Advisor (Projects)

Coal India Limited and subsidiary companies

8. Shri Gopal Singh CMD, CCL
9. Shri Rakesh Kumar Sinha CMD, ECL
10. Shri T.K. Nag CMD, NCL
11. Shri Om Prakash CMD, SECL
12. Shri A.N. Sahay CMD, MCL
13. Shri R.R. Mishra CMD, WCL
14. Shri A.K. Debnath CMD, CMPDIL
15. Shri S. Bhattacharya CMD, SCCL
16. Shri B. Surender Mohan CMD, NLC
17. Shri Ashok Sarkar Director (T), BCCL
18. Shri Rakesh Kumar Director (F), NLC
19. Shri Abhijit Chatterjee Director (Finance), CIL
20. Shri R. Mohan Das Director (P&IR), CIL
21. Shri N. Kumar Director (Tech.), CIL
22. Shri T. Vijay Kumar Director, SCCL

2. At the outset, the Chairperson, while welcoming the Secretary, and other representatives of the Ministry of Coal and Coal PSUs to the sitting of Committee convened in connection with examination of

‘Demands for Grants (2014-15)’, emphasized on the strategic importance of Coal in the country’s energy security and the significantly increasing roles of various agencies involved in exploration, production and allocation of Coal.

3. Thereafter, the Secretary, Ministry of Coal briefed the Committee about the challenging tasks being entrusted to the Ministry in the wake of the Supreme Court Judgement dated 25.9.2014 cancelling allocation of Coal Blocks out of 218 Coal Blocks and the Government’s initiative in promulgation of the Coal Mines (Special Provision) Ordinance, 2014 on 21st October, 2014 to deal with the situation arising thereof. Subsequently, in a visual presentation, the representatives of the Ministry highlighted the overall annual growth in production of Coal since the year 2006-07 till date; production and off take of Coal during 2013-14 and the estimated demand supply gap to be met through imports; detailed Demands for Grants 2013-14 & 2014-15; Plan Schemes for 2013-14 and 2014-15; review of ongoing schemes and projects from 2012-13, 2013-14 and 2014-15; promotional exploration in Coal and Lignite in various command areas of CIL as well as non-CIL blocks for the years 2012-13, 2013-14 and 2014-15 (estimated); the total amount released by CIL in the years 2010-11, 2011-12, 2012-13 and 2013-14 for environmental measures and subsidence control; details of various projects pertaining to conservation and safety in Coal Mines and Development of Transport Infrastructure under CCDA during the years 2012-13 and 2013-14. While highlighting the various constraints on domestic production and capacity expansion of Coal Mines and the slow pace of development of captive blocks, the representatives also briefed the Committee on the various initiatives taken towards expeditious environmental/forest clearance; third party environment audit; technology development and modernization of mines; strengthening of Coal Controller’s Organization and CMPDIL; enhanced exploration; transparent allocation of de-allocated Coal Blocks in a time bound manner; satellite surveillance for land reclamation; third party monitoring of mine reclamation and rehabilitation; rationalization of Coal linkages; etc.

4. The Members then raised queries and sought clarifications from the representatives on various issues pertaining to the failure of the Ministry to reduce the demand supply gap resulting in increasing imports with the country’s disappointing position of being the fifth largest importer of Coal despite having the third largest coal reserves in the world. The representatives were also asked to respond to queries on the reasons for the slow pace of development of captive coal Blocks; the details of the extant policy for identification of eco-sensitive zones;

norms for selection of third parties for environmental audit; indication of a time limit within which the Coal Controller's Organization and CMPDIL are to be strengthened for more efficient monitoring; details of budget allocation for expansion of projects to enhance production; the apparent contradiction in the Ministry's stated initiative to reduce e-auction of coal; theft of coal and mechanisms to curb it; provision for access of Coal to local people/local industries, compensation to land oustees; state regulation for addressing water pollution and other problems faced by locals due to open excavation mining especially in North Eastern States; etc.

5. The Chairperson, while pointing out to the dismayingly low targets being fixed by various subsidiaries of CIL for coal mining, stressed on the need to increase the targets substantially and focus on higher yield in the domestic sector rather than wasting resources and time on coal mining activities abroad. He also 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 has been kept on record.

The Committee then adjourned.

ANNEXURE II

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL
AND STEEL HELD ON 19 DECEMBER, 2014 IN ROOM 'C', GROUND
FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1530 hrs.

PRESENT

Shri Rakesh Singh – *Chairperson*

MEMBERS

Lok Sabha

2. Shri A. Arunmozhithevan
3. Shri Kalyan Banerjee
4. Smt. Jyoti Dhurve
5. Shri Faggan Singh Kulaste
6. Shri Godam Nagesh
7. Shri Devji M. Patel
8. Smt. Riti Pathak
9. Smt. Ranjit Ranjan
10. Shri Neiphui Rio
11. Shri Tathagata Satpathy
12. Shri Janardan Singh "Sigriwal"
13. Shri Pashupati Nath Singh
14. Shri Rama Kishore Singh

Rajya Sabha

15. Shri Sanjay Raut
16. Shri Nand Kumar Sai

SECRETARIAT

1. Shri Shiv Singh – *Joint Secretary*
2. Shri Arvind Sharma – *Additional Director*
3. Ms. Miranda Ingudam – *Under Secretary*

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

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

(i) Draft Report on “Demands for Grants (2014-15)” of the Ministry of Coal;

(ii) ** ** ** ** **

(iii) ** ** ** ** **

(iv) ** ** ** ** **

(v) ** ** ** ** **

(vi) ** ** ** ** **

4. The Committee adopted the Reports without any 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.

**Do not pertain to this Report.