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STANDING COMMITTEE ON
COAL AND STEEL (2019-2020)
SEVENTEENTH LOK SABHA

MINISTRY OF COAL

"DEMANDS FOR GRANTS(2020-2021)"

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



THIRTEENTH REPORT

**LOK SABHA SECRETARIAT
NEW DELHI
SEPTEMBER, 2020/BHADRAPADA, 1942(Saka)**

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(SEVENTEENTH LOK SABHA)

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

Presented to Hon'ble Speaker on 9.09.2020

Presented to Lok Sabha on .09.2020

Laid in Rajya Sabha on .09.2020



**LOK SABHA SECRETARIAT
NEW DELHI
SEPTEMBER, 2020/BHADRAPADA, 1942(Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON
COAL AND STEEL(2019-20)**

Chairperson - Shri Rakesh Singh

Lok Sabha

2. Shri Balubhau Dhanorkar alias Suresh Narayan
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Shri Raghurama Krishnaraju Kanumuru
6. Shri C. Lalrosanga
7. Shri S. Muniswamy
8. Shri Ajay Nishad
9. Shri Basanta Kumar Panda
10. Smt. Riti Pathak
11. Shri Komati Reddy Venkat Reddy
12. Shri Chunni Lal Sahu
13. Shri Arun Sao
14. Dr. Beesetti Venkata Satyavathi
15. Shri Sushil Kumar Singh
16. Shri Pashupati Nath Singh
17. Shri Sunil Kumar Singh
18. Dr. Alok Kumar Suman
19. Dr. Thirumaavalavan Thol
20. Shri Shyam Singh Yadav
21. Shri Tokheho Yephthomi

Rajya Sabha

22. Dr. Vikas Mahatme
23. Shri Prashanta Nanda
24. Shri Ram Vichar Netam
25. Shri Samir Oraon
26. Shri Dhiraj Prasad Sahu
27. Shri Prabhakar Reddy Vemireddy
28. Shri B. Lingaiah Yadav*
29. Shri Anil Desai[#]
30. Shri Venkataramana Rao Mopidevi[^]
31. Vacant

*Nominated w.e.f. 3rd December, 2019

[#] Nominated w.e.f. 21st December, 2019

[^] Nominated w.e.f. 23rd July, 2020

SECRETARIAT

- | | | |
|-----------------------|---|---------------------|
| 1. Shri Pawan Kumar | - | Joint Secretary |
| 2. Shri Arvind Sharma | - | Director |
| 3.Smt. Geeta Parmar | - | Additional Director |
| 4.Shri Girdhari Lal | - | Deputy 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 Thirteenth Report (Seventeenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Sixth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal and Steel on "Demands for Grants (2020-2021)" relating to the Ministry of Coal.

2. The Sixth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 12.03.2020. Replies of the Government to all the observations/recommendations contained in the Report were received on 08.06.2020.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 02.09.2020.

4. An analysis on the Action Taken by the Government on the observations/ recommendations contained in the Sixth Report (Seventeenth Lok Sabha) of the Committee is given at **Annexure-II**.

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;

02 September, 2020

11 Bhadrapada, 1942(Saka) Standing Committee on Coal and Steel

RAKESH SINGH

Chairperson

REPORT

CHAPTER I

This Report of the Committee deals with action taken by the Government on the observations/recommendations contained in the Sixth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal and Steel on "Demands for Grants (2020-21)" relating to the Ministry of Coal which was presented to Lok Sabha and laid in Rajya Sabha on 12.03.2020

2. The Report contained 16 Observations/Recommendations. The Action Taken Replies have been received from the Ministry of Coal in respect of all the 16 observations/recommendations contained in the Report on 08.06.2020. These have been categorised as follows:-

- (i) Observations/Recommendations which have been accepted by the Government:

Serial Nos. 1, 2, 4, 5, 6, 7, 8, 9, 10, 12,13,14,15 and16

Total : 14
Chapter-II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:

Serial No. NIL

Total : NIL
Chapter-III

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:

Serial No. 11

Total : 01
Chapter-IV

- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:

Serial No.3

Total:01
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 and final Action Taken Notes to the recommendation(s) contained in Chapter-V of this Report be furnished to them within three months.

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

RECOMMENDATION (Sl. No.2)

REVIEW OF BUDGET OUTLAYS FOR 2020-21

5. The Committee had noted that though the Ministry of Coal had projected an outlay of Rs.2610.50 crore for its Central Sector Schemes during 2020-21, the Ministry of Finance allocated funds of Rs. 819.98 crore only which was even 25.25% less than BE, 2019-20 of Rs.1097 crore. While expressing their apprehension with regard to completion of the projects/schemes/activities of the Ministry of Coal during the year due to reduction in annual budgetary allocations, the Committee had, recommended that the total plan allocation should be reviewed and enhanced allocations be sought at the RE stage.

6. The Ministry in its Action Taken Reply has submitted as under:-

“The Central Sector Scheme was continuing till 2019-20 and to continue the scheme for 5 years beyond 2019-20 and for the requirement of fund, a detailed study has been carried out by engaging a third party. The report of the agency has been received and based on the requirement of exploration in the country for auction/allocation of coal blocks revised requirement of fund has been made and have been included in the note for Empowered Finance committee (EFC). After, obtaining approval of Cabinet, proposal for enhancement of fund at RE stage will be taken up.”

7. While expressing their apprehension that reduced allocation of Rs. 819.98 crore for the Central Sector Schemes(CSSs) of the Ministry of Coal which is even 25.25% less than Rs. 1097 crore allocated during 2019-20 would lead to delays in completion of the projects/schemes/activities of the Ministry, the Committee in their Original Report had recommended to the Ministry to seek enhanced allocations at the RE, 2020-21 stage. From the Action Taken Reply, the Committee note with satisfaction that the Ministry of Coal had engaged a third party to carry out a study to gauge the requirement of funds beyond 2019-20 for 5 years and the report of the agency has been received. The Committee have been informed that based

on the revised requirement of funds for exploration in the country for auction/allocation of coal blocks, the Ministry has prepared a note for Empowered Finance Committee(EFC). After obtaining the approval of Cabinet, the Ministry would take up the proposal for enhancement of fund at RE stage. The Committee would like to be apprised of the highlights of the report submitted by the above said third party and the revised proposal as well as funds allocated at RE, 2020-21 stage for the Central Sector Schemes of the Ministry.

RECOMMENDATION (SI. No.3)

UTILISATION OF ALLOCATED FUNDS

8. The Committee had noted that during the year 2019-20, out of the budget outlay of Rs.1097 crore, the Ministry of Coal could utilise Rs.752.9 crore (68.63%) only up to December, 2019 due to less utilization of the North East component of the budget. The exploration could not be taken up in North East at a large scale due to medium to dense forest cover, rugged topography, adverse law and order conditions, Special Land Tenancy Act and limited availability of exploration agencies in the area. As the Ministry of Finance had imposed restriction for carrying out expenditure up to 25% and 10% in the last quarter/month of the financial year, the Committee had apprehended for a shortfall in utilization of funds by the Ministry of Coal during 2019-20 even besides NE component and recommended to the Ministry to take necessary steps to timely execute the projects and prepare targets for quarterly utilization of funds lest it would lead to shortfall in physical and financial targets during the year.

9. The Ministry in its Action Taken Reply has submitted as under:-

"Promotional and Regional Exploration Schemes:

In 2019-20, CMPDI has utilized about 99.6% of the fund released in both the exploration schemes except NER component wherein fund released under NER component of Sub-scheme of Detailed Drilling in Non-CIL blocks was to the tune of Rs.2.10 crore, out of which Rs.1.45 crore was utilized.

In order to timely execute the projects, Ministry of Coal has approved an annual plan of exploration under these schemes. Timeline has been framed in awarding these blocks for exploration and to complete the exploration activities in a time bound manner. A meeting has also been scheduled with officers of Directorate of Mines and Geology of five NE States to prepare an action plan of exploration in North East States.

R&D/S&T Schemes:

During 2019-20, the allocated fund (RE) was Rs.19.80 crore for general component and Rs.2.20 crore for NE Region. Fund utilization for general component was Rs.18.78 crore. However, for NE Region, no amount was utilized.

The following steps have been taken for timely execution of various on-going and new projects under R&D:

- (a) Progress of Coal S&T projects is monitored by CMPDI in review meetings at CMPDI and followed up at regular interval. Progress is also reviewed by the Technical Sub-committee of Standing Scientific Research Committee (SSRC) headed by CMD, CMPDI as well as the SSRC headed by the Secretary (Coal). Implementing agencies submit quarterly progress reports of the projects to CMPDI which, after examination, are placed before Technical Sub-committee and SSRC.
- (b) Periodic visits to the implementing institutes are undertaken by CMPDI officials to monitor the progress of these projects and necessary assistance is extended to them.

Scheme of Conservation and Safety in coal mines and Development of Transport Infrastructure:

The actual expenditure during 2019-20 is given below:-"

Sl. No.	Name of the Scheme	2019-20 (Rs. in Crore)		Remarks
		RE	Actual (up to Mar, 2020)	
1.	Conservation and Safety in Coal Mines	4.00	3.60	Rs. 0.40 Crore from NER component could not be utilized. However, there is spillover of Rs. 9.39 Crore which is to be released in 2020-21
2.	Development of Transport Infrastructure in Coalfields	90.00	80.99	Re. 7.28 Crore from NER component could not be utilized. However, there is spillover of Rs. 149.89 Crore which is to be released in 2020-21.

10. In their Original Report, the Committee had observed that the Ministry of Coal could utilize only 68.63% of the budget outlay for the year 2019-20(up to December, 2019) and therefore apprehended shortfall in optimal utilization of funds during the year especially when the Ministry of Finance had imposed restriction for carrying out expenditure up to 25% and 10% in the last quarter/month of the financial year. The Committee had, therefore, recommended that the

Ministry of Coal should take necessary steps to timely execute the projects and prepare targets for quarterly utilization of funds to avoid shortfall in physical and financial targets during the year. From the action taken reply of the Ministry, the Committee observe that under Promotional and Regional Exploration Schemes, the Central Mine Planning and Design Institute(CMPDI) utilised 99.6% of the funds out of the general component and under NE component, out of Rs. 2.10 crore released for Sub-scheme of Detailed Drilling in Non-CIL blocks, Rs.1.45 crore could be utilized. Further, under R&D/S&T Schemes, out of RE of Rs.19.80 crore, Rs.18.78 crore were utilised and under NE component, out of Rs.2.20 crore, no amount was spent. Also, under Scheme of Conservation and Safety in coal mines and Development of Transport Infrastructure, out of allocated funds of Rs. 94 crore, Rs. 84.59 crore were utilised. However, under the Scheme, Rs.7.28 crore allocated for NE component, the actual spending was NIL. In view of the foregoing, the Committee find that funds allocated to the Ministry of Coal in respect of the general component could not be fully utilised during 2019-20 and in respect of NE component, only meagre amount of Rs. 1.45 crore was utilised for detailed drilling in Non-CIL Blocks. As the Ministry's reply is silent on their recommendation to prepare targets for quarterly utilization of funds to avoid shortfall in targets fixed during a year, the Committee reiterate their earlier recommendation and desire the Ministry to inform them about the steps taken to improve the pace of implementation of its various schemes/projects.

RECOMMENDATION (Sl. No.4)

RESEARCH AND DEVELOPMENT (R&D)

11. Research and Development/S&T Scheme of the Ministry of Coal supports R&D activities in the coal sector and is administered through Standing Scientific Research Committee (SSRC) with Secretary, Coal as its Chairman. The Committee were, however not happy to note that a provision of Rs. 25 crore made in BE, 2019-20 for R & D was reduced to Rs. 22 crore at RE stage. Since the Ministry had utilized only Rs. 18.78 crore upto December, 2019, the Committee had desired the Ministry to take all the required steps to improve the pace of implementation of their R&D projects and optimally achieve the physical and financial targets during 2019-20.

12. The Ministry in its Action Taken Reply has submitted as under:-

"During 2019-20, the allocated fund (RE) by MoC under Central Sector Scheme for R&D activity was Rs.22.0 crore, out of which Rs.19.80 crore was for general component and Rs.2.20 crore for NE Region. During 2019-20, the fund released by MoC for general component was Rs.18.78 crore and Rs.18.67 crore has been successfully utilized.

Out of Rs.2.20 crore, allocated during 2019-20 for NE Region, no amount was utilized. However, one (1) S&T project having outlay of Rs.3.61 crore has been recommended by Technical sub-committee of SSRC for consideration of SSRC which is expected to be considered in 2020-21.

The following steps have been taken for timely execution of various on-going and new projects under R&D:

- (a) A committee has been constituted to identify the thrust areas of research in coal sector for sustainable development.
- (b) It has been planned to identify 10-15 projects in broader fields to be considered in the scheme.
- (c) Implementing agencies submit quarterly progress reports of the projects to CMPDI which, after examination, are placed before Technical Sub-committee and SSRC.
- (d) Progress of Coal S&T projects is monitored by CMPDI and also by MoC in the Standing Scientific Research Committee (SSRC) headed by Secretary (Coal).
- (e) Periodic visits to the implementing institutes are undertaken by CMPDI officials to monitor the progress of these projects and necessary assistance is extended to them."

13. In their Original Report, the Committee had recommended that the Ministry of Coal should take all the required steps to improve the pace of implementation of its R&D projects and optimally utilise RE of Rs. 22 crore during 2019-20. From the action taken reply of the Ministry, the Committee note that during 2019-20, the Ministry has been able to utilise Rs.18.67 crore against Rs.18.78 crore released for general component. However, the amount of Rs.2.20 crore released for NE component remained unutilised. The Committee find that the Ministry is unable to utilize NE component of the budget year-after-year. Taking note of the fact that the Technical sub-committee of Standing Scientific Research Committee (SSRC) has recommended one S&T project having outlay of Rs.3.61 crore for consideration of SSRC in 2020-21, the Committee hope that the proposed S&T project would soon be considered by SSRC and taken up for implementation during the current year. The Committee would like to be informed of the development in the matter.

RECOMMENDATION (SI. No.11)

DEVELOPMENT OF TRANSPORTATION INFRASTRUCTURE IN COALFIELD AREAS

14. The Committee had noted that about 67% of coal is produced from mines having capacity of coal production of 4 MTPA and above in all PSUs. Presently only 24% coal is evacuated by MGR/Rail/Belt and the rest is evacuated by road. It was informed that Ministry of Coal had plans to improve this percentage and enhanced capital requirements would be needed. The Committee were satisfied to note that the Ministry had optimally utilized allocation of Rs. 299.50 crore and Rs. 140 crore for the scheme during 2017-18 and 2018-19, respectively and hoped that Rs. 130.50 crore allocated during 2019-20 would be optimally utilised. The Committee also expressed their concern to note that though the Ministry had projected Rs. 160 crore for the scheme, only Rs. 84.48 crore were allocated during 2020-21 which was even less than last year's allocation of Rs.130.50 crore. Taking into account the ambitious plan of the Government/Coal Companies to address the environmental concerns, increase efficiency and bring cost effectiveness and to increase evacuation of coal by means other than road to 87% in next 5 years which would cover integrated installation of pit head crusher/mobile crusher; conveyor belt; Coal Handling plant, Silo, Rapid Loading System etc., the Committee had desired the Government to enhance the budgetary support under the scheme for the year 2020-21 at RE stage.

15. The Ministry in its Action Taken Reply has submitted as under:-

“Capital expenditure plan of CIL for 2020-21 for the construction of Coal Handling Plants, Silos, RLS, Bunkers, Conveyors, weighbridges etc. under First Mile Connectivity (FMC) head has been pegged at about Rs 1630.34 crore. CIL has planned to enhance its expenditure plan in FMC projects in the subsequent years. CIL's Capex plan for 2020-21 and the next 3 years in FMC is as below:

(Figs. in Rs. Crore)

Heads	Provisional target	Projections		
	2020-21	2021-22	2022-23	2023-24
FMC (CHP, Silo, Crusher, Conveyor, etc)	1630.34	4593.58	4084.61	1664.76

The proposed budget for the head “Development of Transport Infrastructure in Coalfields” during 2020-21 is Rs. 234 crore. There is already spill over of Rs. 149.89 Crore from 2019-20. To meet up the

expenditure, the budgetary support under this scheme needs to be enhanced.”

16. In their Original Report, the Committee had noted with concern that the Ministry of Coal had been allocated Rs. 84.48 crore only for the scheme 'Development of Transportation Infrastructure in Coal Field Areas' during 2020-21 though it had projected Rs. 160 crore. From the Action Taken Reply, the Committee note that Ministry has agreed to meet the expenditure, the budgetary support under this scheme needs to be enhanced. The Committee would, therefore, desire the Government to augment the allocation at RE stage for the scheme 'Development of Transportation Infrastructure in Coal Field Areas' to enable the Coal Companies to fulfil their ambitious plan for addressing the environmental concerns, increasing efficiency and bring cost effectiveness and increasing evacuation of coal by means other than road to 87% in next 5 years.

17. As regards capital expenditure plan of CIL for 2020-21 for the construction of CHPs, Silos, RLS, Bunkers, Conveyors, weighbridges etc., the Committee note that under First Mile Connectivity (FMC) head, this has been pegged at about Rs.1630.34 crore. The Committee would like to know the precise reason for lower capital expenditure of CIL for the beginning year of the project i.e. for 2020-21 under FMC especially when the Ministry has made projections of Rs. 4593.58 crore and Rs. 4084.61 crore for the years 2021-22 and 2022-23, respectively which are on a much higher side.

CHAPTER –II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

RECOMMENDATION (SI.No. 1)

The Committee note that coal accounts for around 55% of the India's primary commercial energy and nearly 72% of the entire power generated in the country is coal based. Further, India targets to add renewable energy capacity to 175 GW by 2022 and 275 GW by 2027. The Committee perceive that this move is in accordance with Paris protocol and would supplement coal's role, if not entirely substitute it. Renewable and coal have to co-exist for some time before renewable can significantly contribute to a larger share of India's energy basket but till such time coal would remain the dominant energy source in the country. The Committee feel that the Ministry of Coal has a larger role to play in securing the availability of coal to meet the demands of different sectors of the economy in an eco-friendly and sustainable manner through Government Companies as well as the captive mining route by adopting state-of-art-clean coal technologies. The Committee note with satisfaction that consumption / actual supply of coal (including import) has increased from 836.93 million tonnes in 2016-17 to 969.47 million tonnes in 2018-19. Further, during April-December 2019, the actual indigenous supply of coal was 480.51 Mt. The Committee trust that Ministry of Coal/ Coal PSUs would continue to maintain the momentum in coal production.

ACTION TAKEN

CIL is in constant endeavour to enhance its coal production /supply over the years as a result of which, it has crossed 600 Mt (Million Te) marks for the two consecutive years including 2019-20. CIL alone contributes about 83% of indigenous coal production/supply in the country.

In 2020-21, CIL has been mandated a production/supply target of 710 Mt. Further, in order to meet the future demand of coal in India, CIL has envisaged to produce 1.0 Bt (Billion Te) by the year 2023-24 for which a detailed action plan is already in place for meeting such ambitious target.

SCCL has planned the coal production of 67.50 MT during 2020-21 including 4 MT of coal production planned from the 4 new mines to be grounded during 2020-21.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.2)

BUDGET OUTLAYS OF MINISTRY OF COAL:

The Committee note that the Ministry of Coal had projected an outlay of Rs.2610.50 crore for its Central Sector Schemes during 2020-21 which was scaled

down to Rs. 819.98 crore by the Ministry of Finance. This year allocation is even 25.25% less than BE, 2019-20 of Rs.1097 crore. With these reductions in annual budgetary allocations, the Committee apprehend that it would lead to substantial shortfall in completion of the projects/schemes/activities of the Ministry of Coal during the year. The Committee, therefore, recommend that the total plan allocation be reviewed and enhanced allocations be sought at the RE stage.

ACTION TAKEN

The Central Sector Scheme was continuing till 2019-20 and to continue the scheme for 5 years beyond 2019-20 and for the requirement of fund, a detailed study has been carried out by engaging a third party. The report of the agency has been received and based on the requirement of exploration in the country for auction/allocation of coal blocks revised requirement of fund has been made and have been included in the note for Empowered Finance committee (EFC). After, obtaining approval of Cabinet, proposal for enhancement of fund at RE stage will be taken up.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

Comments of the Committee

(Please see para 7 of Chapter I of the Report)

RECOMMENDATION (SI.No. 4)

RESEARCH AND DEVELOPMENT (R&D)

Research and Development/S&T Scheme of the Ministry of Coal supports R&D activities in the coal sector and is administered through Standing Scientific Research Committee (SSRC) with Secretary, Coal as its Chairman. The Committee note that for R&D a provision of Rs. 25 crore was made in BE, 2019-20, however, the allocation was reduced to Rs. 22 crore at RE stage. Against RE of Rs. 22.00 crore, the Ministry has utilized Rs. 18.78 crore up to December, 2020. The Committee hope that the Ministry will take all the required steps to improve the pace of implementation of their R&D projects and would optimally achieve the physical and financial targets during 2019-20.

ACTION TAKEN

During 2019-20, the allocated fund (RE) by MoC under Central Sector Scheme for R&D activity was Rs.22.0 crore, out of which Rs.19.80 crore was for general component and Rs.2.20 crore for NE Region. During 2019-20, the fund released by MoC for general component was Rs.18.78 crore and Rs.18.67 crore has been successfully utilized.

Out of Rs.2.20 crore, allocated during 2019-20 for NE Region, no amount was utilized. However, one (1) S&T project having outlay of Rs.3.61 crore has been

recommended by Technical sub-committee of SSRC for consideration of SSRC which is expected to be considered in 2020-21.

The following steps have been taken for timely execution of various on-going and new projects under R&D:

- (a) A committee has been constituted to identify the thrust areas of research in coal sector for sustainable development.
- (b) It has been planned to identify 10-15 projects in broader fields to be considered in the scheme.
- (c) Implementing agencies submit quarterly progress reports of the projects to CMPDI which, after examination, are placed before Technical Sub-committee and SSRC.
- (d) Progress of Coal S&T projects is monitored by CMPDI and also by MoC in the Standing Scientific Research Committee (SSRC) headed by Secretary (Coal).
- (e) Periodic visits to the implementing institutes are undertaken by CMPDI officials to monitor the progress of these projects and necessary assistance is extended to them.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

Comments of the Committee

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

RECOMMENDATION (SI.No.5)

The Committee further observe that the Ministry had proposed Rs. 50 crore for its research activities during 2020-21, however it has been reduced by 50% and an amount of Rs. 25.00 crore has been allocated which is again the same as BE, 2019-20. In view of the fact that the R&D in coal sector is important for development of clean coal technologies, safety in coal mines and protection of ecology, for a safe and secure clean energy future, it is high time that Government extend sufficient budgetary support to the Ministry of Coal for the research activities in coal sector. In this context, the Committee would like the Government to closely monitor the actual expenditure incurred by the Ministry of Coal during the previous years on R&D and thereafter allocate funds for the next year. Hence, the Committee recommend that the budgetary allocation be reviewed and stepped up at RE 2020-21 stage.

ACTION TAKEN

The allocated BE for R&D activities during 2020-21 is Rs. 25.0 crore, which is expected to be utilized successfully during the year.

However, it is expected that the allocated budget for research activities may be increased at RE stage during 2020-21 based on the progress of the ongoing projects and approval of new projects.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.6)

REGIONAL EXPLORATION AND DETAILED DRILLING

The Committee note that the prime objective of the Plan Scheme of the Ministry of Coal on Promotional Exploration for coal and lignite is to undertake preliminary drilling to assess availability of coal in various areas. The scheme is being implemented through various agencies viz. CMPDIL, GSI, MECL and State Government Companies. Further, Detailed drilling aims at bringing coal resources falling in indicated and inferred category, into proven category. The Committee note with concern that allocations during 2020-21, for Regional Exploration and Detailed Drilling have been reduced as compared to the year 2019-20. Whereas Rs. 70 crore and Rs. 630 crore, respectively has been approved during 2020-21, budget allocation of Rs. 120 crore and Rs. 817 crore, respectively was provided during the year 2019-20. Under the Exploration Programme (2020-21), the Ministry of Coal aims at faster exploration to prove the resources and to carve out more coal blocks for auction/allocation. Besides coal blocks have to be auctioned/allocated on Prospecting Licence cum Mining Lease basis for coal blocks not having detailed exploration. Besides, an area of 3322 sq km is targeted for Regional Exploration and 4343 sq km for Detailed Exploration under Central Sector Schemes (CSS) funding.

In view of its ambitious plan for undertaking Regional and Detailed Exploration under CSS funding in vast areas, the Committee have been given to understand that the Ministry of Coal proposes to seek supplementary grants to achieve the targets during 2020-21. The Committee are of the opinion that the budgetary support to the Ministry of Coal to meet the targets for its exploration schemes during 2020-21 is needed to be augmented to the required level at RE stage.

ACTION TAKEN

Ministry of Coal has planned to auction coal block after exploring the block up to G2 level (regional exploration) and granting lease on PL cum ML basis. It has also been planned to include geo physical exploration (seismic surveys) with reduced drilling which will save time and cost. Further, the annual plan of exploration has been approved and communicated to CMPDI to ensure implementation of plan in a time bound manner. In order to enhance the budget at RE stage, Ministry of Coal is preparing EFC note for continuation of scheme and for requirement of fund for next 5 years. After approval of the note by Cabinet, additional fund will be taken up at RE stage.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.7)

The Committee note that for Regional Exploration, the budget outlay of Rs.120 crore was reduced to Rs. 90 crore in RE, 2019-20. It has been stated that due to priority drilling in detailed exploration and limited resources of MECL, CMPDI & State Governments DGMS, the proposed target could not be achieved and allocation and drilling target were subsequently reduced. Now by outsourcing and 2D seismic survey, the likely drilling is 1.10 lakh metre and expenditure will be about Rs. 70 crore. The Committee are of the opinion that the budgetary allocations as decided by the Ministry as necessary to carry its activities should not be reduced at RE stage, however, it is equally important that the Ministry exert itself and optimally utilize the allocated funds. In view of the lower utilization of funds for Regional Exploration, the Committee would like to be assured that the factors affecting the performance during the year should be dealt with on priority and whatever might be the constraints, serious efforts should be made to achieve the physical and financial targets during 2020-21.

ACTION TAKEN

In Promotional/NMET exploration in Coal & Lignite, MECL & State Govt. have achieved 1.16 lakh metre of drilling during Apr.'19-March'20 against the RE target of 1.10 lakh metre in 2019-20.

CMPDI has utilized about 99% of released fund by MoC. The shortfall in achievement against the BE target of 1.53 lakh metre is mainly due to reduction in fund at RE stage, COVID-19 lock down, non-deployment of resources by DGMs/DMRs of NER except DGM(Nagaland) and less deployment of resources by MECL in coal/lignite due to priority detailed drilling in Non-CIL blocks.

CMPDI has initiated action for start of drilling and tendering of blocks, so that after opening/relaxation in lock down, exploration work may be taken at fast pace to achieve the targets & utilize the fund.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.8)

Similarly, for detailed drilling BE, 2019-20 of Rs. 817.00 crore was reduced to Rs. 665.05 crore at RE stage. During 2018-19 and 2019-20, against the target of 5.93 lakh metre and 8.16 lakh metre, respectively of drilling targets, the achievement remained 4.84 lakh metre and 7.10 lakh metre (likely), respectively. The Committee have been informed about the reasons like non-availability of forest permission, adverse law & order condition in many States and non-availability of funds and prolonged unreasonable rains. The Committee, therefore, desire that the Ministry should review the performance with regard to drilling in Non-CIL blocks and take corrective steps to ensure fulfilment of the targets in respect of detailed drilling in Non-CIL blocks and the Committee be apprised of the same.

ACTION TAKEN

In Detailed exploration in Non-CIL blocks, CMPDI has achieved about 6.72 lakh metre of drilling against the RE target of 7.10 lakh metre during 2019-20.

CMPDI has utilized about 99.6% of released fund by MoC. The shortfall in achievement is mainly due to COVID-19 lockdown, reduction of fund in RE stage, pending forest permission & adverse law & order condition in some areas.

CMPDI has initiated action for start of drilling and tendering of blocks, so that after opening/relaxation in lockdown, exploration may be taken at fast pace to achieve the targets & utilize the fund.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.9)

ENVIRONMENT MEASURES & SUBSIDENCE CONTROL MEASURES (EMSC)

The Environmental Measures and Subsidence Control (EMSC) Scheme aims to improve the environmental conditions in the old mined out areas of Jharia and Raniganj coalfields by addressing fire and subsidence problems. EMSC Scheme has subsequently been merged in a Master Plan dealing with Fire, Subsidence, Rehabilitation and Diversion of surface infrastructure in Jharia and Raniganj coalfields within the leasehold areas of BCCL and ECL. The said Master Plan was sanctioned by the Government in August 2009 at an investment of Rs. 9657.61 crore with an annual outlay of Rs. 977 crore spread over a period of 10 years. The Committee learn that as per tenets of the Plan, CIL was required to first spend from its own resources upto Rs. 350 crore per year and the additional funds required, if any, are to be made available from the Budget. However, CIL has not been able to spend its share. Now as the time frame of 10 years is over on 11.08.2019, a revised Master Plan has been prepared based on recommendation of the committee consisting of CMD, ECL, CEO, ADDA, Director (Technical), CIL and CMD, CMPDI. The comprehensive proposal is under finalization before it will be sent to MOC for Cabinet approval. The Committee are concerned to note that the environmental issues in the Jharia and Raniganj coalfields for which the master plan was sanctioned way back in 2009 did not get the attention it deserved. Hence, the earlier Master Plan has met with a failure and a revised Master Plan is under consideration. The Committee would like to be assured that the revised Master Plan be finalized at the earliest and advance action be taken so that some concrete results are seen on ground level. The Committee would like to be apprised of the progress in the matter.

ACTION TAKEN

In order to implement the Master Plan, it has been felt that the rehabilitation package requires revision and should be acceptable to the local population. Accordingly the matter was taken up during the 20th HPCC meeting held on 30.10.2019 and the 21st HPCC meeting held on 04.03.2020. State Government of

WB and Jharkhand had proposed certain options of rehabilitation of affected families.

In the 21st meeting of HPCC on 4.3.2020, it was decided that State Authority may finalize R&R package acceptable to families and ascertain additional fund requirement and its source of funding. Preparation of rehabilitation package by State Government of Jharkhand and WB for Jharia and Raniganj Master Plan respectively is under progress. On receipt of proposal from concerned state Government, the proposal will be prepared for approval of cabinet.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.10)

CONSERVATION AND SAFETY IN COAL MINES

The Committee note that the aspect of conservation of coal is taken into account right from the planning stage and maximum recovery is ensured during implementation stage. Further, Coal mining poses several inherent, operational and occupational hazards and associated risks to the work persons. Hence, safety is always an utmost priority for Coal Companies and is one of the main ingredients of their mission statements. The Committee are, however, concerned to note that the budgetary allocation during the last three years for the scheme 'conservation and safety in coal mines' is on the decline. During 2017-18, 2018-19 and 2019-20, budgetary allocations of Rs. 200 crore, Rs. 59.50 crore and Rs. 4.00 crore, respectively were made under the scheme. The Committee further note that during 2020-21, Rs. 10 crore only has been allocated under the scheme against Rs. 100 crore projected by the Ministry of Coal. The Committee also observe that Safety is a major thrust area of the Ministry and significant improvements in safety aspect has been brought about since nationalization of coal mines. The Committee note with satisfaction that Fatal Accidents have reduced from 33 in 2018 to 30 in 2019 (9% reduction) and Fatalities from 43 in 2018 to 34 in 2019 (21% reduction) while serious Accidents have reduced from 89 in 2018 to 86 in 2019 (3% reduction) and Serious Injuries from 98 in 2018 to 90 in 2019 (8% reduction) which is the lowest on all parameters since inception of Coal India Ltd. Further, attaching significance to safety aspects in coal mines, the Ministry had organized recently a two day 'ChintanShivir' at Ahmedabad, Gujarat wherein need for Zero Harm Potential was highlighted. The Committee are of the considered view that the larger goals of higher productivity in coal mining industry should be synchronized with sustained efforts for protection and safety of workers in coal mines and for that funds should not be a constraint. The Committee feel that though there is a decrease in number of fatalities in coal mines, there is an absolute need to further reduce the number in this regard which is possible only with the use of the state of the art technologies and ensuring institutional arrangements for skill up-gradation and required training of the work force engaged in the coal mining areas and hence the required steps should be taken.

ACTION TAKEN

The domain of CCDA assistance has already been extended to all lignite mines also. In view of enhancement of safety in coal/lignite mines, the following modern systems have been included in the domain of CCDA assistance under the scheme.

- a) Introduction of modern technology for strata monitoring and strata management in underground coal mines.
- b) Introduction of modern technology to monitor and prevent slope / dump failure in OC mines.
- c) Modern technology to monitor and control movement of HEMM in OC mines to enhance safety.
- d) Introduction of modern technology for monitoring and control of movement of machines in UG coal mines for better safety.
- e) Safety measures to prevent accidents from running conveyor belts.
- f) Other modern system to enhance safety such as protection and strengthening of embankment of river passing near mines to guard against inundation, etc.

The expenditure on the scheme of Conservation and Safety in Coal Mines will increase in the coming years due to increase in the cost of protective works and introduction of new technologies.

A Committee of the Experts have been constituted to prepare an internal guideline for the new modern systems to be considered for CCDA assistance and submit the report to CCDA Committee

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.12)

BUDGETARY PROVISION TO NORTH EASTERN AREAS UNDER THE SCHEMES

The Committee note that budgetary provision of Rs. 82.00 crore towards North Eastern Areas has been made during 2020-21 under the Schemes of R&D, Regional Exploration, Detailed Drilling and EMSC which is less as compared to the BE, 2019-20 of Rs. 109.70 crore. While observing that North-East component of the budget for detailed exploration and promotional exploration could not be utilized due to constraints like medium to dense forest cover, rugged topography and adverse Law & Order situations and limited availability of exploration agencies, the Committee are happy to learn that the Promotional (Regional) exploration is under progress in Changki B block by DGM (Nagaland) and about 702.00 metre drilling work has been completed during 2019-20 (upto January, 2020). Further, after prolonged efforts, CMPDI got a breakthrough by starting of drilling through outsourcing in Phatapara block, Singrimari Coalfield, Assam under Promotional

Exploration and Koth-Arda block, Mikir Hills Coalfield, Assam under detailed exploration in December, 2019 & January, 2020 respectively.

The Committee also take note of the fact that NE component of the budget for R&D also could not be utilized due to poor response of the institutes/organizations located in NE and reluctance of institutions located elsewhere to take up R&D projects for NE region. Meanwhile, one S&T project related to NER has been recommended by the Technical Sub-committee of SSRC for consideration and efforts are continuing with around 70 Academic Institutes/Research Organizations/Agencies (including 23 IITs and 32 NITs) for their wider participation in research activities related to NER & beneficial to coal sector. While appreciating the steps taken by the Ministry/Coal Companies to allocate more R&D projects to Institutes located in North East and elsewhere, the Committee hope that the regional and detailed exploration in NE Region will soon take off after the approval of the S&T projects by SSRC. The Committee would like to be apprised of the progress in the matter in this regard from time to time.

ACTION TAKEN

Promotional (Regional) Exploration and Detailed Drilling:

Promotional (Regional) exploration is under progress in Changki B block by DGM (Nagaland) and about 1046 metre drilling work has been completed during 2019-20. Further, after prolonged efforts, CMPDI got a breakthrough by starting of drilling through outsourcing in Phatapara block, Singrimari Coalfield, Assam under Promotional (Exploration) and in Koth-Arda block, Mikir Hills Coalfield, Assam under detailed exploration in December, 2019 & February, 2020 respectively and about 284 metre drilled was carried out in Phatapara block & 1358 metre drilled was carried out in Koth-Arda block. But again the work was stopped in March'20 due to NRC agitation and subsequently on account of COVID-19 lockdown.

CMPDI initiated the action by floating tenders for Detail exploration in Namchik East & Namchik West, Arunachal Pradesh and Rotlang&Lusaichera, Mizoram for Regional exploration to achieve the target in 2020-21 & utilize the NER fund.

CMPDI is apprising Ministry of Coal regarding the development in NE Region in Review Meetings held from time to time.

R&D/S&T Schemes:

In order to implement R&D scheme in an effective manner, a committee has been constituted to suggest the thrust areas to be taken up for the projects under the scheme. Further, for taking up research projects related to NE Region, continuous effort is being done.

Letters have also been written to around 70 Academic Institutes/Research Organizations/ Agencies (including 23 IITs and 32 NITs) for their wider participation in research activities related to NER & beneficial to coal sector.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.13)

PHYSICAL PERFORMANCE OF COAL/LIGNITE PSUS

The Committee note that the physical target set for coal production by CIL for the year 2020-21 stands at 710 MT. During 2019-20, against the target of 660 MT coal production, the actual production upto January, 2020 has been 451.52 MT. In a subsequent reply, the Committee have been informed that CIL has showed distinct improvement in production, recording growth of 7.2% in the month of December, 2019, 10.3% in January, 2020 and 14.2% in February, 2020. As regards the reasons for shortfall in targeted coal production during 2019-20, the Ministry of Coal has attributed it to problems in land acquisition, delay in Forestry and Environmental clearances, R&R Evacuation and logistics constraints, law and order problem, etc. Subsidiary-wise performance during 2019-20 (upto January, 2020) is also not very impressive as ECL, BCCL, CCL, NCL, WCL, SECL, MCL and NEC have achieved only 72%, 59%, 61%, 84%, 70.7%, 65%, 66% and 39% of their physical targets, respectively. Similarly, in the case of SCCL, against the coal production target of 67 MT during 2019-20, the actual production upto January, 2020 has been 52.47 MT. The Committee desire that factors responsible for lower production performance are required to be looked into. The Committee trust that the Ministry would make earnest efforts in addressing the issues affecting the coal production and would optimally achieve the targets fixed for 2019-20 and 2020-21.

ACTION TAKEN

Coal India Limited (CIL): Coal production of CIL was 602.15 MT in 2019-20 as compared to 606.89 MT during previous year achieving a negative growth rate of -0.8%. Coal production of CIL decreased by 4.74 MT in absolute terms during 2019-20.

The decline in coal production is largely due to heavy rainfall witnessed in the coal mining areas in the current year which was around 25% more than the previous year. Further, rains also continued during the month of October. However, production started showing an upward trend since November, 2019 and the country attained highest ever level of production from December 2019 to March 2020.

An adverse situation i.e. outbreak of pandemic COVID 19 in the month of March'20 has also been created, which is the peak producing period and affected support of critical inputs like explosives, spares and restricted in movement of departmental and contractual manpower due to nationwide lockdown. However, the yearly coal production target has been kept same as 710 Million Tonne with the expectation that after lockdown, as the economic environment improves in the country, coal demand will pick up and hence the

coal production. Higher level of production is also required to substitute import of coal.

Singareni Collieries Company Limited (SCCL): Coal production of SCCL was 64.04 MT in 2019-20 as compared to 64.40 MT during previous year achieving a negative growth rate of -0.6%. Coal production of SCCL decreased by 0.36 MT in absolute terms during 2019-20.

Reasons for shortfall in coal production during 2019-20 :

- o Poor performance of some of the OB removal Off-loading contractor in RK OCP, Khairagura OC and SRP OCP resulted in shortage of coal exposure.
- o Pre closure of BPA OC II due to safety reasons.
- o EC restriction in opencast mines (MNG OC & RG OC III) affected the production performance
- o Delay in resolving Land issue in SRP OC and RG OC II resulted in less OB removal
- o Extended rains upto Oct 2019 in all OC mines

SCCL has planned a coal production of 67.50 MT during 2020-21 including 4 MT of coal production planned from the 4 new mines to be grounded during 2020-21.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.14)

FINANCIAL PERFORMANCE OF PSUS

The Committee note that all the three Public Sector Companies of the Ministry of Coal implement their Capital Investment Plans from their Internal and Extra Budgetary Resources (IEBRs) without Budgetary Support from the Government of India and an amount of Rs. 18467crore (CIL-Rs 9500 crore +NLCIL-Rs 6667crore +SCCL- Rs. 2300 crore) has been proposed for the year 2020-21. As regards the extent of implementation of the Capital Investment Plans against the allocations during the year 2019-20, the Committee find that while the total Plan outlays (RE) 2019-20 of all Coal PSUs stood at Rs.20121 crore, the actual expenditure upto January, 2020 was Rs.10387 crore indicating 51.63% utilization of capital outlay. The Committee also note that the percentage utilization of outlays upto January, 2020 for all the Coal/Lignite PSUs viz. CIL, SCCL and NLC vis-a-vis RE 2019-20 stands at 38.61% in respect of CIL (RE Rs. 10000.00 crore; Actual Expenditure - Rs.3861crore) 64.12% in respect of SCCL (RE Rs. 1850.00 crore; Actual Expenditure Rs.1186 crore) and 64.57% in respect of NLCIL (RE Rs.8271 crore; Actual Expenditure Rs.5340 crore), respectively. Reasons cited for non-achievement of financial targets include inter-alia heavy unprecedented rain; delays in getting EC/FC and handing over of forest land; R&R Problem, delay due to poor performance of outsourced agencies; delay in land acquisition, putting on hold of Rajasthan Lignite projects, etc. The Committee hope that the Ministry of Coal / PSUs would intensify their efforts to resolve all issues responsible for their nonachievement of financial as well as physical targets during the years 2019-20 and 2020-21.

ACTION TAKEN

Coal India Limited

Financial targets:

The overall Capital expenditure (Prov.) of CIL for the year 2019-20 is Rs 6068.59 Crs (which includes investment of Rs 453.92 Crs in equity shares of Joint ventures) against a target of Rs10000 Crs. The utilisation is 60.69 %.

Capex of CIL in FY19-20 was affected mainly due to issue in procurement of P&M, possession of forest and non-forest land and contractual issues. Further, Under Wagon procurement budget of Rs 675 Crs unutilised as Railways has not placed any demand yet.

During current FY21, Capex plan of CIL has been pegged at Rs. 9500 Crs.

Capex under different heads are being monitored head-wise rigorously both at CIL and Ministry level. Moreover, CAPEX is being reviewed regularly at CIL Board on monthly basis. Besides, review meetings are regularly held at Subsidiary Headquarters.

Physical targets:

Coal production target of CIL for FY21 has been pegged at 710Mt. CIL has already identified different enabling conditions like requirement of EC, FC, land, R&R, evacuation infrastructure etc for achieving its coal production targets in FY21. Further, the current situation due to outbreak of COVID-19 Pandemic, the coal demand has reduced drastically. For achieving the target during the current year, in addition to EC, FC, R&R etc, the demand of coal shall be the primary factor.

Although, CIL has put forward its all-out effort for achieving both financial and physical targets in FY21, still, due to the outbreak of Pandemic COVID-19 from the beginning of current financial year may have its bearings on physical and financial performances based on its severity in the subsequent months.

NLC India Limited

Financial target:-

The overall Capital expenditure (Prov.) of NLCIL for the year 2019-20 is Rs 6294.28 Crs against a target of Rs 8271 Crs. The utilisation is 76.10 %.

Main reasons for Shortfall are land acquisition issues, R&R issues, contractor issues, issues in tender finalisation, shortage of manpower etc.

During current FY21, Capex plan of NLCIL has been pegged at Rs. 6667 Crs. All out efforts will be made to achieve the planned capex target projected for FY 2020-21 by NLCIL & its JVs.

Physical Target:-

Particulars	Target 2019-20	Actual 2019-20	Target 2020-21
Lignite Production in MT	25.57	24.86	25.22
Coal Production in MT	-	-	1.25
Power Generation Gross in MU (NLCIL)	23,500.00	21905.78	25,776.64

Main reason for shortfall in lignite production target was power surrender, non-availability of land and stoppage of the Mine Units in Neyveli between 26.03.2020 and 08.04.2020 to maintain the social distancing due to COVID 19. While power surrender the main reason for non achievement in the power generation targets.

The Production Targets planned by NLCIL & its JV would be achieved subject to the off take by pit head power stations, IPP's and Power Surrender by DISCOM's in the present changing demand and supply scenario due to Covid Situation.

SCCL

Financial target:-

SCCL incurred Capital Expenditure of Rs. 2131.80 crores (Provisional) during 2019-20 against the target of Rs 1850 crores with 115% achievement and 73% growth over 2018-19 (Rs. 1229.60 crores).

The excess capital expenditure incurred under the heading of Land acquisition and Solar Plants and Developmental related activities. SCCL planned for Rs. 2300 crores for the year 2020-21 and efforts are being put for achieving the same.

Physical Target:-

SCCL produced 64.04 MT during 2019-20 against the target of 67 MT.

Reasons for shortfall in coal production during 2019-20 is poor performance of some of the OB removal Off-loading contractor in RK OCP, Khairagura OC and SRP OCP which resulted in shortage of coal exposure, pre closure of BPA OC II due to safety reasons, EC restriction in opencast mines (MNG OC & RG OC III) affected the production performance, Delay in resolving Land issue in SRP OC and RG OC II resulted in less OB removal, Extended rains upto Oct 2019 in all OC mines

SCCL has planned the coal production of 67.50 MT during 2020-21 including 4 MT of coal production planned from the 4 new mines to be grounded during 2020-21.

There is anticipated shortfall of 4 MT production during Q1 of the 2020-21 due to COVID 19 restrictions and less demand of coal.

Following efforts are being made to make up loss of production in the remaining months of 2020-21 -

- Improving the attendance in mines and running UG mines with all COVID-19 Precautions.
- Making dumping arrangements at mines/CHPs
- Creation of at least 3 MT of additional dumping yards at Mines/CHPs.
- Stocking of coal at Mines/CHPs to meet demand in Rainy season.
- Making more coal exposure in upper seams of OC mines
- Extension of running contracts for 10 % of additional quantity.
- Expediting commencement of new mines like GDK OC etc.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.15)

COMMERCIAL COAL MINING

The Committee note that as against 969.47 MT of total demand of coal during 2018-19, indigenous supply was to the tune of 734.23 MT and the gap of 235.24 MT (24.26%) was met by import during the year. Further, in order to reduce dependence on imported coal, the Government is considering allocation of coal mines for commercial mining to augment availability of domestic coal. In this regard, discussion papers on auction of coal mines for sale of coal containing key terms and conditions (Revenue Sharing Basis) has been published for stakeholders consultation on 14.01.2020 along with list of 80 coal mines [68 coal mines under Coal Mines (Special Provision) Act, 2015 and 12 coal mines under Mines and Minerals (Development and Regulation) Act, 1957 and processing for approval of revenue share based bidding methodology from CCEA is underway. Further, preparation of mine Dossier and finalization of bid documents is also underway. First tranche is proposed to be launched in current financial year. While appreciating the proposed allocation of the coal mines through auction, the Committee desire that necessary formalities for finalization of auction process and allocation of coal mines should be completed in a time bound manner. The Committee feel that in order to attain country's self sufficiency in coal production, this step will go a long way and the precious foreign exchange spent by the exchequer on import of coal can be utilized for other developmental activities in the country.

ACTION TAKEN

Discussion paper on auction of coal mines for sale of coal containing key terms & conditions have been published for Stakeholders consultation on 14.01.2020 by Office of Nominated Authority. CCEA Note on adoption of methodology for auction of coal / lignite blocks for sale of coal on revenue sharing basis has been sent to Cabinet Secretariat on 25.04.2020. After approval of CCEA,

methodology will be formulated. The next tranche of auction for sale of coal is proposed to be initiated in current financial year.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

RECOMMENDATION (SI.No.16)

OUTSTANDING DUES OF COAL/LIGNITE PSUS

The Committee note with concern the huge amount of dues which are outstanding from the States and other utilities for years and as a result, outstanding dues of CIL, SCCL and NLCIL upto January, 2020 have soared to Rs.12,423.36 crore, Rs. 4061.85 crore and Rs. 6286.91 crore, respectively. The Committee note that Ministry of Coal and its PSUs have taken various steps to recover the outstanding dues, viz. communication through letters and reminders from Secretary(Coal) to Secretary(Power) and Chief Secretaries of State Governments concerned; communication from CMDs of subsidiary companies to Chairman/MDs of defaulting power houses; formulation of 'Graded Rebate Scheme' in NLCIL; entering into Power Sales Agreement with State utilities incorporating Payment priority Mechanism, etc. While appreciating the initiatives taken by Coal PSUs to recover huge outstanding dues which have so far proved to be inadequate, the Committee desire that matter should be taken up more vigorously and if warranted, imposition of Late Payment Surcharge (LPS) on the defaulting parties may be considered.

ACTION TAKEN

Coal India Limited

- i. DO letters from Hon'ble Minister (Coal) to Chief Ministers of 11 states (Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Punjab, Rajasthan, Maharashtra, West Bengal, Telangana, Andhra Pradesh, Jharkhand & Tamil Nadu) on 05.02.2020 for clearing outstanding dues in a time bound manner.
- ii. Coal Sales Dues are continuously monitored by Coal India Limited (CIL) & its subsidiaries and regular follow-up is done with consumers for early recovery. CMDs of subsidiary companies communicate with Chairman/MDs of defaulting powerhouses/ parties to realize the outstanding dues. CIL also takes up the matter with Chief Secretary of State and Secretary (Energy) of respective defaulting powerhouses/parties.
- iii. Fuel Supply Agreement (FSA) provides for levy of interest on delayed payment and coal companies are claiming interest on delayed payment from consumers.

- iv. Subsidiary companies are issuing letters to consumers regularly on outstanding interest amount with respect to delayed payments.
- v. Further, in view of spread of Covid-19 and to address liquidity crunch, the facility for Usance LC has also been introduced as a mode of payment for all consumers including Power Sector consumers for both rail and road mode which shall help them to avail credit facility from their bankers.

NLC India Limited

The total outstanding due for NLCIL with DISCOMs as on 30.04.2020 is Rs. 7,718.20 Crore. The dues have increased in recent months due to financial situation of the DISCOMs and also due to revenue recovery issues with DISCOMs due to COVID 19 situation.

The various steps taken to recover the outstanding dues are enumerated below:

1. Meetings of CMD NLCIL with Chairman/MDs of DISCOM in arrears;
2. Formulation of 'Graded Rebate Scheme, entering into Power Sales Agreement with State utilities incorporating Payment priority Mechanism, etc.
3. Late payment surcharge is levied for delay in payments to the DISCOMS, in line with the CERC regulations applicable from time to time
4. NLCIL has recently offered Discounting bill for three months power Bills pertaining to TANGEDCO in order to liquidate the huge outstanding dues.
5. Subsequent to MoP's order dated 28.06.2019, to ensure availing of Letter of credit for scheduling of Power, NLCIL and its subsidiary NTPL had resorted to curtailment of Power to certain DISCOMS which failed to possess valid LCs.
6. The details of outstanding dues are being highlighted in the SRPC's CSC and OCC meetings.
7. The Government of India has recently made an announcement that REC/PFC will sanction loans to DISCOMS for settlement of old dues. On materialization of the scheme, it is expected that major outstanding will be cleared by the DISCOMS.

SCCL

Outstanding dues by the end of 2019-20 is Rs. 3686.28 crores. SCCL is regularly perusing this issue with the major customers.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

CHAPTER-III

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

-NIL-

CHAPTER-IV

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

RECOMMENDATION (SI.No.11)

DEVELOPMENT OF TRANSPORTATION INFRASTRUCTURE IN COALFIELD AREAS

The Committee have been informed that about 67% of coal is produced from mines having capacity of coal production of 4 MTPA and above in all PSUs. It is a matter of concern that presently only 24% coal is evacuated by MGR/Rail/Belt and the rest is evacuated by road. The Committee, however, note that the Ministry of Coal has plans to improve this percentage for which enhanced capital requirements would be needed. The Committee are happy that the Ministry has optimally utilized the funds of Rs. 299.50 crore, Rs. 140 crore allocated for the scheme during 2017-18 and 2018-19, respectively. During 2019-20, against the allocation of Rs. 130.50 crore, the Ministry has utilized Rs. 75.46 crore (up to Dec. 2019). Looking at the performance of the Ministry during the last two years, the Committee hope that funds allocated during 2019-20 would be fully utilized. At the same time, the Committee are concerned to note that though the Ministry had projected Rs. 160 crore, for the scheme only Rs. 84.48 crore have been allocated during 2020-21 which is even less than last year's allocation of Rs. 130.50 crore. Taking into account the ambitious plan of the Government/Coal Companies to address the environmental concerns, increase efficiency and bring cost effectiveness and to increase evacuation of coal by means other than road to 87% in next 5 years which would cover integrated installation of pit head crusher/mobile crusher; conveyor belt; Coal Handling plant, Silo, Rapid Loading System etc., the Committee would like the Government to enhance the budgetary support under the scheme for the year 2020-21 at RE stage.

ACTION TAKEN

Capital expenditure plan of CIL for 2020-21 for the construction of CHPs, Silos, RLS, Bunkers, Conveyors, weighbridges etc. under First Mile Connectivity (FMC) head has been pegged at about Rs 1630.34 Crore. CIL has planned to enhance its expenditure plan in FMC projects in the subsequent years. CIL's Capex plan for 2020-21 and the next 3 years in FMC is as below:

(Figs. in RsCrore)

Heads	Provisional target	Projections		
	2020-21	2021-22	2022-23	2023-24
FMC (CHP, Silo, Crusher, Conveyor, etc)	1630.34	4593.58	4084.61	1664.76

The proposed budget for the head "Development of Transport Infrastructure in Coalfields" during 2020-21 is Rs. 234 Crore. There is already spill over of Rs. 149.89 Crore from 2019-20. To meet up the expenditure, the budgetary support under this scheme needs to be enhanced.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

Comments of the Committee

(Please see para 16 of Chapter I of the Report)

CHAPTER-V

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

RECOMMENDATION (SI.No.3)

The Committee note that during the year 2019-20, out of the Budgeted amount of Rs.1097 crore, an amount of Rs.752.9 crore (68.63%) has been utilized up to December, 2019. The reason for underutilization is stated to be less utilization of the North East component of Budget as exploration could not be taken up there at large scale due to medium to dense forest cover, rugged topography, adverse law and order conditions, Special Land Tenancy Act and limited availability of exploration agencies in the area. The Committee have learnt that the Ministry of Finance has imposed the restriction for carrying out expenditure up to 25% and 10% in the last quarter/month. Keeping this in view, the Committee apprehend that there would be shortfall in utilization of funds by the Ministry of Coal besides North East component during 2019-20. The Committee, therefore, recommend that the Ministry of Coal should take necessary steps to timely execute the projects and prepare targets for quarterly utilization of funds lest it leads to shortfall in physical and financial targets during the year.

ACTION TAKEN

Promotional and Regional Exploration Schemes:

In 2019-20, CMPDI has utilized about 99.6% of the fund released in both the exploration schemes except NER component wherein fund released under NER component of Sub-scheme of Detailed Drilling in Non-CIL blocks was to the tune of Rs.2.10 crore, out of which Rs.1.45 crore was utilized.

In order to timely execute the projects, Ministry of Coal has approved an annual plan of exploration under these schemes. Timeline has been framed in awarding these blocks for exploration and to complete the exploration activities in a time bound manner. A meeting has also been scheduled with officers of Directorate of Mines and Geology of five NE states to prepare an action plan of exploration in North east states.

R&D/S&T Schemes:

During 2019-20, the allocated fund (RE) was Rs.19.80 crore was for general component and Rs.2.20 crore for NE Region. Fund utilization for general component was Rs.18.78 crore. However, for NE Region, no amount was utilized.

The following steps have been taken for timely execution of various on-going and new projects under R&D:

- (a) Progress of Coal S&T projects is monitored by CMPDI in review meetings at CMPDI and followed up at regular interval. Progress is also reviewed by the Technical Sub-committee of Standing Scientific Research Committee (SSRC) headed by CMD, CMPDI as well as the SSRC headed by the Secretary (Coal). Implementing agencies submit quarterly progress reports of the projects to CMPDI which, after examination, are placed before Technical Sub-committee and SSRC.
- (b) Periodic visits to the implementing institutes are undertaken by CMPDI officials to monitor the progress of these projects and necessary assistance is extended to them.

Scheme of Conservation and Safety in coal mines and Development of Transport Infrastructure:

The actual expenditure during 2019-20 is given below:-

Sl.	Name of the Scheme	2019-20 (Rs. in crore)		Remarks
		RE	Actual (up to Mar, 2020)	
1.	Conservation and Safety in Coal Mines	4.00	3.60	Rs. 0.40 crore from NER component could not be utilized. However, there is spillover of Rs. 9.39 crore which is to be released in 2020-21
2.	Development of Transport Infrastructure in Coalfields	90.00	80.99	Re. 7.28 crore from NER component could not be utilized. However, there is spillover of Rs. 149.89 crore which is to be released in 2020-21.

[Ministry of Coal O.M. No. 20011/7/2020-IFD dated 08.06.2020]

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

NEW DELHI;

2 September, 2020

11 Bhadrapada, 1942(Saka) Standing Committee on Coal and Steel

RAKESH SINGH

Chairperson

MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON WEDNESDAY THE 02 SEPTEMBER, 2020 IN COMMITTEE ROOM NO. '1', BLOCK-A, FIRST FLOOR, PHA EXTENSION BUILDING, NEW DELHI.

The Committee sat from 1130 hrs. to 1400 hrs.

PRESENT

Shri Rakesh Singh- Chairperson

Lok Sabha

2. Shri Balubhau Dhanorkar alias Suresh Narayan
3. Shri Raghurama Krishnaraju Kanumuru
4. Shri Ajay Nishad
5. Shri Arun Sao
6. Shri Sunil Kumar Singh
7. Shri Shyam Singh Yadav

Rajya Sabha

8. Dr. Vikas Mahatme
9. Shri Prashanta Nanda
10. Shri Samir Oraon
11. Shri Anil Desai

Secretariat

1. Shri Pawan Kumar - Joint Secretary
2. Shri Arvind Sharma - Director
3. Smt. Geeta Parmar - Additional Director
4. Smt. Savita Bhatia - Deputy Secretary

2. ** ** ** ** ** ** ** ** **

3. The Committee thereafter took up for consideration and adoption of the following Draft Action Taken Reports on:-

- (i) ** ** ** ** **^** **
- (ii) ** ** **^** **
- (iii) ** ** **^** **
- (iv) ** ** **^** **

(v) Action Taken by the Government on the Observations/ Recommendations contained in the 6th Report (Seventeenth Lok Sabha) on Demands for Grants (2020-21) pertaining to the Ministry of Coal;

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

(vii) ** ** ** ** ** **

4. The Committee unanimously adopted all the above Reports without any modifications. The Committee then authorized the Chairperson to finalize the Reports and present the same to Hon'ble Speaker as the term of the Committee is expiring on 12th September, 2020.

5. ** ** ** ** ** **

6. ** ** ** ** ** **

7. ** ** ** ** ** **

8. ** ** ** ** ** **

9. ** ** ** ** ** **

A copy of verbatim record of the sitting has been kept.

The Committee then adjourned.

ANNEXURE-II

(Vide Para IV of Introduction)

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

I.	Total No. of Recommendations made:	16
II.	Observations/Recommendations which have been accepted by the Government (<i>vide</i> recommendation at Sl. Nos. 1,2,4,5,6,7,8,9, 10, 12, 13, 14, 15 and 16):	14
	Percentage of total	87.50%
III.	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies (<i>vide</i> Recommendation at Sl. No. Nil):	00
	Percentage of total	0%
IV.	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee (<i>vide</i> recommendation at Sl. No.11):	01
	Percentage of total	6.25%
V.	Observations/Recommendations in respect of which final replies of the Government are still awaited (<i>vide</i> recommendation at Sl. No. 3):	01
	Percentage of total	6.25%