

42

STANDING COMMITTEE ON  
COAL AND STEEL (2017-2018)  
SIXTEENTH LOK SABHA

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**MINISTRY OF COAL**

**"Production, Marketing and Distribution of Coal"**

**[Action Taken by the Government on the Observations/  
Recommendations contained in the Thirty-Sixth Report of the  
Standing Committee on Coal and Steel (Sixteenth Lok Sabha)]**



**FORTY-SECOND REPORT**

**LOK SABHA SECRETARIAT  
NEW DELHI  
AUGUST, 2018/ SHRAVANA, 1940(Saka)**

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[Action Taken by the Government on the Observations/  
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Standing Committee on Coal and Steel (Sixteenth Lok Sabha)]**

**Presented to Lok Sabha on 02.08.2018**

**Laid in Rajya Sabha on 02.08.2018**



**LOK SABHA SECRETARIAT  
NEW DELHI  
August, 2018/Shravana 1940(Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON  
COAL AND STEEL(2017-18)**

**Chairperson - Shri Rakesh Singh**

**Lok Sabha**

2. Shri Idris Ali
3. Shri A. Arunmozhithevan
4. Shri Chandulal Sahu
5. Smt. Jyoti Dhurve
6. Shri Shailesh Kumar
7. Dr. Banshilal Mahato
8. Shri Kamalbhan Singh Marabi
9. Shri Godam Nagesh
10. Shri Ajay Nishad
11. Smt. Riti Pathak
12. Smt. Ranjeet Ranjan
13. Shri Ravindra Kumar Ray
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 Ranjib Biswal
23. Shri Ranvijay Singh Judev
24. Shri Ram Vichar Netam
25. Shri Sanjay Singh^
26. Shri Samir Oraon\*
27. Shri Dhiraj Prasad Sahu\*
28. Shri Achyutananda Samanta\*
29. Prof. Manoj Kumar Jha\*
30. Shri Prabhaker Reddy Vemireddy\*
31. Vacant

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^ Nominated w.e.f. 13.02.2018.

\* Nominated w.e.f. 02.06.2018

## **SECRETARIAT**

1. Shri U.B.S. Negi - Joint Secretary
2. Shri Ajay Kumar Garg - Director
3. Shri Arvind Sharma - Additional Director
4. Shri Girdhari Lal - Under Secretary

## INTRODUCTION

I, the Chairperson, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Forty-Second Report (Sixteenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Thirty-Sixth Report (Sixteenth Lok Sabha) of the Standing Committee on Coal and Steel on "Production, Marketing and Distribution of Coal" relating to the Ministry of Coal.

2. The Thirty-Sixth Report (Sixteenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 03.01.2018. Replies of the Government to all the observations/recommendations contained in the Report were received on 05.07.2018.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 25.07.2018.

4. An analysis on the Action Taken by the Government on the observations/ recommendation contained in the Thirty-Sixth (Sixteenth Lok Sabha) of the Committee is given at **Annexure-V.**

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Chapter-I of the Report.

**NEW DELHI;  
25 July, 2018  
03 Shravana, 1940(Saka)**

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

(iv)

## REPORT

### CHAPTER – I

This Report of the Standing Committee on Coal and Steel deals with Action Taken by the Government on the Observations/Recommendations contained in the Thirty-Sixth Report (Sixteenth Lok Sabha) of the Standing Committee on Coal and Steel on "Production, Marketing and Distribution of Coal" pertaining to the Ministry of Coal which was presented to Lok Sabha/laid in Rajya Sabha on 03.01.2018.

2. The Report contained 12 Observations/Recommendations. Action Taken Replies have been received from the Ministry of Coal in respect of all the 12 Observations/Recommendations contained in the Report on 5<sup>th</sup> July, 2018. These have been categorized as follows:

- |   |                             |
|---|-----------------------------|
| (i) Observations/Recommendations that have been accepted by the Government:<br>Sl. Nos. 2, 3, 4, 6, 7, 8, 9, 10, 11 and 12              | Total – 10<br>(Chapter II)  |
| (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:<br>Sl. No. 1    | Total – 01<br>(Chapter III) |
| (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:<br>Sl. Nos. 5 | Total – 01<br>(Chapter IV)  |
| (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:<br><br>Sl. No. Nil             | Total – 00<br>(Chapter V)   |

**3. The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. In case, where it is not possible for the Ministry to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that Action Taken Replies on the Observations/Recommendations contained in Chapter-I of this Report be furnished to them within three months.**

4. The Committee will now deal with the Action Taken by the Ministry on some of their observations/recommendations made in their Thirty-Sixth Report.

#### **Recommendation No. 4**

##### **CAPTIVE COAL MINES**

5. The Committee observed that as against the targets of 75.50 MT and 46.10 MT, actual coal production for captive mining has been low at 28.82 MT and 32.32 MT during the years 2015-16 and 2016-17 respectively. As regards the reason for difference between the production targets and achievement from captive coal mines during the years 2015-16 and 2016-17, the Committee noted that out of 37 captive coal mines which were anticipated to start production during the aforesaid period, only 12 coal blocks could start production during the year 2015-16 which increased to 16 blocks during the year 2016-17. In this regard, the Committee noted that many allottees of captive coal blocks could not start the mines on account of many reasons such as preparation of revised mining plans for obtaining statutory clearances, modification of geographical bounding coordinates given in the allotment letter, land acquisition, transfer/approval of mining lease, lease transfer, etc. The Committee were of the considered opinion that after allocation of the mines, it is of utmost importance that mining



operations and coal production start without any delay on account of various technicalities. The Committee, therefore, recommended that all such issues which are holding back the mining operations may be taken up and resolved at the highest level in the Central and the State Government concerned so that coal mine projects may be commissioned expeditiously without any hindrance. The Committee would like to be apprised of the action taken in this regard.

6. The Ministry of Coal in its action taken reply has stated as under:-

**"(a) Allocation of coal mines under the Coal Mines (Special Provisions) Act, 2015:**

Under the provisions of the Coal Mines (Special Provisions) (CMSP) Act, 2015 and Rules made there under, 204 cancelled coal mines are being allocated by way of e-auction to Private/Government companies and by way of allotment to Government Companies for specified end use (as defined in section 3(1)(v) of CMSP Act)/Sale of coal. So far, 89 coal mines have been successfully allocated, out of which, 31 coal mines have been auctioned to Private/Government companies (30 to Private companies and 1 to a Government company) and 58 coal mines have been allotted to Government companies. In addition to these 89 coal mines allocated so far, directions of the Central Government have recently been received for allotment of 'North of Arkhapol Srirampur (Northern Part) i.e. '50% of North of Arkhapol Srirampur coal mine', located in the State of Odisha, to M/s Talcher Fertilizers Limited (TFL) for production of fertilizer.

a) A brief summary of above said 89 coal mines allocated so far under CMSP Act, is at **Annexure-1**.

**b) (i)** Status of Operationalization of Schedule II Coal Mines is at **Annexure-II**

**(ii)** Non-operational Schedule II coal mines (18 in number) with reasons for non- operationalization is given in **Annexure-III**.

**(c) Production of coal and revenue generated from allocated coal mines:**

Since allocation of coal mines under provisions of the CMSP Act and Rules made there under, a total of 45.28 MT coal has been produced till April' 2018. The entire revenue generated from the allocated coal mines devolves to the state government concerned where the coal

mine is located. Total revenue of Rs. 5399.92 crores (excluding royalty, cess, taxes etc.) has been generated till April' 2018.

**(d) Efforts to operationalize the Auctioned/Allotted coal blocks**

(i) **Meetings by Nominated Authority:** To speed up the operationalization of the coal mines, the Nominated Authority held meetings with the successful bidders/allottees and representatives of State Government at regular intervals. So far review meetings have been held by Nominated Authority on 17.07.2015, 26.11.2015, 19.01.2016, 19/20.07.2016, 21/26.12.2016, 07.11.2017, 22.05.2018 & 08.06.2018.

(ii) **Review meetings by Secretary (Coal) :** Secretary(Coal) holds meeting with the Chief Secretaries of the host States and other concerned officers and Successful Bidders/Allottees to expedite the development of blocks. If required, clarifications are provided on issues raised by the stakeholders. Secretary (Coal) reviewed the status of operationalization of coal mines in May-June, 2017.

A Monitoring Committee has been constituted under the Chairmanship of Secretary (Coal) with Chief Secretaries from respective Host States, Secretary (MoEF& CC), Coal Controller Organisation (CCO) & CMPDIL as members of the Committee. So far, 3 meetings of the Committee have been convened on 11.01.2018, 27.02.2018 and 19.04.2018.

(iii) **Meetings by Minister of coal:** Minister of Coal also takes review with the officers and the Chief Ministers of the concerned host state.

(iv) **Scrutiny Committee:** A Scrutiny Committee has been constituted to examine the submissions/replies to the Show Cause Notices towards non-achievement of milestones/deviation from terms and conditions of CMDPA/Allotment Agreement on case to case basis. So far 7 meetings of the Scrutiny Committee has been held.

**(v) Committee under the Chairmanship of Cabinet Secretary :** In pursuance to review of progress of "Infrastructure Targets for 2017-18" by the Hon'ble Prime Minister, a Committee has been constituted under the Cabinet Secretary with representatives from Ministry of Coal, NITI Ayog and Ministry of Railway to examine the entire issue of bidding system and operationalization of already allotted coal mines. In this regard a note for Committee of Secretaries on operationalization of coal mines already allocated, various bottlenecks/difficulties being faced and possible way forward has been forwarded to Cabinet Secretariat for consideration 1<sup>st</sup> meeting of the

Committee had been held on 19.03.2018 Minutes of the meeting has been received and action points pertaining to MoC have already been complied.

**(vi) High Power Expert Committee:** On the issue of examination of the criteria in the present bid system and study the challenges and efficacy of the same and to examine the difficulties in the fixed bid system for coal auctions, a High Power Expert Committee under Chairmanship of ShriPratyushSinha ,IAS (Retd.), former CVC, Government Of India ,has been constituted with the approval of Hon'ble Minister of Coal to look into the matter with Terms of Reference indicated as under:-

1. Examine the criteria in the fixed bid system;
2. Study the challenges and efficacy of the current auction methodology;
3. Examine the difficulties in the fixed bid system if any and compare its merits and demerits vis-à-vis production/revenue sharing model;
4. Obtain and examine the suggestions of stakeholders on bid criteria, if necessary;
5. Suggestion for change of bid-criteria, if any, for improvement in the bidding system for auction of coal blocks in future;
6. Any other suggestion with respect to bidding system.

The Committee is expected to submit its report by July' 2018."

**7. Taking note of the fact that many allottees of captive coal blocks could not start the mines on account of reasons like preparation of revised mining plans for obtaining statutory clearances, modification of geographical boundaries given in the allotment letter, land acquisition, transfer/approval of mining lease, lease transfer, etc., the Committee in their original Report had observed that after allocation of mines, it is of utmost importance that mining operations and coal production start without any delay on account of various technicalities. The Committee had, therefore, recommended that all such issues which are holding back the mining operations may be taken up and resolved at the highest level in the Central and the State Government concerned so that coal mine projects may be commissioned expeditiously without any hindrance. In this regard, the Committee are satisfied to note from the Action**

**Taken Reply of the Ministry that they have taken a number of efforts to operationalize the auctioned /allotted coal blocks which *inter-alia* include holding of series of meetings by nominated authority, review meetings by Secretary (Coal), meetings by Minister of Coal, constitution of scrutiny Committee to examine the submission/replies to the Show Cause Notices towards non-achievement of mile stones/deviations from terms and conditions of Coal Mine Development and Production Agreement (CMDPA)/allotment on case to case basis. The Committee have also been apprised that a Committee under the chairmanship of Cabinet Secretary with representatives from Ministry of Coal, NITI Ayog and Ministry of Railway has been constituted to examine the entire issue of bidding system and operationalization of already allotted coal mines. The Committee also note that a High Power Expert Committee under the chairmanship of a former CVC and retired IAS Officer, has also been constituted and its terms of reference *inter-alia* include examination of the criteria in the present bid system, challenges and efficacy of the current auction methodology and to examine the difficulties in the fixed bid system for coal auctions etc. This committee is expected to submit its report during July, 2018. The Committee, while appreciating the efforts being initiated to operationalize the auctioned/allotted coal blocks, desire that the issues which hinder operationalization of these blocks be addressed by the Government in consultation with all stakeholders so that coal mine projects may be commissioned expeditiously. The Committee would like to be apprised of the recommendation of the High Power Committee and the Action Plan of the Government to implement them.**

## **Recommendation No. 5**

### **IMPORT OF COAL**

8. The Committee felt satisfied to note that import of non-coking coal has been witnessing a continuous downslide since 2014-15 and has plummeted from 174.07 MT during 2014-15 to 149.31 MT during 2016-17. In this regard, the Committee appreciated import substitution efforts of the Ministry of Coal in conducting one-to-one meeting with the various stakeholders which include all domestic coal based power plants (State/central Gencos and Independent Power Producers (IPPs), PSU Integrated Steel Plants, CPSUs importing coal for captive power generation and Imported coal based power plants, which have imported coal during the year 2015-16. As reported by Central Electricity Authority (CEA), with 47% reductions, indigenous coal based power plants have imported 19.87 MT coal in 2016-17 as against 37.211 MT in 2015-16. Scrutiny of the data related to coal imports and import substitution during the aforesaid period also suggest that import by domestic coal based power plants and total import by power sector has substantially decreased as a result of import substitution efforts of the Ministry of Coal /CIL. While placing on record their appreciation for commendable work of the Ministry/CIL in bringing down the import of non-coking coal, the Committee note that the use of indigenous coal by the imported coal based Thermal Power Plants (TPPs) is dependent on policy interventions by the Government for allowing use of domestic coal alongwith imported coal as the existing consent is for use of imported coal only. The Committee, therefore, desired that the Government should earnestly address this issue to bring down the import of non-coking coal. The Committee also recommended that all out efforts may continuously be made to reverse the trend of importing coking coal by Steel plants by augmenting the production of coking coal in the country or acquiring of coking coal

blocks/mines by CIL abroad. The Committee would like to be apprised of the steps taken by the Government in this regard.

9. The Ministry of Coal in its action taken reply has stated as under:-

**"Non-Coking Coal:**

To reduce import of coal, CIL had taken steps for promotion of import substitution through source rationalization with part supply from higher grade coal sources. More coal from various sources including higher grade were offered through various types of e- auction schemes particularly special forward e-auction with flexi lifting to cater the requirement of various power sector consumers not having FSA with CIL sources. The provisions of Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI) policy of the Government of India for meeting the demand of various categories of power utilities have been partly implemented and the rest are under the process of implementation at CIL.

As reported by Central Electricity Authority (CEA), the efforts of the Government have resulted into reduction of import by domestic coal based power plants (State/central Gencos and IPPs) from 19.9 MT in 2016-17 to 17.04 MT in 2017-18. In the current fiscal, till May '18, imports by them have been 3.574 MT against 2.646 MT during the same period last year.

**Coking Coal:**

Total Coking coal import:

Year	Coking Coal import (in MT)
2014-15	43.71
2015-16	43.51
2016-17	41.64
2017-18	47.00

In view of augmenting the dispatch of coking coal it is observed that there is huge difference in demand and actual supply of coking coal to steel sector however the actual production of metallurgical coking coal produced at CIL is supplied to steel sector only.

Total Met Coke production & Dispatch of CIL:

Year	Met Coke Production* (in MT)	Total Met Coking Dispatch* (in MT)
2014-15	6.39	6.1
2015-16	7.68	3.072
2016-17	8.509	7.277

\*(CIL Annual Production Report 2014-15, 2015-16 & 2016-17)

### **Acquiring of coking coal blocks/mines by CIL abroad**

CIL is pursuing acquisition of coking coal assets abroad in order to enhance the raw material security of the country. In this regard, CIL is targeting acquisition of coking coal assets in countries from where coking coal is imported to India. It is observed that more than 90% of coking coal is imported from Australia; Canada & USA are 2<sup>nd</sup> and 3<sup>rd</sup> options. Further, the imported coking coal quality analysis shows that the coal is sourced primarily from Bowen basin of Queensland Province, Australia.

CIL has identified several coking coal assets in the target region of Bowen Basin. In view of these, bidding process for sale of equity has started, while in the others, bidding process may start in future down the line. CIL has signed few Non-disclosure agreements and registered its interest to participate in the sale process of the coking coal property.

CIL is also pursuing discussions with few mine owners of coking coal assets in Canada."

**10. While placing on record their appreciation for commendable work of the Ministry/CIL in bringing down the import of non-coking coal, the Committee had noted that the use of indigenous coal by the imported coal based Thermal Power Plants (TPPs) is dependent on policy interventions by the Government for allowing use of domestic coal alongwith imported coal as the existing consent is for use of imported coal only. They had, therefore, desired that the Government should earnestly address this issue to bring down the import of non-coking coal. In their original Report, the Committee had also recommended that all out efforts may continuously be made to reverse the trend of importing coking coal by Steel plants by augmenting the production of coking coal in the country or acquiring of coking coal blocks/mines by CIL abroad. The Committee note from the Action Taken reply of Ministry that the Met Coke productions has increased during the period 2014 - 2017 and for acquiring of coking coal blocks/mines abroad, Coal India Limited has identified several coking coal assets in Bowen basin of**

Queensland Province, Australia and is also pursuing discussions with few mine owners of coking coal assets in Canada. The Committee, however, find that the reply of the Ministry is silent on their recommendation about undertaking policy interventions for allowing use of domestic coal alongwith imported coal as the existing consent is for use of imported coal only. The Ministry in its Action Taken reply has mentioned that to reduce import of non-coking coal, CIL has taken steps for promotion of imports substitution through source rationalization with part supply from higher grade coal sources and the provisions of Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI) policy of the Government of India for meeting the demand of various categories of power utilities have been partly implemented and the rest are under the process of implementation. The Committee feel that in view of fact that policy intervention for allowing use of domestic coal alongwith imported coal will not only push the domestic non-coking coal productions but will also result in saving precious foreign exchange of the country by way of reduction in the import, the Committee reiterate their earlier recommendation and desire the Ministry to apprise them of the appropriate action taken in this regard.

#### **Recommendation No. 7**

##### **COAL WASHERIES**

11. While observing that it is an international practice to sell coal by cutting it into required size and only after washing to improve economics of power generation and also reduction of emission, the Committee were happy to note that in addition to existing 15 washeries (12 coking coal with capacity of 23.3 Mty and 3 non-coking coal with capacity of 13.50 Mty), Coal India Ltd has planned to set up 27 coal washeries in two phases. 18 coal



washeries (9 coking coal with capacity of 30.35 Mty and 9 non-coking coal with a capacity of 75.5 Mty) are to set up in the first phase, whereas 9 coking coal washeries of 17.83 Mty capacity in second phase, which include renovation/replacement of 5 existing coking coal washeries. The Committee felt that measures undertaken by CIL will not only supplement its commitment for reduction in emission by adopting clean coal technologies but also the same may prove economical resulting in reduction in the quantum of coking coal by importing and saving of valuable foreign exchange. While appreciating the aforesaid initiative of the CIL, the Committee desired that they may be apprised of the action plan to set up the proposed washeries in a time bound manner. The Committee would also like to know the earnest efforts being made by the Coal Companies to ensure optimum utilization of the installed capacities of the existing washeries.

12. The Ministry of Coal in its action taken reply has stated as under:-

**"Action Plan for setting up of New Washeries:**

CIL has planned to set up 18 Coal washeries in BCCL, CCL, MCL and SECL - 9 coking coal washeries (28.10 Mty) and 9 non-coking coal washeries (67.5 Mty) in first phase. In the next phase, additional/replacement coking coal washeries are being envisaged to be set up, in addition to proposed renovation of few old washeries that are already in operation.

Two numbers of coking coal washeries of 6.6 Mty capacity, namely Dahibari (1.6 Mty) and Patherdih-I (5 Mty) are complete and have been inaugurated. Further, construction of 3 numbers of coking coal washeries with a total capacity of 9.5 Mty, namely, Madhuband (5 Mty), Patherdih-II (2.5 Mty) and Bhojudih (2.0 Mty), are scheduled to be completed during FY 2019-20. The balance 4 coking coal washeries (12.0 Mty) of first phase are scheduled to be completed by Dec 2020.

In case of non-coking coal washeries, Ib Valley (10 Mty) in MCL and Ashoka (2.0 Mty) in CCL are scheduled to be completed in FY 2019-20. Basundhara Washery (10 Mty) of MCL is scheduled for completion

in April 2020. The remaining 6 non-coking coal washeries (45.5 Mty) are scheduled for completion by December 2020.

**Optimum utilization of the installed capacities of the existing washeries:**

Most of the existing washeries are very old and have outlived their designed life. The equipment is obsolete and spares are not available owing to which the capacity of these washeries are limited. However, coking coal washeries are being identified for renovation to obtaining optimum capacity utilization."

**13. In their original Report, the Committee had noted that in addition to existing 15 washeries, the Coal India Ltd has planned to set up 27 new coal washeries in two phases consisting of 18 coal washeries and 9 coking coal be set up in the first phase and 9 coking coal washeries in second phase which also included renovation/replacement of 5 existing coking coal washeries. While appreciating the aforesaid initiative of the CIL, the Committee had inter-alia desired to know the earnest efforts being made by the Coal Companies to ensure optimum utilization of the installed capacities of the existing washeries. In this regard, the Committee note from Action Taken Reply of the Ministry of Coal that most of the existing washeries are very old and have outlived their designed life. The equipment is obsolete and spares are not available owing to which the capacity of these washeries are limited. However, coking coal washeries are being identified for renovation to ensure optimum capacity utilization. The Committee are hopeful that once the process of identifying the coking coal washeries for renovation is completed, the renovation work of old washeries will be taken up with due promptitude and completed in a time bound manner. The Committee would like to be apprised of the concrete efforts made to implement the Action Plan to**

**complete the setting up of new washeries and renovation of existing washeries.**

### **Recommendation No. 9**

#### **COAL DISPATCH AND INFRASTRUCTURE FOR COAL EVACUATION**

14. The Committee were happy to note that there has been a consistent rise in the coal dispatch from the year 2014-15 to 2016-17. The Committee had also been informed that during the year 2017-18 (upto 10.12.2017), CIL has despatched 385.277 MT against the production of 346.713 MT thereby liquidating 38.564 MT from the stock and the coal stock which stood at 68.421 MT as on 01.04.2017 is presently, stood at the level of 29.857 MT. The Committee were, however, concerned to note that there is delay in the execution of infrastructure network for road and railways for evacuation of coal. According to Ministry of Coal, delay in execution of Tori - Shivpur – Kathotia line and discontinuation of traffic movement in Dhanbad-Chaandrapura line have reportedly been somewhat affecting evacuation of coal from mines of CCL and BCCL respectively. In this context, the Ministry of Coal informed the Committee that CIL and its subsidiaries regularly discuss the matter at formal and informal levels and quarterly meetings are being held with RITES & IRCON. Meetings are also held with the Zonal Railways such as East Central Railways & South Eastern Railways which are executing works for CIL and its subsidiaries. The Ministry of Coal has started Coal Project Monitoring portal (e-CPMP), in which the issues requiring attention of Central Ministries for expeditious implementation of the coal projects are uploaded by the coal companies. These issues are flagged in periodic review meetings being taken up by the Secretary (Coal). The issues uploaded in the eCPMP portal pertaining to development of rail infrastructure projects are being flagged in these periodic review meetings, which is duly represented by officials of the Ministry of Railways, RITES, IRCON and coal

companies. In addition to that, State level issues pertaining to Rail infrastructure projects are flagged in Chief Secretary level meetings of the Secretary (Coal), which is also represented by officials of Ministry of Railways. While appreciating these efforts of the Ministry of Coal in coordination with the Ministry of Railways and respective State Governments, the Committee trust that execution of Tori- Shivpur - Kathotia line and Jharsuguda- Barpali- Sardega Rail Link projects will be completed as per their anticipated completion time i.e. by June 2018 and December 2017 respectively. As regards, discontinuation of traffic movement in DhanbadChaandrapura line, the Committee desire that the matter may be taken up at the highest level in the Ministry of Railways for working out a viable solution to deal with the situation. The Committee would also like to be apprised of the steps taken by the Ministry of Coal and the Ministry of Railways to ensure timely completion of other identified Rail links like Bhadrachalam Road to Sattupalli Railway, (Expected date of completion is 2020-21); Goleti Railway siding (Expected date of completion is 2017-18); Bethampudi railway station to Koyagudem and Railway siding for KK1 CHP, Mandamarri. The Committee recommended that all out efforts in coordination with all concerned be made so that all Joint venture rail line projects and Railway Sanctioned projects that feature in 'Pink Book' which will help in evacuation of coal from existing and future coal projects are executed in a time bound manner. The Committee might be apprised of the action plan made in this regard. The Committee would also like to be apprised of the completion target of 45 ongoing activities with capital outlay of Rs. 3316.05 crore to augment Siding Infrastructure.

15. The Ministry of Coal in its action taken reply has stated as under:-

"There are 45 on-going activities with capital outlay of Rs 3316.05 crore undertaken to augment Siding Infrastructure.

S N	Subsidiary	Number of Activities	Capital Provision (RsCr)
1	ECL	9	719.83
2	BCCL	4	227.91
3	CCL	17	1220.81
4	NCL	4	168.18
5	WCL	2	72.85
6	SECL	4	424.7
7	MCL	5	481.87
	<b>CIL</b>	<b>45</b>	<b>3316.15</b>

Subsidiary wise Details are at Annexure-IV."

**16. As regards the 45 joint venture rail line projects with capital outlay of Rs. 3316.05 crore that are at various stages of construction to augment Siding Infrastructure, the Committee in their original Report had inter-alia desired to be apprised of the completion targets of these projects. The Committee, however, find from the Action Taken Reply of the Ministry that Plan for construction of Siding in Amalgamated Yekona I&II OC, Majri Area and Dinesh OC, Umrer Area projects have been deferred. In this regard, the Committee would like to be apprised of the reasons for deferment of the plans of construction of aforesaid two projects and their new completion dates. The Committee also desire the Ministry to furnish a detailed note on time and cost escalation, if any, in completion of these 45 joint venture rail projects.**

#### **Recommendation No. 11**

#### **VISION 2030' DOCUMENT**

17. The Committee noted that as a part of long-term policy for making the country self-reliant in the coal sector, the Ministry of Coal engaged M/s KPMG for formulating the 'Vision 2030' document. Draft 'Vision 2030' document has since been reportedly submitted by the consultant and is currently under examination of the Ministry/CIL. While appreciating the

initiative taken by the Ministry for formulation of 'Vision 2030' document, the Committee desired that the said document may be finalized without further delay and necessary action plan be formulated to achieve the targets set in 'Vision 2030' document and they be apprised of the same.

18. The Ministry of Coal in its action taken reply has stated as under:-

"In the Vision 2030 document, overall coal demand has been assessed in three scenarios viz. pessimistic, base & optimistic scenario. Base case is based on GDP growth rate of 7 % and continued energy efficiency. Pessimistic case is based on even higher improvement in the energy efficiency through demand side management & optimistic case is based on GDP growth rate of 8 % & in addition, assuming an increased share of EVs going forward.

Overall coal demand is estimated to be ~900 – 1000 MT by 2020 and ~1300 – 1900 MT by 2030 with an estimated 1,457 MT as the base case for FY 2030. By 2030, of the overall coal demand, thermal coal demand is estimated to be ~1150 – 1750 MT and balance, is coking coal demand.

In the base case scenario, by 2030, CIL would cater thermal coal demand of 900 MT but in the optimistic scenario, it would cater thermal coal demand of about 1 BT by FY 26. The coal Share of CIL in overall thermal coal supply shall be partially replaced with captive supplies and potentially, with commercial mining in the future.

Vision 2030 document takes into account all the mines and capacity which have been allocated as on date to players other than Coal India Limited and Singareni Collieries including for captive consumption in both regulated and non-regulated sectors, commercial mining to state mining corporations. This capacity is estimated to be 450 – 500 MTPA. This capacity has been further classified on the basis of development risks that it faces and other constraints related to expected cost of mining and logistics to arrive at the expected production.

A workshop was held on 5<sup>th</sup> April 2018 at Delhi involving major stakeholders where the document was deliberated in detail. Final document would be submitted shortly by CIL to the Ministry."

**19. In their original Report, the Committee, while appreciating the initiative taken by the Ministry for formulation of 'Vision 2030' document, had inter-alia desired that the said document may be finalized without any further delay. The Committee are happy to note from the Action Taken Reply of the Ministry that the process of finalization of the 'Vision Document' is underway and in this direction a workshop was also held on 5<sup>th</sup> April 2018 at Delhi involving major stakeholders where the document was deliberated in detail and final document is stated to be submitted shortly by CIL to the Ministry of Coal. The Committee, while acknowledging the significance of vision Document 2030 with a view to formulate long term policy for making the country self reliant in the coal sector feel that the entire process of finalization of the said document should be completed within a prescribed time limit and they be apprised of the same.**

## **CHAPTER – II**

### **RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation No. 2**

##### **SUPPLY OF COAL TO NON-REGULATED SECTOR**

The Committee while appreciating the increase in coal supply to regulated sector from 429 MT in 2014-15 to 481.952 MT in 2016-17, however, feel concerned to find that there is a steady decline in the supply of coal to the non-regulated Sectors like Steel, Cement, Sponge Iron etc. According to the Ministry of Coal, Steel and Sponge Iron sectors had faced a bad patch for consecutive years leading to less dispatch of coal to these sectors. Besides this, another factor is that the cement plants had been using petcoke as a substitute of coal for the purpose of cost reduction. In this regard, the Committee note that as a part of remedial measures to arrest the decline in supply to non-regulated sectors, the CIL, with the introduction of linkage auction policy in June 2016 has been periodically organizing sector specific auctions for establishing long term linkages (5 years tenure) for Steel, Cement and Sponge Iron sectors. These efforts have resulted in establishment of linkages of 10.66 MT in the 3 tranches for these sectors. While appreciating the initiatives taken to ensure coal supply to the non-regulated sectors by institutionalizing the mechanism for establishing long term linkage, the Committee desire that the periodicity of organizing these sector specific auctions may be increased keeping in view the demand of the specific sectors. The Committee also recommend that more and more non-regulated sectors may be brought under this linkage auction policy so that no industry in the non-regulated sector face threat of closure due to erratic coal supply.

#### **Action Taken**

1. CIL has been conducting auction of coal linkages for Sponge Iron, Cement, Captive Power Plants (CPP), Steel (coking), Others (non-coking) and Others (coking) sub-sectors under Non-Regulated Sector (NRS) as per policy guidelines dated 15.02.2016 issued by Ministry of Coal.
2. Three tranches of linkage auction for non-regulated sector have been conducted so far in which a total of 45.18 Million Tonnes per Annum (MTPA) has been booked by industries like Sponge Iron, Cement, Steel, Aluminium, Others and their CPPs. Out of this, Sponge Iron, Cement & Steel sub-sectors have booked 10.66 MTPA for their process requirement. Also, 3.68 MTPA of annual coal linkage has been booked by consumers belonging to 'Others (non-coking)' and 'Others (coking)' sub-sectors



which are generally small & medium sized industries with relatively lesser coal requirement and includes all industries under non-regulated sector other than Sponge Iron, Cement, Steel and CPP. CIL and its subsidiaries have been making sincere efforts to promote the linkage auction scheme in order to bring more and more industries/ sectors under its ambit.

3. The auctions are presently conducted on semi-annual basis generally. However, factors like sector specific demand, expiry of existing Fuel Supply Agreements (FSAs), coal availability, etc, would also be considered for deciding the schedule.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

### **Recommendation No. 3**

#### **COAL PRODUCTION**

The Committee note that while during 2015-16 and 2016-17, the Coal India Ltd. (CIL) succeeded in enhancing its production by registering 9.0% and 2.86% growth rate respectively, the Company missed its production targets in both these years by shortfalls of 11.246 MT and 44.47 MT respectively. However, on the issue of under achievement of production targets, Secretary, Ministry of Coal in his candid submission before the Committee during the course of evidence explained that targets were deliberately fixed in such a manner so that not only that seek increment in achievements every year but also that were kept high on aspirational side to improve efficiency in CIL. It was also clarified that non-achievement of targets by CIL in some of its subsidiaries has not affected any of its consumers for want of coal, which is evident from the fact that there has been a declining trend in import of power grade coal. The Committee also observe that major impediments for CIL in implementation of its coal mining projects are land acquisition, rehabilitation & resettlement, delay in forest clearance, environmental clearance and law & order issues, etc. Understanding the strategic importance attached with deliberately fixing the targets on a higher side to improve efficiency in CIL, the Committee are impressed at the administrative acumen and professionalism in fixing the production targets on the higher side giving an impression of non-achievement of target by CIL. While acknowledging the significance of initiatives taken by the Ministry and CIL to ensure availability of coal to cater to the needs of the different sectors of the economy, the Committee feel that the issues which impede effective implementation of coal mining projects like land acquisition, rehabilitation & resettlement, delay in forest clearance, environmental clearance and law & order issues as cited above need to be addressed urgently by the Government in consultation and coordination with all stakeholders so that avowed objective to make the country self-reliant in domestic coal production could be achieved in the near future

### **Action Taken**

- Issues related to Land acquisition/ possession, Rehabilitation & Resettlement (R&R) and related law & order issues, evacuation, Forest Clearance (FC) & Environment Clearance (EC) are being taken up at all levels by CIL and its subsidiaries with respective State Governments & Central ministries. Greater levels of liaisoning with the concerned authorities has been envisaged to achieve the set target.
- Apropos the enactment of RFCTLARR (Removal of Difficulties) Order 2015, there were some confusion regarding applicability of it's for the land acquired under CBA (A&D) Act, 1957 across the subsidiaries. Ministry of Coal has clarified vide their order dated 4th August, 2017 and 30th April, 2018.
- CIL is actively considering revision of the existing R&R Policy 2015" that shall incorporate all the provisions of LARR 2013 and to make more its Project Affected Family (PAF) friendly.
- PAFs/Stakeholders/Land Losers are vigorously persuaded through awareness drives and with support from State Authorities to provide early consent in case of ECs/FCs/and physical possession of land.
- Major on-going projects are reviewed under PRAGATI by the PMO to expedite issues related to EC, FC, Land acquisition & rail infrastructure projects.
- The issues/constraints faced in implementation of coal projects are being regularly uploaded on the portal and PMG vigorously takes up issues related to land acquisition, law & order, EC & FC with the highest levels of the respective State governments and other concerned agencies.
- MoSPI, on its part monitors all projects costing Rs 150 Crs and above. Further, crucial issues are being uploaded by CIL and its subsidiary companies on the MoC e-CPMP portal and MoC vigorously follows up with the State governments and other associated ministries.
- CCI-Projects Monitoring Group reviews all coal projects costing Rs 1000 Crs and above at regular intervals.
- Dedicated departments headed by subject experts & officials from different Services cadre have been appointed in advisory capacity by CIL for suitable advice, scrutiny of proposals and expediting work undertaken in the respective field.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

### **Recommendation No. 4**

#### **CAPTIVE COAL MINES**

The Committee observe that as against the targets of 75.50 MT and 46.10 MT, actual coal production for captive mining has been low at 28.82 MT and

32.32 MT during the years 2015-16 and 2016-17 respectively. As regards the reason for difference between the production targets and achievement from captive coal mines during the years 2015-16 and 2016-17, the Committee note that out of 37 captive coal mines which were anticipated to start production during the aforesaid period, only 12 coal blocks could start production during the year 2015-16 which increased to 16 blocks during the year 2016-17. In this regard, the Committee note that many allottees of captive coal blocks could not start the mines on account of many reasons such as preparation of revised mining plans for obtaining statutory clearances, modification of geographical bounding coordinates given in the allotment letter, land acquisition, transfer/approval of mining lease, lease transfer, etc. The Committee are of the considered opinion that after allocation of the mines, it is of utmost importance that mining operations and coal production start without any delay on account of various technicalities. The Committee, therefore, recommend that all such issues which are holding back the mining operations may be taken up and resolved at the highest level in the Central and the State Government concerned so that coal mine projects may be commissioned expeditiously without any hindrance. The Committee would like to be apprised of the action taken in this regard.

### **Action Taken**

#### **(a) Allocation of coal mines under the Coal Mines (Special Provisions) Act, 2015:**

Under the provisions of the Coal Mines (Special Provisions) (CMSP) Act, 2015 and Rules made there under, 204 cancelled coal mines are being allocated by way of e-auction to Private/Government companies and by way of allotment to Government Companies for specified end use (as defined in section 3(1)(v) of CMSP Act)/Sale of coal. So far, 89 coal mines have been successfully allocated, out of which, 31 coal mines have been auctioned to Private/Government companies (30 to Private companies and 1 to a Government company) and 58 coal mines have been allotted to Government companies. In addition to these 89 coal mines allocated so far, directions of the Central Government have recently been received for allotment of 'North of Arkhapal Srirampur (Northern Part) i.e. '50% of North of Arkhapal Srirampur coal mine', located in the State of Odisha, to M/s Talcher Fertilizers Limited (TFL) for production of fertilizer.

a) A brief summary of above said 89 coal mines allocated so far under CMSP Act, is at **Annexure-1**.

**b) (i)** Status of Operationalization of Schedule II Coal Mines is at **Annexure-2**

(ii) Non-operational Schedule II coal mines (18 in number) with reasons for non-operationalization is given in **Annexure-3**.

**(c) Production of coal and revenue generated from allocated coal mines:**

Since allocation of coal mines under provisions of the CMSP Act and Rules made there under, a total of 45.28 MT coal has been produced till April' 2018. The entire revenue generated from the allocated coal mines devolves to the state government concerned where the coal mine is located. Total revenue of Rs. 5399.92 crores (excluding royalty, cess, taxes etc.) has been generated till April' 2018.

**(d) Efforts to operationalize the Auctioned/Allotted coal blocks**

(i) **Meetings by Nominated Authority:** To speed up the operationalization of the coal mines, the Nominated Authority held meetings with the successful bidders/allottees and representatives of State Government at regular intervals. So far review meetings have been held by Nominated Authority on 17.07.2015, 26.11.2015, 19.01.2016, 19/20.07.2016, 21/26.12.2016, 07.11.2017, 22.05.2018 & 08.06.2018.

(ii) **Review meetings by Secretary (Coal) :** Secretary(Coal) holds meeting with the Chief Secretaries of the host States and other concerned officers and Successful Bidders/Allottees to expedite the development of blocks. If required, clarifications are provided on issues raised by the stakeholders. Secretary (Coal) reviewed the status of operationalization of coal mines in May-June, 2017.

A Monitoring Committee has been constituted under the Chairmanship of Secretary (Coal) with Chief Secretaries from respective Host States, Secretary (MoEF& CC), Coal Controller Organisation (CCO) & CMPDIL as members of the Committee. So far, 3 meetings of the Committee have been convened on 11.01.2018, 27.02.2018 and 19.04.2018.

(iii) **Meetings by Minister of coal:** Minister of Coal also takes review with the officers and the Chief Ministers of the concerned host state.

(iv) **Scrutiny Committee:** A Scrutiny Committee has been constituted to examine the submissions/replies to the Show Cause Notices towards non-achievement of milestones/deviation from terms and conditions of CMDPA/Allotment Agreement on case to case basis. So far 7 meetings of the Scrutiny Committee has been held.

(v) **Committee under the Chairmanship of Cabinet Secretary :** In pursuance to review of progress of "Infrastructure Targets for 2017-18" by the Hon'ble Prime Minister, a Committee has been constituted under the Cabinet Secretary with representatives from Ministry of Coal, NITI Ayog and

Ministry of Railway to examine the entire issue of bidding system and operationalization of already allotted coal mines. In this regard a note for Committee of Secretaries on operationalization of coal mines already allocated, various bottlenecks/difficulties being faced and possible way forward has been forwarded to Cabinet Secretariat for consideration 1<sup>st</sup> meeting of the Committee had been held on 19.03.2018 Minutes of the meeting has been received and action points pertaining to MoC have already been complied.

**(vi) High Power Expert Committee:** On the issue of examination of the criteria in the present bid system and study the challenges and efficacy of the same and to examine the difficulties in the fixed bid system for coal auctions, a High Power Expert Committee under Chairmanship of ShriPratyushSinha ,IAS (Retd.), former CVC, Government Of India ,has been constituted with the approval of Hon'ble Minister of Coal to look into the matter with Terms of Reference indicated as under:-

1. Examine the criteria in the fixed bid system;
2. Study the challenges and efficacy of the current auction methodology;
3. Examine the difficulties in the fixed bid system if any and compare its merits and demerits vis-à-vis production/revenue sharing model;
4. Obtain and examine the suggestions of stakeholders on bid criteria, if necessary;
5. Suggestion for change of bid-criteria, if any, for improvement in the bidding system for auction of coal blocks in future;
6. Any other suggestion with respect to bidding system.

The Committee is expected to submit its report by July' 2018.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

**Comments of the Committee**  
**(Please see para 7 of Chapter I of the Report)**

**Recommendation No. 6**

**AVAILABILITY OF COAL TO POWER PROJECTS**

As regards the coal availability to power plants/projects since 2015-16, the Committee observe from the details of coal receipt and consumption during 2015 - 16, 2016-17 and 2017-18 (April-October, 2017) by coal based thermal power plants that the receipt of coal by the power plants during 2016-17 is almost same as that was during 2015-16. While the receipt of domestic coal has increased by 2.8% from 481.3 MT in 2015-16 to 494.9 MT in 2016-17, there is a reduction in import of coal by about 18% from 2015-16 to 2016-17. Also, the total coal consumption during 2016-17 has increased by about 5.3% from 2015-16. According to the Ministry, the power plants consumed more coal during 2016-17 over the year 2015-16 by virtue of utilizing their stock which was available during 2015-16. As a result, the

domestic coal receipt and the total coal receipt have increased by 10.4% and 6.9% respectively whereas the imported coal receipt has witnessed a decrease of 16.6% during 2017-18 (April to October, 2017) from 2016-17. As regards the dispatch status to power houses in the States of Jharkhand and Maharashtra during the year 2016-17 and 2017-18, the Committee note from the submission of the Ministry that while during the year 2016-17, as against Annual Contracted Quantity (ACQ) of 16.1 MT and 66.3 MT, the dispatch to the power houses in the respective States were to the tune of 12.2 MT and 43.4 MT respectively and during the 2017-18 (up to November, 2017) against the ACQ of 11.0 MT and 42.9 MT, the dispatch was 8.2 MT and 33.0 MT respectively. In view of the supply of 66% of ACQ to Maharashtra during 2016-17 and 77% during 2017- 18 (up to November 2017), the Committee would like to be apprised of the reason for the same and the remedial measures taken/being taken by CIL to cater to the rising demand of coal by power plants located in these two States. Although, the Committee are happy to note that the receipt and consumption of domestically produced coal by power plants has increased during 2016-17 as compared to 2015-16, the coal stock at power plants has decreased from 43.2 MT in 2015-16 to 31.3 MT in 2016-17 and has further declined to 12.2 MT as on October, 2017. While endorsing the new methodology issued by CEA for monitoring of stock of coal based thermal power plants prescribing calculation of normative coal stock at power plants at 85% of their Plant Load Factor (PLF) along with the number of days of coal stock to be kept in the power plant depending on the distance from the mine head, the Committee strongly recommend that Ministry of Coal/CIL should ensure that these coal stock norms at power plants are strictly adhered to.

### **Action Taken**

Despatch to Power Houses in the state of Jharkhand and Maharashtra for 2016-17 & 2017-18 is as under:

<b>Power Houses in the State</b>	<b>Item</b>	<b>2016-17</b>	<b>2017-18</b>
Jharkhand	ACQ	16.1	18.0
	Dispatch	12.2	12.6
	% age Mat	76%	70%
Maharashtra	ACQ	66.3	66.6
	Dispatch	43.4	47.6
	% age Mat	66%	71%

Power houses in the state of Jharkhand regulated supplies during 2016-17. All the plants were carrying high/comfortable coal stock in 2016-17 and early part of 2017-18. At the end of 2017-18 also, none of the TPPs of

Jharkhand state featured in the critical list of CEA. Lower materialization, against Annual Contracted Quantity (ACQ) during 2017-18 has been primarily on account of shut down of Patratu TPS and less lifting through road mode by TenughatVidyut Nigam Ltd (TVNL) & Power stations of Damodar Valley Corporation (DVC). Despite outstanding dues to the tune of Rs.214.34 Crore against TVNL and Rs.1637.00 Crores against DVC as on 31.03.2017, CIL continued coal supplies to the power stations so that none of the Thermal Power Plants (TPPs) starved for want of coal. Outstanding dues at the end of 2017-18 remains at Rs.234.72 Crores against TVNL & Rs. 1456.87 Crores against DVC.

The power houses in the state of Maharashtra, including the State Genco except National Thermal Power Corporation (NTPC) plants, regulated coal for the period 2016-17 and early part of 2017-18. Towards augmenting supply to the power plants located in the state of Maharashtra, a supply matrix of 1.87 Lakh tonnes/day was finalized in the meeting held on 07.10.2017 under the Chairmanship of Hon'ble Chief Minister of Maharashtra and attended by representatives of CEA, CIL, WCL, Railways&Mahagenco. Against the supply matrix, dispatch of about 1.78 LT/ day has been achieved during Oct'17 to March'18. The deficit in the supply is attributed to the fact that out of planned quantity of 15,000 tonnes to be lifted by road mode, only about 2800 tonnes have been lifted by MahaGenco during the period. Balance shortfall from the plan has been on account of less supply of wagons against the programme of the TPPs & the offer of the coal companies.

In addition to the monitoring mechanism available at coal companies and CIL, coal supplies to Power Utility Sector is monitored at the highest level regularly by an inter-ministerial sub-group comprising representatives of Ministry of Power, Ministry of Coal and Ministry of Railways constituted by Infrastructure Review Committee of Cabinet Secretariat. This Sub-Group takes various operational decisions for meeting any contingent situations relating to Power Sector including critical coal stock position for power plants.

Despite many of the constraints in lifting of coal to be addressed by the power utilities themselves and constraints of movement of rakes by Railways to specific destinations, CIL / Coal Companies have been continuing efforts to maximize coal supplies to Power Stations especially to critical power stations. Such steps include the following-

- Power stations within the vicinity of 50-60 KM of the mines having FSA have been offered coal through Road/Rail-cum-Road (RCR) mode to be lifted by their own transport arrangement for further augmenting the dispatch.

- Ministry of Power has been requested to prevail upon the power plants situated within 20 Kms to lift their entire requirement by Road mode from 2018-19 onwards, to increase availability of rakes for movement to long distance plants.
- It was decided that all power plants located within 20 km to 40 Km from pithead shall construct elevated closed belt conveyors/MGR within 2-3 years. Power plants located beyond 40 Kms and up 100 Km may also consider the option of MGR based on financial viability
- At the preference of Power Utilities, sources of supply to Power Plants are readjusted on quarterly basis within the Aggregated ACQs under Flexi Utilisation Scheme.
- Regular interaction with Power companies are held and measures to bring the power stations out of criticality are discussed and accordingly steps are taken to boost up supplies.
- In view of criticality, coal supply is allowed to be continued to Govt. Gencos as per requirement, despite inadequate payment & huge arrear coal sales dues.
- Subsidiary Cos./Power Cos. are urged to regulate movement to plants where the stocks are comfortable and step up supplies to plants having critical stocks.
- Where ever possible, spare-able sidings are also offered to power plant to increase coal supply through dedicated Sidings.
- Coal Cos. are advised to offer coal on 'As-is-Where-is' basis to the power plants, as a supplementary measure to increase the stocks.

Due to the above efforts, CIL has been able to avert any major disruption in coal supply and ensured sufficient coal supply against linkage to the power plants in the country including the above mentioned two states.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

### **Recommendation No. 7**

#### **COAL WASHERIES**

While observing that it is an international practice to sell coal by cutting it into required size and only after washing to improve economics of power generation and also reduction of emission, the Committee are happy to note that in addition to existing 15 washeries (12 coking coal with capacity of 23.3 Mty and 3 non-coking coal with capacity of 13.50 Mty), Coal India Ltd has planned to set up 27 coal washeries in two phases. 18 coal washeries (9 coking coal with capacity of 30.35 Mty and 9 non-coking coal with a capacity of 75.5 Mty) are to set up in the first phase, whereas 9 coking coal washeries of 17.83 Mty capacity in second phase, which include renovation/replacement of 5 existing coking coal washeries. The Committee feel that measures undertaken by CIL will not only supplement its commitment for reduction in emission by adopting clean coal technologies



but also the same may prove economical resulting in reduction in the quantum of coking coal by importing and saving of valuable foreign exchange. While appreciating the aforesaid initiative of the CIL, the Committee desire that they may be apprised of the action plan to set up the proposed washeries in a time bound manner. The Committee would also like to know the earnest efforts being made by the Coal Companies to ensure optimum utilization of the installed capacities of the existing washeries.

### **Action Taken**

#### **Action Plan for setting up of New Washeries:**

CIL has planned to set up 18 Coal washeries in BCCL, CCL, MCL and SECL - 9 coking coal washeries (28.10 Mty) and 9 non-coking coal washeries (67.5 Mty) in first phase. In the next phase, additional/replacement coking coal washeries are being envisaged to be set up, in addition to proposed renovation of few old washeries that are already in operation.

Two numbers of coking coal washeries of 6.6 Mty capacity, namely Dahibari (1.6 Mty) and Patherdih-I (5 Mty) are complete and have been inaugurated. Further, construction of 3 numbers of coking coal washeries with a total capacity of 9.5 Mty, namely, Madhuband (5 Mty), Patherdih-II (2.5 Mty) and Bhojudih (2.0 Mty), are scheduled to be completed during FY 2019-20. The balance 4 coking coal washeries (12.0 Mty) of first phase are scheduled to be completed by Dec 2020.

In case of non-coking coal washeries, Ib Valley (10 Mty) in MCL and Ashoka (2.0 Mty) in CCL are scheduled to be completed in FY 2019-20. Basundhara Washery (10 Mty) of MCL is scheduled for completion in April 2020. The remaining 6 non-coking coal washeries (45.5 Mty) are scheduled for completion by December 2020.

#### **Optimum utilization of the installed capacities of the existing washeries:**

Most of the existing washeries are very old and have outlived their designed life. The equipment is obsolete and spares are not available owing to which the capacity of these washeries are limited. However, coking coal washeries are being identified for renovation to obtaining optimum capacity utilization.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

### **Comments of the Committee**

**(Please see para 13 of Chapter I of the Report)**

### **Recommendation No. 8**

#### **COAL LINKAGE POLICY**

The Committee note that the Government on 22.05.2017 has issued a new policy christened as 'Scheme for Harnessing and Allocating Koyla (Coal) Transparently in India' (SHAKTI) for allocation of coal linkages to the

Regulated Sectors in a transparent manner. The policy is an important initiative in alleviating one key challenge in power sector, viz. lack of coal linkage and is expected to positively contribute in resolution of a number of stressed assets. The major benefits of this policies are to make coal available to power plants in transparent and objective manner; auction to be made on the basis of linkage allocations to Independent Power Producers (IPPs); the stress on account of non-availability of linkages to power sector projects would be eased which is good for the Infrastructure and Banking Sector; Direct benefit of reduction in tariff by Power Purchase Agreement (PPA) holders would go to Discoms/consumers; Power Plants would get long term security of supply of coal from a source of their choice. As regards the allocation of linkages / Letter of Assurances (LOAs) for non-regulated sector, the Committee were apprised that there has been a long-standing demand of developing an institutional mechanism for regular procurement of coal by end consumers from non-regulated sectors to the extent of their normative requirements. To address this, the Ministry of Coal came out with a new policy on 15.02.2016 for auction of coal linkages to non-regulated sectors. The policy stipulates allocation of coal linkages through Non-Discriminatory Ascending Clock E-auction, which is a transparent on-line bidding mechanism. The mechanism would enable consumers in meeting their coal requirement on longterm basis. As regards the rationalization of Coal Linkages, the Committee note that during 2014-15 to 2016-17, the source rationalisation of coal linkages has resulted in estimated saving of Rs. 3000 crore per annum on transportation cost to the power utilities. This has resulted in annual potential saving of Rs 1526 crore to NTPC Ltd. by inter plant rationalization of Coal quantity of 22.6 MT. While appreciating the policy initiatives undertaken by the Ministry of Coal for regulating allocation of Coal linkages in a more transparent and objective manner, the Committee expect that as a result of the linkage auctions being conducted under SHAKTI by virtue of their design give an option to consumers to bid for a source of their choice from the offered sources, the cost of transportation of coal to the consumer will be significantly get reduced. The Committee, therefore, recommend that the Government should also consider new linkage policy (SHAKTI) be linked with saving on account of transportation cost of coal.

### **Action Taken**

As per the paraB(ii) of SHAKTI policy guidelines dated 22.05.2017 issued by Ministry of Coal, auction of linkages was conducted by CIL for Independent Power Producers (IPPs) having concluded long term Power Purchase Agreements (PPAs), where the bid evaluation criteria was the levelled value of discount quoted by the bidders on existing tariff for each year of the balance period of their PPA. By virtue of the design of the auction, the

bidders were free to choose their preferred source (based on commercial considerations and logistics cost). Therefore, the auction design provided an inbuilt mechanism for savings on account of transportation cost.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

### **Recommendation No. 9**

#### **COAL DISPATCH AND INFRASTRUCTURE FOR COAL EVACUATION**

The Committee are happy to note that there has been a consistent rise in the coal dispatch from the year 2014-15 to 2016-17. The Committee have also been informed that during the year 2017-18 (upto 10.12.2017), CIL has despatched 385.277 MT against the production of 346.713 MT thereby liquidating 38.564 MT from the stock and the coal stock which stood at 68.421 MT as on 01.04.2017 is presently, stood at the level of 29.857 MT. The Committee are, however, concerned to note that there is delay in the execution of infrastructure network for road and railways for evacuation of coal. According to Ministry of Coal, delay in execution of Tori - Shivpur - Kathotia line and discontinuation of traffic movement in Dhanbad-Chaandrapura line have reportedly been somewhat affecting evacuation of coal from mines of CCL and BCCL respectively. In this context, the Ministry of Coal informed the Committee that CIL and its subsidiaries regularly discuss the matter at formal and informal levels and quarterly meetings are being held with RITES & IRCON. Meetings are also held with the Zonal Railways such as East Central Railways & South Eastern Railways which are executing works for CIL and its subsidiaries. The Ministry of Coal has started Coal Project Monitoring portal (e-CPMP), in which the issues requiring attention of Central Ministries for expeditious implementation of the coal projects are uploaded by the coal companies. These issues are flagged in periodic review meetings being taken up by the Secretary (Coal). The issues uploaded in the eCPMP portal pertaining to development of rail infrastructure projects are being flagged in these periodic review meetings, which is duly represented by officials of the Ministry of Railways, RITES, IRCON and coal companies. In addition to that, State level issues pertaining to Rail infrastructure projects are flagged in Chief Secretary level meetings of the Secretary (Coal), which is also represented by officials of Ministry of Railways. While appreciating these efforts of the Ministry of Coal in coordination with the Ministry of Railways and respective State Governments, the Committee trust that execution of Tori- Shivpur - Kathotia line and Jharsuguda- Barpali- Sardega Rail Link projects will be completed as per their anticipated completion time i.e. by June 2018 and December 2017 respectively. As regards, discontinuation of traffic movement in Dhanbad-Chaandrapura line, the Committee desire that the matter may be taken up at the highest level in the Ministry of Railways for working out a

viable solution to deal with the situation. The Committee would also like to be apprised of the steps taken by the Ministry of Coal and the Ministry of Railways to ensure timely completion of other identified Rail links like Bhadrachalam Road to Sattupalli Railway, (Expected date of completion is 2020-21); Goleti Railway siding (Expected date of completion is 2017-18); Bethampudi railway station to Koyagudem and Railway siding for KK1 CHP, Mandamarri. The Committee recommend that all out efforts in coordination with all concerned be made so that all Joint venture rail line projects and Railway Sanctioned projects that feature in 'Pink Book' which will help in evacuation of coal from existing and future coal projects are executed in a time bound manner. The Committee may be apprised of the action plan made in this regard. The Committee would also like to be apprised of the completion target of 45 ongoing activities with capital outlay of Rs. 3316.05 Crore to augment Siding Infrastructure.

#### **Action Taken**

There are 45 on-going activities with capital outlay of Rs 3316.05 crores undertaken to augment Siding Infrastructure.

<b>S N</b>	<b>Subsidiary</b>	<b>Number of Activities</b>	<b>Capital Provision (RsCr)</b>
1	ECL	9	719.83
2	BCCL	4	227.91
3	CCL	17	1220.81
4	NCL	4	168.18
5	WCL	2	72.85
6	SECL	4	424.7
7	MCL	5	481.87
	<b>CIL</b>	<b>45</b>	<b>3316.15</b>

#### **Subsidiary wise Details are at Annexure-4.**

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

#### **Comments of the Committee (Please see para 16 of Chapter I of the Report)**

#### **Recommendation No. 10**

#### **DEVELOPMENT OF RAPID LOADING SYSTEM**

The Committee observe that in order to augment Coal Evacuation Infrastructure, the Rapid Loading System of 86.0 Mty capacity are under construction in different subsidiaries of CIL, in addition to the existing 110.5 Mty capacity. The Committee are, however, concerned to note that work on majority of such capacity addition Coal Handling projects is being delayed. In

view of significant enhancement in the production of coal in the recent past, the Committee feel that augmentation in the Coal evacuation infrastructure facilities is required to be completed in a time bound manner so as to ensure timely and uninterrupted supply of quality coal to all the sectors of the economy. While appreciating capacity addition initiatives in the existing coal evacuation infrastructure network, the Committee recommend that all out efforts be made to ensure completion of aforesaid Coal Handling Projects within the stipulated timeframe. The Committee would like to be apprised of the earnest efforts of the Ministry / CIL in this regard.

### **Action Taken**

- In order to augment Coal Evacuation Infrastructure, the Rapid Loading System of 76.5 MTY capacity are under various stages of construction in different subsidiaries, in addition to the existing 129.5 MTY capacity. The construction of 15 MTY Coal handling Plant (CHP) with SILO of Bharatpur OCP of MCL has been completed on October'2017 and the 6 MTY CHP of Khadia OCP of NCL was inaugurated on 10.03.2018.
- Monthly review of progress of construction of CHPs and SILOS are held at the Project and Subsidiary levels religiously. Quarterly review of the work progress is done at the CIL Hq. All the subsidiaries have Nodal Officers to monitor the work progress. All out efforts are being made to ensure completion of Coal Handling Projects within the stipulated time.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

### **Recommendation No. 11**

#### **VISION 2030' DOCUMENT**

11. The Committee also note that as a part of long-term policy for making the country self-reliant in the coal sector, the Ministry of Coal engaged M/s KPMG for formulating the 'Vision 2030' document. Draft 'Vision 2030' document has since been reportedly submitted by the consultant and is currently under examination of the Ministry/CIL. While appreciating the initiative taken by the Ministry for formulation of 'Vision 2030' document, the Committee desire that the said document may be finalized without further delay and necessary action plan be formulated to achieve the targets set in 'Vision 2030' document and they be apprised of the same.

### **Action Taken**

In the Vision 2030 document, overall coal demand has been assessed in three scenarios viz. pessimistic, base & optimistic scenario. Base case is based on GDP growth rate of 7 % and continued energy efficiency. Pessimistic case is based on even higher improvement in the energy

efficiency through demand side management & optimistic case is based on GDP growth rate of 8 % & in addition, assuming an increased share of EVs going forward.

Overall coal demand is estimated to be ~900 – 1000 MT by 2020 and ~1300 – 1900 MT by 2030 with an estimated 1,457 MT as the base case for FY 2030. By 2030, of the overall coal demand, thermal coal demand is estimated to be ~1150 – 1750 MT and balance, is coking coal demand.

In the base case scenario, by 2030, CIL would cater thermal coal demand of 900 MT but in the optimistic scenario, it would cater thermal coal demand of about 1 BT by FY 26. The coal Share of CIL in overall thermal coal supply shall be partially replaced with captive supplies and potentially, with commercial mining in the future.

Vision 2030 document takes into account all the mines and capacity which have been allocated as on date to players other than Coal India Limited and Singareni Collieries including for captive consumption in both regulated and non-regulated sectors, commercial mining to state mining corporations. This capacity is estimated to be 450 – 500 MTPA. This capacity has been further classified on the basis of development risks that it faces and other constraints related to expected cost of mining and logistics to arrive at the expected production.

A workshop was held on 5<sup>th</sup> April 2018 at Delhi involving major stakeholders where the document was deliberated in detail. Final document would be submitted shortly by CIL to the Ministry.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

**Comments of the Committee**  
**(Please see para 19 of Chapter I of the Report)**

**Recommendation No. 12**

**GENERAL**

The Committee are glad to note that in pursuit of its core objectives 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, the Ministry has been undertaking a host of other innovative welfare initiatives like Use of Mine Water for drinking and irrigation purpose of the local community, organizing 'Coal Mahotsava', finalization of Wage Agreement of the CIL workers, acquisition of coal blocks abroad, development of Solar Power Plants; exploring the possibility to set up a Coal-to-Methanol and Coal-to-Polychemicals plants as a part of its diversification efforts, which according to the Committee would not only foster greater sense of belongingness and responsibility among all

employees of Coal India Limited and its Subsidiaries but would also help meet the development goals of the country. While appreciating these initiatives, the Committee hope that the Ministry / CIL will carry on such good work in future as well. The Committee would also like to be apprised of the present status of overseas coal blocks acquired by CIL so far, timelines fixed for ensuring completion of Clean Coal technologies like Coal-to-Methanol plant and Coal-to Polychemicals and development of 1000 MW Solar PV Project by CIL.

### **Action Taken**

**Status of overseas coal blocks acquired by CIL:** CIL acquired two prospecting licenses for coal in Mozambique in August 2009. Upon completion of exploration, CIL found that the blocks are not of economic interest and relinquished both the blocks in 2016.

CIL Board advised to explore the possibilities of acquiring coking coal assets abroad. CIL is targeting acquiring coal assets from the countries from where coking coal is imported to India. It is observed that more than 87% coal is imported from Australia; Canada & USA are the 2<sup>nd</sup> and 3<sup>rd</sup> source countries in terms of quantum of import.

Further, the imported coking coal quality analysis shows that the coal is sourced primarily from Bowen basin of Queensland Province, Australia. CIL has identified several coking coal assets in the target region of Bowen Basin. In few of these, bidding process for sale of equity has started, while in the others, bidding process may start in future, down the line.

**Clean Coal technologies like Coal-to-Methanol plant and Coal-to-Polychemicals:** CIL is exploring the possibility of setting up of a coal based methanol plant at Dankuni Coal Complex of SECL at Dankuni, West Bengal, in order to promote alternative and cleaner use of coal. The licensors for supply of coal gasification technology have been pre-qualified and Pre-Feasibility Report (PFR) of the project has been prepared. The methanol proposed to be produced at DCC will likely find a definitive market in the eastern states of India once the policy of Government for blending of methanol with petrol comes into place. The decision to proceed further with this project based on outcome of PFR is awaiting the approval of CIL Board. CIL is contemplating the possibility of setting up of a coal based polychemical plant at North Karanpura area of CCL, in order to find an alternative and cleaner use of coal. Pre-Feasibility Report (PFR) prepared in this regard is under examination.

Upon obtaining the in-principle approval for the above two projects based on Pre-Feasibility Reports, the timelines for implementation of the projects will be framed

## **CIL's 1000 MW Solar PV Project: Back Ground**

- Green Energy Commitment Letter to develop 1000 MW Solar Energy was submitted to Secretary, MNRE during the 1st Renewable Energy Global Investors Meet (RE-INVEST), 2015. For development of the Solar Projects, MoU has been signed with Solar Energy Corporation of India (SECI) in 01.10.2014.

In the 1<sup>st</sup> Stage, SECI invited tenders for 2x100 MW SPPs in the state of Madhya Pradesh but due to downward trend in prices of Solar Projects, tenders were cancelled in December 2016.

### **Current Status of Solar Power Project of Coal India**

- Land for setting up 200 MW Solar project identified in Neemuch Solar Park of M.P. by SECI
- Out of the 200 MW capacity, SECL and NCL will own 100 MW capacity each.
- NIT was published by SECI for 200 MW Solar PV Project in Neemuch-Mandsaur Solar Park, in the 1st stage, for SECL and NCL on 10th Aug. 2017.
- Tender was uploaded on 04.10.2017 and last date of submission of tenders was 19.02.2018 which has further been extended by SECI.

CIL has also installed 2 MW Solar Project in MCL. Along with it, CIL has installed more than 1 MW rooftop solar Power plants in CIL HQ and other subsidiaries of CIL.

### **Difficulties in implementation of solar projects**

As communicated by SECI, the tender of 2x100 MW Solar Project is yet to be finalized due to certain issues regarding land and evacuation of power with MP government.

The matter has been taken up by SECI for sorting out with MP Govt.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]



### CHAPTER III

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

### Recommendation No. 1

#### DEMAND AND SUPPLY OF COAL

The Committee note that the coal demand-supply gap which was only 15.5 MT during the year 2015-16 reached to 55.3 MT during the year 2016-17. According to the Ministry of Coal the increase in gap during the year 2016-17 as compared to 2015-16 is not due to shortfall in availability of coal, but the same is due to subdued demand from various sectors. During the year 2016-17, many linked power stations restricted their coal supplies in order to regulate power generation due to stiff competition being faced by them on account of Merit Order Dispatch system of power coupled with prior availability of huge coal stocks at their plants. In the case of unregulated sectors, the use of petcoke by cement plants had also resulted in the reduced demand of coal. However, looking at the overall scenario, the total pit-head stock at the mines of CIL had increased to 68.421 MT as on 31.3.2017 as against 57.643 MT as on 1.4.2016 and as a matter of fact the CIL had to even regulate its production. The Committee, therefore, find that the increased gap between the demand and supply during the year 2016-17 was primarily due to stock already piled up at thermal power stations and the actual offtake/ supply of coal by CIL has consistently shown a rising trend since 2014-15. The Committee, while appreciating CIL for registering continuous growth in coal supply, are of the considered opinion that in addition to supply side, demand projections be revised in consonance with the sentiments/ demand trends from different sectors so that the demand supply gap does not portray different story and earnest efforts of the Ministry/CIL for meeting the demand of coal in all sectors are truly reflected.

#### **Action Taken**

The details of dispatch to Power & Non-Power sector from Coal India Limited (CIL) sources during the period 2012-13 to 2017-18 is as under:

**Fig in Million Tonne (MT)**

YEAR	AAP* CIL	AAP (POWER )	DISPATCH TO POWER	AAP (NON- POWER)	DESPATCH TO NON-POWER	TOTAL OFF-TAKE
<b>2012-13</b>	470.00	346.30	345.43	123.70	119.75	465.18
<b>2013-14</b>	492.00	376.18	353.83	115.82	117.75	471.58
<b>2014-15</b>	520.00	404.38	385.40	115.62	103.98	489.38

<b>2015-16</b>	550.00	430.70	413.11	119.30	121.39	534.50
<b>2016-17</b>	598.61	451.00	425.40	147.61	117.92	543.32
<b>2017-18</b>	600.00	452.24	454.22	147.76	126.06	580.28

\*Annual Action Plan

During the process of formulation of Annual Plan, NitiAyog assesses overall demand of the country, coal consuming sector-wise. Based on such assessed demand, company-wise coal supply plan is formulated by Ministry of Coal for various sectors. For the year 2018-19, the assessed demand for power sector as projected by Ministry of Power (MoP) is 525 MT from Coal India Limited (CIL) sources. NitiAayog is in process of projecting coal demand for the year 2018-19.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

## **CHAPTER IV**

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

#### **Recommendation No. 5**

##### **IMPORT OF COAL**

The Committee feel satisfied to note that import of non-coking coal has been witnessing a continuous downslide since 2014-15 and has plummeted from 174.07 MT during 2014-15 to 149.31 MT during 2016-17. In this regard, the Committee appreciate import substitution efforts of the Ministry of Coal in conducting one-to-one meeting with the various stakeholders which include all domestic coal based power plants (State/central Gencos and Independent Power Producers (IPPs), PSU Integrated Steel Plants, CPSUs importing coal for captive power generation and Imported coal based power plants, which have imported coal during the year 2015-16. As reported by Central Electricity Authority (CEA), with 47% reductions, indigenous coal based power plants have imported 19.87 MT coal in 2016-17 as against 37.211 MT in 2015-16. Scrutiny of the data related to coal imports and import substitution during the aforesaid period also suggest that import by domestic coal based power plants and total import by power sector has substantially decreased as a result of import substitution efforts of the Ministry of Coal /CIL. While placing on record their appreciation for commendable work of the Ministry/CIL in bringing down the import of non-coking coal, the Committee note that the use of indigenous coal by the imported coal based Thermal Power Plants (TPPs) is dependent on policy interventions by the Government for allowing use of domestic coal alongwith imported coal as the existing consent is for use of imported coal only. The Committee, therefore, desire that the Government should earnestly address this issue to bring down the import of non-coking coal. The Committee also recommend that all out efforts may continuously be made to reverse the trend of importing coking coal by Steel plants by augmenting the production of coking coal in the country or acquiring of coking coal blocks/mines by CIL abroad. The Committee would like to be apprised of the steps taken by the Government in this regard.

#### **Action Taken**

##### **Non-Coking Coal:**

To reduce import of coal, CIL had taken steps for promotion of import substitution through source rationalization with part supply from higher grade coal sources. More coal from various sources including higher grade

were offered through various types of e- auction schemes particularly special forward e-auction with flexi lifting to cater the requirement of various power sector consumers not having FSA with CIL sources. The provisions of Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI) policy of the Government of India for meeting the demand of various categories of power utilities have been partly implemented and the rest are under the process of implementation at CIL.

As reported by Central Electricity Authority (CEA), the efforts of the Government have resulted into reduction of import by domestic coal based power plants (State/central Gencos and IPPs) from 19.9 MT in 2016-17 to 17.04 MT in 2017-18. In the current fiscal, till May '18, imports by them have been 3.574 MT against 2.646 MT during the same period last year.

### **Coking Coal:**

Total Coking coal import:

<b>Year</b>	<b>Coking Coal import (in MT)</b>
2014-15	43.71
2015-16	43.51
2016-17	41.64
2017-18	47.00

In view of augmenting the dispatch of coking coal it is observed that there is huge difference in demand and actual supply of coking coal to steel sector however the actual production of metallurgical coking coal produced at CIL is supplied to steel sector only.

Total Met Coke production & Dispatch of CIL:

<b>Year</b>	<b>Met Coke Production* (in MT)</b>	<b>Total Met Coking Dispatch* (in MT)</b>
2014-15	6.39	6.1
2015-16	7.68	3.072
2016-17	8.509	7.277

\*(CIL Annual Production Report 2014-15, 2015-16 & 2016-17)

### **Acquiring of coking coal blocks/mines by CIL abroad**

CIL is pursuing acquisition of coking coal assets abroad in order to enhance the raw material security of the country. In this regard, CIL is targeting acquisition of coking coal assets in countries from where coking coal is imported to India. It is observed that more than 90% of coking coal is imported from Australia; Canada & USA are 2<sup>nd</sup> and 3<sup>rd</sup> options. Further, the

imported coking coal quality analysis shows that the coal is sourced primarily from Bowen basin of Queensland Province, Australia.

CIL has identified several coking coal assets in the target region of Bowen Basin. In view of these, bidding process for sale of equity has started, while in the others, bidding process may start in future down the line. CIL has signed few Non-disclosure agreements and registered its interest to participate in the sale process of the coking coal property.

CIL is also pursuing discussions with few mine owners of coking coal assets in Canada.

[O.M. No. 54012/4/2013-CPD/CLD, Dated: 05.07.2018 of Ministry of Coal]

**Comments of the Committee**  
**(Please see para 10 of Chapter I of the Report)**

**CHAPTER V**

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL  
REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

**-NIL-**

**NEW DELHI;  
25 July, 2018  
03 Shravana 1940(Saka)**

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





























**Brief Summary of 89 coal mines allocated so far under CMSP Act**

<b>S. No.</b>	<b>Mode of Allocation</b>	<b>Schedule</b>	<b>Specified End-use 'Power'</b>	<b>Non-Regulated Sector</b>	<b>Sale of Coal</b>	<b>Total (4)+(5)+(6)</b>	<b>Operational* coal mines out of total coal mines</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>
1.	Auction	II	5	12	0	17	13
		III	4	10	0	14	02
	<b>Sub-total</b>			<b>9</b>	<b>22</b>	<b>0</b>	<b>31</b>
2.	Allotment	II	17	1	0	18	04
		III	21	3	1	25	05
		I	3	0	12	15	00
	<b>Sub-total</b>			<b>41</b>	<b>4</b>	<b>13</b>	<b>58</b>
<b>Total (S. No.1+2)</b>			<b>50</b>	<b>26</b>	<b>13</b>	<b>89**</b>	<b>24</b>

*\*Operational coal mines also include those coal mines for which mine opening permission has been granted by CCO but production is yet to be started.*

*\*\* The total number of coal mines includes 05 coal mines also, allocation of which have been cancelled.*

**Annexure-II**

**Status of operational Schedule II coal mines.**

<b>State</b>	<b>Name of Coal Mine</b>	<b>No. of Coal Mines</b>	<b>EndUse/ Sale of Coal</b>	<b>Allocatee</b>
Chhattisgarh (5)	<b>Chotia</b>	1	NRS	Bharat Aluminium Company Ltd.
	<b>Gare Palma IV/4</b>	1	NRS	Hindalco Industries Ltd.
	<b>Gare Palma IV/5</b>	1	NRS	Hindalco Industries Ltd.
	<b>Parsa East, Kanta Basan</b>	2	Power	Rajasthan Rajya Vidyut Utpadan Nigam Ltd
Jharkhand (1)	<b>Kathautia</b>	1	NRS	Hindalco Industries Ltd.
Madhya Pradesh (4)	<b>Amelia North</b>	1	Power	Jaiprakash Power Ventures Ltd.
	<b>Bicharpur</b>	1	NRS	UltraTech Cement Ltd.
	<b>Mandla North</b>	1	NRS	Jaiprakash Associates Ltd.
	<b>Sial Ghoghri</b>	1	NRS	Reliance Cement Company Pvt. Ltd.
Maharashtra (2)	<b>Belgaon</b>	1	NRS	Sunflag Iron and Steel Company Ltd.
	<b>Marki Mangli-I</b>	1	NRS	Topworth Urja and Metals Ltd
Odisha (1)	<b>Talabira-I</b>	1	Power	GMR Chhattisgarh Energy Ltd.
West Bengal (3)	<b>Sarisatolli</b>	1	Power	CESC Ltd.
	<b>Barjora</b>	1	Power	West Bengal Power Development Corporation Limited
	Barjora North	1	Power	West Bengal Power Development Corporation Limited
	Ardhagram	1	NRS	OCL Iron & Steel Limited
<b>Total</b>		<b>17</b>		

**Annexure-III**

**Status of Non-operational Schedule II coal mines with reasons for non-operationalization**

<b>A. Pending Environment Clearance:</b>			
<b>S.No.</b>	<b>Name of the Coal Mines</b>	<b>Status/Remark</b>	<b>Action</b>
1-2	Gangaramchak & Ganagaramchak Bhadulia (Allottee: WBPDCCL)	Prior Allottee had the Environment Clearance (EC) and the mines were operational. At the time of transfer of EC, MoEF & CC insisted that forest stage-I clearance (FC-I) is essential before EC is granted to a coal mine (vide notification dated 31 <sup>st</sup> March 2011). The process of obtaining FC-1 is currently on by the Allocattees.	Ministry of Environment, Forest & Climate Change
3	Marki Mangli III  (Successful Bidder: B.S. Ispat)	Prior to de-allocation by Hon'ble Supreme Court, a single EC was granted to three blocks namely Marki Mangli II, Marki Mangli III and Marki Mangli IV ( as the Prior Allottee of all the above mines were same ). However, Marki Mangli III went to a different Company in auction and at the time of transfer of EC, MoEF&CC insisted to apply for separate EC which is pending currently. <b>Here, it is pertinent to mention that Marki Mangli II coal mine has not been put for allocation due to Inviolable Area, whereas, Marki Mangli IV coal mine was put for auction under 2nd and 3rd tranche of auction, however, the same could not be allocated due to less than three bidders/ no bidder. Now, Marki Mangli IV coal mine has been earmarked for auction under 6th tranche of auction which, is to be lauched shortly.</b>	
<b>B. Pending Mine Plan</b>			
4-5	Tara East and Tara West (Allottee: WBPDCCL)	As per the earlier mine plan, the coal reserve have been exhausted, however, still there is extractable reserves (roughly 11 million tons) for which mine plan is being prepared by the allottee. In the first	Ministry of Coal/ West Bengal Power Development Corporation

		meeting of Monitoring Committee chaired by Secretary (Coal) on 11.01.2018 WBPDCCL was directed to submit the Mining Plan to MOC for approval by end of January 2018. Mine Plan has been submitted by WBPDCCL on 29.01.2018. Observations have been raised by MoC and allottee is to comply the same.	Limited
<b>C. Pending Mining Lease</b>			
6	Pachhwara North (Allottee: WBPDCCL)	The applicant was asked to revise the mining plan as the existing Mining Plan with the Prior Allottee was for the whole area (1218 hectares) for which FC-II was not available. As per the MoEF&CC guidelines dated 10.11.2015, no mining shall be allowed till Forest Stage II approval is obtained for forest land. After approval of revised Mining Plan for non-forest area, Mining Lease application for non-forest area has been submitted on 26/12/2017. ML has been executed in 04.06.2018 for non-forest area and mine is expected to operationalize soon.	State Government of Jharkhand
7	Pachwara Central (Allottee: PSPCL)	Mining Lease has got delayed because the State Government was insisting on approval of composite Mine Plan (including for underground area for which EC is not available). The approved Mine Plan is for opencast area only for which all the clearances are in place and the Allottee has applied for Mining Lease over this area only. Secretary (Coal) in the Monitoring Committee meeting held on 11.01.2018 directed GOJ to examine the matter and send the proposal to MOC for grant of Previous Approval. Previous approval has been granted by MoC and at present grant of Mining Lease is pending with State Government. Allottee has been asked by State Government to furnish the revised boundary plan certified by CMPDIL. Allottee is in compliance with the same.  Also, there was legal dispute with regard to appointment of MDO. However, now the Allottee has initiated the process for fresh	State Government of Jharkhand/Allottee

		tendering for appointment of MDO which is expected to be completed by June 2018.	
8	Parbatpur Central (Allottee: SAIL)	The Mining Lease is pending as this block overlaps with the CBM Block of ONGC allotted by MoPNG. SAIL has informed to surrender the said coal mine and the same is under examination by MoC	MoC
<b>D. Pending Land Acquisition</b>			
9	Khagra Joydev (Allottee: DVC)	Damodar Valley Corporation (the Allottee) has not been able to mutate the land transferred from Prior Allottee in its name. Also the balance required land has not been purchased by the Allottee. The case is pending with the Govt. of West Bengal for mutation of land and with DVC for acquisition of land. In the meeting of Monitoring Committee held on 11.01.2018 and 19.04.2018, the State Government has been advised to provide necessary support to M/s. DVC for Land Acquisition and to ensure that Mine Opening Permission is transferred at an early date. The Allottee was directed to obtain the Mine Opening Permission to commence mining operations, pending approval of Mine Closure Plan.	State Government of West Bengal/Allottee (DVC)
<b>E. Legal Issue</b>			
10-15	Baranj I-IV, Kiloni and Manoradeep (Allottee: KPCL)	Karnataka Power Corp. Ltd. (KPCL) is not able to select a MDO for the 6 coal mines (Baranj I-IV, Kiloni and Manoradeep) allocated to it. The NIT issued for selection of MDO was challenged by EMTA- which was JV partner and MDO of KPCL in the Prior allocation of coal mines. The matter is pending before the Supreme Court now.	Karnataka Power Corp. Ltd. (KPCL)
<b>F. Decision to terminate the agreement has been taken/in final stage</b>			
16	Gare Palma IV/7 (Successful Bidder: Monnet Ispat & Energy Limited)	CMDPA & Vesting Order has been terminated w.e.f. 20.01.2018.	
17	Tokisud North (Successful Bidder: Essar Power M.P. Limited)	Decision to terminate the CMDPA & Vesting Order is pending as the matter is sub-judice.	

18	Trans Damodar (Successful Bidder: Durgapur Projects Limited)	Decision to terminate the CMDPA is under consideration by Nominated Authority.	
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### Status of Subsidiary-wise details of On-going activities

#### EASTERN COALFIELDS LIMITED ACTIVITIES:

S N	Name of the Projects	Activities for Transportation & Loading of Coal	Start Date	Ant Finish Date	Capital Provision (Rs Crs)	Status of Activity
1	Sonepur Bazari OC	Construction of New railway siding (Track length 26 km)	Aug-14	Mar'19	108.29	S&T Work tender opened on 06.03.2018. ECL accepted TCR and sent to RITES for opening of Price part. Construction of 3 nos. Panel Cabin building is in progress.
2	Chitra East OCP (2.5 MTY) / Chitra expansion OC (4 MTY)	Construction of New Railway siding (Track length 12 km)	Mar-17	Dec-20	463.77	Survey Work in progress. To be connected with Basukinath
3	Simlong OCP (2 MTY) - Future Project)	Construction of Railway Siding near Hansdiha or Godda	-	-	15.50	New Route being explored. (Godda Pirpaiti)
4	Jhanjra CM-II & PSLW	Construction of new railway siding.	-	-	80.00	FSR submitted to E Railways for Approval
5	Bonjemehary & Itapara , the upcoming PR	Construction of Itapara Railway Siding (near Chinchuria Railway Station)	-	-	40.00	RITES to re-assess layout plan
6	Mines of Bankola Area	Construction of Wharf wall along with drains etc. of tracks for Bankola Siding no 1 & 2	Jan-16	Jun-18	1.58	Work is almost complete.

S N	Name of the Projects	Activities for Transportation & Loading of Coal	Start Date	Ant Finish Date	Capital Provision (Rs Crs)	Status of Activity
7	Kumardihi 'B' Colliery including Kumardih CM	Construction of wharf wall (600 M) at POCP-II railway siding at Pursottampur	Jan-17	Jun-18	1.35	Work is almost complete.
8	Rajmahal Expn OC	Extension of existing railway siding near SILO to make it full rake siding.	-	-	3.61	Work stopped due to site hindrance by villagers. Actions being taken to remove hindrances.
9	North Searsole OC	Renovation /reconstruction of Kunustoria Railway Siding	Mar-17	Sept-18	5.23	Work likely to complete by Sep'18
<b>Total 9 Activities</b>					<b>719.33</b>	

**BHARAT COKING COAL LIMITED ACTIVITIES:**

S N	Name of the Projects	Activities for Transportation & Loading of Coal	Start Date	Ant Finish Date	Capital Provision (Rs Crs)	Status of Activity
1	NT-ST SIDING (6 Mty)	Connectivity to Rly Siding at NTST from Patherdih (Revised Track Length - 10 Kms)	-	-	75.84	Two Alternate routes costing Rs 55 Cr & Rs 75 Cr over estimated cost as per FSR submitted is being reviewed by BCCL.
2	Patherdih NLW Washery (5 MTY) (Siding)	13 Km New Railway Line (Railway Connectivity for upcoming Patherdih Washery)	Aug'12	Oct-18	100.18	Civil work in Progress (80%). OHE work awarded and shall commence after completion of Civil works.
3	Dahibari NLW Washery (1.6 MTY)	Railway Line 7.0 km	Sept'12	Feb-19	45.4	DPR approved by E Railway on 02.02.2018.

S N	Name of the Projects	Activities for Transportation & Loading of Coal	Start Date	Ant Finish Date	Capital Provision (Rs Crs)	Status of Activity
4	Madhuband NLW Washery (5 MTY)	Renovation of 1.24 Km rail line	Aug-12	June-18	6.49	Work under Progress (96% completed)
<b>Total 4 Activities</b>					<b>227.91</b>	

**CENTRAL COALFIELDS LIMITED ACTIVITIES:**

SN	Name of the Projects	Activities for Transportation and Loading of Coal	Start Date	Ant Finish Date	Capital Provision (Rs Crs)	Status of Activity
1	B & K, Konar OC	Construction of Konar Railway Siding between BTPS & Jarandih Stn of EC Railway.	-	-	43.9	Land leasing fee deposited with Railways. Revised estimate of Rs 47 Cr awaiting approval of CCL Board
2	Magadh	Route alignment Survey of Magadh Railway siding and its construction	-	-	391	Work to start after possession of land
3	Amrapali	Route alignment survey of Amrapali Railway siding and its construction	-	-	375	Work to start after possession of land
4	Piparwar	Construction of balance work of Piparwar Siding by RITES Ltd (Track Length 30.5 KM)	Dec-07	Oct '18	141	Rajdhar Siding operational. OHE & Signaling work is in progress.
5	North Urimari	Construction of North Urimari Rly Siding	Feb-16	Mar-20	222.32	LOI issued to RITES. Work is in progress.
6	Kathara, Govindpur PH II (New Swang) OC	Construction of Pipradih Railway Siding in Kathara area of CCL by EC Rly	-	-	8.88	Re-Finalization of alignment

SN	Name of the Projects	Activities for Transportation and Loading of Coal	Start Date	Ant Finish Date	Capital Provision (Rs Crs)	Status of Activity
		Dhanbad.				
7	Tapin OCP	Renovation of NR & Sarubera Siding Ph.-I	2011-12	Track work completed	3.54	Ancillary work in progress
8	Tarmi OS OCP	Renovation of Tarmi siding	Oct-14	Track work completed	3.1	Ancillary work in progress
9	Govindpur PH II Jarangdih OCP	Renovation of Jarangdih PF-II siding	Sep-14	Track work completed	3.14	Ancillary work in progress
10	Karo OCP	Renovation of Jarangdih PF-I siding	Feb-15	Track work completed	3.06	Ancillary work in progress
11	Topa OCP	Renovation of NR & Sarubera siding (Ph-II)	25.02.2015	Track work completed	3.27	Ancillary work in progress
12	Kalyani OCP (SDQ I)	Extension Of New Sel. Dhori siding	Feb-15	Track work completed	1.73	Ancillary work in progress
13	Rohini OC	Renovation of Dakra siding	Feb-15	Track work completed	2.6	Ancillary work in progress
14	KD H (RPR) OC	Renovation of KDH – I siding	Feb-15	Track work completed	1.63	Ancillary work in progress
15	Urimari OCP	Renovation of Saunda-B siding	Feb-15	Track work completed	3.77	Ancillary work in progress
16	Piparwar	Renovation of Bachra Siding	Sep-14	Track work completed	4.65	Ancillary work in progress
17	Kuju	Construction of kacha warfwall loading arrangement along with rail line construction at Kuju railway Station.	Feb '17	Track work completed	8.22	Ancillary work in progress
<b>Total 17 Activities</b>					<b>1220.81</b>	

**NORTHERN COALFIELDS LIMITED ACTIVITIES:**

<b>S N</b>	<b>Name of the Projects</b>	<b>Activities for Transportation and Loading of Coal</b>	<b>Start Date</b>	<b>Ant Finish Date</b>	<b>Capital Provision (Rs Crs)</b>	<b>Status of Activity</b>
1	Amlohri Expn	Rail connectivity of PR Siding to SILO.	May- 15	Jun-18	37.72	70% work complete.
2	Block-B	Rail connectivity of PR Siding to SILO.	Jun-15	Dec- 18	63.35	61% complete.
3	Krishnashil a	PR siding connecting to Silo			20.50	Price Bid opened on 22.06.2017. Work to be awarded soon.
4	Nigahi Expn.	Rail connectivity of PR Siding to SILO.	May- 15	Oct-18	46.61	70 % complete.
<b>Total 4 Activities</b>					<b>168.18</b>	

**WESTERN COALFIELDS LIMITED ACTIVITIES:**

<b>S N</b>	<b>Name of the Projects</b>	<b>Activities for Transportation and Loading of Coal</b>	<b>Start Date</b>	<b>Ant Finish Date</b>	<b>Capital Provision (Rs Crs)</b>	<b>Status of Activity</b>
<b>Railway Siding/ Wharf wall</b>						
<b>1</b>	Amalgamated Yekona I&II OC, Majri Area	Railway siding near Yekona alongwith track extension from GMR siding (7 Km)	-	-	40.00	Plan for construction of Siding deferred.
<b>2</b>	Dinesh OC, Umrer Area	Railway Siding along the railway track (Butibori to Umrer) passing along the southern boundary of Dinesh OCM	-	-	32.85	Plan for construction of Siding deferred.
<b>Total 2 Activities</b>					<b>72.85</b>	

**SOUTH EASTERN COALFIELDS LIMITED ACTIVITIES:**

<b>S N</b>	<b>Name of the Projects</b>	<b>Activities for Transportation and Loading of Coal</b>	<b>Start Date</b>	<b>Ant Finish Date</b>	<b>Capital Provision (Rs Crs)</b>	<b>Status of Activity</b>
<b>Railway Siding / Wharf wall</b>						
<b>1</b>	Gevra Expn. OCP (35 Mty)	Arrangement of new railway siding as per option no. 1 for RLS at Junadih Siding.	--	June-18	20.83	OHE and S&T work under final stages.
<b>2</b>	Kusmunda Expn. OCP( 15-50 Mty)	Construction of new Kusmunda siding to facilitate dispatch of washed and raw coal.	Jan-16	Oct-18	221.78	Work in progress.
<b>3</b>	Pelma OCP (15 Mty), Raigarh Area	Construction of new siding and connectivity to spur from Gharghoda to Donga Mauha	Jan-17	Mar-20	119.99	Land acquisition in progress.
<b>4</b>	Chhal OC Seam-III - Expn. (6 Mty), Raigarh Area	Feeder line (Rail Line) from East Corridor and construction of Siding.	Jan-16	Mar-20	62.10	Land Acquisition in progress.
<b>Total 4 Activities</b>					<b>424.7</b>	

**MAHANADI COALFIELDS LIMITED ACTIVITIES:**

<b>S N</b>	<b>Name of the Projects</b>	<b>Activities for Transportation and Loading of Coal</b>	<b>Start Date</b>	<b>Ant Finis h Date</b>	<b>Capital Provisio n (Rs Crs)</b>	<b>Status of Activity</b>
<b>1</b>	Balram OCP	Construction of siding No. X	Final schedule to be prepared		0.87	DPR & revised ESP submitted
<b>2</b>	Basundhara (West) Extn. OCP	Construction of 2nd siding in parallel to the existing Kanika Siding at Himgir.	Final schedule to be prepared		19.00	Land Acquisition under process
<b>3</b>	Lingaraj OC	Rail Connectivity of proposed Lingaraj Silo	Jun-16	Dec-18	195.00	NoC from NTPC being

<b>S N</b>	<b>Name of the Projects</b>	<b>Activities for Transportation and Loading of Coal</b>	<b>Start Date</b>	<b>Ant Finis h Date</b>	<b>Capital Provisio n (Rs Crs)</b>	<b>Status of Activity</b>
		with Talcher Station and its Doubling.				sought for doubling of line
<b>4</b>	Balram OCP	Doubling of link between siding no-9 of Hingula area to Siding no 7 & 8 of Bharatpur Area.	schedule to be prepared		106.00	Work Order issued to RITES for preparation of Master Plan.
<b>5</b>	Integrated Lakhanpur- Belpahar-Lilari OCP	Rail connectivity	schedule to be prepared		161.00	FSR submitted by RITES is under Scrutiny.
<b>Total 5 Activities</b>					<b>481.87</b>	
<b>CIL TOTAL ACTIVITIES: 45</b>					<b>3316.15</b>	

**ANNEXURE-V**

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 25 JULY, 2018 IN HON'BLE CHAIRPERSON'S CHAMBER, ROOM NO. '210', B-BLOCK, PHA EXTENSION BUILDING, NEW DELHI.**

The Committee sat from 1500 hrs. to 1530 hrs.

**PRESENT**

**Shri Rakesh Singh - Chairperson**

**Lok Sabha**

2. Shri Chandulal Sahu
3. Smt. Jyoti Dhurve
4. Dr. Banshilal Mahato
5. Shri Godam Nagesh
6. Shri Ajay Nishad
7. Smt. Riti Pathak
8. Smt. Ranjeet Ranjan
9. Shri Ravindra Kumar Ray
10. Shri Janardan Singh 'Sigriwal'
11. Shri Pashupati Nath Singh

**Rajya Sabha**

12. Shri Samir Oraon
13. Prof. Manoj Kumar Jha
14. Shri Prabhaker Reddy Vemireddy

**SECRETARIAT**

1. Shri U.B.S. Negi - Joint Secretary
2. Shri Ajay Kumar Garg - Director
3. Shri Arvind Sharma - Additional Director

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



The Committee thereafter took up for consideration the following Draft Reports on:-

(i) Action Taken by the Government on the Observations/ recommendations contained in their Thirty-Sixth Report on "Production, Marketing and Distribution of Coal pertaining to the Ministry of Coal;

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

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

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

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

4. The Committee adopted the Reports without any changes/modifications. The Committee then authorized the Chairperson to finalise the Reports and present the same to both the Houses of Parliament.

***The Committee then adjourned.***

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\*\*Do not pertain to this Report.

## ANNEXURE-VI

(Vide Para IV of Introduction)

### ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE THIRTY-SIXTH REPORT OF THE STANDING COMMITTEE ON COAL AND STEEL

I.	Total No. of Recommendations made	12
II.	Recommendations that have been accepted by the Government (vide recommendation at Sl. Nos. 2,3, 4, 6, 7, 8, 9, 10, 11 and 12)	10
	Percentage of total	83.40%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies (vide Recommendation at Sl. No. 1)	01
	Percentage of total	08.30%
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee (vide recommendation at Sl. No. 5 )	01
	Percentage of total	08.30%
V.	Recommendations in respect of which final replies of the Government are still awaited (vide recommendation at Sl. No. Nil)	00
	Percentage of total	0 %