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STANDING COMMITTEE ON  
COAL AND STEEL (2012-2013)  
FIFTEENTH LOK SABHA

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**MINISTRY OF COAL**

**"THE COAL MINES (CONSERVATION & DEVELOPMENT) AMENDMENT BILL, 2012"**

**THIRTY-SEVENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI  
MAY, 2013/VAISAKHA, 1935(Saka)**

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**(FIFTEENTH LOK SABHA)**

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AMENDMENT BILL, 2012"**

**Presented to Lok Sabha on 07.05.2013**

**Laid in Rajya Sabha on 07.05.2013**



**LOK SABHA SECRETARIAT**  
**NEW DELHI**  
**MAY, 2013/VAISAKHA 1935 (Saka)**

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

**Shri Kalyan Banerjee - Chairman**

**Name of the Member**

**Lok Sabha**

2. Shri Hansraj Gangaram Ahir
3. Shri Sanjay Bhoi
4. Smt. Jyoti Dhurve
5. Shri Ganeshrao Nagorao Dudhgaonkar
6. Shri Sabbam Hari
7. Shri Vishwa Mohan Kumar
8. Shri Yashbant N.S. Laguri
9. Shri Pakauri Lal
10. Shri Babu Lal Marandi
11. Shri Govind Prasad Mishra
12. Shri Rajaram Pal
13. Kumari Saroj Pandey
14. Shri Gajendra Singh Rajukhedi
15. Shri K.R.G. Reddy
16. Shri K. Shivkumar *alias* J.K. Ritheesh
17. Shri Pashupati Nath Singh
18. Smt. Rajesh Nandini Singh
19. Shri Uday Pratap Singh
20. Shri O
21. Shri Bansa Gopal Choudhary\*

**Sabha**

22. Shri
- 23.
- 24.
- 25.
26. Shri
27. Shri
28. Shri
29. Shri
- 30.
- 31.

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\* Nominated w.e.f. 13.12.2012



**SECRETARIAT**

1. Shri S. Balsekhar
2. Shri Shiv Singh
3. Shri Arvind Sharma

(iv)

## **INTRODUCTION**

I, the Chairman, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Thirty-Seventh Report (Fifteenth Lok Sabha) on "The Coal Mines (Conservation & Development) Amendment Bill, 2012" relating to the Ministry of Coal.

2. The Coal Mines (Conservation & Development) Amendment Bill, 2012 as introduced in Lok Sabha on 22<sup>nd</sup> November, 2012 was referred by the Hon'ble Speaker, Lok Sabha under Rule 331(E) (i) (b) of the Rules of Procedure and Conduct of Business in Lok Sabha on 21<sup>st</sup> December, 2012 to the Standing Committee on Coal and Steel for examination and report.

3. The Committee were briefed by the representatives of the Ministry of Coal and coal companies on 11<sup>th</sup> January, 2013. The Committee took oral evidence of the representatives of the Ministry of Coal on 17<sup>th</sup> April, 2013.

4. The Committee wish to express their thanks to the officials of the Ministry of Coal and Coal Companies for placing before them and in furnishing material/information from time to time as desired by the Committee.

5. The Report was considered and adopted by the Committee at their sitting held on 06.05.2013.

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

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

**NEW DELHI;  
06 May, 2013  
16 Vaisakha, 1935(Saka)**

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

(v)

## **REPORT**

### **A. INTRODUCTORY**

The provisions of the Coal Mines (Conservation and Development) Act, 1974 (CM (C & D) Act, 1974) mandate the need for extending assistance to the coal companies for encouraging coal production from depillaring panels of underground mines in conjunction with sand stowing for filling the voids created and for taking up various protective measures for extraction and conservation of coal. The Act also mandates the offer of assistance towards Research and Development activities and encouraging Transport Infrastructure Development in coalfield areas.

2 As regards the fields of assistance provided in the Coal Mines (Conservation and Development) Act, 1974 and Rules 1975 as amended in 2011, the Committee were informed as under:-

#### **I. Conservation and safety**

- (i) Stowing operation
- (ii) Protective works including:
  - (a) Blanketing with incombustible materials
  - (b) Filling up of subsidence
  - (c) Cutting of Branch trenches
- (iii) Surface protection measures
- (iv) Installation of stowing plants
- (v) Schemes for recovery and transportation of sand

#### **II. Research and development**

#### **III. Development of road and creation of rail infrastructure**

3 The Committee were informed that Section 6 of the Act provides that the Central Government shall levy and collect such duty of excise not exceeding rupees ten per tonne on all coal raised and despatched and on all coke manufactured and dispatched as may be fixed from time to time by notification. The Central Government, by notification No. S.O 727 (E), dated the 25<sup>th</sup> June, 2003, enhanced the rate of excise duty from rupees three and paise fifty to rupees ten per tonne for coking or non-coking coal.

4 As regards the disbursement of Stowing Excise Duty, the Committee were informed that out of the total collection of excise duty, only thirty – five per cent. is being utilized for two schemes framed by the Central Government, namely, (i) the Conservation and Safety in Coal mines and (ii) the Development of Transportation Infrastructure in Coalfield Areas and the remaining sixty-five per cent. is reserved for the Jharia – Raniganj Master Plan to enable partial funding for implementation of Jharia - Raniganj Master Plan which is addressing the issues of fires and land subsidence in the old mined out areas in Jharia and Raniganj coalfields which were taken over at the time of nationalization.

#### **B. OBJECTIVE OF THE COAL MINES (CONSERVATION & DEVELOPMENT) AMENDMENT BILL, 2012.**

5 According to the Ministry of Coal in August, 2009, the Central Government approved the master plan dealing with fires, subsidence and rehabilitation in the Jharia and Raniganj coalfields at a total outlay of rupees 9773 crores. It is to be implemented over a period of 10 years. The annual requirement of funds would be about rupees 977 crores.

6 Asked about the Objective of the Coal Mines (Conservation and Development) Amendment Bill, 2012 and Justification thereof, the Committee were informed as under:-

#### **"Objective:-**

To increase the maximum amount of excise duty to Rs. 50/- per tonne of coal in Section 6 of the CM (C & D) Act, 1974

**Justification :-**

(i) Out of the total collection of excise duty,

35 % is utilized for Conservation and Safety in coal mines and Development of transportation infrastructure in coalfields

65 % is reserved for implementation of the Jharia-Raniganj Master Plan which is addressing the issues of fires and land subsidence in the old mined out areas.

(ii) The Master plan for Jharia and Raniganj was approved by the Govt envisaging funding of Rs. 350 Cr per year from the internal resources of Coal India Limited and Rs. 350 Cr per year from the collection of excise duty at the current rate of Rs. 10/ tonne.

(iii) The gap of Rs. 277 Cr per year is proposed to be met by enhancing the current rate of excise duty after enhancing the maximum ceiling to Rs. 50 per tonne.

(iv) Presently only partial reimbursement is made to coal companies i.e. 90% for protective work, 75% for sand stowing and 70 % for rail/roads infrastructure and the amount available is not adequate.

(v) A number of new coal projects are coming up as a result of new coal block allotment for captive purposes which need to be provided with road and rail infrastructure connecting to the main lines for coal evacuation."

7 Regarding objectives to be achieved from the proposed Amendment Bill, The Secretary, Coal while deposing before the Committee during evidence on 17.04.2013 submitted as under:-

"The main objective of the Coal Mines (Conservation and Development) Act, 1974 is to provide some subsidy for carrying out the stowing of voids in underground mines, and various protective measures for conservation of coal and safety. The Act also offers some assistance for development of roads and Railway infrastructure in coalfield areas. These assistances are provided from funds obtained from collection of excise duty from all coal producing companies for all coal dispatched at rates fixed from time to time by notification. The current rate is Rs. 10 per tonne of coal, which was effective from 26 June 2003. This is the existing maximum ceiling as per Section 6 of the Act. Through this Amendment Bill, it is proposed to increase the maximum amount of excise duty to Rs. 50 per tonne of coal."

8 Asked about the rationale of increasing the amount of excise duty five times from Rs. 10 to Rs. 50 per tonne for all types of coal, the Ministry of Coal informed the Committee in a written reply as under:-

"Out of SED of Rs. 10 per tonne, Rs. 6.5 is for implementation of Master Plan of Jharia and Raniganj coalfields and Rs. 3.5 per tonne for reimbursement of expenditure incurred by coal companies for the two plan schemes of CM (C&D) Act.

The master plan dealing with fires, subsidence and rehabilitation in Jharia and Raniganj coalfields was approved by the Govt. at a total outlay of Rs.9773 crores which is to be implemented over a period of 10 years. The annual requirement of funds for Master Plan is therefore Rs. 977 crores out of which Rs. 350 Crores would be provided by CIL from its internal resources (IR) and Rs. 357 Crores ( at 550 MT of coal production) would be available from SED collection. To bridge the gap of Rs. 270 Cr it was proposed to increase the current rate of SED.

However, this is based on the approved cost of the Master Plan of Rs. 9773 Crore. This cost is being revised and is expected to be at least 20-30 % more or about Rs. 12700 Crore which implies an annual outgo of Rs. 1270 crore on an average. After accounting for IR of Rs. 350 Crore from CIL there exists a gap of Rs. 920 Crore which implies an SED rate of Rs. 16.72 / tonne for funding Master Plan alone. Including Rs. 3.5 for other plan schemes at the current rate, the total SED works out to be Rs. 20.22/tonne ( Rs. 16.72 + Rs. 3.5).

Hence, the immediate increase in the SED is proposed to be Rs. 20/tonne."

9 The Ministry of Coal have further clarified the Committee that since the existing upper limit of SED is only Rs. 10/tonne , it is proposed to enhance the upper limit to Rs. 50 per tonne so that Ministry of Coal can suitably enhance the rate of collection from time to time within the approved limit through Gazette Notification. The upper limit of Rs. 10/tonne was fixed when the Act came into force i.e in 1974.

10 The Committee have desired to know the increase in generation of total excise duty by increasing its rate from Rs. 10 to Rs. 50 per tonne. In this regard, the Committee were apprised as under:-

"Present collection of Excise Duty for the year 2012-13 is Rs. 556.617 Crores.

With the following coal production programme as per the Annual Plan of 2012-13 of Ministry of Coal, the estimated collection at the current rate of SED of Rs. 10/tonne and the estimated collection at the proposed immediate enhancement of SED to Rs. 20 per tonne are given below:-

Projected Coal Production		Estimated SED Collection at the current rate of Rs. 10/tonne	Estimated SED collection at the rate of Rs. 20 /tonne	Increase in SED collection
Year	Quantity in Million Tonnes	(Rs. In Cr)	(Rs. In Cr)	(Rs. In Cr)
2013-14	605	605	1210.0	605
2014-15	635	635	1270.0	635
2015-16	673	673	1346.0	673
2016-17	795	795	1590.0	795

It may be seen from the above table, that SED collection would increase by Rs 605 Crore on increasing SED from Rs. 10 to Rs. 20 which may be used for the implementation of Master Plan."

11 As regards proposed increased in Stowing Excise Duty, the Secretary, Coal submitted as under:-

"In this connection, as we have given in the answers to the questionnaire, this Master Plan was prepared in 2009, and we will be going in for a revision of the Master Plan after the State Governments of Jharkhand and West Bengal have completed their exercise with regard to land acquisition and demographic survey. After the demographic survey and land acquisition has been done, we will be going in for a revision of the Master Plan as per the current rates. We are quite certain that there will be an increase in the Master Plan outlay by about 20 per cent."

12. As per the proviso to Section 6 (1) the Central Government may, by general or special order, exempt any special grade or grades or description of coal or coke from the levy of such duty of excise. Asked about the different excise duty levied, the Committee were informed in a written reply that the Ministry had levied the following rate of SED since 1974 for coking and Non-Coking coal :-

Period	Rate of SED (Rs. per tonne)
--------	-----------------------------

	<b>Coking coal</b>	<b>Non-coking coal</b>
01-04-1975 to 8-02-1983	2.50	1.65
08-02-1983 to 25-06-2003	4.25	3.50
27-06-2003 to till date *	10.00	10.00

\* This was done keeping in view the fund requirement for the Master Plan.

Statement showing the details of Stowing Excise Duty collection vis-à-vis CCDAC assistance released during 2007-2012 and statement of CCDA assistance (ST & PW) in Ranigunj & Jharia coalfields released by Ministry of Coal during 2007-2012 are placed at **Annexures-I & II"**

13. When asked about who will bear the burden of increased duty, the Committee were apprised that It is proposed to raise the rate of stowing excise duty at the first instance to Rs. 20/Tonne from the existing rate of Rs. 10/Tonne. This implies an impact of 0.7 paisa/unit of electricity at the average specific coal consumption of 0.7 Kg/ Kwh which will be passed on to the consumer. Hence the same will not have a significant impact.

14. Section 8 of the Act provides that the duties of excise levied under Section 6 shall be collected by such agencies and in which manner as may be prescribed. The Committee have desired to know the agencies responsible for collection of excise duty and how the same is being administered. In this regard, the Ministry of Coal apprised the Committee as under:-

"Rule 8 of CM(C&D) Rules,1975 amended in 2011, specifies the manner in which collection and assessment of excise duty are to be done. As per the rules, the Coal Controller is mandated for collection of Stowing Excise Duty.

Every Owner/Agent/Manager of a coal maintain a register in **Form 'A'** showing quantities of coal or coke actually dispatched during a month, particular of the parties to whom these were dispatched and the prices charged therefore, and the amount of excise duty payable during a month at the rate fixed thereof.

Every owner is deemed to have provisionally assessed to an amount calculated and recorded (as mentioned above) as payable during a month and he shall pay the same into the bank, the remittance being creditable to



the Central Govt. in a special account. The payment shall be made within a period of ninety days from the close of the month during which dispatches were effected.

The payment shall be made by means of Challans Electronic transfer (Real Time Gross Settlement (RTGS)/National Electronic Fund Transfer (NEFT) to the accredited bank. The accredited bank shall return one copy of the Challan to the depositor and one copy to the Coal Controller.

As soon as may be after the date of payment of excise duty in the manner provided above and in any case not later than thirty days from such payment, every coal company shall submit to the Coal Controller a return in **Form 'B'** showing the quantities of raw coal dispatch for which payment of excise duty has been made.

If any Coal Co. fails to deposit the excise duty within the stipulated period then Penal Interest is to be charged @ 8% as per Office Memorandum No.S-11012/3/2003-04/Pt.III/RBD/1059 dated 16.11.2004 issued from the Ministry of Finance, Deptt. of Expenditure, Controller General of Accounts, New Delhi.

Coal Controller is the Statutory Authority to issue Final Assessment Order who can even depute an officer to inspect the account books of coal companies before issuing the order."

### **C. COAL CONSERVATION AND DEVELOPMENT ADVISORY COMMITTEE**

15. According to the Ministry of Coal an Advisory Committee called "Coal Conservation and Development Advisory Committee" (CCDAC) constituted under the provisions of the CM(C&D) Act, 1974 and CM (C&D) Rules, 1974 under the Chairmanship of Additional Secretary (Coal) advises the Government regarding the formulation and implementation of National policy in relation to "Coal Conservation & Development Activity" and scientific utilisation of coal seams of the country, rates of SED, disbursement of SED proceeds to different coal companies etc. The CCDAC has the power to regulate its own procedure and thus is a statutory body with powers conferred on it for implementing related activities under the CM(C&D) Act, 1974.

16. Section 9 of the Act provides that the net proceeds of the duty of excise and customs levied and collected under Section 6 and 7 shall be disbursed by the Central Government in accordance with such procedure as may be prescribed to the owners, agents and managers of coal mines or to any other person.

17. When asked to furnish the list of owners, agents or managers of coal mines who have been disbursed excise duty during the last three years and is the mechanism in place to ensure the proper utilization of funds disbursed to owners, agents or managers of coal mines, the Ministry of Coal informed the Committee in written reply as under:-

"As per the present procedure, the expenses incurred by the coal mines/ companies for stowing, protective works, infrastructural works like rail and road construction, R&D etc. are being reimbursed to the extent of 60% to 100% of the admissible claims on detailed scrutiny and approval by CCDAC

On approval by CCDAC the amount is reimbursed to CIL subsidiaries (Mines of ECL,BCCL,WCL,MCL,NEC) SCCL ,TISCO, SAIL-IISCO. The names of mines which have been extended the assistance under the schemes during the last three years are mentioned below:-

<u>Coal Company</u>	<u>Name of Mines</u>
ECL	Madhaipur,Manderboni,Pandaveswar,Dalurbad, New Kenda, Siduli, C.L.Jambad, Real Jambad, Pure Jambad, North Jambad, Lower Kenda,Chora 7&9 Pit,Chora 10 Pit,Bankolka,Jambad UG, Khas Kajora,Parascole,Sodepur 3A Pit,Mouthdih,J K Nagar, Lachipur, J.K.Nagar, Chinakuri Mine, Nimcha,Kuardih, Bansra,Belbaid, Haripur, Mithapur,
BCCL	Simlabahal,Begunia,Joyrampur, Sudamdih,Pathardih,Bhagaband,Gopalichuck
CCL	Swang Colliery, Jarandih Colliery, Govindpur, Sirka Colliery, Urimari
WCL	New Majri Colliery, Silwara Colliery, Pipla Colliery, Patansongi AB Incline, Hindustan Lalpeth-1, Nandgaon, Durgapur Rayatwari, Mahakali, Manna, Ballarpur,Sasti Colliery,
MCL	Talcher Colliery, Deulbera Colliery, Nandira Colliery,
SCCL	GDK 10 INC, GDK 11 Inc, GDK 8 Inc, Vakipalli Mine, KK-2 Incline, VK-7, GDK-5, GDK No. 2 & 2A,
TIISCO	Jamadoba, 6 & 7 Pit, Digwadi, Bhellatand, Sijua Colliery
IISCO	Chasnala Colliery, Jitpur Colliery, Ramnagar Colliery"

As regards consideration and approval of proposals/claims of the coal companies by CCDAC for reimbursement, the Committee were apprised of the following multilevel examination :-

- "All the proposals are checked at mine/area/headquarters level of coal companies.
- Approval of the proposal by competent authority, i.e. concerned Director or CMD/Board of CIL, SCCL or Technical Head of other companies are submitted to Coal Controller to approve various schemes of the proposal.
- It is further checked by OSD of Field Offices of Coal Controller Organisation and by inspection of stowing districts, protective works, and road works.
- Then it is checked by OSD of Coal Controller Organisation (HQ), The Quantity of sand is assessed by following 3 methods:
  - A) On the basis of trips (sand transportation)
  - B) On the basis of coal/sand ratio.
  - C) On the basis of Survey offset plan and MB.
- Then the claims for disbursement are reviewed by technical committee (Pre-Sub committee meeting)
- CCDAC Sub-Committee then examines the proposals and recommends the proposals for reimbursement to the CCDAC."
- The CCDAC finally recommends the proposals for reimbursement."

18. The Committee were further informed that inspections are carried by OSD of CCO field offices from time to time. The claims of the coal companies are for the work already carried out by them which are scrutinized by the CCDAC and recommended for reimbursement of the same within the budget allocation. Hence there is proper utilization of funds by the coal companies.

19. In a background note furnished to the Committee, the Ministry of Coal have informed that presently only partial reimbursement to coal companies i.e. 90% for protective work, 70% for sand stowing and 70 % for rail/roads infrastructure is taking place and the amount available is also not adequate. Moreover, a number of new coal projects are coming up as a result of new coal block allotment for captive purposes which need to be provided with road and rail infrastructure connecting to the main lines for coal evacuation.

#### **D. STATUS OF IMPLEMENTATION OF MASTER PLAN IN JHARIA AND RANIGANJ.**

20. The Committee were apprised of the Minutes of the High Powered Central Committee held on 19.12.2012 under the Chairmanship of Secretary (Coal) to monitor the implementation of Jharia and Raniganj Master Plan. The important points discussed during the meeting about the affected areas under BCCL and ECL are as under:-

- (i) CMD, BCCL made a brief presentation on the progress of implementation of the decisions. Regarding rehabilitation of the BCCL families, he mentioned that against the provision of 25,000 houses in Master Plan for rehabilitation of BCCL families, now projected requirement of houses is about 15,000 only due to natural wastage and action has already been taken for construction of the same. It was further mentioned that work has been awarded for construction of 5232 houses out of which 1152 houses will be finally handed over by 31<sup>st</sup> March 2013 and the construction of 4080 houses which is under progress is expected to be completed by 6.11.2014. For 4020 houses, tender has been floated and award of work is expected to be completed by 31<sup>st</sup> January, 2013. About 6000 houses including three Area Offices and Mines Rescue Station, town planning is being done by CMPDI and tender is expected to be floated within 6 months.
- (ii) Secretary (Coal) desired to know how the status and progress of extinguishing the fires is being monitored with respect to base line information. CMD, BCCL mentioned that based on 2006 NRSA survey, the status was assessed at that point of time and BCCL has been digging out a number of fire areas. However, no fresh survey has been held in the meanwhile. Secretary (Coal) directed BCCL to institute Thermal Infra-red Survey in fire affected area including the area where fire is known to be extinguished either through NRSA or through NGRI within next three months. He further directed that such surveys should be conducted at least once in six months interval to assess the effectiveness of the efforts being made for fire extinguishing in the affected areas and to understand the spread of the same to other areas.
- (iii) CMD, BCCL further mentioned that fire is being dealt through engaging hired HEMM and coal thus released is being mined and sold. As such audit has not permitted to utilize the outlays provided in the Master Plan for fighting the fires and the expenditure is being booked under

revenue account. Secretary (Coal) mentioned that latest technologies for dealing with fires should be considered under Master Plan. BCCL and CIL should explore the same on an emergent basis which will be reviewed in the next HPCC Meeting.

- (iv) The decisions taken in the meeting of Chief Secretary, Govt. of Jharkhand in regard to the issues related to Master Plan were also discussed. Regarding the land acquisition near Lipania by JRDA, Chairman, JRDA /Commissioner, North Chhottanagpur assured that possession will be taken up shortly. CMD, BCCL mentioned that possession of 849 acres of BCCL land in non-coal bearing area and 86 acres of land in Bhuli township which was offered to JRDA after obtaining NOC from Ministry of Coal, possession by JRDA is awaited. He further mentioned that as a temporary measure, for shifting the affected persons from most endangered areas, BCCL has identified reclaimed sites with land area of about 24 Acres for immediate rehabilitation. However, State Government representatives stated that shifting people to reclaimed mine sites will not be a desirable alternative being an unskilled reclaimed overburden area.
- (v) Addl. Chief Secretary, Govt. of Jharkhand mentioned that unless some issues such as extending employment are resolved, possession of land may not be possible. He further mentioned that land losers are demanding for CIL's R&R policy. However, it was clarified that, the rehabilitation under the Master Plan is one of its kind to address the shifting of people from the endangered areas both from Jharia and Raniganj coalfields and the rehabilitation package as approved by Govt. of India was adopted after consulting the concerned state governments. The R&R policy of CIL as applicable for coal mining projects cannot be considered in this case. State Government was requested to expedite the taking over of possession of land as the same has been very much delayed.
- (vi) Chairman JRDA mentioned that shifting away from areas of economic activity is also one of the reasons for reluctance in the minds of the affected people for shifting. He further mentioned about the need for training of displaced persons by BCCL for improving the skills for employment potential. CMD, BCCL mentioned that BCCL can extend all facilities including infra-structure creation, if skill development is taken care by JRDA/ State Government. BCCL would facilitate use of such skills for employment of trained persons by contractors in outsourced operations. State Government and BCCL will follow up on the same which will be reviewed in the next HPCC Meeting.
- (vii) Regarding handing over and the work for development of alternate road in lieu of fire affected part of NH-32, it was mentioned that State

Government has already started the work in August, 2012 and the same will be completed in 18 months.

- (viii) Secretary (Coal) desired to know about integrated planning of rehabilitation sites and their layouts. Chairman, JRDA mentioned that due to non availability of large tracts of land holdings for rehabilitation development of large townships does not appear to be feasible. Further any such large tract of land will only be available at a far off distance from the existing site and this will remove the affected people from the basic economic activity for sustainable livelihood. This will not be an acceptable alternative for the State Government.
- (ix) Representative of DGMS mentioned that spread of fire beyond RSP College needs to be contained failing which it may affect Jharia township. CMD, BCCL mentioned that as decided in the previous meetings, BCCL has taken action for trench cutting but the same was to be stopped due to MADA lines. Unless DGMS and JRDA/St. Govt. of Jharkhand address the issue BCCL is not in a position to proceed in the matter.
- (x) Secretary (Coal) desired that the demographic survey of balance 35% of families should be completed on priority. Chairman, JRDA assured that survey will be completed within 6 months time.
- (xi) Regarding strengthening of JRDA, Chairman, JRDA mentioned that the existing manpower is adequate to take care of the current activities and additional manpower will be recruited as per the needs and it should not be a constraint.
- (xii) Regarding Raniganj Master Plan, Secretary (Coal) requested CMD, ECL and Advisor (Industries), Govt. of West Bengal to present the status of progress on the decisions made in the previous meeting.
- (xiii) Advisor (Industries), Govt. of West Bengal and CEO, ADDA mentioned that demographic survey work has been awarded for all the 141 sites and assured that the survey work will be completed by March, 2013. They raised the issue of increasing the rate of valuation work of superstructure as no government approved valuer is willing to work for an amount of Rs.125/- per superstructure. They pointed out that the matter of increasing the rate of valuation from Rs.125/- to Rs.300/- per superstructure has already been approved by the Industries & Principal Secretary Commerce & Industries Department and requested the HPC to consider the same. In view of this, HPCC agreed for enhancement of the rate of valuation from Rs.125/- to Rs.300/-. Regarding non participation by some persons in the demographic surveys it was proposed to issue legal notice by ADDA saying that non participation will forfeit them from the benefits of rehabilitation.

- (xiv) Advisor (Industries), Govt. of West Bengal mentioned that the earlier WB Cabinet approval for land acquisition obtained on 18/08/2010 needs to be revalidated as per the decision taken in the meeting of Chief Secretary, Govt. of West Bengal on 06/07/2011 and in the District Level Monitoring Committee Meeting on 14/01/2012. A fresh proposal in this regard has been sent to C & I Deptt., Govt. of West Bengal on 19/01/2012. However, Advisor (Industry) sought time till 31<sup>st</sup> January, 2013 from the Committee to prepare and submit a proposal for possible alternatives, along with cost indications, after getting appropriate decisions from the Chief Secretary who heads the Review Committee for the rehabilitation project at the state level.
- (xv) He further mentioned that ADDA has processed the land acquisition proposal to L.A. Collector, Burdwan for 1043 acres of land for all 9 mouzas of Bonjemehari site and 678.67 acres of land for 3 out of 5 mouzas of Gourangdih site. Adviser further suggested that the ways and means of reducing the requirement of land can be considered by going for vertical construction of houses at rehabilitation sites in view of the fact that availability of land is a major constraint. State Government was advised to explore this possibility.
- (xvi) CMD, ECL, informed that two (2) new locations are proposed to be included in the Master Plan of Raniganj Coalfield as additional unstable locations, viz. diversion of District Board Road (approx. 550m) and rehabilitation of 64 nos. of ECL quarters & 50 nos. of non-ECL hutments occurring on both sides of the road from Ratibati Agent Office to Ratibati MTI. These sites have been identified and declared as unstable by DGMS. The no. of unstable sites will thus increase to 142 from 141 and diversion of infrastructure will increase to 8 from 7. He requested HPC to consider including the same in the Master Plan for Raniganj. HPCC agreed for inclusion of these two new sites in the Master Plan.
- (xvii) Regarding diversion of railway lines at Pandaveshwar, CMD, ECL pointed out that CIMFR, Dhanbad has been awarded the job of ascertaining the stability of Andal-Sainthia railway line which is likely to be started by 10<sup>th</sup> January 2013 and for diversion of Andal-Sitampur railway line of Salanpur Area, it was pointed out that the job has been entrusted to M/s. RITES Ltd. who has confirmed their formal acceptance on 13.10.2012 for taking up the job.
- (xviii) Secretary (Coal) desired that ECL should send the report on their discussions with railways to MoC so that railways could be requested to supervise the works. A copy of the same is also proposed to be endorsed to Ministry of Labour and DGMS. Secretary (Coal) stated that this is an extremely critical issue and the issue should be

immediately taken up with the Ministry of Railways. Ministry of Railways should also be invited for the next meeting of HPCC.

- (xix) CMD, ECL further mentioned that Indian Oil Corporation Ltd. has awarded the work of carrying out survey and stability test of the alignment of existing pipe line to NIRM, Bangalore which is likely to start the work by December end.
- (xx) Secretary (Coal) mentioned that like in the case of IOCL which has engaged agency for undertaking the stability study, Railways should also do the same. The Ministry of Railways in the meantime should be asked to supervise the job of stability study of railway lines wherever it has been affected as per the Master Plan of Raniganj Coalfield.
- (xxi) Secretary (Coal) further mentioned that activities which need to be covered in the next six months should be identified and monitored properly. Further whenever any job is awarded, the time period and date of award of tender should also be mentioned. The next meeting should be held within six months.

21. In view of the non-utilization of funds available for Master Plan for Jharia and Raniganj during the 11th Plan Period, the Committee have desired to know the reasons for bringing the present Amendment Bill for enhancing the rate of Stowing Excise Duty. In this connection, the Secretary, Coal while deposing before the Committee submitted that the expenditure is going to pick up.

22. The witness further added:

"With regard to Jharkhand, a lot of action has already been initiated with regard to taking over the possession of land. We are anticipating that as soon we go in for a review of the Master Plan, we will have to release a lot of money. We cannot wait because it is a very risky and vulnerable area, and we never know when the subsidence may take place. As soon as this exercise by the State Governments is completed, as soon as the Master Plan is ready, we cannot wait and we will have to rehabilitate these people immediately. In fact, the Jharkhand Government was floating the idea, which we did not accept in the High Level Task Force Meeting, of having some sort of intermediate camp, temporary camp, for these people because the risk of subsidence is very much there. So, we will need the money immediately. As you know, the legislative process takes time. Then, at that time, if we go in for the legislative process, we cannot say how much time it will take. It may be done in three months or in one year."



## PART-II

### Observations/Recommendations of the Committee

1. The Committee have examined in detail The Coal Mines (Conservation & Development) Amendment Bill, 2012 referred to them by Hon'ble Speaker, Lok Sabha. Although the Committee endorse the present increase in upper limit for collecting Stowing Excise Duty from Rs. 10 per tonne to Rs. 50 per tonne on all coal raised and dispatched and on all coke manufactured and dispatched as may be fixed from time to time by notification only on the assurance given by the Coal Secretary that expenditure is going to pick up and they will fully utilize the fund although they have miserably failed to utilize the fund collected earlier under Stowing Excise Duty. The Committee recommend the Government to consider their observations/recommendations in subsequent paras while enhancing the stowing excise duty.

2. The Committee note that the Coal Mines (Conservation and Development) Act, 1974 (CM (C & D) Act, 1974) has mandated the need for extending assistance to the coal companies for encouraging coal production from depillaring panels of underground mines in conjunction with sand stowing for filling the voids created and for taking up various protective measures for extraction and conservation of coal. The Act also has mandated the offer of assistance towards Research and Development activities and encouraging of Transport Infrastructure Development in coalfield areas. The Committee have been given to understand that the

**last revision of Stowing Excise Duty took place with effect from 27/6/2003 and the rate was revised from Rs. 3.50 per tonne to Rs. 10.00 per tonne with a view to partially fund the Master Plan for Jharia and Raniganj areas. Out of the Rs. 10.00 per tonne of Stowing Excise Duty, Rs.3.50 per tonne is earmarked for partial reimbursement of the expenditure incurred by the coal companies in implementing two schemes framed by the Central Government namely (i) the Conservation and Safety in Coal Mines; and (ii) the Development of Transportation Infrastructure in Coalfields area and the remaining Rs. 6.50 per tonne is earmarked to meet the requirement of Master Plan for Jharia and Raniganj areas. The committee, are however, constrained to note that against a total Stowing Excise Duty collection of Rs. 2463.22 crore during the 11th Plan period, the expenditure under CCDA schemes was Rs. 756.57 crore against an allocation of Rs. 862 crore (approx.) (35% of the Stowing Excise Duty collected). The Committee are further perturbed to note the lower claim of Rs. 79.58 crore for reimbursement under the Head Road and Rail infrastructure during 11th Plan as Rs. 192.65 crore were disbursed during 10th Plan. Although, the Ministry of Coal has claimed that a number of new coal projects are coming up as a result of new coal block allotment for captive purposes which need to be provided with road and rail infrastructure connecting to the main lines for coal evacuation, the Committee feel that "The Coal Conservation and Development Advisory (CCDA) Committee constituted to advise the Government regarding formulation and implementation of National Policy has not played effective role in disbursement of Stowing Excise Duty**

proceeds to different coal companies, especially for road and rail infrastructure. The Committee, therefore, strongly recommend the Government to fully utilize the 35% of funds generated by collection of Stowing Excise Duty for different schemes under CCDAC and expect that the enhanced funds that would be available after necessary amendment to the Act will be fully utilized.

3. The Committee note that an Advisory Committee called "Coal Conservation and Development Advisory Committee" (CCDAC) was constituted under the provisions of the CM(C&D) Act, 1974 and CM (C&D) Rules, 1974 under the Chairmanship of Additional Secretary (Coal). The Committee advises the Government regarding the formulation and implementation of National policy in relation to "Coal Conservation & Development Activity" and scientific utilisation of coal seams of the country, rates of SED, disbursement of SED proceeds to different coal companies etc. The Committee are, however, dismayed to note that though CCDA consists of Additional Secretary, MOC- Chairman, Financial Advisor & Joint Secy. MOC, Adviser (Projects), Sr. Adviser (Energy), Planning Commission, DG, DGMS, Three representatives of coal companies, CMD, CMPDIL, Director, CIMFR and Coal Controller, they have failed miserably in monitoring the expenditure of the Stowing Excise Duty collected for assistance released under Conservation and Safety, R&D, development of road and creation of rail infrastructure and for Master Plan for Jharia and Raniganj Coalfields. While strongly recommending to the

**Ministry of Coal to ensure that meeting of CCDAC should take place at regular intervals and funds earmarked are fully utilized so that physical targets envisaged are achieved. The Committee also recommend that CCDAC should ensure that proposals are received well in time for ensuring their speedy implementation and claims submitted by the coal companies for reimbursement are settled within the same financial year.**

**4. The Committee observe that the burden of proposed enhancement is proposed to be passed on to the electricity consumers after Stowing Excise Duty is increased to Rs. 20 per tonne and the extent of enhancement would be 0.7 paisa/unit. The Committee, however, desire that steps should be taken to ensure that the 20-30% expected increase in stowing excise duty should not be passed on to the consumers of electricity and the hike in stowing excise duty be absorbed by the coal companies.**

**5. The Committee are dismayed to note that even after more than 3 years of approval of the Master Plan dealing with fires, subsidence and rehabilitation in the Jharia and Raniganj coalfields with an approved outlay of Rs. 9770 crores, only Rs. 300 crore are reported to have been spent for conservation and safety of Jharia and Raniganj fields during the 11th plan period. The Committee have been given to understand that with the present requirement of Rs. 977 crore per year, Rs. 350 crore will be provided by CIL from internal resources and Rs. 357 crore would be made available from Stowing Excise Duty collection and to bridge the gap of**

**Rs. 270 crore, the increase in the current rate of Stowing Excise Duty has been made in the proposed bill. In view of the poor utilization of available funds during 11th plan, the Committee cannot but deplore the Government who has come up with the present proposed Amendment Bill whereby Rs. 605 crore more will be collected under Stowing Excise Duty during 2013-14 at the rate of Rs. 20 per tonne. The Committee also note that although approved cost of Master Plan for Jharia and Raniganj fields is Rs. 9773 crore, the same is being revised and expected to be increased atleast by 20-30% to about Rs. 12770 crore implying an annual outgo of Rs. 1270 crore. The Committee, therefore, recommend that the Ministry of Coal should ensure full utilization of Stowing Excise Duty collected so far at the current rate of Rs. 10 per tonne, before enhancing the rate for the same as proposed in the Bill. Further, in view of the submission by Secretary, Coal before the Committee that the expenditure is going to pick up, the Committee expect that the increase in disbursement of funds for Master Plan during the years to come and the progress in implementation of R&R schemes in Jharia and Raniganj coalfields will show the desired improvements. Although the Committee endorse the present increase in proposed Stowing Excise Duty, the Committee would like the Ministry to ensure at the same time that the Master Plan be implemented on war footing lest the natural catastrophe should take place. The Committee would also like the Ministry to have frequent interaction with the Governments of West Bengal and Jharkhand to expedite the land acquisition process and settlement of oustees from the endangered areas.**

**6. As regards the issue of acquisition of land by the respective State Government for rehabilitation, the Committee note that Addl. Chief Secretary, Govt. of Jharkhand mentioned that unless some issues such as extending employment are resolved, acquisition of land may not be possible. He further mentioned that land losers are demanding for CIL's R&R policy. The Committee also observe that though the rehabilitation under the Master Plan is to address the shifting of people from the endangered areas both from Jharia and Raniganj coalfields and the rehabilitation package as approved by Govt. of India was adopted after consulting the concerned State Governments, the people are reluctant to move to other places due to economic activities in the area and lack of skill for employment and are thus demanding employment. The Committee feel that the whole problem of fire and subsidence in Jharia and Raniganj is due to unscientific mining and as immediate steps are required to be taken to evacuate people to safer places, the Central Government with the help of concerned State Governments should act diligently and offer better compensation for acquisition of land as well as preference to those displaced persons in employment with proper training for improving their skills. The Committee recommend that a policy for providing employment in this case of rehabilitation be framed in consultation with the State Governments.**

**7. The Committee note that the Master Plan dealing with fire, subsidence and rehabilitation in the Jharia and Raniganj Coalfields is to be implemented in 10 years which is to be funded from the internal resources of Coal India Ltd. and Stowing Excise Duty collection. The Committee feel that necessity of spending a large portion of Stowing Excise Duty collection may not arise after the implementation of the Master Plan. The Committee, therefore, would like the Ministry to apprise them about the utilization of the Stowing Excise Duty to be collected after the implementation of the Master Plan.**

**NEW DELHI;  
6 May, 2013  
16 Vaisakha, 1935(Saka)**

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

Annexure-I

**STATEMENT SHOWING THE DETAILS OF SED COLLECTION VIS-À-VIS CCDAC ASSISTANCE  
RELEASED DURING 2007-2012 (FIVE YEARS)**

(Figures in Crores  
Rs./-)

Sl. No.	Head	Financial Year					Total
		2007-08	2008-09	2009-10	2010-11	2011-12	
1	SED Collection	446.80	471.21	505.98	520.59	518.64	2463.22
2	Assistance on						
	Sand Stowing	127.90	125.08	125.24	105.09	150.88	634.19
	Protective Work	7.79	5.54	14.54	12.49	12.02	52.38
	R & D Work	0.00	0.00	0.68	0.00	0.00	0.68
	<b>Total</b>	<b>135.69</b>	<b>130.62</b>	<b>140.46</b>	<b>117.58</b>	<b>162.90</b>	<b>687.25</b>
3	Assistance on Road/Rail Infrastructure Development	23.58	0.00	0.00	22.00	22.00	67.58
	<b>Grand Total</b>	<b>159.27</b>	<b>130.62</b>	<b>140.46</b>	<b>139.58</b>	<b>184.90</b>	<b>754.83</b>



Annexure-II

**STATEMENT OF CCDA ASSISTANCE (ST & PW) IN RANIGUNJ & JHARIA COALFIELDS RELEASED BY MOC DURING 2007-20**

(Figures in Rupees)

Sl. No.	Conservation & Safety (Stowing and Protective works)	Financial Year					Total
		2007-'08	2008-'09	2009-'10	2010-'11	2011-'12	
1	ECL						
	(Ranigunj Coal Fields)	558,134,568	541,275,059	485,275,782	467,008,213	386,641,989	2,438,335,6
2	BCCL						
	(Jharia Coal Fields)	226,212,032	89,281,481	94,102,582	71,596,422	88,266,313	569,458,83
	<b>Grand Total</b>	<b>784,346,600</b>	<b>630,556,540</b>	<b>579,378,364</b>	<b>538,604,635</b>	<b>474,908,302</b>	<b>3,007,794,</b>

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

The Committee sat from 1100 hrs. to 1330 hrs.

**PRESENT**

**Shri Kalyan Banerjee - Chairman**

**LOK SABHA**

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

**RAJYA SABHA**

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

## **SECRETARIAT**

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

## **WITNESSES**

### **MINISTRY OF COAL AND ITS PSU's**

- |     |                               |                               |
|-----|-------------------------------|-------------------------------|
| 1.  | Shri S. K. Srivastava         | Secretary, Ministry of Coal   |
| 2.  | Dr. A.K. Dubey                | Addl. Secretary               |
| 3.  | Shri A. K. Bhalla             | Joint Secretary               |
| 4.  | Shri Shailesh Kumar Singh     | Joint Secretary               |
| 5.  | Smt. Sujata Prasad            | Joint Secretary and FA        |
| 6.  | Dr. M. R. Anand               | Economic Advisor              |
| 7.  | Shri D. N. Prasad             | Advisor(P)                    |
| 8.  | Shri S. Narsingh Rao          | Chairman, Coal India Ltd.     |
| 9.  | Shri Acharya, Coal Controller | Coal Controller's Organisaion |
| 10. | Shri A. K. Debnath            | CMD, CMPDIL                   |
| 11. | Shri T. K. Lahiry             | CMD, BCCL                     |
| 12. | Shri D. C Garg                | CMD, WCL                      |
| 13. | Shri Gopal Singh              | CMD, CCL                      |
| 14. | Shri N. Kumar                 | CMD, SECL                     |
| 15. | Shri Rakesh Kumar Sinha       | CMD, ECL                      |
| 16. | Shri S. Bhattacharya          | CMD, SCCL                     |
| 17. | Shri A.N. Sahay               | MCL                           |
| 18. | Shri N. Kumar                 | Director(Techn.), CIL         |

2. At the outset, the Chairman, welcomed the Secretary and other representatives of the Ministry of Coal and coal companies to the sitting of Committee and apprised them of the provisions of Direction 58 of the Directions by the Speaker, Lok Sabha. The Chairman mentioned that the sitting of the Committee has been convened in connection with

examination of "The Coal Mines(Conservation and Development) Amendment Bill, 2012" of the Ministry of Coal.

3. The points discussed during the sitting broadly related to the present status of implementation of Master Plan of Jharia and Raniganj Coalfields; utilization of earmarked 35% of Stowing Excise Duty collected for reimbursement of expenditure incurred by coal companies in implementing the notified areas under "The Coal Mines (Conservation & Development) Act, 1974 and 65% of earmarked funds to meet the requirement of Master Plan; development of roads and railway infrastructure in coalfield areas; employment to land oustees as per R&R policy of Coal India Ltd., etc.

4. The Members raised their concerns on the above issues and sought clarifications which were clarified by the representatives of the Ministry of Coal.

A verbatim record of the proceedings has been kept.

***The Committee then adjourned.***

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 06 MAY, 2013 IN COMMITTEE ROOM 'E', PARLIAMENT HOUSE ANNEXE, NEW DELHI.**

The Committee sat from 1500 hrs. to 1530 hrs.

**PRESENT**

**Shri Kalyan Banerjee - Chairman**

**LOK SABHA**

2. Shri Ganeshrao Nagorao Dudhgaonkar
3. Shri Vishwa Mohan Kumar
4. Shri Pakauri Lal
5. Shri Govind Prasad Mishra
6. Shri Rajaram Pal
7. Kumari Saroj pandey

**RAJYA SABHA**

8. Shri Ali Anwar Ansari
9. Dr. Pradeep Kumar Balmuchu
10. Shri Nand Kumar Sai

**SECRETARIAT**

1. Shri S. Bal Shekar - Additional Secretary
2. Shri Shiv Singh - Director

3. Shri Arvind Sharma - Deputy Secretary

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

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

- (i) \*\* \*\* \*\* \*\*
- (ii) Report on "The Coal Mines (Conservation & Development) Amendment Bill, 2012" relating to the Ministry of Coal.

4. The Committee adopted the Reports without any changes/modifications. The Committee then authorized the Chairman to finalise the Reports on the basis of factual verification from the concerned Ministry and present the same to both the Houses of Parliament.

***The Committee then adjourned.***

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**\*\*Do not pertain to this Report**