

**18**

**STANDING COMMITTEE ON  
COAL AND STEEL (2015-2016)  
SIXTEENTH LOK SABHA**

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**MINISTRY OF COAL**

**DEMANDS FOR GRANTS (2016-17)**

**EIGHTEENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI  
May, 2016/Vaisakha, 1938(Saka)**

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**DEMANDS FOR GRANTS (2016-17)**

**Presented to Lok Sabha on 02.05.2016**

**Laid in Rajya Sabha on 02.05.2016**



**LOK SABHA SECRETARIAT  
NEW DELHI  
May, 2016/Vaisakha, 1938 (Saka)**

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(i)

**COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL(2015-16)**

**Shri Rakesh Singh- Chairperson**

**Name of the Member**

**Lok Sabha**

2. Shri A Arunmozhithevan
3. Shri Kalyan Banerjee
4. Shrimati Jyoti Dhurve
5. Shri Nagesh Godam
6. Shri Faggan Singh Kulaste
7. Shri Shailesh Kumar
8. Dr. Banshilal Mahato
9. Shri Devji Mansingram 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 Rama Kishore Singh
19. Shri Sunil Kumar Singh
20. Shri Sushil Kumar Singh
21. Shri Krupal Balaji Tumane

**Rajya Sabha**

22. Shri M. J. Akbar
23. Shri Ali Anwar Ansari
24. Dr. Pradeep Kumar Balmuchu
25. Shri Md. Nadimul Haque
26. Shri B.K Hariprasad
27. Dr. Satyanarayan Jatiya
28. Shri Jugul Kishore
29. Shri Avinash Pande
30. Shri Sanjay Raut
31. Shri Dilip Kumar Tirkey

(ii)

## **SECRETARIAT**

1. Shri U.B.S. Negi - Joint Secretary
2. Shri Ajay Kumar Garg - Director
3. Shri Arvind Sharma - Additional Director
4. Ms. Miranda Ingudam - Deputy Secretary

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Eighteenth Report (Sixteenth Lok Sabha) on Demands for Grants (2016-17) 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 16.03.2016 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.

3. The Committee took evidence of the representatives of the Ministry of Coal on 04.04.2016.

4. The Report was considered and adopted by the Committee at their sitting held on 28.04.2016.

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;  
28 April, 2016  
8 Vaisakha, 1938(Saka)**

**RAKESH SINGH  
Chairperson  
Standing Committee on Coal and Steel**

(iv)

# **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 percent of the primary energy supply and over seventy percent of coal production/supply goes for power generation address into 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. Increasing domestic production of coal therefore, is imperative for energizing India and holds the key to achievement of the overall goal of making power available to the poorest of the poor by bringing electricity to all villages of the country. The stated overall goal of the Government to secure availability of coal to meet the demand of various sector of the economy in an eco-friendly sustainable and cost effective manner can be met only by holistically addressing 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. Appreciating the growth percentage of all India raw coal production which stood at record 8.60% in the year 2014-15 (actual) which is stately the highest growth rate since 1988 and 11.07% for 2015-16 (BE).

1.2 The Annual Report (2015-16) of the Ministry of Coal highlighted that the overall production of coal for 2015-16 was projected at 700 MT. During the period April to December 2015, the actual production was 447.48 Million tonnes compared to 427.278 Million tonnes (MT) during corresponding period of 2014-15 showing a growth of 9.1 percent. The target for coal production for 2015-16 was 700.00 million tonnes, against which actual production during the period April-December 2015 was 447.48 Million tonnes. The overall growth in coal production during April-Dec. 2014-15 was 4.9 percent. For CIL, the growth was 9.08 percent during the same period. There was a fair reduction in the import of coal. The quantum of coal imports during 2014-15 was 212.10 million tonnes. During the period April-November 2015 it was 127.52 million tonnes. The momentum of increasing production needs to be maintained and further highlighted to achieve overall target of production of 1 Billion tonnes by 2020. However, a major constraint towards Coal of achievement of all targets set for the year 2016-17 would be resource crunch and insufficiency of funds. The Ministry of Coal had projected an increased Plan allocation of the order of Rs. 894.75 crore in the

Budget Estimates of 2016-17 which had been restricted by the Ministry of Finance to Rs. 300 crore for plan schemes. As per the Outcome Budget (2016-17) of the Ministry of Coal, the Revised Estimate for the year 2015-16 was Rs. 551.00 crore as against the Budget Estimates of Rs. 551.00 crore while the actual expenditure (upto December, 2015) stood at Rs. 514.25 crore. Ironically, consequent to the re-allocation of cancelled Coal Blocks in pursuance to the Supreme Court Order and enactment of the Coal Mines (Special Provisions) Act, 2015, Coal Blocks have been auctioned to private companies and also allocated to PSUs. As on 4.4.2016, 74 Coal Blocks have been allocated out of which 48 were allocated to the power sector. While Rs. 1167 crore has already been transferred to the states beneficiary state are to receive Rs. 3.44 lakh crore over the lifetime of these coal blocks. The

1.3 The six Major Plan Schemes of the Ministry of Coal an under the following umbrella format:-

- (a) Research and Development
  - (i) Research and Development Programme
- (b) Exploration of Coal and Lignite
  - (ii) Regional Exploration
  - (iii) Detailed Drilling
- (c) Conservation Safety and Infrastructure Development in Coal Mines
  - (iv) Conservation and Safety in Coal Mines
  - (v) Environmental Measures and Subsidence Control
  - (vi) Development of Transport Infrastructure in Coalfields Areas

1.4 The Annual Report (2015-16) of the Ministry of Coal highlights that the core objectives of Ministry of Coal are linked to its vision of securing the availability of coal to meet the demand of different sectors of the economy in an eco-friendly and sustainable manner and the overall mission of augmenting production through Government companies as well as the captive mining route by adopting state-of-the-art, clean-coal technologies; enhancing exploration efforts with thrust on increasing proven resources and developing the necessary infrastructure for evacuation of coal.

## **Objectives**

1.5 Ensuring achievement of Annual Action Plan targets for coal production and off-take, OBR removal, lignite production and lignite based power generation.

- Infrastructure development to augment coal and washed coal production.

- Leveraging technology to minimize environmental externalities. Cutting edge research and development initiatives.
- Enhancing exploration to augment resource base.
- Quality and reliability in customer services.
- Expeditious and joint solutions to inter-ministerial issues.
- Improving efficiency of Coal India
- Attracting private investments
- Allocating coal blocks in a transparent manner.

## **1.6 Functions**

Facilitating exploration, development and exploitation of coking and non-coking coal and lignite reserves in India.

- All matters related to production, supply, distribution and prices of coal.
- Development and operation of coal washeries other than those for which Department of Steel is responsible.
- Low temperature carbonization of coal and production of synthetic oil from coal.
- All work related to coal gasification.
- Administration of the Coal Mines (Nationalization) Act, 1973; Mines and Minerals (Development and Regulation) Act, 1957; the Coal Bearing Areas (Acquisition and Development) Act, 1957; the Coal Mines Provident Fund and Miscellaneous Provision Act, 1948; rules under the Mines Act, 1952 for levy and collection of excise duty on coke and coal produced and dispatched from mines; the Coal Mines (Conservation and Development) Act 1974 and other Union laws related to coal and lignite and sand for stowing and the business incidental to such administration.

## **1.7 Schemes**

- Research and Development
- Regional Exploration
- Detailed Drilling
- Environmental Measures and Subsidence Control
- Conservation and Safety in Coal Mines
- Development of Transport Infrastructure in coalfield areas

## **1.8 Organizational Structure**

The secretariat of MoC is headed by a Secretary who is assisted by one Special Secretary, five Joint Secretaries (including the Financial Advisor), one Project Advisor, one Economic Advisor, Directors/Deputy Secretaries, one Director (Technical), ten Under Secretaries, twenty Section Officers, one Joint Director (Official Language), one Assistant Director (Official Language), one Assistant Director (IES), one Controller of Accounts, one Deputy Controller of Accounts, two Senior Accounts Officers and four Assistant Accounts Officers and their supporting staff.

## **1.9 Subordinate and autonomous organisation**

Office of the Coal Controller's Organisation (CCO) – a subordinate office and Coal Mines Provident Fund Organisation (CMPFO) – an autonomous are functioning under the administrative control of Ministry of Coal.

## **1.10 Public Sector/Joint Sector Companies Coal India Limited (CIL)**

Coal India Limited (CIL) is a 'Maharatna' company under the Ministry of Coal, Government of India with its headquarter at Kolkata, West Bengal. CIL is the single largest coal producing company in the world and one of the largest employer with manpower of 3,26,032 as on 1st January 2016. CIL operates 227 underground, 175 opencast and 28 mixed mines. Coal India is a holding company with seven wholly owned coal producing subsidiary companies and one mine planning & consultancy company. It encompasses the whole gamut of identification of coal reserves, detailed exploration followed by design and implementation and optimizing operations for coal extraction in its mines. The subsidiary companies of CIL are:

- Eastern Coalfields Limited (ECL), Sanctoria, West Bengal
- Bharat Coking Coal Limited (BCCL), Dhanbad, Jharkhand
- Central Coalfields Limited (CCL), Ranchi, Jharkhand
- South Eastern Coalfields Limited (SECL), Bilaspur, Chhattisgarh
- Western Coalfields Limited (WCL), Nagpur, Maharashtra
- Northern Coalfields Limited (NCL), Singrauli, Madhya Pradesh
- Mahanadi Coalfields Limited (MCL), Sambalpur, Orissa
- The Central Mine Planning and Design Institute Limited (CMPDIL), Ranchi, Jharkhand, a consultancy company North Eastern Coalfields (NEC) a small

coal producing unit operating in Margherita, Assam is under direct operational control of CIL.

CIL has also incorporated a company viz. Coal India Africana Limitada (Cial) for development of 2 coal blocks acquired in Mozambique.

MCL has three subsidiaries, namely MNH Shakti Ltd, MJSJ Coal Ltd. and Mahanadi Basin Power Ltd.

SECL had incorporated two subsidiary companies viz. M/s Chhattisgarh East Railway Ltd. and M/s Chhattisgarh East-West Railway Ltd.

Coal India's major consumers are power and steel sectors in addition other consumers like cement, fertilizer, brick kilns, and small scale industries, etc.

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

The Singareni Collieries Company Limited (SCCL) is a joint venture of Government of Telangana and the Government of India with equity participation in the ratio of 51:49 respectively. SCCL is having 9806.52 MT of proved reserves in the Pranahita – Godavari Valley. SCCL is presently operating 16 Opencast Mines and 31 Underground Mines in the four districts of Telangana with manpower of 58,214. Naini coal block in the Angul district of Odisha was allotted to SCCL in August 2015 for which premining activities are in progress.

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

Neyveli Lignite Corporation Limited, a "Navratna" company with its registered office at Chennai and corporate office at Neyveli in Tamilnadu is a pioneer among the public sector undertakings in the energy sector. NLC operates

- Three opencast lignite mines of total capacity of 28.5 MTPA at Neyveli and one open cast lignite mine of capacity 2.1 MTPA at Barsingsar, Rajasthan.
- Four Thermal Power Stations with a total installed capacity of 2990 MW at Neyveli and one Thermal Power Station at Barsingsar, Rajasthan with an installed capacity of 250 MW.
- 10 MW Solar power plant at Neyveli, commissioned on 28th September 2015. In the 51MW Wind power project in Kazhaneerkulam, Tirunelveli District, Tamilnadu 14 WTGs (1.5MWx14) with a capacity of 21 MW have been commissioned till December 2015.

- A coal based thermal power project at Tuticorin, Tamil Nadu with two units of 500 MW capacity each through NLC Tamilnadu Power Limited (NTPL), a joint venture between NLC and TANGEDCO (equity participation in the ratio of 89:11) has been commissioned. Unit-I was commissioned in 18th June 2015 and Unit-II was on 29th August 2015.

### **1.13 Organizational Structure and Functions**

- The total power generating capacity of NLC as on December 2015 was 4271MW.

All the Mines of NLC are ISO certified for Quality Management System, Environmental Management System and Occupational Health & Safety Management System. All the power stations of NLC are also ISO Certified for Quality Management System and Environmental Management System.

1.14 The Ministry in their Outcome Budget (2016-17), 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 2016-17 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* Measures related to augmenting Production and Efficiency in the Coal Sector such as : Enhanced exploration efforts; Completion of projects and expansion of existing projects in Coal India Ltd.; Rationalization of Coal Linkages; Automatic transfer of coal linkage/LoA granted to old plants while scrapping and replacing them with new plants; Transparent Auction of coal linkages; Opening of two separate e-auction windows exclusively for power sector; Opening of a separate e-auction window exclusively for non-power sector for a quantity of 4 MT; Quality and Third Party Sampling - Recent decisions; Technology development and Modernization of Mines in CIL; Master Plan to address Fire, Subsidence and Rehabilitation areas; Satellite Surveillance for land reclamation; Resolution of disputes through ADRM Forum; etc.. The outcome Budget dedicates a Chapter to review of past performance with an analysis of growth of coal production for the year 2012-16 and review of Plan Schemes including projects implemented by PSUs from their Internal and External Budgetary Resources (IEBR). In addition, the outcome budget dedicates a chapter on Financial Review of the PSUs as well as various Plan and Non-plan Scheme Projects administered by the Ministry of Coal and also stated that as on 31.12.2015, there are no outstanding utilization certificates pending with the Ministry.

1.4 The detailed Demands for Grants of the Ministry of Coal were presented to Lok Sabha on 16 the March, 2016. Besides analyzing the detailed Demands for Grants (2016-17) 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 2016-17, 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 (2015-16)

#### A. SUMMARY OF DEMANDS FOR GRANTS 2016-17

The Demands for Grants (2016-17) of the Ministry of Coal reflect a Plan provision of Rs. 300.00crore and a Non Plan provision of Rs.1161.00 crore as Gross Budgetary Support.Non-Plan provision of Rs. 61.00 crore has been reflected in the Demand to meet the demands of the Secretariat, Coal Controller’s Organization, Nominated Authority and the CMPS scheme. A provision of Rs. 1100.00 crore has been made for Acquisition of Coal Bearing Areas for which the amount is deposited by CIL in advance to Govt. The same is released back to CIL for payment of compensation. In addition to the gross budgetary support reflected in the Demands for Grants, all the three Public Sector Companies of the Ministry of Coal implement their Capital Investment Plans from their Internal and Extra Budgetary Resources (IEBRs) without Budgetary Support from Government of India. The allocations earmarked for Central Schemes//projects being implemented by PSUs for the year **2016-17**are indicated hereunder:-

<b>(A) SCHEMES /PROGRAMMES BEING IMPLEMENTED WITH GROSS BUDGETARY SUPPORT.</b>				
<b>Name of Scheme/ programme</b>		<b>2016-17 (BUDGET)</b>		
<b>(Rs in crore)</b>				
	Revenue	PLAN	NON -PLAN	TOTAL
1	Secretariat - Economic Services	0.00	23.41	23.41
	LABOUR AND EMPLOYMENT			
	COAL MINES LABOUR WELFARE			
2	Contribution to Coal Mines Pension Scheme/ Deposit Link Insurance Scheme	0.00	23.00	23.00
	COAL AND LIGNITE			
3	Conservation and Safety in Coal Mines	80.00	0.00	80.00
4	Development of Transportation	70.00	0.00	70.00

	Infrastructure in coalfields areas			
5	Research & Development Programme	10.00	0.00	10.00
6	Regional Exploration	50.00	0.00	50.00
7	Detailed Drilling	89.50	0.00	89.50
8	Environmental Measures and Subsidence Control	0.50	0.00	0.50
9	Coal Controller	0.00	9.63	9.63
10	Nominated Authority	0.00	4.96	4.96
	Total Coal and Lignite	300.00	14.59	314.59
	Total (Revenue)	300.00	61.00	361.00
	<b>CAPITAL</b>			
	<b>EXPENDITURE ON ACQUISITION OF COAL BEARING AREAS FROM CBA ACQUISITION FUND</b>			
11	Acquisition of Coal Bearing Areas	0.00	1100.00	1100.00
12	Deduct Expenditure met from C.B.A. Acquisition Fund	0.00	-1100.00	-1100.00
	Total (Capital)	0.00	0.00	0.00
	Total (Revenue+Capital)	0.00	61.00	0.00

The Plan allocation of Rs. 300 crore includes mandatory provision of Rs. 15 crore towards North Eastern Areas under the schemes of Research & Development (Rs. 1 crore), Regional Exploration (Rs. 5 crore), Detailed Drilling (Rs. 8.95 crore) & Environmental Measures and Subsidence Control (Rs. 0.05 crore).

<b>B. INVESTMENT IN PUBLIC ENTERPRISES FROM INTERNAL AND EXTRA BUDGETARY RESOURCES (IEBRs)</b>				
<b>(Rs in crore)</b>				
		<b>BUDGET SUPPORT</b>	<b>IEBR</b>	<b>TOTAL</b>
13	Coal India Limited	0.00	7765.00	7765.00
14	Singareni Collieries Company Ltd.	0.00	2300.00	2300.00
15	Neyveli Lignite Corporation Limited (Mines)	0.00	415.52	415.52
16	Neyveli Lignite Corporation Limited (Power)	0.00	5863.40	5863.40

17	Neyveli Lignite Corporation Limited (Total)	0.00	6278.92	6278.92
18	TOTAL (Investment in PEs on Coal and Lignite)	0.00	10480.52	10480.52
19	Total (Investment in PEs on Power)	0.00	5863.40	5863.40
20	Total (B) (Plan Investment in Public Enterprises of MOC)	0.00	16343.92	16343.92
21	TOTAL PLAN OUTLAY (MOC) (A+B)	300.00	16343.92	16643.92

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

2.2 The allocations for Schemes, Projects/ Programmes for the year 2016-17 are analyzed with reference to allocations / actual utilizations in previous years as hereunder:

### **I- PLAN SCHEMES / PROGRAMMES BEING IMPLEMENTED WITH GROSS BUDGETARY SUPPORT.**

#### **Actual Expenditure and Outlay**

**(Rupees in crore)**

<b>Name of the scheme and percentage increase over the previous year</b>	<b>Actual 2012-13</b>	<b>Actual 2013-14</b>	<b>Actual 2014-15</b>	<b>RE 2015-16</b>	<b>BE 2016-17</b>
(i) Research and Development Projects	11.40	11.65	17.95	20.25	10
Percentage increase over previous year	7.34	2.19	54.08	0.00	-50.61
(ii) Promotional (Regional) Exploration	19.00	64.00	58.82	115.00	50
Percentage increase over previous year	-70.31	236.84	-8.09	0.00	-56.52

(iii) Detailed Drilling in Non CIL Blocks	200.59	184.50	135.71	168.00	89.50
Percentage increase over previous year	83.74	-8.02	-26.44	0.00	-46.72
(iv) Environmental Measures and Subsidence Control (EMSC)	0	0.05	0.00	0.50	0.50
Percentage increase over previous year	0	100	-100.00	0.00	0.00
(v) Conservation and Safety in Coal Mines	119.01	185.00	185.00	170.00	80.00
Percentage increase over previous year	-1.73	55.45	0.00	0.00	-52.94
(vi) Development of Transport Infrastructure	40.00	76.06	75.00	75.00	70.00
Percentage increase over previous year	81.82	90.15	0.00	0.00	-6.66
(vii) Secretariat Proper (Plan)	0.5	1.25	1.24	1.25	0.00
Percentage increase over previous year	11.11	150.00	-0.8	0.00	0.00
(viii) Coal Controller's Organisation (Plan)	0.26	0.18	0.15	1.00	0.00
Percentage increase over previous year	18.18	-30.77	-16.67	0.00	0.00

**II. INVESTMENT IN PUBLIC ENTERPRISES FROM THEIR OWN INTERNAL AND EXTRA BUDGETARY RESOURCES (IEBRs) -PLAN**

(Rupees in crore)

<b>Name of PSUs</b>	<b>Actual 2012-13</b>	<b>Actual 2013-14</b>	<b>Actual 2014-15</b>	<b>RE 2015-16</b>	<b>BE 2016-17</b>
CIL	2915.23	4329.86	5173.49	6800.00	7765.00
% increases over last year	-21.78	48.52	19.48	30.14	29.62
NLC	1827.90	1817.32	1969.76	2963.00	6278.92
% increases over last year	8.52	-0.57	7.73	17.58	49.32
SCCL	2047.26	2455.45	2809.00	3550.00	2300.00
% increases over last year	91.23	19.94	8.41	-5.58	-3.76

# adhoc provision for acquisition abroad.

**C. PHYSICAL TARGETS AND FINANCIAL REQUIREMENTS**

**(i) Coal India Limited and Singareni Collieries Company Limited**

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

<b>Particulars</b>	<b>Coal India Limited</b>				
	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Target/BE</b>	<b>2015-16 Actual Upto Jan, 16</b>	<b>2016-17 Target/BE (Provisional)</b>
Production(MT)	462.53	494.24	550.00	426.31	598.60
Dispatch(MT)	471.50	489.38	550.00	437.61	598.60
OMS (Tonnes)	5.62	6.20	6.49	6.66 (upto Dec., 15)	7.00
Capital Exp./Outlay (Rs. Crores)	4329.86	5173.49	5990.50	3709.26	7765.00

<b>Singareni Collieries Co. Ltd.</b>						
Particulars	2013-14 Actual	2014-15 Actual	2015-16 Target/BE	2015-16 Actual Upto Jan, 2016	2016-17 Target/BE	
Production(MT)	50.47	52.54	56.00	48.97	58.00	
Dispatch(MT)	47.89	52.66	56.00	48.81	59.94	
OMS (Tonnes)	3.86	4.21	4.52	4.58	4.93	
Capital /Outlay (Crores)	Exp. (Rs.) 2455.45	2809.00	2390.00	1902.10	2300.00	

### **Neyveli Lignite Corporation Ltd.**

The Physical targets for 2013-14 (Actual), 2014-15 (Actual), BE2015-16, and actual upto Jan, 2016& BE-2016-17are given below.-

Particulars	Actual 2013-14	Actual 2014-15	BE 2015-16	Actual 2015-16 Upto Jan, 2016	BE 2016-17
Lignite Production in MT	26.61	26.54	25.66	18.24	26.80
Power Generation Gross in MU	19988.65	19729.13	20944.52	15704.77	21567.76

The financial analysis of 2013-14 (Actuals), 2014-15 (Actuals), BE & RE 2015-16 and actuals upto Jan, 2016and BE-2016-17are given below.-

(Rs. in Crores)

Sector	Actual 2013-14	Actual 2014-15	BE 2015-16	RE 2015-16	Actual 2015-16 Upto Jan,16	BE 2016-17
Lignite /Coal Sector	71.94	85.97	731.00	194.00	50.34	415.52
Power Sector	1745.38	1883.79	3474.00	2769.00	1174.89	5863.40
Total	1817.32	1969.76	4205.00	2963.00	1224.93	6278.92

## FUNDS ALLOCATED DURING VOTE ON ACCOUNT (2015-16) AND ACTUAL EXPENDITURE

(Rs. in Crore)

BE 2015-16			Vote on Account (2015-16)				Actual Expenditure (Up to Jan, 2016)	
			Allocation		Expenditure			
	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
PLAN	551.00	0.00	91.83	0.00	0.10	0.00	514.42	0.00
Non-Plan	55.00	1100.00	9.16	183.33	5.06	87.00	37.81	696.25
Total	606.00	1100.00	100.99	183.33	5.16	87.00	552.23	696.25

2.6 The budget provisions and expenditure under Plan during the last two years are detailed below

(Rs. in crore)

Year	Budget Estimate	Revised Estimate	Expenditure	% of expenditure with regard to RE
2014-15	550.00	500.00	473.87	94.77
2015-16	551.00	551.00	514.25 (upto Dec-2015)	93.33

2.7 During the financial year 2014-15, the budgeted amount of Rs. 550.00 crores was reduced to Rs. 500 crore in RE, out of which an amount of Rs. 473.87 crores was utilized. The un-utilized amount of Rs. 26.13 crores pertained mainly to mandatory provisions for the North-East region (Rs. 22.23 crores). The Plan allocation of the current financial year [2015-16] is Rs. 551 crores. Of this an amount of Rs. 514.25 crores has been utilized upto January, 2016 amounting to 93.33% of the total Plan allocation. However, despite a robust expenditure profile, the Plan allocation for FY 2016-17 has been scaled down to Rs. 300.00 crores.

2.8 The Non-Plan Budget [2016-17] of Rs. 61.00 crores mainly comprises of funds required for Secretariat (Economic Services), Coal Controller's

Organisation, payment of the Government contributions statutorily required under the Coal Mines Pension Scheme, 1998 and the newly constituted Nominated Authority for auction of coal blocks.

2.9 The Annual Plan [2016-17] component of Coal PSUs is Rs. 16343.92 crores, to be provisioned from Internal and Extra Budgetary Resources. A detailed profile of PSU wise budget allocation and expenditure is given on the next page:

**(Rs. In crore)**

Name of PSU	2014-15			2015-16			2016-17
	BE	RE	Exp.	BE	RE	Exp. (upto Dec. 15)	BE
CIL	5225.00	5225.00	5173.49	5990.50	6800.00	3334.04	7765.00
NLC	2936.00	2520.00	1969.76	4205.00	2963.00	1134.85	6278.92
SCCL	3850.00	3760.00	2809.00	2390.00	3550.00	1687.24	2300.00
Total	12011.00	11505.00	9952.25	12585.50	13313.00	6156.13	16343.92

### 2.10 Plan outlay for 2016-17

Total outlays of Ministry of Coal for 2016-17 at BE stage is Rs. 361.00 crore. Out of this, plan-outlay is Rs. 300.00 crore and non-plan outlay Rs. 61.00 crore. The Ministry was asked to state the reasons for reduction in the total outlay from the Revised Estimates (2015-16) amounting to Rs. 551.00 crore to Rs. 361.00 in the BE (2016-17), The Ministry thereupon stated as follows:

In pre-budget meeting with the M/o Finance, the Ministry of Coal projected an increased Plan allocation of the order of Rs. 894.75 crore in the Budget Estimates of 2016-17 to -

- meet the considerably higher exploration/drilling targets in 7 lakh sq metres of area;

- support ongoing railway lines in Tori-Shivpur [Jharkhand], Jharsuguda-Barpali [Odisha], KBJ [in Singrauli, MP] and Srirampur [Telangana], imperative for coal-evacuation;
- Accelerate Sand Stowing in underground mines and Conservation and Safety in underground mines.

Thus the sum total of Plan requirement projected for 2016-17 was as under:

- Regional Exploration: Rs. 150 crore
- Detailed Drilling in Non-CIL Blocks: Rs. 320 crore
- Development of Transport Infrastructure in Coal Fields: Rs. 183 crore
- Conservation & Safety in Coal Mines: Rs. 216 crore
- Research and Development: Rs. 23 crore

The Ministry of Finance, however, has restricted the allocation to Rs. 300 crore for Plan schemes for FY 2016-17 despite higher demand and nearly 100% utilisation of budgeted amount (except the NE component) in the last two financial years and current FY 2015-16.

## CHAPTER III

### IMPLEMENTATION OF CENTRAL SECTOR SCHEMES

#### CENTRAL SECTOR SCHEMES

The Ministry of Coal in their Outcome Budget (2016-17) highlighted the Outlay of Plan Schemes and stated that the Ministry of Coal operates six Plan schemes which have been brought under the following umbrella format:

- (a) Research and Development
  - (i) Research and Development Programme
- (b) Exploration of Coal and Lignite
  - (ii) Regional Exploration
  - (iii) Detailed Drilling
- (c) Conservation Safety and Infrastructure Development in Coal Mines
  - (iv) Conservation and Safety in Coal Mines
  - (v) Environmental Measures and Subsidence Control
  - (vi) Development of Transport Infrastructure in Coalfields Areas

3.2 Asked about the physical targets of financial requirement in respect of the above schemes, the Ministry of Coal informed the Committee as follows:

Schemes	Physical Targets and explanation of financial requirement	Rs. in crore		
		2015-16		BE 2016-17
		BE	RE	
Detailed Drilling in Non CIL Blocks	The target of drilling for 2015-16 was 3.20 lakh meters & for 2016-17 it is 3.48 lakh meters for which the proposed outlay is needed.	168.00	168.00	89.50
Regional/Promotional Exploration	The target of drilling for 2015-16 was 1.20 lakh meters and for 2016-17 it is 1.75 lakh meters for which the proposed outlay is required.	115.00	115.00	50.00

Research and Development/ S&T.	Out of 15 on-going projects during 2015-16, 01 project have been completed and 01 is expected to be completed during March, 2016. Out of 17 ongoing projects 02 projects are to be completed during 2016-17.	20.25	20.25	10.00
Environmental Measures and Subsidence Control.	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 sanctioned by the Govt. in Aug, 2009 at an investment of Rs. 9657.61 crores spread over a period of 10 years. This is being funded partly by the internal resources of CIL and partly from the amount collected by the levying of stowing Excise Duty under the CM(C&D) Act, 1974.	0.50	0.50	0.50
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.	170.00	170.00	80.00
Development of transportation infrastructure in coalfield areas	To reimburse partially development of transport infrastructure in coalfield areas to facilitate	75.00	75.00	70.00

	coal/sand transportation, under the provisions of the Coal Mines Conservation & Development Act.			
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3.3 The Committee was also apprised of status of utilization of funds allocated for various schemes as follows:

(Rs. In crore)

S. No.	Name of the Scheme	XII Plan Approved outlay 2012-17 (approved)	2013-14 Actual	2014-15		2015-16		Remarks
				BE	Actual	RE	Actual Upto Jan, 16	
1.	Research and Development	100.00	11.65	20.00	17.95	20.25	14.00	100% utilization under the Scheme during FY 2014-15, except the NER component
2.	Promotional/Regional Exploration (i) Financial Outlay	456.00	63.30	63.00	58.82	115.00	103.50	100% utilization under the Scheme during FY 2014-15, except the NER component
	(ii) Drilling (in lakh meters)	9.95	1.32	1.65	1.39	1.20	0.93	Reason for not achieving the targets

								during 2014-15 was due to non-availability of forest clearance and adverse Law & Order conditions prevailing in some areas
3.	Detailed Drilling in Non-CIL Blocks (i) Financial Outlay	975.00	184.50	205.00	135.71	168.00	151.20	100% utilization under the Scheme during FY 2014-15, except the NER component
	(ii) Drilling (in lakh meters)	19.03	2.38	4.11	2.82	3.20	2.55	Reason for not achieving the targets during 2014-15 was due to non-availability of forest clearance and adverse Law & Order conditions

								prevailing in some areas
4.	Environmental Measures and Subsidence Control (EMSC)	1663.60	0.05	0.45	0.00	0.50	0.00	Jharia Raniganj Master Plan was approved with an estimated cost of Rs. 9657.61 crore in the year 2009 with an annual outlay of Rs. 977 crore for a period of ten years. Coal India Limited has to first spend Rs. 350 crore from its internal resources and the same amount will be funded from GBS. CIL is not able to spend its share of Rs. 350

								crore, hence there is nil expenditure.
5.	Conservation and Safety in Coal Mines	820.00	185.00	185.00	185.00	170.00	170.00	100% utilization during FY 2014-15 .
6.	Development of Transportation Infrastructure in Coalfields	600.00	75.00	75.00	75.00	75.00	75.00	100% utilization during FY 2014-15 .

The Plan Expenditure of Rs. 514.42 crores upto Jan, 2016 is about 93.36% of BE 2015-16 & RE 2015-16. Details as follows:

- Funds allocated under the Schemes of Conservation and Safety in Coal Mines & Development of Transport Infrastructure in Coalfields fully utilized.
- Expenditure under the scheme of 'Regional Exploration' is Rs. 103.50 crores against BE of Rs. 115.00 crores showing 90% utilization.
- Expenditure under the scheme of 'Research & Development' is Rs. 14.00 crores against BE of Rs. 20.25 crores showing 70% utilization.

The Physical Targets and financial requirements for Schemes for the year 2015-16 and targets projected for 2016-17 and achievements against these are given as hereunder:

(Rs. in crores)						
Schemes	Physical Targets and explanation of financial requirement	2015-16		BE 2016-17		
		BE	RE	Project ed	Approve d	
(i) Research and Development/ S&T. This scheme	Out of 15 on-going projects during 2015-16, 01 project have been completed and 01 is expected to be	20.25	20.25	23.00	10.00	

supports Coal S&T for application oriented research projects.	completed during March, 2016. Out of 17 ongoing projects 02 projects are to be completed during 2016-17.				
(ii)Regional/Promotional Exploration	The target of drilling for 2015-16 was 1.20 lakh meters and for 2016-17 it is 1.75 lakh meters for which the proposed outlay is required.	115.00	115.00	150.00	50.00
(iii)Detailed Drilling in Non CIL Blocks	The target of drilling for 2015-16 was 3.20 lakh meters & for 2016-17 it is 3.48 lakh meters for which the proposed outlay is needed.	168.00	168.00	320.00	89.50
(iv)Environmental Measures and Subsidence Control. This scheme is aimed at addressing environmental issues in the Coalfields at Raniganj and Jharia.	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 sanctioned by the Govt. in Aug, 2009 at an investment of Rs. 9657.61 crores spread over a period of 10 years. This is being funded partly by the internal resources of CIL and partly from the amount collected by the levying of stowing Excise Duty under the CM(C&D) Act, 1974.	0.50	0.50	0.50	0.50
(v)Conservation and safety in	To reimburse partially stowing/protective	170.00	170.00	216.00	80.00

coal mines	works to ensure enhanced coal production and subsidence control, under the provision of Coal Mines Conservation & Development Act.				
(vi)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.	75.00	75.00	183.00	70.00

## REVIEW OF PLAN SCHEMES

### A. Research and Development Projects

3.4 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.

The status of coal S&T Projects funded by the Ministry under the S&T grant during the XI Plan period and XII Plan period (till 31.12.2015) and projections for 2016-17 are given below:

PLAN	(Quantum of Project)									
	XI Plan					XII Plan				
YEAR	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17

Spill over projects from previous year	36	34	28	23	16	14	15	12	12	13*
Projects sanctioned during the year	09	05	07	02	06	04	02	03	03	04**
Projects on-going during the year	45	39	35	25	22	18	17	15	15	
Projects completed during the year	10	10	10	08	07	03	05	03	02*	
Projects terminated/foreclosed during the year	01	01	02	01	01	-	-	-	--	
Ongoing projects									13*	

\*including 01 project is expected to be completed by March 2016.

\*\* 04 new projects are expected to be commenced during 2016-17.

### **The Budget Provision and Expenditure including Tribal Sub-plan and North Eastern Region (NER) component for Research and Development Projects**

(Rs. in crore)

<b>Expenditure 2013-14</b>	<b>Expenditure 2014-15</b>	<b>BE 2015-16</b>	<b>RE 2015-16</b>	<b>Exp. Upto Dec. 15</b>	<b>BE 2016-17</b>
11.65	17.95	20.25	20.25	14.00	10.00

3.5 The amount allocated for R&D at BE stage during 2016-17 is Rs. 10.00 crore only. During 2015-16, the RE on R&D was Rs. 20.25 crore whereas the actual expenditure during 2014-15, was Rs. 17.95 crore. On being asked as to why there was reduction in the funds outlay from 20.25 crore (R.E 2015-16) to only 10.00 crore as BE (2016-17) and whether the funds allocated under R&D for 2016-17 were sufficient for implementing the R&D Schemes by Ministry of Coal, the Ministry in their written reply stated that the funds allocated under R&D for 2016-17 (Rs.10.00 crore) may not be sufficient for implementing S&T projects of Ministry of Coal as four high value new S&T projects have been approved by SSRC recently and will be taken up for implementation during 2016-17. It was further stated that the reduction in funds for S&T projects was part of the overall reduction of Budget Estimates by the Ministry of Finance.

3.6 On being asked to furnish company/organization wise funds allocated and utilized for R& D activities during the last 3 years and state whether such activities have resulted in tangible returns by way of enhanced production and turnover or profit of the company/subsidiary, the Ministry in their written reply stated that Research projects under S&T Grant of Ministry of Coal (MoC) are not company specific but for the entire coal sector. They are implemented by National Research and Academic Institutions related to coal and allied industries with active participation of coal and lignite producing companies. Funds are generally disbursed to the different implementing agencies for execution of research projects. The Ministry furnished details of the funds allocated and utilized for the last three years as given below:

**(Rs. In Crore)**

<b>Total Research fund allocated (RE)</b>			<b>Total Research fund disbursed</b>		
12-13	13-14	14-15	12-13	13-14	14-15
13.00	13.00	20.00	11.40	11.65	17.95

Most of the research projects have yielded considerable benefits, resulting in operational improvement, safer working conditions, better resource recovery and protection of the environment and ecology. Also, some of the research projects directly/indirectly enhance the production and also the safety in coal mines.

## **B. Promotional (Regional) Exploration in Coal and Lignite**

3.7 The Outcome Budget highlights that the GSI, MECL, State Govts. and CMPDI are continuing Promotional Exploration in XII Plan under the MoC's Plan scheme of Promotional Exploration for Coal & Lignite. The summary of Promotional Drilling carried out in Coal & Lignite sectors in 2012-13, 2013-

14, 2014-15 & 2015-16 (Anticipated) and target for 2016-17 is given in the succeeding paragraphs:

**(Drilling in metre)**

<b>Command Area</b>	<b>2012-13 Actual</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Anticipated</b>	<b>2016-17 Proposed BE</b>
1. Drilling in C.I.L. Command Area	36725	53695	67144	55000	85000
2. Drilling in SCCL Command Area	8899	9553	3575	2000	5000
3. Drilling in Lignite Areas	67728	68774	68777	63000	85000
<b>Total</b>	<b>113352</b>	<b>132022</b>	<b>139496</b>	<b>120000</b>	<b>175000</b>

\*Achievement of target depends upon timely availability of forest clearance to take up drilling in forest areas, local support and occurrence of lignite in identified blocks.

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

**(Rs. in crores)**

<b>Expenditure 2013-14</b>	<b>Expenditure 2014-15</b>	<b>BE 2015-16</b>	<b>RE 2015-16</b>	<b>Exp. Upto Dec. 15</b>	<b>BE 2016-17</b>
64.00	58.82	115.00	115.00	103.50	50.00

3.8 It was seen that RE of Rs. 115.00 crore in the year 2015-16 were made for a drilling target of 1.20 Lakh meters for Regional/Promotional Exploration. However, while the drilling target set for year 2016-17 has increased to 1.75 Lakh meters, it was observed the BE for the year 2016-17 stands at Rs.115.00 crore. On being asked to explain the

reduced demand in the 2016-17 BE as compared to last year, the Ministry in their written reply stated that a target of 1.75 lakh metre of Promotional (Regional) drilling along with associated studies was kept for 2015-16 BE revised to 1.20 lakh metres with fund requirement Rs.150.70 crore (includes Rs.45.00 crores for arrear payments) at the RE stage. However CMPDI had to contend with Rs.115 crore at the RE stage. For drilling target of 1.75 lakh metre for 2016-17 BE, CMPDI requested for a budget of Rs.150.00 crores.

### C. Detailed Exploration in non-CIL Blocks

3.9 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 exploratory drilling in non-CIL/captive mining blocks is taken up under the MoC's Plan scheme of Detailed Drilling in non-CIL Blocks.

The details of actual drilling in non-CIL/captive Mining Blocks in 2012-13, 2013-14, 2014-15 & 2015-16 (Anticipated) and target for 2016-17 are as follows:

**(Drilling in meter)**

<b>Command Area</b>	<b>2012-13 Actual</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Anticipated</b>	<b>2016-17 Proposed BE</b>
1 CMPDI Department	77458	93742	61427	32800	40000
2 Outsourcing by CMPDI	150250	144159	220972	286700	307500
<b>Total</b>	<b>227708</b>	<b>237901</b>	<b>282399</b>	<b>319500</b>	<b>347500</b>

\*Achievement of target upon timely availability of forest clearance to take up drilling in forest areas, local support and availability of suitable agencies for exploration in future tendering.

### **Expenditure on Detailed Drilling in Non-CIL/Captive Mining Blocks** (Rs. in crore)

<b>Expenditure 2013-14</b>	<b>Expenditure 2014-15</b>	<b>BE 2015-16</b>	<b>RE 2016-17</b>	<b>Expenditure upto Dec. 2015</b>	<b>BE 2016-17</b>
184.50	135.71	168.00	168.00	151.20	89.50

### **Detailed Drilling in Non-CIL Blocks**

**(Rs in crore)**

<b>Year</b>	<b>Proposed</b>	<b>BE</b>	<b>RE</b>	<b>Actual Expenditure</b>

2013-14	292.73	175.00	205.00	184.50
2014-15	235.00	205.00	155.00	135.71
2015-16	283.63	168.00	168.00	151.20 (Upto 21-03-2016)

3.10 Provision has been made for detailed drilling in the non-CIL coal mining blocks so that geological reports generated may help prospective investors in taking investment decisions regarding coal mining and reduction of time for preparation of mining plan. This is expected to promote private investment in the coal mining industry. The scheme is implemented by CMPDIL with the help of GSI, MECL and some private institutions. In the budget 2016-17 [BE], the allocation for detailed drilling is Rs. 89.50 crore as compared to RE of Rs. 168.00 crore during 2015-16. Apparently, the BE for 2016-17 of Rs. 89.50 crore for Detailed Drilling has been reduced to almost half as the RE for 2015-16 stood at Rs. 168.00 crore. On being asked as to what was the prime reason behind this reduction and whether the outlay would be sufficient for achieving the drilling target set at 3.20 lakh meters for 2016-17, the Ministry in their written reply stated that the allocation of funds was the prerogative of Ministry of Finance. A request of Rs. 229.58 crore was made in 2016-17 for drilling of 3.20 lakh metre. However only a sum of Rs. 89.50 crore was provided at BE stage, which is not sufficient to meet the target.

3.11 On being asked to what were the targets for detailed drilling during 2015-16 and whether these targets have been achieved, The Ministry stated that a target of 4.82 lakh metre of detailed drilling in Non-CIL blocks was set for the year 2015-16. However, the actual achievement (upto Feb'16) was about 2.67 lakh metre. The non-achievement of above target in 2015-16 was mainly due to non-availability of forest clearance to explore in forest bearing blocks and adverse law & order conditions at many places. The reason cited for non-achievement of targets for drilling during the year 2014-15 was due to non-availability of forest clearance and adverse Law and Order condition prevailing in some areas. On being asked to state whether any tangible solution to tackle these issues has since been worked out, the Ministry stated that MoEF had agreed for online applications for forest clearance. CMPDI has re-submitted 87 applications online for forest clearance, but clearance had been received for 2 blocks only. Forest clearances for rest of the blocks were awaited.

3.12 When asked to provide details regarding action taken plan on detailed drilling to be undertaken during 2016-17 and beyond, the Ministry stated that a total of 3.20 lakh meter of detailed drilling in Non-CIL blocks had been programmed in 2016-17 and Block-wise detailed blueprint / action plan was under finalization.

3.13 Enquired about the other hurdles besides, environment and forest clearance and adverse Law and Order condition being faced in carrying out detailed drilling, the Ministry replied that besides environment and forest clearance and adverse Law and Order problems, there are limited suitable outsourced exploration agencies in the country. Even after nine (9) rounds of Global Tenders, no party from abroad has participated in tenders.

3.14 On being asked as to whether any drilling was carried out by CMPDIL in non-CIL/captive coal blocks during the last 3 years and what were the targets fixed and actual achievements of the same, the Ministry stated that the detailed drilling in Non-CIL/Captive Mining Blocks was carried out by CMPDIL through the fund provided by Ministry of Coal. The targets and achievements of previous three years are given in table below:

<b>Year</b>	<b>BE(lakh metre)</b>	<b>Actual(lakh metre)</b>
2012-13	1.75	2.28
2013-14	3.62	2.38
2014-15	4.11	2.82

The non-achievement of drilling targets during the year 2013-14 and 2014-15 was due to non-availability of forest clearance and adverse law & order condition at many places.

3.15 On being asked to furnish details of the measures taken by CMPDIL for improving the drilling capacity during the last 3 years including capital investments made and capacity increased, the Ministry replied that CMPDI had procured 10 new drills in 2011-12, 6 in 2012-13 and 9 in 2013-14 for improving drilling capacity. However, the total drill deployment had increased from 53 in 2012-13 to 60 in 2014-15. Other drills had been deployed as replacement of existing old drills. CMPDI had also procured 28 trucks and 17 jeeps to improve existing machineries, during the period. The total capital investment for above procurement was Rs.13.20 crore. CMPDI had also placed supply order for 8 hi-tech drills in 2014-15, out of which 2 drills have been deployed as additional drills in Feb/March'15 and 6 drills supplied in 2015-16 as replacement drills. The total capital investment for above procurement was Rs. 13.29 crore. In addition, CMPDI had placed supply order for 7 hi-tech drills in 2015-16, out of which 2 drills were likely to be deployed as additional drills. Apart from the above, CMPDI had also outsourced exploration/drilling work. The quantum of drilling through outsourcing had increased from 2.87 lakh meter (2012-13) to 4.72 lakh meter (2014-15) during the last three years.

#### **D. Environment Measures and Subsidence Control**

3.16 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 XII<sup>th</sup> 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.

Year wise fund released by CIL for implementation of Master Plan is given below:

**(figure in crores)**

Sl. No.	Year	Amount Released to ECL	Amount Released to BCCL	Total Amount Released by CIL
1.	2011-12	Rs. 0.93	Rs. 30	Rs. 30.93
2	2012-13		Rs. 102.04	Rs. 102.04
3	2013-14		Rs. 229.71	Rs. 229.85
4	2014-15 (upto Dec. 2014)		Rs. 135.7613	Rs. 135.76
5	2015-16 (Till 29/02/2-16)	_____	308.93	308.93

The budgetary support by Ministry of Coal for Environmental Measures and Subsidence Control was as under:

**(Rs. in crore)**

<b>Expenditure 2013-14</b>	<b>Expenditure 2014-15</b>	<b>BE 2015-16</b>	<b>RE 2015-16</b>	<b>Expenditure upto Dec. 2015</b>	<b>BE 2016-17</b>
0.05	0.00	0.50	0.50	0.00	0.50

#### **Master Plan to address Fire, Subsidence and Rehabilitation areas:**

Master Plan dealing with fire, subsidence and rehabilitation and diversion of surface infrastructure for Jharia and Raniganj Coalfields has been approved in August, 2009 at an estimated investment of Rs. 9657.61 crore (Rs. 7028.40 crore for Jharia Coalfield and Rs.2629.21 crores for Raniganj Coalfield (RCF) Policy Initiatives and Reform Measures excluding Rs. 116.23 crore sanctioned earlier for various EMSC schemes for implementation in 10/12 years in two phases of five years each and 2 years pre-implementation period in BCCL. 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 households by the State Governments of Jharkhand and West Bengal, respectively. Demographic survey have been completed in Jharia and 91,879 encroacher families have been identified for rehabilitation. It is proposed to optimize the land requirement by opting for G+ 8 constructions and developing integrated townships in four places. In RCF demographic Survey work has been completed for all 126 locations. In JCF, as per the Master Plan a total 54,159 families were estimated to be surveyed in 595 sites. Survey has been completed in 434 sites for 75,978 families. In JCF Satellite Township, 3072 houses have been constructed in Belgoria Rehabilitation Township "Jharia Vihar" in which 1340 families have been shifted. Out of 2000 units in BSPU houses under JNNURM norms (carpet area 25.10sqm) are under Construction, 720 units are completed and rest are in progress. Construction of 2000 units G+3(Four storied building) by JRDA at Belgoria Township phase III started. Tender was called for construction of 2000 units at Lipania. Further tender was invited by JRDA for construction of 10000 units G+3 at Belgoria & Lipania. BCCL under the Master Plan have constructed 1496 houses and families from fire & subsidence places have been shifted to these houses. Construction of 4080 units by BCCL are in progress, out of which 2040 houses are completed in all respects and 1116 houses have been occupied. 4020 triple storied quarters in different non-coal bearing areas which are in progress and advanced stage of completion. Further construction of 2248(B,C,D Type) triple storied quarters and 4008 units triple storied miner quarters have been started. In the 78th CCDA Committee Meeting held on 28.12.2015, regarding CIL's Master Action Plan on stabilization in Jharia / Raniganj coalfields it was observed that the JAP estimates were prepared in 2009 and since then project cost is likely to increase on various accounts such as overall cost rise, increase in number of Project Affected Persons, escalation in land cost. Accordingly more resources may be required during later period.

3.17 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 sanctioned by the Govt. in Aug, 2009 at an investment of Rs. 9657.61crores spread over a period of 10 years. This was being funded partly by the internal resources of CIL and partly from the amount collected by the levying of stowing Excise Duty under the CM(C&D) Act, 1974. Against the Budget Estimates of Rs. 0.50 crore, during 2015-16 for EMSC, the RE also stood at 0.50 crore. The budget allocation for 2016-17 had also proposed the same amount for Rs. 0.50 crore. In this context, the Ministry was asked to state whether the budget allocation for 2016-17 was sufficient for meeting the responsibility towards environmental measures and subsidence control

including Jharia and Raniganj area. The Ministry thereupon replied that CIL released year-wise the following amounts for implementation of Master Plan for Jharia and Raniganj coalfields:

<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16 till Feb</b>
174.06cr.	30.93crs	102.04crs	229.85crs	135.76crs	308.93crs

It was a fact that expenditure incurred for implementation of the Master Plan so far remains within the contribution of CIL as specified in the approval of Master Plan i.e., within 350crs. Considerable amount of fund had been earmarked under the head of rehabilitation work under the Master Plan. Rehabilitation work and shifting of effected persons to the newly developed infrastructure requires around 896.29 Ha of land for Raniganj coalfields and 1504.99 Ha for Jharia Coalfield. Acquisition of land was under active consideration of respective State Governments and once the entire land acquisition process was completed, there will be higher demand of fund. According to the trend of expenditure the budget allocation for 2016-17 of 0.50 crores would be adequate in the context of CIL's own contribution of Rs. 350 crores.

3.18 On being asked to furnish a detailed note on the delay in implementation of the Scheme and the steps taken by the Government to complete it in a time bound manner, the Ministry stated that the delay as per report submitted by the Jharia Rehabilitation and Development Authority (JRDA), identified as the implementing authority of Non BCCL persons, was due to difficulty in acquisition of /possession of land. JRDA has completed demographic surveys. The revised requirement of land was estimated at 1303.59 acres for rehabilitation of 91879 non legal title holders and 3000 legal title holders, out of which 950.75 acres were in hand and 352.84 acres were to be acquired. As on 4.4.2016, 3072 houses have been completed and 1497 families shifted. Work was in process for 7280 houses and tenders had been finalized for 10000 houses. ECL released Rs. 159.7192 Crores for acquisition of land and Rs. 93.21 Crores for Demographic Survey, valuation of structure, distribution of PIC etc. to Asansol Durgapur Development Authority (ADDA) in July 2011. ADDA had completed Demographic Survey and has distributed PIC to the surveyed families. The delay in implementation of the scheme was due to non-availability / acquisition of land.

3.19 Regarding the issue the Secretary, Ministry of Coal during oral evidence stated that the details regarding fire at Jharia and Raniganj, have already been included in the background note furnished to the Committee. Two important work has to be done viz. how to stop the fire and

Resettlement of affected persons. The Prime Minister had reviewed the issue and continuous monitoring has been done by the Ministry. He also stated that he would personally go to Dhanbad to discuss the matter at local levels and thereafter meet the Chief Secretary of the State at Ranchi regarding the issue and the reasons why the desired results have not yielded so far. Another problem is that the Government of Jharkhand are giving different figures of the number of people who are to be relocated due to which the process of implementation of the scheme was held up. They have finalized the exact figure only now. A comprehensive plan for rehabilitation in a habitable place with facilities of school/markets etc. was being drawn up. The Secretary has assured that in the next meeting he will give the details on the issue.

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

The allocation of funds for Conservation and Safety in Coal Mines and Development of Transport Infrastructure during the last three years and 2016-17 are as under:

**Conservation and Safety in Coal Mines**

(Rs. in crore)

<b>Expenditure 2013-14</b>	<b>Expenditure 2014-15</b>	<b>BE 2015-16</b>	<b>RE 2015-16</b>	<b>Expenditure upto Dec. 2015</b>	<b>BE 2016-17</b>
185.00	185.00	170.00	170.00	170.00	80.00

**Development of Transport Infrastructure**

(Rs. in crore)

<b>Expenditure 2013-14</b>	<b>Expenditure 2014-15</b>	<b>BE 2015-16</b>	<b>RE 2015-16</b>	<b>Expenditure upto Dec. 2015</b>	<b>BE 2016-17</b>
75.06	75.00	75.00	75.00	75.00	70.00

3.20 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 2013-14, 2014-15 and 2015-16 (Upto Dec. 15) are given as under:

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16 Actual Upto Dec. 2015</b>
Amount disbursed for Stowing & protective work	Rs. 184.96	Rs. 185.00 crore	Rs. 170.00 crores
No. of stowing mines	90	78	75
Sand stowed	61.80 lakh cum	66.55 lakh cum	62.63 lakh cum
No. of protective work taken up	17	19	31
Amount disbursed for transport infrastructure development	Rs. 76.02 crore	Rs. 75.00 crore	Rs. 75.00 crores
NO of Road projects partially funded	13	16	28
No of Rail projects partially funded	2	3	3

#### **F. Lumpsum Provision for North Eastern Region Areas**

3.21 A mandatory provision of Rs. 15 crore towards North Eastern Areas under the Schemes of Research and Development (Rs. 1 crore), Regional Exploration (Rs. 5 crore), Detailed Drilling (Rs. 8.95 crore) and EMSC (Rs. 0.05 crore) has been made in BE for the year 2016-17. An allocation of Rs. 30.60 crores was made for North Eastern Region and Sikkim during BE2015-16 with the RE of 2014-15 was standing at Rs. 24.00 crore.

3.22 On being asked about the reasons for lower allocation of funds, the Committee was apprised that the NER component of the scheme has been reduced from Rs. 30.60 crore in FY 2015-16 to Rs. 15.00 crore in FY 2016-17 due to the overall reduction of Plan allocation to Rs. 300 crore. As regards, 'Detailed Drilling in non-CIL Blocks & Promotion Exploration' Out of the total reported coal resources of India, only 0.5% are in NE region. The difficult geological characteristics, large forest cover, adverse law & order conditions and land-issues cause hindrance in the work. S&T Schemes, very limited research proposals are being submitted by institutes located in NER, although the thrust areas of research for coal industry have been widely circulated. Continuous efforts are being made to involve academic Institution/Research Organizations from NER by way of inviting R&D proposals relevant to the needs of the North Eastern Region.

3.23 Regarding lower allocation of budget for Plan Schemes and non-utilization of budgetary amount for North Eastern component, Secretary, Ministry of Coal has stated that due to very small amount of coal reserves in the NER, expenditure towards drilling of coal has not been possible. He had submitted that instead of insisting on expenditure for production of coal from the region, these funds can be better utilized for projects which have better scope in the region such as hydro-projects, floriculture, horticulture etc. He further clarified that though there is need of more allocation and expenditure for development in North Eastern Region but as there is not much quantity of coal in the area, more expenditure on coal will not be appropriate. He had also submitted that there was lack of proper research institutes in the region hampering expenditure on R&D.

3.24 3.24 The witness further stated that against the projected plan allocation for Rs. 800 crore sought by the Ministry of Coal this year, only 300 crore has been allocated despite continuous efforts to convince for allocation for Rs. 800 crore.

3.25 On being asked as to whether BE of Rs. 30.60 crore during 2015-16 for NER component have been fully utilized, the Committee was apprised that the NER component of the schemes amounting to Rs. 30.60 crore have remained unutilized during 2015-16.

3.26 On being asked as to what concrete initiatives have been taken to ensure the optimum utilization of funds allocated for the year. The Committee was apprised that as regards detailed drilling in non-CIL Blocks & Promotion Exploration, Under Promotional (Regional) Exploration programme, DGM-Nagaland and DGM-Assam have been encouraged to take

up work. DGM-Nagaland has completed drilling in one coal block and has taken up a second block. The Directorate of Geology & Mining (DGM) of Govt. of Assam has not been able to do much after initial work due to adverse law & order conditions in the operational areas. CMPDI has requested MECL & GSI to submit proposals for regional/detailed exploration and as regards S&T Schemes, Although the request letters inviting research proposal are sent to various institutes/organisations located in North Eastern Region (NER) very few research proposals are received from this region. Two research proposals related to production and upgradation of oil derived from coal/shale and utilization of low/medium sulphur coals for metallurgical purposes after suitable blending with beneficiated LVC coals of Jharia Coalfields have been received and are in the process of being whetted / finalized. Efforts to encourage academic institutes / research organizations from NER for participation in coal research are continuing.

3.27 On being asked to furnish statement showing Budget Estimates, Revised Estimates and Actual Expenditure and reasons for variations for different projects/ scheme of Ministry of Coal for the last three years, the Ministry furnished the following data:

a) Detailed Drilling in Non-CIL blocks: The amount earmarked (BE, RE) and released (including North East and Tribal Sub-Plan component) by MoC in previous three years is given below:

Year	Budget(Rs. in crore)		
	BE	RE	Actual expenditure
2012-13	150.00	215.00	200.59
2013-14	175.00	205.00	184.50
2014-15	205.00	155.00	135.71

The drilling target which was 1.75 lakh metre in BE 2012-13 increased to 2.70 lakh meter in RE. The drilling target in non-CIL blocks was also enhanced from 37 to 42 blocks. Hence, there was a consistent increase in the allocation/expenditure during the years 2012-13 and 2013-14. The allocation was reduced in RE 2014-15 due to overall reduction in the total Plan allocation of the Ministry. There was 100% utilization except in the NER component during 2012-15.

b) Promotional (regional) Exploration in Coal & Lignite: The amount earmarked (BE, RE) and released (including North East and Tribal Sub-Plan component) by MoC in previous three years is given below:

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2012-13	76.00	27.00	19.00
2013-14	50.00	70.00	64.00
2014-15	63.00	63.00	58.82

The allocation in RE 2012-13 was reduced as the target was lowered from 1.11 lakh meters to 0.91 lakh metre due to non-availability of forest clearances whereas the same was increased in RE 2013-14 due to increase in target of promotional drilling from 0.60 lakh meters to 1.53 lakh meters. There was 100% utilization except in the NER component during 2012-15.

c) S&T Schemes: The amount earmarked (BE, RE) and released (including North East component) by MoC in previous three years is given below:

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2012-13	13.00	13.00	11.40
2013-14	13.00	13.00	11.65
2014-15	20.00	20.00	17.95

There was 100% utilization except in the NER component during 2012-15.

(d) Environmental Measures and Subsidence Control (EMSC): The amount earmarked (BE, RE) and released (including North East component) by MoC in previous three years is given below:

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2012-13	10.00	1.00	0.00
2013-14	1.00	0.45	0.05
2014-15	0.45	0.45	0.00

As per the tenets of the Master Plan for Jharia and Raniganj, CIL has to first spend Rs.350 crore from its own resources. Additional funds if any are to be

made available from the MOC's budget. Accordingly only nominal token provision has been made under the scheme. The expenditure in all these years has been less than CIL's contribution due to land acquisition problems. Hence there has been no requirement of additional funds from the Ministry's budget resulting in Nil or near-nil expenditure under the scheme.

(e) Conservation and Safety in Coal Mines: The amount earmarked (BE, RE) and released (including North East and Tribal Sub-Plan component) by MoC in previous three years is given below:

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2012-13	150.00	119.00	119.01
2013-14	160.00	185.00	185.00
2014-15	185.00	185.00	185.00

The allocation was reduced in the year 2012-13 due to an overall reduction of 7.5% in the total Plan allocation of the Ministry.

The allocation was increased in RE 2013-14 to clear pending claims approved by the CCDA Committee.

(f) Development of Transport Infrastructure in Coalfields: The amount earmarked (BE, RE) and released by MoC in previous three years is given below:

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2012-13	50.00	40.00	40.00
2013-14	50.00	75.00	76.06
2014-15	75.00	75.00	75.00

The allocation was reduced in the year 2012-13 due to reduction in the Plan allocation of the Ministry.

3.28 On being asked to state the actual expenditure incurred out of funds earmarked at RE stageduring 2015-16 for different projects/schemes of Ministry of Coal, the Ministry furnished the following data:

a) Detailed Drilling in Non-CIL blocks:

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2015-16	168	168	151.20 (Upto 21-03-2016)

b) Promotional (regional) Exploration in Coal & Lignite:

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2015-16	115	115	103.50 (Upto 21-03-2016)

c) S&T Schemes:

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2015-16	20.25	20.25	14.00 (Upto 21-03-2016)

d) Environmental Measures and Subsidence Control (EMSC)

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2015-16	0.50	0.50	0.0 (Upto 21-03-2016)

(e) Conservation and Safety in Coal Mines

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2015-16	170	170	170 (Upto 21-03-2016)

(f) Development of Transport Infrastructure in Coalfields

Year	Budget (Rs. in crore)		
	BE	RE	Actual expenditure
2015-16	75.00	75.00	75.0 (Upto 21-03-2016)

3.29 On being asked to furnish details of funds proposed for Central Sector Schemes implemented by Ministry of Coal and the actual utilization of these funds during the last three years the Committee was apprised as under:

The amount proposed, allocated and released during the previous three years in the following six schemes of the Ministry is given below:

a) Detailed Drilling in Non-CIL blocks:

(in Rs.crore)

Year	Proposed	BE	RE	Actual Expenditure
2013-14	292.73	175.00	205.00	184.50
2014-15	235.00	205.00	155.00	135.71
2015-16	283.63	168.00	168.00	151.20 (Upto 21-03-2016)

b) Promotional (regional) Exploration in Coal & Lignite:

(inRs. crore)

Year	Proposed	BE	RE	Actual Expenditure
2013-14	107.35	50.00	70.00	64.00
2014-15	63.00	63.00	63.00	58.82
2015-16	130.80	115.00	115.00	103.50 (Upto 21-03-2016)

c) S&T Schemes:

(inRs. crore)

Year	Proposed	BE	RE	Actual Expenditure
2013-14	16.00	13.00	13.00	11.65
2014-15	20.00	20.00	20.00	17.95
2015-16	20.25	20.25	20.25	14.00 (Upto 21-03-2016)

(d) Environmental Measures and Subsidence Control (EMSC):

(inRs. crore)

Year	Proposed	BE	RE	Actual Expenditure
2013-14	1.00	1.00	0.45	0.05

2014-15	0.45	0.45	0.45	0.00
2015-16	0.50	0.50	0.50	0.00 (Upto 21-03-2016)

(e) Conservation and safety in Coal mines:  
(inRs. crore)

Year	Proposed	BE	RE	Actual Expenditure
2013-14	259.50	160.00	185.00	185.00
2014-15	235.00	185.00	185.00	185.00
2015-16	250.00	170.00	170.00	170.00 (Upto 21-03-2016)

(f) Development of Transportation Infrastructure in Coalfields:  
(inRs. crore)

Year	Proposed	BE	RE	Actual Expenditure
2013-14	737.00	50.00	75.00	76.06
2014-15	245.00	75.00	75.00	75.00
2015-16	630.00	75.00	75.00	75.00 (Upto 21-03-2016)

## CHAPTER IV

### FINANCIAL AND PHYSICAL PERFORMANCE OF COAL PSUs

A detailed profile of PSU wise budget allocation and expenditure as highlighted in Outcome Budget (2016-17) is as under:-

Name of PSUs	2014-15			2015-16			2016-17 BE
	BE	RE	Exp.	BE	RE	Exp. (upto Dec. 15)	
CIL	5225.00	5225.00	5173.49	5990.50	6800.00	3334.04	7765.00
NLC	2936.00	2520.00	1969.76	4205.00	2963.00	1134.85	6278.92
SCCL	3850.00	3760.00	2809.00	2390.00	3550.00	1687.24	2300.00
Total	12011.00	11505.00	9952.25	12585.50	13313.00	6156.13	16343.92

The amount earmarked during previous two Annual Plans, the amount spent and the achievements are as under:

#### A. CIL and SCCL:

(Rs.in Crores)

Company	2013-14			2014-15			2015-16		
	BE	Actual	% of achievement	BE	Actual	% of achievement	BE	Actual Upto Jan,16	% of achievement
CIL	5000	4329.86	86.60	5225	5173.49	99.01	5990.5	3709.26	61.92
SCCL	4000	2591.05	64.78	3850	2809	72.96	2390	1902.1	79.59

#### B. Physical targets during previous two Annual Plans and achievements.

The coal production targets & achievements of CIL, SCCL & others during FY 2013-14, 2014-15, 2015-16 and the target for 2016-17 are as follows

(in million tonnes)

Company	2013-	2014-	2014-	2015-	2015-16	2016-17
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	14 Actual	15 BE	15 Actual	16 RE	Actual Upto Dec, 15	BE
CIL	462.41	507.00	494.23	536.70	373.48	598.60
SCCL	50.47	55.00	52.54	56.00	43.24	58.00
Others	52.89	68.25	65.67	94.00	30.76	68.10
Total All India	565.77	604.55	612.44	686.70	447.78	724.70

### C. Neyveli Lignite Corporation

The physical performance is as under:-

Year		Lignite (LT)	Power (Gross) (MU)
2013-14	Target (BE)	252.00	18929.00
	Actuals	266.09	19988.65
	Achievement (%)	105.59	105.60
2014-15	Target	256.00	20285.00
	Actuals	265.43	19729.13
	Achievement (%)	103.68	97.23
2015-16	Target (BE)	256.66	20944.52
2015-15 Upto Jan 2016	Target	201.48	17002.603
	Actuals	182.38	15704.77
	Achievement (%)	90.52	92.36
2016-17	Target (BE)	268.00	21567.76

#### Reasons for Shortfall in Lignite excavation for the year 2015-16 (Up to Jan 2016)

**Lignite Production:** Lignite production achievement was 90.52% of the target. The shortfall was mainly due to Restricted lignite production in the first and second quarters of 2015-16 in order to deplete the high closing stock of lignite as on 31<sup>st</sup> March 2015. Unprecedented heavy continuous rainfall of 1446.75mm, for about 35 days, during the III Quarter of 2015-16.

**Power Generation:** Total power generation achievement was 92.36% of the target. The shortfall was mainly due to Reduced OPLF of Thermal Power Station-I due to ageing. Delay in stabilization of both the units of Thermal Power Station-II Expansion. Frequent forced outages of the Unit-I &II of Barsingsar Thermal Power Station. Also unprecedented heavy continuous rainfall for about 35 days, during the III Quarter of 2015-16.

Financial performance of NLC is as under:-

(Rs. in Crore)

Year		Coal Sector	Power Sector	Total
2013-14	Target (BE)	107.60	2382.54	2490.14
	Actual	71.94	1745.38	1817.32
	Achievement (%)	66.86	73.26	72.98
2014-15	Target (BE)	272.00	2664.00	2936.00
	Actuals	85.97	1883.79	1969.76
	Achievement (%)	31.61	70.71	67.08
2015-16	Target (BE)	731.00	3474.00	4205.00
2015-16 (Upto Jan 2016)	Target (BE)	345.11	1562.78	1907.89
	Actuals	50.34	1174.59	1224.93
	Achievement (%)	14.58	75.16	64.20

4.2 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 information:

Details of Plan Outlay of the Public Sector Undertakings and Central Sector Schemes approved by Finance Ministry for the year 2015-16 are as under

		<b>(Rs. in Crore)</b>
A.	Capital Section (IEBR)	BE 2016-17
	Coal India Limited	7765.00
	Neyveli Lignite Corporation	6278.92
	Singareni Collieries Company Ltd.	2300.00
	Total (A)	16343.92
B.	Revenue Section (Budgetary Support)	
	Science and Technology	10.00
	Regional Exploration	50.00
	Environmental Measures and Subsidence Control	0.50
	Detailed Drilling	89.50
	Conservation & Safety in Coal Mines	80.00
	▪ Development of Transportation Infrastructure in coalfield areas	70.00

Total (B)	300.00
Total (A+B)	16643.92

4.3 On being asked to furnish details of physical targets set for 2014-15 by CIL and its subsidiaries, the Ministry furnished the following:

**Physical targets for the year 2016-17**

Company	2016-17	
	Production (Mte.)	Off-take (Mte.)
ECL	46.94	46.94
BCCL	37.00	37.00
CCL	67.00	67.00
NCL	82.00	82.00
WCL	48.00	48.00
SECL	149.67	149.67
MCL	167.00	167.00
NEC	1.00	1.00
CIL	598.61	598.61
SCCL	58.00	58.00
Captive	46.10	46.10
Others	22.00	22.00
Total	724.71	724.71

4.4 The Ministry also furnished year-wise and subsidiaries-wise investment made during 2015-16 and proposed for the rest of the 12<sup>th</sup> Plan period by CIL to increase the coal production.

Subsidiary-wise Plan expenditure (BE&RE 2015-16) and (BE) 2016-17 is given below:

Item	Plan Expenditure (Capex) Rs.in Crs.			
	2015-16	2015-16	2015-16	2016-17
	BE	RE	Actual upto Feb. 2016	BE
ECL	1030.50	850.00	511.10	1150.00

BCCL	400.00	600.00	344.77	600.00
CCL	600.00	585.00	324.81	600.00
NCL	800.00	1050.00	501.30	800.00
WCL	750.00	1339.00	1008.67	1435.00
SECL	1030.00	1030.00	710.10	1400.00
MCL	800.00	822.00	452.20	1200.00
Others (CIL/DCC/IICM /CMPDIL/R&D/ NEC)	230.00	174.00	79.56	230.00
Master Action Plan (Jharia&Raniga nj) Fire	350.00	350.00	188.41	350.00
CIL	5990.50	6800.00	4120.92	7765.00
SCCL	2390.00	3550.00	2094.42	2300.00
NLC	4205.00	2963.00	1368.37	6278.92
Total	12585.50	13313.00	7583.71	16343.92
Adhoc provision of assets abroad by CIL	500.00	500.00	--	2.00

4.5 On being asked to furnish the financial and physical targets (both B.E. and R.E. stage) set out for coal and Lignite PSUs 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 physical target and performance for CIL:

#### Coal Production (Mt)

Company	2012-13			2013-14			2014-15		
	BE	RE	Act	BE	RE	Act	BE	RE	Act
ECL	33.00	33.30	33.91	34.50	36.00	36.05	38.00	38.00	40.01
BCCL	31.00	31.10	31.21	32.50	33.00	32.61	34.00	34.50	34.51
CCL	55.00	48.06	48.06	53.50	50.00	50.02	55.00	55.00	55.64
NCL	70.00	70.00	70.02	72.20	72.20	68.64	77.00	72.00	72.48
WCL	45.00	42.20	42.29	44.00	40.00	39.73	44.00	42.00	41.15

Company	2012-13			2013-14			2014-15		
	BE	RE	Act	BE	RE	Act	BE	RE	Act
	0						0		
SECL	117.00	118.00	118.22	124.30	124.20	124.26	131.00	131.00	128.28
MCL	112.00	108.00	107.89	120.00	109.00	110.44	127.00	127.00	121.38
NEC	1.10	0.60	0.61	1.00	0.60	0.66	1.00	1.00	0.78
CIL-TOTAL	464.10	451.25	452.21	482.00	465.00	462.42	507.00	500.50	494.23
SCCL	53.10	53.10	53.19	54.30	50.30	50.47	55.00	52.50	52.54
Neyveli Lignite Corporation									
Lignite	24.80	24.45	26.22	25.20	24.95	26.61	25.60	25.51	26.54
Power	18600.00	17619.00	19902.34	18929.00	17619.00	19988.65	20285.00	19699.00	19729.13

### Coal Off-take (in Mte.)

Company	XII Plan								
	2012-13			2013-14			2014-15		
	BE	RE	Act	BE	RE	Act	BE	RE	Act
ECL	34.25	35.00	35.84	35.20	35.90	36.26	38.00	38.00	38.46
BCCL	31.80	33.30	33.04	33.20	34.18	34.20	35.00	35.00	33.64
CCL	56.60	53.00	52.89	57.20	51.10	52.12	58.00	53.00	55.34
NCL	69.25	68.00	67.29	73.50	73.50	72.11	78.00	75.00	73.68
WCL	45.25	42.00	41.55	44.10	40.00	39.94	45.00	43.50	41.25
SECL	118.00	121.00	121.99	124.50	121.74	122.03	133.00	133.00	123.22
MCL	113.75	112.00	111.96	123.30	115.05	114.34	132.00	129.00	123.01
NEC	1.10	0.70	0.62	1.00	0.53	0.58	1.00	1.00	0.73
CIL-TOTAL	470.00	465.00	465.18	492.00	472.00	471.58	520.00	508.00	489.34
SCCL	53.10	53.56	52.02	56.00	52.00	47.89	55.50	55.50	52.66

In respect of CIL, Year-wise reason for shortfall in production is as under:

**2012-13:**

- Non availability of Environmental and Forest Clearances.
- Delay in physical possession of land.
- Frequent law and order / R & R problem in MCL and law and order problem in CCL.
- Evacuation problem in MCL and CCL.
- Adverse geo - mining conditions in WCL.

**2013-14:**

- R & R Problem.
- Adverse Geo- Mining Conditions in some of the mines of WCL.
- Coal production at Basundhara-Garjanbahal Area of MCL totally stopped from 10.08.2013 due to failure of OB dump at Kulda OCP resulting to death of 13 villagers/outsideers. Production at Basundhara OCP resumed from 22.08.2013 and on 14.09.13 from Kulda OCP.
- Law and order problem at MCL & CCL.
- Ammonium Nitrate Rule 2012 was made effective from 11th January, 2014. Explosive supply was affected from 12th January, 2014 to 16th February, 2014.
- Delay in getting F. C. and E. C.
- Evacuation problem in MCL and CCL.

**2014-15:**

During 2014-15, ECL, BCCL& CCL have achieved their target. However, NCL, WCL, SECL& MCL could not achieve their target because of the following:-

- Delay in getting EC/FC
- Delay in hand over of forest land.
- Non availability of land for work at some of the mines.
- Less lifting of coal by NTPC at MCL mines
- Less production due to restriction imposed by Hon'ble High Court Odisha on day transportation from 9am to 5pm.
- Law and order problem at MCL and CCL.
- Evacuation problem in MCL & CCL.
- Adverse Geo- Mining Conditions in some of the mines of WCL.
- R & R Problem.

In respect of SCCL, the reasons for shortfall in production during 2013-14 & 2014-15 are as under:

- Non-commissioning of new mines because of land acquisition and R&R problems.
- Poor performance of outsourced OB removal agencies.
- Delay in commissioning of Adriyala Shaft Project
- Shortage of sand for stowing in underground mines

#### 2014-15:

- Delay in commissioning of Adriyala Shaft Project
- Pre closure of Blasting Gallery panels
- Shortage of sand for stowing in semi-mechanized mines
- Non-commissioning of new mines because of land acquisition and R&R problem.
- Strike by OB contractors' labour etc.

**The company-wise financial targets (CAPEX) (BE&RE) & achievements during the last three years are as under:-**

**(Rs. In crores)**

Cos	2012-13			2013-14			2014-15		
	BE	RE	Ach.	BE	RE	Ach.	BE	RE	Ach.
ECL	450.00	425.00	202.94	525.00	525.00	408.87	970.00	970.00	686.69
BCCL	300.00	600.00	266.15	850.00	850.00	504.24	350.00	350.00	554.87
CCL	425.00	425.00	397.42	500.00	500.00	657.18	585.00	585.00	595.82
NCL	850.00	600.00	444.19	800.00	800.00	301.76	600.00	600.00	715.06
WCL	350.00	365.00	264.05	450.00	450.00	287.66	475.00	475.00	518.79
SECL	900.00	900.00	628.85	850.00	850.00	956.21	980.00	980.00	1058.27
MCL	500.00	500.00	531.56	500.00	500.00	876.84	700.00	700.00	836.50
NEC	15.00	15.00		15.00	15.00		0.00	0.00	
Others	135.00	130.00	70.49	160.00	160.00	122.47	215.00	215.00	85.08
Master Plan Jharia/Raniganj	350.00	140.00	109.58	350.00	350.00	214.63	350.00	350.00	122.41
CIL	4275.00	4100.00	2915.22	5000.00	5000.00	4329.86	5225.00	5225.00	5173.49
SCCL	3220.33	3220.33	2047.26	4000.00	2900.00	2455.45	3850.00	3760.00	2809.00
Neyveli Lignite Corporation									
Lignite	131.70	84.89	57.89	107.60	107.60	71.94	272.00	147.00	85.97
Power	1555.75	1697.37	1770.01	2382.54	2382.54	1745.38	2664.00	2373.00	1883.79
Total NLC	1687.45	1782.26	1827.90	2490.14	2490.14	1817.32	2936.00	2520.00	1969.76

**In respect of CIL, the reasons for less expenditure during the year 2012-13, 2013-14 and 2014-15 are as under:-**

#### 2012-13:

Out of budget of Rs. 4275.00 Crs., CIL had incurred expenditure of Rs. 2915.23 Crs with percentage utilization more than 68%. The reasons for less utilization percentage were linked to constraints in land acquisition and related R&R issue specially in West Bengal, the cost plus issue of WCL. Delay in commissioning in HEMM, slow progress of work by HEC in construction of CHP in some of the subsidiaries caused less capital expenditure.

**2013-14:**

Out of budget of Rs. 5000.00 Crs CIL had incurred expenditure of Rs. 4329.86 Crs with a percentage utilization of 86.59 %. The main reasons for less expenditure were due to delay in construction of CHP by contractures, R&R issues, pending supplies against orders issued for major HEMM and other P&M items.

**2014-15:**

Out of budget of Rs. 5225.00 Crs., CIL had incurred expenditure of Rs. 5173.49crs with percentage utilisation more than 99%.

In respect of SCCL, the reasons for less expenditure during the year 2012-13, 2013-14 and 2014-15 are as under:

Orders for 27 Dozers could not be placed as some of the suppliers approached the Court, Delay in acquisition of private land and R&R issues in certain OC Projects, delay in receipt of billing breakup from M/s BHEL (who are the suppliers of BTG package) resulted in less expenditure against 2x600 MW Power Projects.

**2013-14:**

Delay in procurement of HEMM - due to delay in grounding of new projects, delay in acquisition of private land and R&R issues in certain OC Projects.

**2014-15:**

Delay in acquisition of private land and R&R issues in certain OC Projects, delay in formulation and enactment of guidelines by the Govt. of Telangana State for acquisition of Non-Forest land, poor performance of the contractors in case of Singareni Thermal Power Plant for major capital works such as balance of plant works (BOP), railway siding works and construction of reservoirs resulted in delayed payments.

**In respect of NLC, the reasons for Short fall in achieving the Capex for the year 2013-14.**

Sl. No.	Particulars	2013-14			Reason for Shortfall
		Target	Actual	Shortfall	
	Power Projects				
1	TPS-II Expansion	305.79	250.22	-55.57	Project delayed (Original scheduled date of commissioning - August 2009). Payment is due on commissioning.
2	TPS Rajasthan at	53.80	72.74		
3	NTPL	900.00	1063.33		
4	NNTPS	415.00	311.14	-103.86	Delayed placement of LOA for SG & TG packages. LOA for Balance of Planr package could not be placed in 2013-14.
5	Ghatamphur TPP	200.00	6.39	-193.61	GOI sanction yet to be obtained
6	Wind farm	364.75	41.22	-323.53	Delayed transfer of land and delayed supplies.
7	Solar Power	133.19	0.14	-133.05	Placement of order delayed due to retender
8	New Projects	10.01	0.19	-9.92	Preliminary activities like FR, EIA/EMP reports in progress. Initial activities for LA commenced. Contracts of small values awarded.
	Other projects	107.6	71.95	-35.65	
	Grand Total	2490.14	1817.32	-672.82	

**Reason for Short fall in achieving the Capex for the year 2014-15**

		Target	Actual	Excess/Shortfall	Reasons
1	Mine-II Expansion	45.51	11.28	-34.23	Project commissioned 2009-10. Balance payments are due in few contracts.
2	Expansion of Mine-I (area expansion) & expansion of Mine-IA (3.0	140.26	0.46	-139.80	Project is in the process of obtaining Environment Clearance. Public hearing held on 18.1.2015

	to 7.0 MTPA)				
3	NEYVELI NEW TPP	1056.67	445.60	-611.07	Slow progress in submission of drawings and civil works due to poor mobilization of resources by BHEL. Delay in supply of Boiler main columns by BHEL LOA for Balance of Plant package issued on 30.04.2014. Delay in submission of Advance Payment Bank Guarantee for supply and services by the contractor.
4	TPS-EXPANSION II	344.42	281.51	-62.91	Units under stabilization, yet to commissioned. Payments due on commissioning
5	UTTAR PRADESH TPS PROJECT	61.04	38.13	-22.91	GOI sanction awaited.
6	SOLAR POWER PROJECT, NEYVELI	75.64	30.63	-45.01	Slow progress in submission of drawings by the contractor BHEL. Delay in start of civil works. Poor mobilization of resources. Supply of various main equipments are not yet commenced.
7	SOLAR POWER PROJECT, Barsingsar	84.80	0.03	-84.77	Feasibility Report is under submission to the Board for approval.
8	OTHER PROJECTS (21 Projects)	1127.66	1162.12	34.46	
	Total	2936.00	1969.76		

4.6 The BE 2015-16 for CIL is Rs. 5990.50 crores. The target (progressive) on Feb 2016 was Rs. 5328.69 crores against which the Actual Expenditure was Rs. 4120.92 crores. The percentage utilization works out to 77.33%. The Capex for the corresponding period in 2014-15 was Rs. 3517.28 crores, thereby registering a growth of Rs. 603.64 crores (17.2%). WCL and BCCL have achieved 100% of their targets. SECL & NCL have exceeded 70% of their targets and are expected to achieve their targets for the full year by March. The reasons for low utilization of Capex in other subsidiaries are as follows:

## **MCL**

BE 2015-16 for MCL is Rs. 800.00 crores. Against a target of Rs. 720 for the period Apr – Feb, MCL have spent Rs. 452.20 crores. The reasons for low achievement of Capex are as follows:

Less expenditure in HEMM due to non-supply of Rope Shovels for Bharatpur OCP & release of payment of 100T dumpers being heldup due to technical problems in the transmission system of the dumpers supplied so far and non - commissioning of supplied dumpers. However, it is expected that MCL would achieve its target.

## **CCL**

Delay in processing Forest Clearance (FC) at Karo OC, Rajrappa OC, Urimari OC and Purnadih OC, Delay in Railway Siding work by RITES, Delay in clearing/handing over of Forest Land at Karo, North Urimari OC leading to delay in Capex for residential & service buildings, Roads and Water Supply, Delivery awaited for 2Electric Rope Shovel. Payment disputed by supplier for 25 Crawler Dozer and expected to be settled soon.

## **ECL**

Lag in rehabilitation & acquisition of land at SonepurBazari, Mohanpur&Rajmahal OCP, Bill on procurement of HEMM is under finalization, Delay in commissioning of PSLW at Jhanjhra UG mine, Less expenditure in railway siding due to revision in estimates & delay in approval of engineering scale plan by Railways, delay in shifting of HT lines by WBS&EDCL and non-finalization of DPR by RITES.

Following steps have been taken by CIL for full utilization of CAPEX 2016-17

- Material budget for all concerned departments of the subsidiaries have already been prepared.
- Shopping list is under the process of approval.
- Mine development activities have been identified and are under conceptualization.
- The jobs of survey-off for different equipment have been expedited. Activities related to land acquisition, civil construction, railway siding etc have been expedited.

4.7 During 2016-17, an estimated expenditure of Rs. 3468.08 crore will be made for ongoing projects of CIL whereas Rs. 465.52 crore are reported to be invested in future project. In this context, the Ministry were asked to furnish details of the ongoing projects of CIL and the kind of investment/purchases with an estimated expenditure of Rs. 3468.08 crore.

The Ministry thereupon replied that as regards CIL, a total of 158 ongoing projects are in different stages of implementation. The ultimate aggregate

capacity is 652 Mty and aggregate sanctioned capital is Rs. 63542 Crores. Till January, 2016, the provisional cumulative expenditure for these ongoing projects is Rs. 3850 Crores. On the aspect pertaining to details of the future projects of CIL for which Rs. 417.02 crore were to be invested during 2015-16 and an outlay of Rs. 465.52 crore have been made for the year 2016-17., the Ministry further elucidated that a provision of Rs. 286.54 crores was kept for future projects in Annual Plan 2015-16. So far, an investment of Rs. 233 crores (provisional) has been made on these projects. A provision of Rs. 305.17 (prov.) crores has been planned for future projects during the year 2016-17.

4.8 On being asked to state the steps taken by CIL to ensure full utilization of budgeted outlays during 2015-16, the Ministry replied that CIL has envisaged a plan for fund utilization of Capital Outlay of Rs. 5990.5 Crs in 2015-16. Regular monitoring for timely implementation of various schemes will be made for proper utilization of funds. However, the fund allocated for implementation of Master Action Plan for Jharia and Raniganj coalfields will depend largely on the Governments of West Bengal and Jharkhand.

4.9. Asked about the measures that have been taken to bring down the operating cost by CIL and SCCL, the Ministry in their written reply stated that the following measures have been taken by CIL to bring down the operating cost:

- A cost control cell has been established in CIL HQ and all its subsidiaries.
- E-reverse auction for finalization of contracts for explosives implemented.
- Adoption of mechanization in both underground and opencast mines.
- Converting unsafe, unviable underground mines into opencast mines. GPS/GPRS based vehicle tracking system, electronic surveillance by CCTV, RFID based boom barrier and reader & electronic weighbridges have been deployed at various subsidiaries for effective monitoring.
- Higher size HEMM has been planned to be deployed in major open cast projects for maximum extraction of coal economically.

The Ministry further highlighted that in respect of SCCL, despite increase in the cost of production on account of increased wage bill and increased outsourcing cost in respect of overburden removal activity and general increase in other input costs, SCCL has been striving hard to bring down cost of production by constantly taking up a slew of measures as detailed below:

- Effective utilization of men, machinery and other infrastructures of the company.

- Outsourcing of non-core activities.
- Semi mechanization/mechanization of mining operation in UG mines and introduction of new technologies to have bulk coal production in improvised safety conditions etc.

4.10 The Ministry also furnished details of the future projects of CIL for which Rs. 417.02 crore were to be invested during 2015-16 and an outlay of Rs. 465.52 crore have been made for the year 2016-17. It was stated that a provision of Rs. 286.54 crores was kept for future projects in Annual Plan 2015-16. So far, an investment of Rs. 233 crores (provisional) has been made on these projects. A provision of Rs. 305.17 (prov.) crores has been planned for future projects during the year 2016-17. As regards, SCCL against Rs. 559.32 crore during 2015-16(RE) for existing mines and completed projects, an increased provision of Rs. 698.88 crore has been made for 2016-17. Investment in ongoing projects of SCCL has also been increased to Rs. 616.88 crore during 2016-17 as compared to Rs. 445.91 crore (RE) during 2015-16.

4.11 On being asked to elucidate the additional projects in SCCL for which the additional provisions have been made, the Ministry stated that a provision of Rs. 698.88 crores has been made during FY 2016-17 for existing and completed mines as against Rs. 559.32 crores in FY 2015-16 due to introduction of new technologies in existing mines viz., introduction of continuous miner technology in PVK-5, Khairagura Marginal scheme etc., and replacement of 35 ton dumpers with 60T dumpers. In the case of ongoing projects, provision has been made for Rs. 616.88 crores as against Rs. 445.91 crores due to advancement of projects and also excess FR provisions due to huge increase in Patta Land, NPV payments in case of Forest land and abnormal increase in R&R costs.

4.12 Enquired as to whether the increased provision for investment plan of SCCL in existing mines and ongoing projects during 2016-17 would be fully utilized, the Ministry stated that SCCL is anticipating the full utilization of funds allocated for existing, completed and on-going projects.

4.13 On being asked as to whether any hurdles exist in achieving the targeted production of 58 MT during 2016-17, the Ministry replied that forest land diversion and Non Forest land acquisition is the major challenge to achieve the target of 58 MT. Regular monitoring is being done at different levels to expedite the Forest land diversion / Non-Forest land acquisition for existing and new projects.

4.14 The BE of NLC-mines were Rs. 731.00 crore during 2015-16. These were revised to Rs. 345.11 crore and actual utilization upto January, 2016

were Rs. 182.38 crore. Similarly, for NLC-Power, against BE of Rs. 3474.00 crore and RE of Rs. 1562.78 crore, actual (upto January, 2016) were Rs. 1174.59 crore. The BE of Rs. 2016-17 for the Company are Rs. 6278.92 crore. In this context the Ministry were asked to state the reasons why the Company could not utilize the capital outlays both for mining & power sector as targeted during 2015-16, the Ministry thereupon replied that the Plan outlays for the year 2015-16 and 2016-17 were as tabulated below:

(Rs in crores)

Details	Coal	Power	Total
BE 2015-16	731.00	3474.00	4205.00
RE 2015-16	194.00	2769.00	2963.00
Actual Apr15-Feb 2016	60.05	1308.32	1368.37
BE 2016-17	415.52	5863.40	6278.92

In the following major projects, plan outlay could not be achieved as per reasons furnished below:

### Coal Sector

(Rs. in crores)

Project	BE 2015-16	RE 2015-16	Apr15 -Feb 16	Reason
Mine I Expansion area expansion and Mine 1A expansion	408.94	86.77	13.72	MOE&F clearance received in September 2015. Hence, the outlay was downwardly revised in RE 2015-16
Acquisition of coal block abroad	113.00	1.64	1.41	The project is kept in abeyance due to pending due diligence. Hence, the outlay was downwardly revised in RE 2015-16
Others	209.06	105.59	44.92	Based on the progress of the project, revised estimate has been reduced to suitable extent.
Total	731.00	194.00	60.05	

## Power Sector

(Rs. in crores )

Project	BE 2015- 16	RE 2015-16	Apr-Feb	Reason
NTPL (1000 MW)	132.37	674.48	453.04	BE Target achieved. Efforts are on to achieve RE target
NNTPS (1000 MW)	1291.95	950.95	714.26	There was delay in starting supply and erection of Boiler Main column structure. Hence, the outlay was downwardly revised in RE 2015-16
Acquisition of power asset	1524.00	0.00	0.01	Short listed firm was not responsive and hence due diligence could not be carried out.
NUPPL (1980 MW)	284.50	732.35	7.30	Fresh approval by MOE&F was accorded in June 2015 for the project with imported coal option. RE outlay was projected on the premise that GOI approval would be obtained in December 2015. PIB has since recommended the project in the meeting on 8 <sup>th</sup> February 2016 and CCI Note is under process. Hence, target could not be achieved.
Wind Project (51 MW)	49.88	204.25	67.92	
Others	191.30	206.97	65.79	
Total	3474.00	2769.00	1308.32	

4.15 Asked to furnish the lignite production and power generation losses incurred due to lower utilization of plan outlay and how it will adversely affect the future plan of the company, the Ministry stated that there are no losses in lignite production and power generation on account of lower utilization of plan outlay. Future plan of the company shall not be affected as

the company is confident of implementing the projects with suitable strategic planning.

4.16 On being asked to state the steps that have been taken by the Ministry/NLC to ensure utilization of enhanced plan outlay of Rs. 6278.92crore during 2016-17, the Committee were informed that the outlays for 2016-17 have been projected with the following objectives:

Sl No	Project	Outlay (Rs crore)	Remarks
1	Mine I Area Expansion and Mine 1A Expansion	279.53	MOE&F clearance was accorded in Sep, 2015. Project activities gained momentum. Target will be achieved.
2	NNTPS (1000 MW)	950.00	Boiler work has commenced
3	NTPL (1000 MW)	491.83	Pending works and other residual works will be completed. Anticipated outlay will be fully spent in this regard.
4	NUPPL (1980 MW)	750.00	PIB recommended. CCI note under circulation. GOI sanction expected shortly. Target will be achieved
5	Solar Projects	1670.00	Tendering activities for 260 MW is under advanced stages. NLC is in touch with other State Govts for establishing solar projects
6	Acquisition of Power Asset	1500.00	Proposal to acquire DVC Power Plant is under advances stages. MOU has already been signed between NLC and DVC in Jan,2016
7	Others	637.56	
	Total BE 2016-17	6278.92	

## CHAPTER - V

### A. Allocation of coal mines cancelled/de-allocated

The Hon'ble Supreme Court, vide its judgment/order dated 25.08.2014 and 24.09.2014 in Writ Petition (Criminal) No. 120 of 2012 and other connected matters, has cancelled the allocation of 204 coal blocks out of 218 blocks allocated since 1993.

5.2 For the management and re-allocation of 204 coal blocks cancelled/de-allocated by the Hon'ble Supreme Court of India, Government had enacted 'Coal Mines (Special Provisions) Act, 2015' to ensure smooth transfer of rights, title and interests in the mines along with its land and other associated mining infrastructure to the new allottees to be selected through an auction or allotment to Government company, as the case may be. The process of allocation under the Act started with the publication of first Notice Inviting Tenders (NIT) published on 25/12/2014. As per the Annual Report 2015-16 of the Ministry of Coal, the Central Government has successfully auctioned 31 coal mines and allotted 42 coal mines to Central/State Government Companies. The estimated revenue which would accrue to coal bearing States during the life of mine/lease period from the auction of 31 coal mines is Rs 1,96,700 Crore. Further, an estimated amount of Rs. 1, 48,275 Crore would accrue to coal bearing States from allotment of 42 coal mines. In addition, the benefit to consumers in terms of reduction of electricity tariff is likely to be about Rs. 69,310 Crore. Allotment of remaining coal mines for specified end uses under the Coal Mines (Special Provisions) Act, 2015 will be undertaken during 2016-17, keeping in view of prevalent market conditions. During the oral evidence held on 4.4.2016, the Ministry apprised the Committee that 74 Coal Blocks have been allocated out of which 48 were allocated to the power sector. While Rs. 1167 crore has already been transferred to the states beneficiary state are to receive Rs. 3.44 lakh crore over the lifetime of these coal blocks.

5.3 Taking the process forward and to augment availability of domestic coal thereby reducing dependence on imported coal, Government is considering allocation of coal mines for commercial mining to Central/State PSUs. Apart from augmenting coal production, this measure would create a healthy competition in the sector thereby improving service standards in the coal industry. Eastern States with a large tribal population would be the biggest beneficiary and additional revenue from auction and allotment can be ploughed back for the welfare of the people of the State. Further, levy on coal to be contributed to District Mineral Fund (DMF) created under the Mines & Mineral (Development and Regulations) Act could be utilized for the welfare activities exclusively for the District, where the mine is located. The

allocation of these coal mines through auction and allotment will improve coal availability and thus leads to reduction in import. The better availability of coal will spur industrial growth thereby contributing to economic development of the Nation.

5.4 Regarding auction and allocation of coal blocks, during evidence, Secretary Ministry of Coal apprised the Committee that out of total 74 Blocks auctioned, 30 Blocks were allocated to private companies, and 44 Blocks to Government and PSUs. Out of these 74 coal blocks, mining was going on in 35 blocks which has since been restarted. He also stated that mining has started in another 10 blocks after the re-allocation and last year 8 to 9 MT of coal were produced from these blocks and it is hoped that in this current financial year, mining would start in the remaining blocks. The main problem was that some people went to the court and we are trying for an early settlement of the court case. Another problem was at the state level for which the Secretary is visiting so that he can sit and discuss with the State Government Officials to bring a solution to the issue. Besides, water/health issues are also been taken up.

## **CHAPTER- VI**

### **COAL THEFT AND PILFERAGE**

The Annual Report 2015-16 of the Ministry of Coal highlights the following vigilance milestones achieved pertaining to vigilance activities undertaken by organizations working under the Ministry of Coal:

#### **VIGILANCE**

- Vigilance Division in the Ministry of Coal oversees the vigilance administration in the Ministry in addition to vigilance issues relating to the organisations working under the Ministry i.e. Coal India Limited (CIL) and its 8 subsidiaries; Neyveli Lignite Corporation (NLC), Coal Mines Provident Fund Organisation (CMPFO) and Coal Controller Organisation.

#### **ORGANISATION STRUCTURE**

6.2 Vigilance Division in the Ministry is headed by a Joint Secretary and Chief Vigilance Officer (CVO). The vigilance wings of CIL/its subsidiaries & NLC are headed by an independent full time CVO. Vigilance issues in respect of below Board-level Officers are investigated by the CVOs of the concerned company and in respect of Board-level officers, the CVOs furnish factual reports to the Ministry for taking appropriate action.

#### **VIGILANCE AWARENESS**

6.3 Vigilance awareness week focusing on the theme "Preventive vigilance as a tool of good governance" has been observed from 26/10/2015 to 31/10/2015. During this awareness week, workshops, debates, essay competition, slogan/writing competition, etc. were organized to create awareness on vigilance issues.

#### **MONITORING MECHANISM**

6.4 To improve vigilance administration, regular review meetings are being held with the CVOs to review the pending issues relating to vigilance cases, implementation of IT initiatives, etc. Meetings held during this period are given as under:

S. No.	Date	Place	Reviewed by
1.	23.01.2015	Varanasi	Additional Secretary & CVO
2.	04.04.2015	Kolkata	Secretary(C)
3.	18.09.2015	Kolkata	JS & CVO
4.	01.10.2015	New Delhi	JS & CVO
5.	29.01.2016	Bhubaneswar	Secretary (C)

In these meetings, status of implementation of GPS/GPRS based vehicle tracking system & other IT initiatives for e-surveillance to curtail pilferage of coal are discussed. In addition, other system improvement measures to usher in good governance and ease of doing business e.g. improvement of measurement of coal and OBR, e-procurement/e-Reverse Auction, improvement in testing of explosives, land management system, project management system, e-office, coal-net, bill tracking system, online grievance management system etc. are discussed. The entire gamut of Vigilance related matters including measure to make the vigilance administration more effective is also discussed. Large no. of new initiatives were introduced through discussion in these meetings which have significant impact on the functioning of these companies.

## **SYSTEM IMPROVEMENT**

6.5 All organisations have actively participated in online submission of IPRs, rotational transfer of the officers from sensitive to non sensitive posts, etc. In addition system of online vigilance status has also been developed which is under verification. Coal companies have taken up several e-initiatives i.e. COALNET, refund of EMDs, installation of in motion weighbridges with RFID, e-procurement, electronic surveillance with CCTV, online truck despatch system, etc.

## **IT INITIATIVES**

6.6 To check theft and pilferage and also to capture real-time data of roduction, dispatch, stores and to improve operational efficiency, an integrated system consisting of GPS/GPRS based vehicle tracking system connected through a Wide Area Network (WAN) to vulnerable points like weigh bridges, material stores, entry/exit points, stockyard, sidings, explosive magazines, etc. has been conceived and is under implementation in all the companies of CIL. The status as on 31st December, 2015 is given as under:

<b>S. No.</b>	<b>Name of the item</b>	<b>Requirement</b>	<b>Implementation status as on 31.12.2015</b>
<b>1</b>	<b>GPS/GPRS based Vehicle Tracking System</b>	<b>9450</b>	<b>6114</b>
<b>2</b>	<b>. Electronic Surveillance by CCTV</b>	<b>2509</b>	<b>1025</b>
<b>3</b>	<b>RFID based Boom Barriers &amp; Readers</b>	<b>2857</b>	<b>2465</b>
<b>4</b>	<b>Weigh Bridge Status</b>	<b>898</b>	<b>850</b>
<b>5</b>	<b>Wide Area Networking</b>	<b>960</b>	<b>344</b>
<b>6</b>	<b>CoalNet Implementation Status</b>	<b>51</b>	<b>42</b>

## **INSPECTIONS**

6.7 Surprise inspections and intensive examination of the cases were undertaken with emphasis on system improvement measures.

## **PROSECUTION SANCTION**

During this period, comments furnished for grant of prosecution sanction to the two serving officers in 6 cases related irregularities in allocation of coal blocks.

6.8 Asked to furnish updated information on the steps taken by the CIL and its subsidiaries to stop theft and pilferage of coal, the Secretary, Ministry of Coal informed the Committee that to tackle the problem of theft and pilferage, technology viz. GPS, CCTV with central monitoring system are being used. In MCL areas, the process has already been completed. RFID, Boom Barriers have also been installed so that all trucks are routed through these devices and their movement automatically recorded. Apart from this, weigh bridges are also there. The monitoring mechanism is also being connected with wide area network. It is targeted that this system will become operational by 30th June, 2016 in all CIL subsidiaries and work is already in progress.

## **NEYVELI LIGNITE CORPORATION LIMITED**

6.9 The vigilance department in NLC has undertaken various proactive, preventive, & punitive measures to sensitise the employees of the company.

Various IT initiatives like, automated file tracking system, online bill watch system for vendor payment, bill tracking system, TA bill automation, online vigilance clearance, complaint through Whatsapp messenger, payment of wages to contract workmen through bank Online vendor empanelment, auto refund of EMD for purchase through OLIMMS, etc. were introduced in the company to enhance transparency and efficiency based on the vigilance recommendation. Promotion procedure and transfer policy streamlined on the intervention of vigilance department. Due to vigilance intervention, the commercial operation declaration (COD) of Unit-I&II of TPS-II Expansion which was delayed for a long period was expedited resulted in declaring COD of the Unit. As a preventive measure, 169 numbers of surprise checks, 45 numbers of regular checks, 29 Nos Quality Check, 23 Nos Follow –up checks and 12 Nos of CTE type examinations have been conducted from April-2015 to March-2016. 530 No of complaints have been investigated and 511 No of cases are disposed. As a part of capacity building measure, training / interaction with the employees for 30 to 60 minutes by vigilance faculty during every training programme. Need based “Customized training programmes” are also conducted by the vigilance department at various Units of the company. “Corruption Risk Map” prepared in NLC for sensitizing employees to improve their accountability.

## CHAPTER- VII

### CORPORATE SOCIAL RESPONSIBILITY

#### A. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Coal India Limited (CIL) and its subsidiary companies and Neyveli Lignite Corporation Limited (NLC) are undertaking different welfare activities under the CSR policy. The allocations of funds under CSR are effective from 01.04.2004 as per DPE guidelines. These guidelines are based on Section 135(1) of Companies Act, 2013 which stipulates to spend at least 2% of the average net profit of the company for the three immediate preceding financial years. While Neyveli Lignite Corporation Limited (NLC) has allocated CSR funds as above, Coal India Limited (CIL) has formulated its own policy and allocated funds based on 2% of the average net profit of the company for the three immediate preceding financial years or Rs.2 per tonne of coal production of previous year, whichever is higher.

7.2 The details of the amount earmarked and utilized by the Coal India Limited (CIL), its subsidiaries and NLC under Corporate Social Responsibility (CSR) during each of the last three years band the current year, subsidiary-wise, are as under:

**(Figures in Crore)**

Company Coal India and its subsidiar ies	2012-13		2013-14		2014-15		2015-16	
	Allocat ed	Utiliz ed	Allocat ed	Utilize d	Allocat ed	Utiliz ed	Allocat ed	Utiliz ed
ECL	23.89	09.42	29.35	---	37.90	24.85	46.22	36.79
BCCL	23.63	07.43	30.50	20.00	30.00	14.33	48.67	39.94
CCL	47.72	13.66	26.42	26.94	47.86	48.87	350.67	196.4 4
WCL	40.67	20.96	29.46	23.80	7.96	20.15	91.92	59.64

SECL	181.79	46.63	63.94	43.91	129.97	40.43	379.46	103.11
MCL	73.36	25.56	101.72	111.48	113.96	61.30	421.50	111.33
NCL	95.73	17.64	48.99	39.72	80.28	61.77	196.25	116.31
CMPDIL	1.63	01.06	1.82	01.82	2.00	1.68	2.00	0.91
CIL & NEC	107.32	07.19	142.16	141.70*	24.04	24.72	98.85	27.82
2. Neyveli Lignite Corporation Limited (NLC)	13.00	14.26	26.04	26.30	41.60	47.49	44.27	49.00

The above budget include the fund earmarked for Swachh Vidyalaya Abhiyan. The expenditure also include the amount spent in FY 2015-16 on Swachh Vidyalaya Abhiyan upto 31/12/2015. Under this Abhiyan:

- CIL & its subsidiaries have constructed 53,412 of toilets in and around 5,226 of schools. These toilets were constructed in six States viz., Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh and West Bengal. A total of approximately Rs. 688.03 crore was spent in the project.
- NLC have constructed 1414 toilets (1270 toilets in 635 schools in Tamilnadu and 144 toilets in 77 schools in Rajasthan) for a value of Rs.39.70 Crore.

## B. WELFARE MEASURES

7.3 Mining of coal has profound impact on the traditional lifestyle of the original inhabitants and the socio-economic profile of the area. CIL has strongly fostered the belief that people living in mining areas are important stakeholders in the process of mine development.

- As part of the Corporate Social Responsibility (CSR) mandate, CIL and its subsidiary companies are undertaking different welfare activities, in and around the coalfield-areas for the benefit of SC and ST population.
- Creation of community assets like provision for potable drinking water, construction of school buildings, check dams, village roads, link roads and culverts, dispensaries and hospitals, community centers etc.
- Awareness programmes and community activities like health camps, medical aid, family welfare camps, AIDS awareness programmes, immunization camps, promotion of sports & cultural activities, social forestry, etc.

### Implementation of Persons with Disability Act, 1995

7.4 Representation of specially abled persons in appointment in Group 'C' & 'D' posts since 1996-97 is given as under:

Year	No. of persons appointed	Number of posts filled under reservation quota		
		VH	HH	OH
1996-97 to 1.1.2016	9572	46	8	66

VH = Visually Handicapped HH = Hearing Handicapped OH = Orthopedically Handicapped

Statement showing the representation of specially abled persons in CIL as on 1.1.2016

**(Provisional)**

Company	Number of Employees			
	Total	VH	HH	OH
ECL	66917	07	16	036
BCCL	54250	42	18	075
CCL	44274	26	10	041

WCL	49371	14	12	055
SECL	65556	25	8	126
MCL	22541	21	10	082
NCL	16236	10	02	041
NEC	1913	00	00	001
CMPDI	3665	02	01	016
DCC	444	00	00	000
CIL (HQ)	865	01	00	001
Total CIL	<b>326032</b>	<b>148</b>	<b>77</b>	<b>474</b>

### Reservation to SC/ST

7.5 The reservation policy is being implemented in recruitment and promotion of Scheduled Castes and Scheduled Tribes as per the Presidential Directives. The company makes effort to maintain diversity in the configuration of employees by recruiting people from different States through All India based selection and campus selection from across the Country. Similarly, it provides reservation to SC, ST, OBC communities as under :

For Group A & B Posts	Direct Recruitment			Promotion		
	SC	ST	OBC	For Groups A, B, C & D	SC	ST
All India basis by means of open competitive test (written)	15%	7.5%	27%	All India	15%	7.5%
All India basis	16.66%	7.5%	Rest limited			

otherwise than open competitive test (written)			to 50%			
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Apart from the above, there is a directive on reservation for recruitment of Group C & D posts where State-wise reservation norms are being maintained.

Subsidiary-wise/Company-wise reservation percentage is appended below:

State	Company	% age of SC	% age of ST	% age of OBC
Jharkhand	BCCL	12	26	12
West Bengal	ECL	23	05	22
Odisha	MCL	16	22	12
Madhya Pradesh	NCL	15	20	15
Chhattisgarh	SECL	14	23	13
Maharashtra	WCL	10	09	27
Assam	NEC	07	12	27

Group-wise manpower as well as representation of SC/ST/OBC with percentage as on 1.1.2016(Provisional) in CIL is given below:

Group	Total Strength	SC%	ST %	OBC %
A	15249	9.99	4.06	17.18
B	21350	10.97	6.65	20.47
C	186758	21.49	12.20	23.72
D(Excluding Sweeper)	99655	23.66	16.04	22.08
D (Sweeper)	3020	98.88	0.94	0.15
<b>Total</b>	<b>326032</b>	<b>21.58</b>	<b>12.52</b>	<b>22.45</b>

**CHAPTER- VIII**  
**OUTSTANDING DUES OF COAL PSUS**  
**OUTSTANDING DUES**

The details of state-wise and utility-wise outstanding dues of CIL during last three years are as follows:-





Year-wise Outstanding dues of SCCL:-

**2012-13**

(Rs. in crore)

	Opening Balance	BILLS RAISED	RECEIPTS	Closing Balance
APGENCO	626.55	4098.34	3774.38	950.50
NTPC	105.56	3214.25	3135.64	184.17
MAHAGENCO	10.26	290.25	296.81	3.70
KPCL	49.01	516.81	513.41	52.41

**2013-14**

	Opening Balance	BILLS RAISED	RECEIPTS	Closing Balance
APGENCO	950.50	4211.15	4624.45	537.21
NTPC	184.17	2836.32	2820.37	200.12
MAHAGENCO	3.70	210.62	189.09	25.23
KPCL	52.41	644.95	598.85	98.52

**2014-15**

	Opening Balance	BILLS RAISED	RECEIPTS	Closing Balance
APGENCO	537.21	1584.84	2091.15	67.70
TSGENCO	0.00	3448.23	1486.86	1924.57
NTPC	200.12	3643.17	3742.82	100.47
MAHAGENCO	25.23	489.19	427.63	86.78
KPCL	98.52	857.64	694.35	261.80

**Outstanding dues pertaining to NLC are as below:**

(Rs. in crore)

<b>SEB Dues as on 31.03.2013</b>	<b>Power Bills&gt;60 days</b>	<b>Surcharge</b>	<b>Total</b>	<b>Realisation during the year 2012-13</b>
TAMILNADU	1,991.25	567.48	2,558.73	2,019.99
KARNATAKA	39.05	96.94	135.99	902.7
KERALA	65.34	12.29	77.63	356.53
ANDHRA Unified	164.83	31.46	196.29	484.97
PONDY	61.80	14.77	76.57	203.23
RAJASTHAN	37.34	11.85	49.19	551.98
<b>Total</b>	<b>2,359.61</b>	<b>734.79</b>	<b>3,094.40</b>	<b>4,519.40</b>

<b>SEB Dues as on 31.03.2014</b>	<b>Power Bills&gt;60 days</b>	<b>Surcharge</b>	<b>Total</b>	<b>Realisation during the year 2013-14</b>
TAMILNADU	419.59	426.64	846.23	4,276.78
KARNATAKA	74.33	99.96	174.29	768.51
KERALA	31.72	35.59	67.31	523.94
ANDHRA Unified	117.83	57.07	174.90	764.65
PONDY	69.83	24.16	93.99	234.84
RAJASTHAN	46.13	17.26	63.39	486.61
<b>Total</b>	<b>759.43</b>	<b>660.68</b>	<b>1,420.11</b>	<b>7,055.33</b>
<b>SEB Dues as on 31.03.2015</b>	<b>Power Bills&gt;60 days</b>	<b>Surcharge</b>	<b>Total</b>	<b>Realisation during the year 2014-15</b>
TAMILNADU	0.00	0.00	0.00	3,245.84
KARNATAKA	31.16	0.12	31.28	923.32
KERALA	60.92	41.05	101.97	498.66
ANDHRA	29.03	0.50	29.53	312.23
TELANGANA	0.56	0.02	0.58	339.56
PONDY	69.92	0.00	69.92	221.76
RAJASTHAN	80.45	29.32	109.77	379.82
<b>Total</b>	<b>272.04</b>	<b>71.00</b>	<b>343.04</b>	<b>5,921.19</b>

**Note: Total dues of Rs.272.04 Crs includes disputed dues of Rs.129.09 Crs.**

**8.2.** On being asked as to what steps have been taken by the Ministry/PSU to recover all their dues in a time bound manner, the Ministry furnished the following reply

### **CIL**

The following steps are being taken by CIL:

- The party-wise outstanding dues are being reviewed by subsidiary companies from time to time. The General Manager (S&M)s of

concerned subsidiaries follow-up regularly with concerned organizations to realize the outstanding dues.

- Regional Sales Offices under Sales and Marketing (S&M) Division, CIL also pursue realization of outstanding dues.
- CMDs of the subsidiary companies communicate with Chairman/ MDs of the defaulting powerhouses/ parties.
- At CIL level, General Manager (S&M) communicates with the major defaulting powerhouses to clear the outstanding dues.
- Chairman, CIL and Director (Marketing), CIL have flagged the matter with Chief Secretary of State and Secretary (Energy) of respective defaulting organizations to ensure that dues of major defaulting parties are cleared.

### **Steps taken by NLC to recover all their dues in a time bound manner**

- **Rebate Scheme**

To encourage early realisation, company has formulated a special scheme called "Graded Rebate Scheme" which provides for a graded rebate from a maximum of 2% for payment on date of billing to 0% on the 60<sup>th</sup> day of billing.

- **One time waiver of surcharge settlement**

An MoU for realisation of 50% of surcharge dues was entered into with all the Discoms in 2013-14 / 2014-15 (except Rajasthan Discoms), for one time waiver of 50% of the surcharge dues and revision of Power Purchase Agreements incorporating a payment priority clause.

## CHAPTER- IX

### CLEAN COAL TECHNOLOGY

#### Thrust on Washing of Coal

CIL is currently supplying coal of less than 34% ash for thermal power stations located at 750 km away from the pitheads. However, the above limitation of distance of 750 km will be reduced further to 500 km from 05.06.2016, as per the MoEF & CC notification issued on 02.02.2014. In view of the above, CIL has planned to set up 9 new non-coking coal washeries having a total capacity of 94.0 MTPA. These washeries are at various stages of construction. Besides this, 6 new washeries for coking coal for a total capacity of 18.6 MTPA are also in various stages of implementation. In addition to this, efforts are being made to rationalize existing coal linkages.

9.2 Reportedly, the Government had emphasized on the need for clear coal technologies and to learn best practices in Mining from Australian Companies. On being asked as to what concrete measures have been initiated to upgrade towards cleaner Coal Technologies and what was the time frame within which these technology up-gradation would be completed, the Ministry furnished the following reply

#### **'Washery**

CIL has taken a policy decision to set up integrated coal washeries for all mines (existing/expansion) producing inferior grade coal. In view of this, CIL has planned to set up 15 new coal washeries with a total capacity of 114.1 Mty. Out of this, 18.6 Mty is for coking coal washeries and 94 Mty for non-coking coal washeries. These washeries will be operational by October 2017.

#### **CBM**

In order to promote clean coal technology, development of coal based non-conventional energy is being encouraged. Coal Bed Methane (CBM) and its sub-sets like Coal Mine Methane (CMM), Abandoned Mine Methane (AMM), Ventilation Air Methane (VAM) and Underground Coal Gasification (UCG) are emerging as non-conventional clean energy sources.'

## **A. Development of CBM**

In view of the importance being attached to CBM industry globally, a CBM policy was announced by GoI in July, 1997 through which Ministry of Petroleum and Natural Gas (MoP&NG) was made the administrative ministry and Directorate General of Hydrocarbons (DGH) was made the nodal agency for development of CBM in India. The prospective CBM blocks are to be allotted by MoPNG in consultation with Ministry of Coal. So far 33 CBM blocks have been allotted for commercial development based on 4 rounds of global bidding. Most of the data dossiers on CBM blocks have been prepared by CMPDI on behalf of Directorate General of Hydrocarbons (DGH).

The government vide letter no. F. No. 34018/1/2014-CRC-II (Pt.), dated 29<sup>th</sup> July, 2015 has permitted Coal India Limited for exploration and exploitation of Coal Bed Methane (CBM) from areas under coal mining lease allotted to Coal India Limited.

A block has been demarcated within mining leasehold area of Eastern Coal Field Limited (A subsidiary of CIL) for initiating steps for commercial development of CBM. Four CMM blocks have been identified by CMPDI under an R&D project for which action for commercial development through bidding process would be taken. CMPDI is attempting to identify larger areas for assessment of CBM prospectivity in mining lease hold areas of CIL.

CMPDI has also proposed a project in collaboration with CSIRO, Australia under S&T funding for "Capacity Building for Extraction of CMM Resource within CIL areas".

## **B. Development of Underground Coal Gasification**

UCG is a priority area of development. To expedite development of UCG following initiatives have been taken by MoC and CIL/CMPDI.

### **i. MoC initiatives:**

The government has approved a policy framework for development of UCG. An Inter-ministerial Committee (IMC) has been constituted vide OM No.34011/26/2006-CRC-I, Government of India, Ministry of Coal dated 5<sup>th</sup> January, 2016, for the purpose under the Chairmanship of SS/AS, MoC with members from ministries of Coal, Power, P&NG, Chemicals & Fertilizers, Finance and members from NITI Aayog, GSI, DGH and CMPDI. CMPDI has been made the nodal agency. Three lignite blocks have been identified for offer to PSUs. A detailed road map with time lines has been drawn.

## **ii. CIL Initiative:**

2 blocks within CIL command area (Kaitha block, Ramgarh Coalfield, CCL and Thesgora 'C' block, PENCH-KANHAN Coalfield, WCL) have been identified for commercial development of UCG.

## **C. Development of VAM**

- Underground mine ventilation system contributes to maximum CMM emissions from Coal mines. Methane from coal mines is to be continuously diluted with air to maintain VAM concentration below safe limits as the methane has a characteristic property to ignite under certain concentrations (4-14%). Even though the concentration of VAM is very low, it has proved to be an additional clean coal based source. The expertise is available in limited countries.
- A project on VAM abatement/utilization is being formulated by CMPDI in an underground mine at BCCL (Degree-II mine) under National Clean Energy Fund Mechanism in collaboration with CSIRO, Australia.

## **CBM**

- CBM from greenfield areas is being commercially produced in India. However, CBM from active/abandoned/worked out mines for which permission has been accorded to the CIL will be exploited from CIL mining leasehold areas. A notification has been issued by the Government specifying modalities for CBM exploitation.
- An action plan for commercial exploitation of CBM from ECL mining leasehold area in Raniganj Coalfield has been drawn for commercial production by CIL.

As regards UCG, the modalities have to be firmed up by the IMC constituted by the government for this purpose.

9.3 On being asked to furnish the details of best practices in mining that have been so far selected for being emulated/ adopted in Coal Mines in India, the Ministry furnished the details of best practices as follows:

CIL is gradually moving towards more environment friendly technology both in underground and opencast mining. Continuous Miner technology has been introduced in 10 u/g mines. For 16 additional mines, project reports of Continuous Miner technology have been approved. Long wall technology is in operation in one of the u/g mines and a few more are in pipeline. Man riding system in many u/g mines has been introduced. Similarly, High-wall mining

technology has been implemented in one of the mines in SECL. In 2 mines in ECL the PR for High Wall have been approved. In open cast mines, Surface Miners are in operation which facilitate selective mining. Presently, more than 43% of coal production comes from Surface Mining technology. Various measures to reduce environmental pollution viz. controlled blasting and dust control with water sprinklers at CHP, stock yards and transportation roads, treatment of water effluents from opencast mines have been adopted. Satellite surveillance for land reclamation and restoration of open cast mines have been started. Till 31<sup>st</sup> March, 2015, CIL has planted around 82.67 million trees over an area of around 34944 Ha. Most of the open cast mining projects have ISO 14001 certification. CIL has planned to install 15 coal washeries with a capacity of 112.6 Mt. which are under various stages of implementation. For removal of overburden with high stripping ratio having longer strike length, transport less mining using Draglines in Mega OCP of CIL are in use. Mobile In pit Crushing and conveying system are being used in selected mines. Satellite based technology like Operator Independent Truck Dispatch System(OITDS) are being used in subsidiaries of CIL for improving utilization of HEMMs. Introduction of Global Positioning System(GPS)/Radio Frequency(RFID) technology are being used in truck/dumper carrying coal to prevent theft and diversion besides installation of CCTVs at all vulnerable points like entry and exit gates, weighbridges and sidings to keep a regular watch.

## **Chapter X**

### **Rationalization of Coal Linkages**

#### **A. Rationalization of Coal Linkages**

The Outcome Budget (2016-17) of the Ministry of Coal highlighted that an Inter-Ministerial Task Force (IMTF) was constituted on 13th June, 2014 by the Ministry of Coal to review rationalization of linkages. The objective of the exercise of rationalization was to undertake a comprehensive review of existing sources of coal and consider the feasibility for rationalization of these sources with a view to optimize transportation cost and materialization under the given technical constraints. The end result was minimization of overall transportation cost and overall optimization of materialization of coal at thermal power plants. The report of IMTF was submitted in February, 2015. In stage 1, rationalization has been implemented for 17 Thermal Power Plants for which revised Fuel Supply Agreements (FSAs) have been signed. This has resulted in movement rationalization of 24.6 MT coal and annual savings of Rs 876.76 crore of recurring transportation cost. In stage 2, one set of swaps has been implemented resulting in movement rationalization of 1.3 MT coal and potential annual savings of Rs. 458 crore of transportation cost. Overall, movement rationalization of 25.9 MT coal has taken place with potential annual savings of Rs 1,371 crore of transportation cost.

#### **B. Automatic transfer of coal linkage/LoA granted to old plants while scrapping and replacing them with new plants**

10.2 Policy guidelines regarding automatic transfer of coal linkage/LoA granted to old plants while scrapping and replacing them with new plants have been issued. Under these guidelines, LoA/linkage granted to old plants shall be automatically transferred to new plants of super critical capacity. If the capacity of a new super critical plant is higher than the old plant, additional coal may be accorded priority subject to the availability of coal. This policy shall be applicable to pre-NCDP plants in public sector only, which have already been granted long term linkages/LoAs. Automatic transfer of linkage/LoA as explained above shall be permissible only when the new plant is set up within the State in which the old plant was located. An old unit which has completed its useful life & is being replaced needs to be retired in a phased manner.

### **C. Transparent Auction of Coal linkages**

10.3 All allocations of linkages/LoAs for non-regulated sector viz. Cement, Steel/Sponge Iron, Aluminium, and Others [excluding Fertilizer (urea) sector], including their CPPs, shall henceforth be auction based. The proposed auction of coal linkages is transparent, and creates a level playing field. It ensures that all market participants have a fair chance to secure the coal linkage, irrespective of their size. It attempts to ensure an optimal allocation of coal across user industries and geographies. The proposed framework attempts to make the coal available in a fair manner to the end-users. The proposed auction methodology leads to the price through a market mechanism; it does not seek to maximize revenue.

### **D. Opening of two separate e-auction windows exclusively for power sector.**

10.4 Two separate e-auction windows have been opened, exclusively for the power sector, created for plants which are stressed or in short supply of coal. A 5 MT e-auction window was opened for long and medium term PPA holders, with floor price of CIL notified price plus 20% premium. Another 5 MT e-auction window was opened for short term PPA or 'No PPA' holders, with floor price of CIL notified price plus 40% premium. 7.37 MT of coal was booked in two-rounds of e-auction through exclusive windows for power sector.

### **E. Opening of a separate e-auction window exclusively for non-power sector for a quantity of 4 MT.**

10.5 A separate e-auction window exclusively for non-power sector for a quantity of 4 MT was opened by CIL for all non-power consumers. Since this window was available only for end-users of nonpower sector, therefore, traders were not permitted to participate in the same. Approximately 1.2 MT was booked under this e-auction window.

### **F. Quality and Third Party Sampling - Recent decisions**

10.6 To address the issues of dispute between coal companies and power utilities/developers and to bring about improvement in the quality of coal supply, the system of 3rd Party Sampling was further improved. In addition to the agency engaged by CIL a panel of reputed 3rd party samplers was jointly drawn up by a Committee consisting of representatives from power utilities and CEA. Power utilities/developers were authorized to select and appoint the 3rd party sampler from this panel. However, billing was done based on sampling and analysis done at the loading end by the

agency. Payment for sampling was made by the power utilities/developers. 25 3rd Party Agencies were empanelled. The system was put in place at several loading points. However, power utilities requested for further improvements in the system.

#### **G. Resolution of disputes through ADRM Forum:**

10.7 Secretary(Coal) vide DO dated 09.09.2015 has requested to all the Chief Secretaries of States/UTs seeking their Government's willingness for resolution of disputes between CIL (and its subsidiaries) and the State Electricity Agencies through ADRM forum with the condition that they will accept the decision of the ADRM Committee and will not go to any other judicial forum. Responses/willingness from few State Govt. have been received.

10.8 Accordingly, as per revised instructions on 3rd Party sampling issued by Ministry of Coal on 26.11.2015, an independent 3rd Party Agency is to be empanelled by the Central Institute for Mining and Fuel Research (CIMFR) at the loading end on behalf of both the power plant (consumer) and the coal companies (supplier). It shall enlist third party agencies through a transparent process.

10.9 The authorized representatives of power plant and coal company shall jointly witness the process of sample collection and preparation of the laboratory samples. The samples shall be collected and prepared by the 3rd party agency/independent sampler as per BIS norms. The fee for independent sampling agency shall be equally borne by both the coal company (supplier) and the power utility (consumer). The final laboratory sample shall be divided into 4 (four) parts. Part-1 of the sample is for analysis by the independent 3rd Party Agency at a government laboratory or NABL accredited laboratory as appointed by CIMFR. Part-2 and part-3 of the sample are to be handed over to the coal company and the power utility respectively for their own analysis. Part-4 of the sample, called referee sample, shall be sealed jointly by the third party agency, representatives of the coal company and the power plant and shall be kept with the 3rd Party Agency under proper lock and key arrangement. The Referee sample shall be preserved for a period of 30 days from the date of sample collection.

10.10 The 3rd Party Agency shall communicate the Analysis Results of the sample within 18 (eighteen) working days of the sample collection to the coal company and the power plant. The coal company or the power plant may raise dispute, if any, within 07 (seven) days of the submission of the result by the 3rd Party. In case of dispute raised within the stipulated time period, the referee sample shall be analyzed by a government laboratory.

This new system has commenced on 01.01.2016 in NCL and then stabilized in other subsidiaries.

10.11 It was reported in the Press that "Coal Linkage on long term supply of fuel to sectors such as steel, cement and aluminum will now be granted only through electronic auction". In this context Ministry was asked to furnish a detailed note on this decision highlighting the possible repercussions of this policy in the existing Fuel Supply Agreements (FSAs). The Ministry in their written reply stated that the Ministry of Coal vide its Office Memorandum dated 15<sup>th</sup> February, 2016 issued policy guidelines for auction of linkages of Non-Regulated Sector, wherein, inter-alia, it was decided that all allocations of linkages/LOAs for non-regulated sector viz. Cement, Steel/Sponge Iron, Aluminum and Others (excluding fertilizer (urea sector), including their CPPs, shall henceforth be auction based. It was also decided that there may not be premature termination of Fuel Supply Agreements (FSAs) of non-regulated sectors [except FSAs of CPSEs and Fertilizer (urea)] which are maturing in 2015-16 onwards, after completion of their current agreement tenure. The extant coal supply arrangement shall continue till the commencement of coal supply under the auction process. In the above referred Office Memorandum, it was also decided that separate quantities shall be earmarked for sub-sectors of non-regulated sector. The sub sectors shall compete among themselves. The sub sectors could be Cement, Sponge Iron/Steel, Aluminium and Others [excluding Fertilizer (urea) sector] including their CPPs etc. The Ministry of Coal may review the sub-sectors as and when required. However, the details of modalities for the said Auction of linkages of Non-Regulated Sector are under deliberation at CIL and the same would be available in the public domain once they are finalized.

10.12 It has also been further reported in the press that the Virtual Reality Centre of the Safety in Mines Testing and Research Station (SIMTARS), just outside Brisbane, Australia can simulate the experience inside a Coal Mine including possible accidents and ways of preventing thereon. As the "Mine Worker Safety is paramount the Government is reportedly ready to spend whatever is needed to set up a Virtual Reality Centre in India". In this context, the Ministry was asked to state whether any concrete plan has so far been made to set up this Centre and whether any constraints are being faced in this context. The Ministry were asked to state the time frame with which the proposed Centre for enhancing Safety in Mines is stated to be set up and made workable. The Ministry thereupon replied as follows:

Centre of Excellence in Mining Technology (CEMT) has been established at ISM with an initial seed grant of Rs. 6.75 crs from MHRD, GoI, shall be further strengthened in the following manner:

(i) The corpus of CEMT to be augmented up to Rs. 100 crs by seeking CSR funds and alumini donations.

(ii) A virtual reality Simulator will be set up for which necessary funding to be provided by CIL. This facility will be helping CIL for improvement of knowledge base of different professionals serving Coal industry.

(iii) Further, 4 to 5 satellite centers would be established (over a period of time) in different parts of the Coal industry linked to the main CEMT at ISM.

(iv) Two Apex Committees will be set up for CEMT:

a. A Management Council under the Chairmanship of Chairman, CIL.

b. A Research Council under the Chairmanship of Director Technical, Coal India Limited.

10.13 On being asked as to what other initiatives in terms of technology up-gradation specific to enhancing Mine Safety to Coal Mines Workers have been formalized, the Ministry stated that continuous efforts are being made to introduce modern and advanced mining technology in suitable geo-mining locales. The efforts at upgradation include the following:

- Mass Production Technology i.e. Continuous Miner in Bord& Pillar working and Powered Support Long Wall Technology with matching evacuation system are being planned for augmenting underground coal production with better safety.
- Safe and Eco-friendly Surface miners are being used in many open cast mines of CIL to produce blast free coal.
- Large size HEMMs are used for reducing traffic density inside OCPs.
- Introduction of safe and advanced High wall mining technology.

In addition following modern safety gadgets are being introduced for safe mining operation:

- Use of Gas Chromatographs for more accurate and quick mine air sampling.
- Use of portable Local Methane Detector (LMD) for early and accurate detection of methane.

- Use of computerized Environmental Tele-Monitoring System (ETMS) with in-built audio-visual warning system in degree III gassy & fiery UG mines.
- Introduction of LED type light weight cap lamps in u/g mines.
- Man Riding System (MRS) for u/g mines having long and arduous travel.
- Training of Dumper Operators on Simulators.
- Proximity warning systems & Rear View Camera: - All new dumpers are being procured with in-built Proximity Warning Device and Rear View Camera. Proximity Warning Device and Rear View Camera are being fitted into existing dumpers in phases.

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## Chapter XI

### Safety in Coal Mines

#### Safety performance of Coal India Limited

CIL has always given the highest priority to safety, considered as part of its core business process and embedded in its Mission statement. A multidisciplinary Internal Safety Organisation (ISO) has been put in place in every subsidiary of CIL to stringently monitor the implementation of CIL's safety policy. Accident statistics is the indicator of relative status of safety. Over the years the safety standard in mines of CIL has significantly improved as is evident from the table and graphs given below:

#### Comparative Accidents Statistics of CIL of 5 Yearly Average since 1975 vis-a-vis 2015

Time Period	Av. Fatal		Av. Serious		Av. Fatality Rate		AV. Serious Injury Rate	
	Accident	Fatalities	Accident	Injuries	Per MT	Per 3 Lakh Man shifts	Per MT	Per 3 Lakh Man shifts
1975-79	157	196	1224	1278	2.18	0.44	14.24	2.89
1980-84	122	143	1018	1065	1.29	0.30	9.75	2.26
1985-89	133	150	550	571	0.98	0.30	3.70	1.15
1990-94	120	145	525	558	0.694	0.30	2.70	1.19
1995-99	098	124	481	513	0.50	0.29	2.06	1.14

2000-04	068	082	499	526	0.28	0.22	1.80	1.47
2005-09	060	080	328	339	0.22	0.25	0.92	1.04
2010-14	056	062	219	228	0.138	0.23	0.49	0.80
2015	037	037	135	141	0.07	0.15	0.27	0.56

### Safety performance of CIL in 2015:

11.2 All accident statistical parameters have shown improvement in 2015 vis-a-vis 2014 as evident from the table below:

Sl. No.	Parameters	2014	2015	Reduction in nos.	%of Reduction	
1	Fatal accidents	044.00	037.00	07.00	15.9%	
2	Fatalities	046.00	037.00	09.00	19.6%	
3	Serious accidents	183.00	134.00	49.00	26.7%	
4	Serious injuries	186.00	141.00	45.00	24.2%	
5	Fatality rate per MT of coal production	000.09	000.07	00.02	22.2%	
6	Fatality rate per 3 lakhs man shift deployed	000.18	000.15	00.03	16.7%	
7	Serious injury rate per MT of coal	000.38	000.27	00.11	28.9%	

	production					
8	Serious injury rate per 3 lakhs man shift deployed	00.72	000.56	00.16	22.2%	

- Major activities of the Safety & Rescue division of CIL
- Inspection of mine to review safety status & follow up action.
- Prima-facie fact-finding enquiries into fatal accidents and major incidences such as mine fire, subsidence, in-rush of water, slope failure, explosion etc.
- Organizing appropriate review-forums with employees representatives for joint consultation on safety-related issues.
- Regular meetings of the CIL Safety Board and consistent monitoring of recommendations / suggestions made during the meeting.
- Regular meetings of the National Dust Prevention Committee (NDPC).
- Maintenance of accidents / major incidents related statistics in CIL's database.
- Publication of safety bulletin for disseminating and sharing knowledge in the field of safety awareness.
- Making safety a thrust area in R&D activities.
- Imparting specialised training by accredited trainers to unit and area level executives directly engaged in ensuring safety in mines.

### **11.3 Measures taken for improvement of safety in 2015:**

- To improve safety standard, CIL has vigorously pursued several measures in the year 2015 along with on-going safety related initiatives apart from compliance of statutory requirements for safety, which are given below.
- Continuous review of safety status of mines is being done by the multi-disciplinary Internal Safety Organisation (ISO).
- Guidelines on corrective measures: After analysis of fatal accidents which occurred at different points of time in 2015. Several directives / guidelines on corrective measures to be taken for prevention of recurrence of similar type of accidents in future have been issued by the Safety & Rescue Division of CIL.
- Training for preparation of Risk Assessment based SMP: Executives who have been trained by SIMTARS, Australia are engaged for imparting training and upgrading the knowledge of mine level executives as well as

members of safety committee of mine to identify the hazards and evaluate the associated risks in the mines and prepare risk assessment based Safety Management Plans (SMPs).

- Preparation of risk assessment based SMP: On the basis of training being imparted, the risk assessment based Safety Management Plans (SMPs) have been prepared for all mines of CIL.
- Review of SMPs: SMPs are being reviewed by SIMTARS accredited executives of CIL for further improvement.
- Implementation of SMP: Control measures proposed in the risk assessment based Safety Management Plans (SMPs) are being implemented.
- Standard Operating Procedure (SOP): Risk assessment based site specific Standard Operating Procedures (SOP) are being implemented for various mining and allied operations.
- Internal Safety Audit conducted in all subsidiaries of CIL.
- Deployment of more number of surface miners to eliminate blasting operation in opencast mines.
- Phasing out manual loading in UG mines.
- Switching over to use of resin capsules from cement capsules in a phased manner.
- A check list for dealing with emergency have been prepared.

#### **11.4 Mine Safety Inspection:**

Following inspections are being made in each mine to ensure that all mining operations are carried out in the mine as per the provisions of the relevant statute and safety norms,

- Round the clock supervision of all mining operations by adequate number of competent & statutory supervisors and officers.
- Periodic mine inspection by Head Quarter and Area level senior officials.
- Surprise back shift mine inspection by mine and Area level officials.
- Regular inspection by workmen inspectors appointed in each mine.
- Monthly mine inspection and meeting of safety committee for each mine.
- Regular mine inspection by officials of Internal Safety Organisation o
- Periodic mine inspection by High Powered Task Force, Area and Subsidiary level Tri-partite Safety Committee members, etc.
- Special drive for accident prevention in OCPs:
- Formulation of mine-specific traffic rule.
- Code of Practices for HEMM operators, maintenance staff & others o
- Preparation and implementation of risk assessment based safety management plan (SMP).
- Training of contractor workers involved in contractual jobs.

- Introduction of Safe Operating Procedures (SOP)s for safe mining operations.
- Procurement of advanced surveying / slope monitoring devices.
- Emergency Response System:
- Emergency action plans of each mine is being reviewed from time to time

### 11.5 Safety in Coal Mines

- Mock rehearsals are being adopted for examining the preparedness/efficacy of emergency action plan.
- Demarcating escape routes: An exercise for demarcating escape routes in underground mines, on plains as well as belowground by fluorescent paint, display of the same at the entry to the mine has been done.
- A check list for dealing with emergency has been prepared.
- CIL has prepared a flow chart for sending information regarding crisis / disaster in mines from site of accident to the Ministry of Coal, New Delhi. This is prepared in line with guidelines of crisis management plan of the Ministry of Coal so that quick communication can be sent to all concerned and rescue & recovery & corrective actions are initiated at the earliest.
- Safety Monitoring in CIL: Apart from statutory monitoring by DGMS, the status of safety is being monitored at various levels by the following agencies:

Level	Monitored By
Mine level	1. Workman inspectors: as per Mines Rule-1955. 2. Pit safety committee: constituted as per Mines Rule-1955.
Area level	1. Bipartite/tripartite committee meeting. 2. Safety officers' coordination meeting
Subsidiary HQ level	1. Bipartite/tripartite committee. 2. Area safety officers' coordination meeting. 3. Inspection by ISO officials.
CIL HQ: Corporate Level	1. CIL Safety Board. 2. CMDs meet.

	3 Co-ordination meeting with ISOs. 4. NDPC meeting.
Ministry of Coal (MOC) / Other Ministerial Level	1. Standing committee on Safety in coal mines. 2. National conference on safety in mines. 3. Various Parliamentary Standing Committees

### 11.6 Statutory frame-work for safety in coal mines:

- Coal mining, world over, is highly regulated industry due to presence of many inherent, operational and occupational hazards and associated risks. Coal mine safety legislation in India is one of the most comprehensive and pervasive statutory framework for ensuring occupational health and safety (OHS). Compliance of these safety statutes is mandatory
- In India, the operations in coalmines are regulated by the Mines Act, 1952, Mine Rules –1955, Coal Mine Regulation-1957 and several other statutes framed thereunder. Directorate-General of Mines Safety (DGMS) under the Union Ministry of Labour & Employment (MOL&E) is entrusted to administer these statutes. The following are the statutes that are applicable in coal mines for occupational health and safety (OHS).

Sl. No.	Statute
1	The Mines Act -1952
2	The Mines Rules -1955
3	The Coal Mine Regulation -1957
4	The Mines Rescue Rules -1985
5	The Electricity Act- 2003
6	Central Electricity Authority (measures related to safety & supply) Regulations - 2010
7	The Mines Vocational Training Rules - 1966
8	The Mines Crèche Rules -1966
9	Indian Explosive Act, 1884
10	The Explosive Rules - 2008
11	Indian Boiler Act, 1923
12	Mines Maternity Benefit Act & Rules - 1963
13	The Workmen Compensation Act -

	2009
14	The Factories Act - 1948 Chapter -III & IV

➤ Safety Policy of CIL:

Safety is always given prime importance in the operations of CIL as embodied in the Mission. CIL has formulated a safety policy for ensuring safety in mines and implementation of which is closely monitored at several levels.

- Operations and systems will be planned and designed to eliminate or materially reduce mining hazards;
- Implement Statutory Rules and Regulations and strenuous efforts made for achieving superior standards of safety;
- To bring about improvement in working conditions by suitable changes in technology;
- Provide material and monetary resources needed for the smooth and efficient execution of safety plans;
- Deploy safety personnel for accident prevention work;
- Organize appropriate forums with employees' representatives for Joint consultation on safety matters and secure their motivation and commitment in safety management;
- Prepare annual safety plan and long term safety plan at beginning of every calendar year, unit-wise and for the company, to effect improved safety in operations as per respective geo-mining needs o Prepare the units for onset of monsoons, to fulfill implementation of decisions by the committee on Safety in mines and safety conferences and to take measures for overcoming accident proneness, keeping priority in sensitive areas of roof-falls, haulage, explosives, machinery, etc.
- Accident Statistics of NLC - (for last five years):

Year	Fatalities	Serious Injuries
2011-12	1	6
2012-13	4	4
2013-14	1	4
2014-15	1	1
2015-16 (upto Dec., 2015)	1	2

## **11.7 Safety measures**

- The following safety measures are taken to prevent accident in Mines.
- Highly sophisticated mining machineries are deployed for its continuous lignite mining and allied activities and all machineries are fitted with limit switches, emergency switches, slip monitoring devices, various type of safety clutches, safety coupling like fluid couplings, brakes, like 'Eldro' and other failsafe systems, to ensure machine safety/avoidance of wasteful breakdown/ stoppage.
- Site Mixed Emulsion is extensively used during blasting operation which greatly reduces hazards and fly rocks due to more stemming column.
- Safety measures are implemented as per the guidelines given by DGMS and based on the recommendation of CMRI, Dhanbad and NIT, Trichy based on their study.
- Apart from unit level monitoring of safety system, safety monitoring is also being carried out by ISO at corporate level to strengthen the hands of safety.
- All the required Personal Protective Equipments are compulsorily issued specific to the job requirement to the employees / contract workers before taking up the work.
- Area wise responsibility with priority to safety is being enforced at all mine operational /maintenance activities for ensuring specific site supervision.
- Code of practices for different operations like specialized mining equipment operations, ancillary equipment operations. Traffic rules, general precautions are formulated and exhibited at appropriate locations, for the benefit of the employees.
- On the job trainings are being imparted to inculcate safety awareness especially among the contract workers to adopt Safe Work Practices, etc.

## **11.8 Safety & R&D initiatives:**

- The following measures are taken as safety & R&D initiatives at NLC Mines. The standard of illumination, noise, vibration etc., are studied and monitored with respect to the safe limit of the said parameters on regular basis.

### **Emergency response system:**

- Once in every two years NLC is carrying out Risk Assessment, Occupational Health and Safety Audit by a panel of statutorily recognized accredited experts to recommend emergency response

system in the form of a compendium of reports which are implemented to ensure proper safety upkeep.

### **Occupational Health services**

- All the NLC mines are having First Aid Centres along with well-equipped required number of Ambulance Vans.
- Apart from the above, a well-established "Department of Industrial Hygiene and Occupational Diseases" (DIHOD) is also functioning effectively in NLC.

### **Initial medical examination:**

- In accordance with Rule 29 B of the Mines Rule 1955, all persons are subjected to initial medical examination before employment in mines. The initial medical examination is done at DIHOD, General Hospital, and NLC.

### **Periodical medical examination:**

- In accordance with Rule 29 B of the Mines Rule 1955, all persons are subjected to periodical medical examination once in every 5 years and once in 3 years for those who are crossing 45 years of age. The periodical medical examination is done at DIHOD, General Hospital/NLC regularly.

### **11.9 Accident Statistics of SCCL – (for the last five years):**

<b>Year</b>	<b>Fatalities</b>	<b>Serious Injuries</b>
2010-11	11	294
2011-12	13	323
2012-13	9	375
2013-14	12	321
2014-15	7	271
2015-16 (upto Dec, 2015)	5	179

### 11.10 Safety Measures in SCCL:

- Implementation of Risk Assessment based safety management plans.
- Identification of hazards in all mining operations and associated risks thereof.
- Adoption of control measures for elimination/ mitigation of recorded hazards.
- Adoption of the roof support system based on geo-technical studies.
- Phasing out conventional mining methods.
- Use of "Continuous Miner" and "Long wall"
- Technologies to eliminate blasting hazards.
- Introduction of roof-bolters for resin-capsules bolting.
- Use of rear-view cameras and proximity-warning devices in dumpers in open cast mines.
- Introduction of automatic fire detection and fire suppression systems in all HEMM.
- Use of man riding systems in underground mines.
- Tele monitoring system for real time monitoring of CH<sub>4</sub> and CO gases in UG mines.
- Analysis of mine air samples by Gas- Chromatographs etc.

### 11.11 Safety Statistics of SCCL during the year 2015 is given below.

Company	Fatal Accidents	Fatalities	Serious Accidents	Serious Injuries	Fatality Rate		Serious Injury Rate	
					Per MT	Per 3 Lakh man-shifts	Per MT	Per 3 Lakh Man-shifts
SCCL: 2015	7	7	243	243	0.12	0.14	4.01	4.99

Note: Figures are subject to reconciliation with DGMS.

### 11.12 Technology development and Modernization of Mines in CIL

CIL/CMPDIL has engaged the KPMG advisory group [India] in association with the John T Boyd Company [USA] for studying and advising on technology development and modernization of mines in CIL. The terms of reference of the Study are as follows:

- To assess the status of existing technology for safety, production and productivity in the underground and opencast coal mines of various coal fields of CIL;
- To assess the gaps in technology upgradation in underground and opencast mines in various coalfields of CIL;
- To assess the requirements of technology and infrastructure development for mine planning and mine design and construction with regard to projected coal production plans of CIL for XII, XIII and XIV Five Year Plans;
- To assess the indigenous capabilities in meeting the projected technology upgradation requirement vis-à-vis import dependence;
- To assess the system development for meeting the projected technology upgradation coalfields-wise and to assess the barriers;
- To assess the application of IT and automation in technology development
- To prepare a road map for technology upgradation covering different Plan periods The study which has since been completed covers 85 units in 14 coalfields including 36 underground mines, 35 opencast mines and 14 infrastructure facilities. The final report on "Technology Development and Modernization of Mines of Coal India Limited" has been submitted on 30.11.2014. It has been accepted by CIL for implementation.

11.13 It has also been further reported in the press that the Virtual Reality Centre of the Safety in Mines Testing and Research Station (SIMTARS), just outside Brisbane, Australia can simulate the experience inside a Coal Mine including possible accidents and ways of preventing thereon. As the "Mine Worker Safety is paramount the Government is reportedly ready to spend whatever is needed to set up a Virtual Reality Centre in India". In this context, the Ministry was asked to state whether any concrete plan has so far been made to set up this Centre and whether any constraints are being faced in this context and what is the time frame with which the proposed Centre for enhancing Safety in Mines is stated to be set up and made workable the Committee thereupon that the Centre of Excellence in Mining Technology (CEMT) has been established at ISM with an initial seed grant of Rs. 6.75 crs from MHRD, GoI, shall be further strengthened in the following manner:

(i) The corpus of CEMT to be augmented up to Rs. 100 crs by seeking CSR funds and alumini donations.

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- Proximity warning systems & Rear View Camera: - All new dumpers are being procured with in-built Proximity Warning Device and Rear View Camera. Proximity Warning Device and Rear View Camera are being fitted into existing dumpers in phases.

## **PART – II**

### **OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE**

**1. The Committee are happy to observe that during the period April to December, 2015, the actual production of coal was 447.8 MT compared to 427.278 MT during the corresponding period of 2014-15 showing a growth of 9.1 percent. Statedly, the growth percentage of all India raw coal production stood at record 8.6% in the year 2014-15 (Actual) which is the highest growth rate since 1988 and 11.07 percent for 2015-16 (BE). The Committee also note with satisfaction that there has been a fair reduction in the import of coal from 212.10 MT during 2014-15 to 127.52 MT during April to November, 2015. The Committee also observed that coal production has grown to a level of more than 600 MT during the year 2015-16. The Growth of coal sector as a whole is fueled mainly by growth in power sector as major production from CIL is consumed by power sector. Moreover, the enhanced coal production has led to availability of adequate coal stocks at the power plants. The Committee are also happy to note that as on 4.4.2016, 74 Coal Blocks have been allocated out of which 48 were to the Power Sector and an amount of Rs. 1167 crore has already been transferred to the States and an estimated 3.44 lakh crore would be transferred to the beneficiary States over the lifetime of these Coal**

**Blocks. The Committee, therefore, put on record their appreciation for the endeavours made by the Ministry of Coal on these aspects. The Committee trust that the Ministry will continue the good work to achieve the various targets set within time lines particularly the momentous milestone set for a projection of coal production of one Billion Tonnes by 2019-2020.**

**2. The Committee however, find it surprising that despite a robust profile of the Ministry, the projected increased Plan allocation of the Ministry for 2016-17 of the order of 894.75 crore had been restricted to only Rs. 300 crore at the BE(2016-17) stage by the Ministry of Finance which amounts to a drastic cut of nearly 45% as compared to BE of 2015-16 at Rs. 551.00 crore. In the opinion of the Committee such a major cut in the Plan allocation would adversely affect the implementation of various Plan Schemes and achievement of planned targets. The Committee, therefore, recommend that the total Plan Allocation be reviewed at the RE stage and accordingly, the Ministry may pursue the matter with the Ministry of Finance for allocation of adequate funds at RE stage so as to sustain the growing production rate in the coming years.**

#### **PLAN OUTLAYS OF MINISTRY OF COAL**

**3. The Committee note that the total Budgetary Support to the Ministry of Coal for the year 2016-17 is Rs.361.00 crore (Plan**

**Rs.300.00 crore and Non-Plan Rs. 61.00 crore) against Rs. 606.00 crore (Plan Rs. 551.00 crore and Non-Plan Rs. 55.00 crore) during 2015-16. The Committee also note that a provision of Rs. 1100 crore has been made for Acquisition of Coal Bearing Areas. While observing that six centrally sponsored schemes viz. Conservation and Safety in Coal Mines and Development of Transportation Infrastructure under the Coal Mines (Conservation and Development) Act, 1974 (CCDA), Research and Development Projects; Promotional (Regional) Exploration in coal and lignite; 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 Committee note that during the financial year 2015-16, out of the budgeted amount of Rs. 551.00 crore, an amount of Rs. 514.25 crore has been utilized upto December, 2015, amounting to 93.33% of the total plan allocations *vis-a-vis* the overall Plan Expenditure of Rs. 514.00 crore in 2014-15. Statedly, the Central Sector Schemes on 'Development of Transport Infrastructure' showed 100 % utilization of funds (RE 2015-16, Rs. 75.00 crore; Actual upto January 2016- Rs. 75.00 crore); Promotional (Regional) Exploration in Coal and Lignite Scheme showed 100% utilization except for the NER component**

**(RE-2015-16: Rs.115.00 crore; Actual upto January- 2016 - Rs. 103.50 crore); 'Conservation and Safety in Coal Mines' showing 100% utilization (RE 2015-16 of Rs. 170.00 crore; Actual utilization upto January, 2016; Rs. 170.00 crore) and 'Research & Development' showing 100% utilization under the schemes except for the NER component (RE 2015-16- Rs.20.25 crore, Actual utilization upto January, 2016 : Rs. 14.00 crore).**

**4. The Committee express their satisfaction over optimum utilization of funds allocated for various Central Sector Schemes undertaken with Budgetary support with nearly 100% utilization of budgeted amount except for the North Eastern Component in the last two financial years 2013-14 and 2014-15 and current financial year 2015-16. While appreciating the robust utilization of funds allocated for all the Central Schemes, the Committee desire that the Ministry should strive to sustain the momentum and ensure that the scarce funds made available are fully utilized.**

#### **RESEARCH AND DEVELOPMENT (R&D)**

**5. The Committee note that Research and Development (R&D) Projects are not allocated specific to companies but 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 Central Mine Planning and Design Institute (CMPDIL), is the nodal agency for coordination and monitoring of Science and Technology plan schemes and the R&D Projects of CIL. The Committee also note that 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. Admittedly, most of the research projects have yielded considerable benefits resulting in operational improvement, safer working conditions, better resource recovery and protection of the environment and ecology with some of the research projects directly or indirectly enhancing the production as well as safety in Coal Mines.**

**6. The Committee note that for the year 2016-17, under R&D 13 spillover projects from previous year and 4 new projects have been sanctioned which are expected to commence during 2016-17. The Committee, however, are concerned to find that the BE allocated for the entire projects is only 10.00 crore which is less than half of the RE (2015-16) of Rs. 20.25 crore. It has been brought to the notice of the Committee that the allocated funds would not be sufficient for**

**implementing S&T projects of the Ministry of Coal and particularly the four new high value S&T Projects approved by Standing Scientific Research Committee (SSRC). The Committee observe that earnest efforts for a sustained technology up-gradation in underground and opencast mines is required to achieve the production/productivity target set for which time bound implementation of R&D projects having more impact on energy efficiency and operational cost are necessary. The Committee fully agree that such drastic reduction is likely to adversely affect the implementation of 13 spillover S&T Projects and the off take of the four important projects which were due to commence this year. The Committee, however, desire that the Ministry may take up the matter with Ministry of Finance for allocation of more funds at the RE stage so that the implementation of S&T Projects under the R&D Schemes are not affected for want of funds. The Committee may be apprised of the action taken in the matter.**

#### **PROMOTIONAL (REGIONAL) EXPLORATION IN COAL AND LIGNITE**

**7. The Committee note that a Plan Scheme of Ministry of Coal on Promotional Exploration for Coal and Lignite is 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. In this regard, the Committee**

**note that against a projected amount of Rs. 150 crore, only Rs. 50 crore has been allocated as BE 2016-17. Even when compared with last year's allocation, it comes to just 43% of Rs. 115 crore as RE 2015-16. The Committee, however, feel that no one except the Ministry of Coal is to be blamed for such reduced allocation when seen from the perspective of the poor physical performance of the Scheme during 2015-16. In this regard, the Committee note that against a target of 1.20 lakh meter drilling target, the actual achievement was only 0.93 lakh meter. The low performance has been attributed to non-availability of forest clearances, adverse law and order conditions and non-availability of suitable outsourced exploration agencies. The Committee, therefore, recommend that concerted and coordinated efforts may be made for achievement of the targets set for the purpose. Simultaneously, by evaluating the performances of first 6 months, the Ministry may take up the matter with Ministry of Finance and impress upon them to allocate additional funds for the scheme at the RE stage.**

#### **DETAILED EXPLORATION IN NON-CIL BLOCKS**

**8. The Committee note that the scheme of detailed exploration aimed at bringing coal resources falling in indicated and inferred category into the proven category is taken up under the Ministry of Coal's Plan Scheme of Detailed drilling in the Non-CIL Blocks. The**

**Scheme is carried out through departmental and contractual modes. The Committee note that while the RE for 2015-16 stands at Rs.168.00 crore, the actual expenditure upto December 2015 was Rs. 151.20 crore and the BE for 2016-17 stands at Rs. 89.50 crore reflecting a reduction of almost half of the RE (2015-16). The Committee were apprised that the projected allocation of Rs. 229.58 crore of BE (2016-17) was made by the Ministry for a drilling target of 3.20 lakh meter which was restricted by the Ministry of Finance. The Committee observe that the measures are being taken up by CMPDIL for improving the drilling capacity during the last three years. In this direction, the Committee note that the drill deployment has increased from 53 in 2012-13 to 60 in 2014-15 and specific measures have also been taken to improve existing machineries with total capital investment of Rs. 13.20 crore and another Rs 13.29 crore for procurement of drills. The Committee are also happy to note that the quantum of drilling through outsourcing had increased from 2.87 lakh meter (2012-13) to 4.72 lakh meter (2014-15) during the last three years. The Committee, however, feel concerned at the drastic reduction in allocation of funds during 2016-17 which may adversely impact the implementation of the projects under the Plan scheme and achievement of targets set there under for the year. The Committee, therefore, desire that requisite supplementary**

grants, may be sought from the Ministry of Finance for effective implementation of projects and programmes under this Plan Scheme.

### **ENVIRONMENTAL MEASURES AND SUBSIDENCE CONTROL SCHEME**

9. The Committee note that the objective of the Environmental Measures and Subsidence Control (EMSC) Scheme is to improve the environmental conditions in the old mined out areas of Jharia and Raniganj coalfields by addressing fire and subsidence problems. The Committee further note that the Major thrust areas in EMSC during 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 besides rehabilitation of persons residing in these areas. All EMSC Schemes have subsequently been merged in a Master Plan dealing with Fire, Subsidence, Rehabilitation and Diversion of surface infrastructure within the leasehold areas of BCCL and ECL sanctioned by the Government in August 2009 at an investment of Rs. 9657.61 crore spread over a period of 10 years. As per the tenets of the Master Plan, the CIL needs to first spend from its own resources upto Rs. 350 crore per year and the additional funds required, if any, are to be made available from the Budget. In this regard, the Committee note that

**CIL released Rs. 229.85 crore in 2013-14; Rs. 135.76 crore in 2014-15 and Rs. 308.93 crore in 2015-16 upto February, 2016 and, therefore, the expenditure incurred for the implementation of the Master Plan remained within the contribution of CIL and as such, 'NIL' or near 'NIL' expenditure has been reflected in the Ministry's Budget. In this backdrop, it can be safely assumed that the budget allocation for 2016-17 of 0.50 crore would be adequate. As regards rehabilitation work under the Master Plan, the Committee observe that there is an estimated requirement of 896.29 Ha of land for Raniganj Coalfields and 1504.99 Ha for Jharia Coalfields for shifting of affected persons to the newly developed infrastructure. The Committee also note that as on 4.4.2016, 3072 homes have been completed and 1497 families shifted and work was in progress for 7280 houses and tenders finalized for 10,000 houses. The Committee, therefore, recommend that heightened efforts be made by the Ministry for the implementation of the Master Plan dealing with fire, subsidence and rehabilitation in Jharia and Raniganj Coalfields so as to achieve the targets set in a time bound manner.**

#### **CONSERVATION OF SAFETY IN COAL MINES AND DEVELOPMENT OF TRANSPORT INFRASTRUCTURE UNDER CCDA**

**10. The Committee note that the expenditure incurred by coal companies under the schemes Conservation of Safety in Coal Mines**

**and Development of Transport Infrastructure is partially reimbursed to them by way of excise duty collected under the Coal Mines (Conservation and Development) Act, 1974. Accordingly, budget provisions for the schemes are made taking into account the existing commitment/liability of the preceding financial year. While observing that the Ministry of Coal achieved 100% utilization of funds on both of these Central Sector Schemes i.e. Rs. 170 crore and Rs. 75 crore respectively which represents the RE amounts for 2015-16, the Committee find it surprising that the BE for 2016-17 has been reduced to Rs. 80 crore in respect of the scheme 'Conservation and Safety in Coal Mines' and Rs. 70 crore in respect of the scheme 'Development of Transport Infrastructure'. The Committee observe that the Central Sector Scheme 'Development of Transport Infrastructure' in coalfields areas will help in the evacuation of coal from collieries by creation of road/rail infrastructure. The Committee, while observing that these two schemes are very crucial in development of coal mine infrastructure in the country, find that reduction in budgetary allocation for these two schemes in 2016-17 is unwarranted and unacceptable as there was 100% utilization of funds earmarked for these schemes during the past 2 years. To this end, the Committee desire that the Ministry would not let themselves be constrained by reduced allocation of funds and**

**recommend that the Ministry may take up the matter with Ministry of Finance and urge them to allocate requisite funds at the RE stage. The Committee would like to be apprised of the action taken in the matter.**

### **NORTH EASTERN REGION (NER)**

**11. 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 the budget provisions pertaining to development of NER/Sikkim remain totally unutilized. The RE (2015-16) for NER amounting to Rs. 30.60 crore has been reduced to Rs. 15.00 crore in financial year 2016-17 on the pretext of overall reduction of Plan allocation to Rs. 300 crore. On this issue, the generic reply of the Ministry of Coal year after year is that difficult geological characteristics, large forest covers, adverse law and order conditions and land issues causes hindrances in exploration work. It has also been submitted to the Committee that very low estimates of coal resources in the region (0.5% of total reported coal reserves of India) coupled with limited research proposals submitted by Institutes located in the NER despite wide circulation of the thrust areas of research, are the major constraints responsible for non-utilization of the funds allocated for NER. The**

**Committee, however, find such kind of repetitive response of the Government unacceptable and desire that an expert group of officers/technologists drawn from the Centre/Ministry of Coal as well as State Governments of NER having coal bearing areas viz. Assam, Arunachal Pradesh, Meghalaya and Nagaland be constituted for detailed examination of the constraints cited by the Ministry of Coal and work out feasible solutions thereto. As regards the thrust on R&D in the region, the Committee desire that the feasibility of establishing adequate linkages of premier national institutions like Indian School of Mines, Dhanbad and the R&D set-up of Coal India Limited and Singareni Collieries Company Limited (SCCL) with the Research/ Academic institutions in the NER may be made for obtaining appropriate results.**

#### **FINANCIAL AND PHYSICAL PERFORMANCE OF COAL PSUs**

**12. The Committee note that there has been under utilization of funds by all the Coal PSUs viz Coal India Limited (CIL), Singareni Collieries Company Limited (SCCL) and Neyveli Lignite Corporation Limited (NLC). The Committee find that while the total BE 2015-16 of all Coal PSUs stood at Rs.12585.50 crore, the actual expenditure upto December, 2015 was only Rs. 6156.13 crore. The Committee further note that the percentage utilization of funds upto January, 2016 for all the Coal PSUs viz CIL, SCCL and NLC vis-a-vis BE 2015-**

**16 stands at 61.92% in respect of CIL (BE Rs.5990.50 crore; Actual Expenditure - Rs.3709.26 crore) 79.59% in respect of SCCL (BE Rs.2390.00 crore; Actual Expenditure Rs.1902.10 crore) and 64.20% in respect of NLC (BE Rs.1907.89 crore; Actual Expenditure Rs.1224.93) respectively. The Committee also note that in terms of company-wise physical targets set for the Coal PSUs, as against the target set at RE 2015-16 (CIL- 536.70 MT; SCCL-56 MT and others 94.00 MT) the actual achievement of targets upto December, 2015 for CIL, SCCL and others stand at 373.48 MT, 43.24 MT and 30.76 MT indicating a poor percentage achievement of 69.6%, 77.2% and 32.7% respectively. While not satisfied with the physical and financial performance of PSUs, the Committee note that the Ministry of Coal have given an assurance that it will conduct regular monitoring for ensuring timely implementation of various schemes by the Coal PSUs so that the funds earmarked for them are properly utilized during the year 2016-17 and both the financial and physical targets are achieved. The Committee observe that basic requirements like acquisition and possession of land, creation of evacuation infrastructure facilities, obtaining statutory forest & environmental clearances are also to be addressed by Ministry of Coal/CIL to attain the desired levels of production of about 600 MT set for Coal India Limited by 2016-17. The Committee would like to**

be apprised of the initiatives under taken by the Ministry in this regard.

### **AUCTION OF COAL BLOCKS**

13. The Committee are happy to note that as on 4.4.2016, 74 coal blocks have been allocated out of which 48 were allocated to the power sector. Notably, an amount of Rs. 1167 crore has already been transferred to the States and an estimated amount of Rs. 3.44 lakh crore is to be transferred to the beneficiary States over the lifetime of these coal blocks. In addition, the benefit to consumers in terms of reduction of electricity tariff is likely to be of about Rs. 69,310 crore. The Committee put on record their appreciation on the laudable achievements of the Ministry in this regard and expect the Ministry to continue their good work. The Committee also note that in order to reduce dependence on imported coal, the Government is considering allocation of coal mines for commercial mining to Central/State PSUs to augment availability of domestic coal besides creating a healthy competition and improving service standards in the coal industry. The Ministry have claimed that Eastern States with a large tribal population would be the biggest beneficiary and additional revenue from auction and allotment can be ploughed back for the welfare of the people of these States. The Committee appreciate the proposed allocation of these coal mines through

**auction and feel that the country will attain self sufficiency in coal production in the near future so that precious foreign exchange spent by the ex-chequer for imports of coal are preserved for other developmental activities of the country.**

#### **COAL THEFT AND PILFERAGE**

**14. The Committee have time and again expressed their grave concern over the illegal mining and pilferage of coal across the nation which undoubtedly causes great loss to the national ex-chequer and emphasized on the imperative need for putting into place an effective and systematic mechanism to curb this menace. The Committee, in their 7th Report (16th Lok Sabha) had appreciated the laudable completion of installation of Global Positioning System (GPS)/General Packet Radio Services (GPRS) based Vehicle Tracking System on trucks/tippers in the Mahanadi Coalfields Ltd. (MCL) and recommended that the step taken by MCL be replicated throughout so as to curb the menace of coal theft and pilferage. Subsequently, the Committee in their action taken report (15R, 16th LS) noted that the Ministry had decided to implement the Information Technology (IT) initiatives in all coal mining areas by September, 2015. Now, the Ministry have informed that the mines of all subsidiary company will be covered by June, 2016. As regards the overall progress made so far, the Committee note that as on**

**31.12.2015, the implementation status stands at 6114 GPS/GPRS based vehicle tracking system out of the targeted 9450, 1025 Closed Circuit Television (CCTV) out of 2509; 2465 Radio Frequency Identification (RFID) out of 2857; 850 weigh bridge out of 898; 344 Wide Area Network (WAN) out of 960; and 42 coalnet out of 51 have already been installed. The Committee hope that the initiatives undertaken by the Ministry to check theft and pilferage of coal will be implemented on priority basis by June, 2016. The Committee would like to be apprised of the progress made in the matter.**

#### **CORPORATE SOCIAL RESPONSIBILTIY (CSR) FUND**

**15. The Committee note that under the CSR policy, CIL and its subsidiaries Companies and Neyveli Lignite Corporation Limited (NLC) undertake different welfare activities with allocation of funds as per Department of Public Enterprises (DPE) Guidelines effective from 1.4.2014 based on Section 135(1) of Companies Act, 2013 which stipulates to spend at least 2% of the average net profit of the Company for the three immediate preceding financial years. The Committee further note that Coal India Limited (CIL) follows its own policy in this regard and funds based on 2% of the average net profit of the Company for the three immediate preceding financial years or Rs. 2 per tonne of coal production of previous year whichever is higher is earmarked for CSR activities. The Committee are happy to**

**note the increase in allocation as well as utilization of CSR funds by CIL and its subsidiaries. Remarkably, CCL, MECL, MCL and NCL allocated Rs. 350.67 crore, Rs. 379.46 crore, Rs. 421.50 crore and Rs. 196.25 crores respectively in the year 2015-16 whereas their utilization in the same year stands at Rs. 194.44 crore, Rs. 103.11 crore, Rs. 111.33 crore and Rs. 116.3 crore. The utilization of funds thus remained at 55.94%, 27.17% 26.41% and 59.26% respectively indicating scope for more improvement on this aspect. The Committee hope and expect that CIL and its subsidiaries gear-up the activities under the CSR funds so that the intended benefits are optimally derived by the beneficiaries.**

**16. In their 7th Report, [16th LS on DFG (2015-16)], the Committee appreciated the optimal utilization of CSR funds by NLC during the last three years. The Committee are happy to observe that in the year 2015-16 too, NLC had exceeded even the allocated amount of Rs. 44.27 crore and their utilization figure stood at Rs. 49.00 crore. The Committee are further satisfied to note that CIL and its subsidiaries spent Rs. 688.03 crore for constructing 53412 toilets in and around 5226 schools located in six states *viz* Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh and West Bengal under the Swachh Bharat/Swachh Vidyalaya Abhiyan. Similarly, NLC spent Rs. 39.70 crore for constructing 1414**

toilets in 712 schools located in Tamil Nadu and Rajasthan. The Committee, however, desire that the constructed toilets should be made usable by adequate maintenance measures such as continuous supply of water, regular cleaning etc.

17. The Committee also observe that under the CSR funds of Coal PSUs, welfare measures for SC&ST and disabled persons have also been put into place. Notably, since the enactment of the Implementation of Persons with Disability Act, 1995, the total number of specially abled persons appointed in Group 'C' and 'D' posts since 1996-97 upto 01.01.2016 is 9572. Keeping in view the laudable objectives of the provision of CSR funds, the Committee re-emphasize that all coal PSUs should strive harder for optimal utilization of such funds and ensure that no earmarked funds remain unutilized.

#### **OUTSTANDING DUES OF COAL PSUS**

18. The Committee are concerned to note that large amount of outstanding dues of all Coal PSUs *viz* CIL, SCCL and NLC standing at Rs. 11032.20 crore, Rs. 2441.32 crore and Rs. 272.04 crore (including disputed dues of Rs. 129.09 crore) respectively as on 31.3.2015 remain unrealized from concerned Ministries/ Parties. According to the Ministry a slew of steps are being taken for regular follow up to realize outstanding dues with concerned

**Ministries/parties which *inter-alia* include review of party-wise outstanding dues by General Manager/CMDs and Chairman CIL with the Chairman/Managing Director, of defaulting power houses/parties which are then taken upto the level of Chief Secretary of concerned States and Secretary (Energy) of respective defaulting Organizations. The Committee also note that in NLC, to encourage early realization, a special scheme called Graded Rebate Scheme has been put in place. The Scheme provides for graded rebate from a maximum of 2% for payment on date of billing to 0% on the 60th day of billing has been put in place alongwith a one time waiver of 50% of settlement incorporating a payment priority clause. The Committee hope that these initiatives would result in tangible recoveries of these outstanding dues. The Committee further emphasize that the Ministry/Coal PSUs should take elaborate steps for recovery of these outstanding dues lest these insurmountable dues adversely affect the financial positions of the Coal Companies.**

### **CLEAN COAL TECHNOLOGY**

**19. The Committee are happy to note that CIL has taken a policy decision to set up integrated coal washeries for all mines producing inferior grade coal. In pursuance with this policy initiative, it has**

been informed to the Committee that CIL has planned to set up 15 new coal washeries with a total capacity of 114.1 MT. Out of this, total capacity of 114.1 MT, 18.6 MT will be the capacity for coking coal washeries and 94 MT for non-coking coal washeries which are to be operational by October, 2017. The Committee further note that in order to promote clean coal technology, coal based non-conventional energy sources viz. Coal Bed Methane (CBM) and its sub-sets like Coal Mine Methane (CMM), Abandoned Mine Methane (AMM), Ventilation Air Methane (VAM) and underground Coal Gasification (UCG) are being developed. The Committee have also been apprised that CIL is gradually moving towards more environment friendly technology both in underground and opencast mining. The Committee feel that adopting clean coal technology is imperative for sustainable development and desire that the Ministry's stated initiatives towards this important aspect of Coal Mining be geared up to yield tangible results. The Committee would like to be apprised of the progress made in the matter.

#### **RATIONALIZATION OF COAL LINKAGES**

20. The Committee are happy to note that as a result of review by an Inter-Ministerial Task Force to rationalize coal linkages, overall movement rationalization of 25.9 MT coal has taken place with

**potential annual savings of Rs. 1371 crore of transportation cost. The Committee are also happy to observe that the transparent auction of Coal linkages proposes to create a level playing field to all market participants to secure the coal linkages irrespective of their size. Besides this, various other steps like automatic transfer of coal linkage/LoA granted to old plants while scraping and replacing them with new plants; opening of two separate e-auction windows exclusively for power sector and a separate one for non-power sector for quantity of 4 MT; further improvement in the Third Party Sampling to address issues of dispute between Coal Companies and power utilities/ developers; Resolution of disputes through the ADRM Forum etc. are some of the other initiatives being taken up in the process of rationalization of coal linkages. The Committee hope that these initiatives fructify into tangible schemes towards a more fair and transparent system of Coal Marketing and Distribution.**

### **SAFETY IN COAL MINES**

**21. In their 14th Report (16th Lok Sabha) on 'Safety, Health and Education facilities for Inhabitants/Workers in Coal/Lignite Mining Areas" presented to the Parliament on 12.8.2015, the Committee had underlined the importance of safety in Coal Mines taking into consideration that in India, coal mining still remains a highly labour**

**intensive field and coal miners/workers are generally from the poor and illiterate strata of the population. The Committee had observed that despite the best safety precautions, safety risks are associated with all forms of coal mining due to wide utilization of heavy machinery for coal excavation. The Committee had desired that the larger goals of higher productivity in coal mining industry is harmonized with the overall sustainable goals of protection and improvement of lives of people working in coal mining areas. The Committee had recommended that the Government should go for a sustainable mining policy with commitment to safety of these miners and desired that the target for achievement of a Zero Harm Potential would be achieved in a timebound manner. The Committee note that the safety standard in Mines of CIL as measured by the accident statistics had significantly improved with the average fatality rate and that for serious injuries per 3 lakh man shifts standing at 0.23 and 0.80, 0.15 and 0.56 in the years 2014 and 2015 respectively. The corresponding figures for SCCL stands at 0.14 and 4.99 respectively for the year 2015. The Committee are happy to note that all accident statistical parameters have shown improvement in 2015 *vis-a-vis* 2014. The Committee have also been apprised of various measures taken for improvement of safety during the year 2015 *viz.* continuous review of safety status of mines through the**

**multi-Disciplinary Internal Safety Organization (ISO); Training for preparation of review and implementation of Risk Assessment based Safety Management Plans (SMPs); Internal Safety Audits; Phasing out of Manual Loading in Underground Mines; Mine Safety Inspection; Mock Rehearsal for examining the preparedness/efficacy of emergency Action Plan and demarcation of escape routes in emergency/crisis situation; etc. The Committee reiterate that utmost importance needs to be given for safety of workers/miners in Coal Mines and hope that the new initiatives would help to achieve Zero Tolerance for fatal accidents in Coal Mines. The Committee would like to be apprised of the progress made in the matter.**

**New Delhi  
28 April, 2016  
08 Vaisakha, 1938**

**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 4th APRIL, 2016 IN COMMITTEE ROOM 'B', PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1130 hrs. to 1400 hrs.

#### PRESENT

**Shri Rakesh Singh - Chairperson**

#### Lok Sabha

32. Shri Nagesh Godam
33. Shri Faggan Singh Kulaste
34. Shri Shailesh Kumar
35. Dr. Banshilal Mahato
36. Shrimati Riti Pathak
37. Dr. Ravindra Kumar Ray
38. Shri Tamradhwaj Sahu
39. Shri Janardan Singh "Sigriwal"
40. Shri Pashupati Nath Singh
41. Shri Sunil Kumar Singh
42. Shri Krupal Balaji Tumane

#### Rajya Sabha

43. Shri M. J. Akbar
44. Shri Ali Anwar Ansari
45. Dr. Pradeep Kumar Balmuchu
46. Shri Md. Nadimul Haque
47. Shri B.K Hariprasad
48. Dr. Satyanarayan Jatiya
49. Shri Avinash Pande
50. Shri Sanjay Raut

#### SECRETARIAT

1. Shri U.B.S. Negi - Joint Secretary
2. Shri Ajay Kumar Garg - Director
3. Shri Arvind Sharma - Additional Director
4. Ms. Miranda Ingudam - Deputy Secretary

#### Witnesses

Sl. No.	Name	Designation
<b>Ministry of Coal</b>		
1.	Shri Anil Swarup	Secretary
2.	Smt. Sujata Prasad	Joint Secretary &FA
3.	Shri R.P. Gupta	Joint Secretary

- |    |                      |                    |
|----|----------------------|--------------------|
| 4. | Shri R. K. Sinha     | Joint Secretary    |
| 5. | Shri Vivek Bharadwaj | Joint Secretary    |
| 6. | Shri D. N. Prasad    | Advisor (Projects) |
| 7. | Shri S.K. Shahi      | Joint Secretary    |
| 8. | Shri V. Peddanna     | Joint Secretary    |
| 9. | Shri Animesh Bharati | Economic Advisor   |

**Coal India Limited and subsidiary companies**

- |     |                          |                           |
|-----|--------------------------|---------------------------|
| 10. | Shri<br>Bhattacharya     | Sutirtha<br>CMD, CIL      |
| 11. | Shri Sarat Kumar Acharya | CMD, NLC                  |
| 12. | Shri N. Sridhar          | CMD, SCCL                 |
| 13. | Shri Anjani Kumar        | Coal Controller, CCO      |
| 14. | Shri N. Kumar            | CMD (Acting), BCCL        |
| 15. | Shri T.K. Nag            | CMD, NCL                  |
| 16. | Shri B. R. Reddy         | CMD, SECL                 |
| 17. | Shri R. R. Mishra        | CMD, WCL                  |
| 18. | Shri A.K. Jha            | CMD, MCL                  |
| 19. | Shri Gopal Singh         | CMD, CCL                  |
| 20. | Shri Shekar Saran        | CMD, CMPDIL               |
| 21. | Shri C.K. Dey            | Director (Finance), CIL   |
| 22. | Shri R. Mohan Das        | Director (P&IR), CIL      |
| 23. | Shri N. Kumar            | Director (Technical), CIL |

2. At the outset, the Chairperson while welcoming the Secretary and other representatives of the Ministry of Coal and Public Sector Undertakings to the sitting of Committee convened in connection with the examination of Demands for Grants (2016-17) of the Ministry of Coal, emphasized on the importance of Coal as the most important energy source and the 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 Plan Outlays *vis-a-vis* actual utilization by the Ministry and PSUs under its administrative control and the physical achievements during 2015-16. He also apprised the Committee of the current initiatives taken/proposed to be taken by the Ministry for enhancing sustainable production of coal and for achieving the physical and financial targets set for all the Central Sector Schemes being implemented with Government Budgetary support. The Secretary also drew the attention of the Committee to the fact that as against the Ministry's projection of

increased Plan allocation of 894.75 crore in the Budget Estimates (2016-17), the amount has been restricted to Rs. 300 crore for Plan Schemes by the Ministry of Finance as against Budget Estimates (2015-16) of Rs. 551 crore despite a robust expenditure profile during the period. He had emphasized that this drastic cut would definitely impinge on the operations of various projects/schemes implemented by the Ministry and also adversely affect the achievement of the overall target set for production of 1 Billion Tonnes of Coal by 2020. The Secretary further submitted that the Ministry is ardently hoping that adequate funds would be granted at the supplementary Grants stage. Thereafter, in a visual presentation, the representatives of the Ministry highlighted the Detailed Demands for Grants for the years 2014-15, 2015-16 and 2016-17 alongwith actual expenditure incurred in the last two years; details of funds allocated and utilized for Plan Schemes, PSU wise allocation and utilization of funds from IEBR for the years 2014-15, 2015-16 and 2016-17; overall growth in production of coal (CIL & SCCL); Re-allocation of cancelled Coal Blocks with Rs. 1667 crore already transferred to State Governments as on 4.4.2016 and an estimated Rs. 3.44 lakh crore to be received by States under the lifetime of Coal Blocks; Road Map for policy for underground coal gasification; Auction of Linkages for non-regulated sector *viz.* Cement, Steel/Sponge Iron, Aluminum and others; Other major initiatives *viz.* Environmental Clearance obtained for 32 Coal Projects; Coal production by CIL in 2014-15 increased by 32 MT which is more than the cumulative increase in previous four years and continual growth at 8.9% in 2015-16; No shortage of coal for power plants till 27 days inventory as against 15 days in 2014-15; 14.6% decrease in coal import till February, 2016- resulting in saving of Rs. 24,000 crore foreign exchange; Rationalization of coal linkages for 19 power plants with annual saving of Rs. 1371 crore in freight cost; Improved coal quality through Third Party Sampling; Action on setting up 15 washeries (112MTPA) initiated; 100% supply of crushed coal (-100mm) to power utilities commenced; Acquisition of 6637.79 Ha of Land which was vested

with Coal companies; Authentication of 9267.73 Ha of land for 52 projects; 5549.40 Ha of land taken into physical possession for 98 Projects; Coal Project Monitoring Portal (CPMP) to address the pending issues of coal projects and railway connectivity projects at State Government as well as Central Ministries; Signing of MoU for taking up railway infrastructure projects, etc.

4. The Members then raised queries and sought clarification from the issues relating to the total target of coal production in the 12th Five Year Plan and the extent to which this target has been achieved during the last four years; Probable impact of the overall reduction in the total plan allocation of the Ministry amounting to nearly a cut of 45% as compared to the BE of 2015-16 (Rs. 551 crore) in the implementation of centrally sponsored projects/programmes; steps being contemplated by the Ministry to tide over this large budget gap; overall assessment of the initiative to fast track Forest Clearance/Environment Clearances approvals/ clearances; tangible result achieved through such initiatives; drilling target set for the year 2016-17 and the extent to which insufficiency of funds would impact the achievement of target; way forward especially towards utilization of funds earmarked for NER component; progress made with regard to the MoU signed between Indian Railways and the Ministry of Coal for procurement of 2000 high capacity wagons (33 Rakes) to facilitate increased evacuation of coal; etc.

5. The Chairperson directed the representatives of the Ministry of Coal to furnish written replies to all the queries raised by him as well as the Members which could not be responded to during the sitting of the Committee. The Secretary, Ministry of Coal assured the Committee that the same would be furnished.

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

***The Committee then adjourned.***

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 28 APRIL, 2016 IN ROOM NO. '112', FIRST FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI.**

The Committee sat from 1500 hrs. to 1600 hrs.

**PRESENT**

**Shri Rakesh Singh - Chairperson**

**Lok Sabha**

2. Shrimati Jyoti Dhurve
3. Shri Shailesh Kumar
4. Dr. Banshilal Mahato
5. Shri Devji Mansingram Patel
6. Shrimati Riti Pathak
7. Shrimati Ranjit Ranjan
8. Shri Neiphiu Rio
9. Shri Janardan Singh "Sigriwal"
10. Shri Pashupati Nath Singh
11. Shri Sushil Kumar Singh
12. Shri Krupal Balaji Tumane

**Rajya Sabha**

13. Shri Ali Anwar Ansari
14. Dr. Pradeep Kumar Balmuchu
15. Shri B.K. Hariprasad
16. Dr. Satyanaraya Jatia
17. Shri Avinash Pande
18. Shri Sanjay Raut

**SECRETARIAT**

1. Shri U.B.S. Negi - Joint Secretary
2. Shri Ajay Kumar Garg - Director
3. Shri Arvind Sharma - Additional Director
4. Ms. Miranda Ingudam - Deputy Secretary

2. At the outset, Chairperson 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 (2016-17)" of the Ministry of Coal;

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

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

4. The Committee adopted the Reports without any changes/modifications. The Committee then authorized the Chairperson to finalise the Reports on the basis of factual verification from the concerned Ministries and present the same to both the Houses of Parliament. The Committee also decided to undertake as on the spot study visit during the forthcoming inter-session period.

***The Committee then adjourned.***

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\*\* Do not pertain to this Report.