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**STANDING COMMITTEE ON
COAL AND STEEL (2010-2011)
FIFTEENTH LOK SABHA**

MINISTRY OF COAL

REHABILITATION AND RESETTLEMENT BY COAL INDIA LTD.

**[Action Taken by the Government on the Observations/
Recommendations contained in the Thirty-Fifth Report of the
Standing Committee on Coal and Steel (Fourteenth Lok Sabha)
on "Rehabilitation and Resettlement by Coal India Ltd. of
the Ministry of Coal]**

SEVENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

December, 2010 / Agrahayana, 1932(Saka)

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Presented to Lok Sabha on 07.12.2010

Laid in Rajya Sabha on 07.12.2010



LOK SABHA SECRETARIAT

NEW DELHI

December, 2010 /Agrahayana, 1932 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL(2010-11)

Shri Kalyan Banerjee - Chairman

MEMBERS

Lok Sabha

2. Shri Hansraj G. Ahir
3. Shri Jaywant Gangaram Awale
4. Shri Sanjay Bhoi
5. Shri Abu Hasem Khan Choudhury
6. Shri Ismail Hussain
7. Shri Chandrakant B. Khaire*
8. Shri Yashbant Laguri
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10. Shri Babu Lal Marandi
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18. Shri Rajiv Ranjan Singh (Lalan)
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Rajya Sabha

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29. Shri Nand Kumar Sai
30. Shri Jai Prakash Narayan Singh
31. Shri R.C. Singh

* Ceased to be Member of the Committee w.e.f. 27.09.2010.

SECRETARIAT

- | | | | |
|----|-------------------------|---|------------------|
| 1. | Shri Ashok Sarin | - | Joint Secretary |
| 2. | Shri Raj Shekhar Sharma | - | Director |
| 3. | Smt. Sunita | - | Deputy Secretary |

INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Seventh Report (Fifteenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Thirty-Fifth Report of the Standing Committee on Coal and Steel(Fourteenth Lok Sabha) on "Rehabilitation and Resettlement by Coal India Ltd." of the Ministry of Coal.

2. The Thirty Fifth Report (Fourteenth Lok Sabha) of the Standing Committee on Coal and Steel(2008-09) was presented to Lok Sabha on 21 October, 2008. Replies of the Government to all the observations/recommendations contained in the Report were received on 19th February, 2009.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 20th September, 2010.

4. An analysis on the Action Taken by the Government on the observations/recommendation contained in the Thirty-Fifth Report (Fourteenth 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;
23 November, 2010
2 Agrahayana, 1932 (Saka)

KALYAN BANERJEE
Chairman
Standing Committee on Coal and Steel

REPORT

CHAPTER I

This Report of the Standing Committee deals with Action Taken by the Government on the Observations/Recommendations contained in the Thirty-fifth Report (Fourteenth Lok Sabha) of the Standing Committee on Coal and Steel (2008-09) on 'Rehabilitation and Resettlement by Coal India Limited' of the Ministry of Coal which was presented to Lok Sabha/ Laid in Rajya Sabha on 21.10.2008.

1.2 The Report contained 10 Observations/Recommendations, Action Taken Notes have been received from the Ministry of Coal in respect of all the Observations / Recommendations contained in the Report. These have been categorized as follows:-

- | | |
|--|---------------------------|
| (i) Observations / Recommendations which have been accepted by the Government:
Sl. Nos.3,6,7,9 &10 | Total - 05
Chapter- II |
| (ii) Observations / Recommendations which the Committee do not desire to pursue in view of the Government's replies: | Total - 00
Chapter-III |
| (iii) Observations / Recommendations in respect of which replies of the Government have not been accepted by the Committee
Sl. No. 1 & 4. | Total - 02
Chapter-IV |
| (iv) Observations / Recommendations in respect of which final replies of the Government are still awaited:
Sl. No. 2, 5 & 8. | Total - 03
Chapter-V |

1.3 The Committee desire that the replies to the Observations/Recommendations contained in Chapter I and Chapter V should be furnished to them expeditiously.

1.4 The Committee also desire that utmost importance should be given to the implementation of the Observations/Recommendations accepted by the Ministry. In case, it is not possible for the Ministry to implement any recommendation(s) in letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.

1.5 The Committee will now deal with the Action Taken by the Government on some of their Observations / Recommendations made in their 35th Report.

PROVISION OF LAND FOR LAND

Recommendation (Sl. No. 1, Para No. 15)

1.6 The Committee had noted that Coal India Ltd (CIL), keeping in view the fact that lives and livelihoods of a large number of people are affected by forced displacement due to coal mining projects, framed its Rehabilitation and Resettlement (R&R) Policy in 1994 to safeguard the interests of the Projected Affected People (PAPs) so that they may regain their original standard of living and earning capacity after a reasonable transition period. This policy has been in operation with modifications from time to time. This Rehabilitation and Resettlement (R&R) Policy of Coal India Ltd. (CIL) has now been revised in 2008 in consonance with the National Rehabilitation and Resettlement Policy (NRRP) 2007. The Committee had observed that even after the revision of the policy by CIL, much needs to be done. In some cases, NRRP-2007 progressive and pragmatic vis-à-vis CIL's R&R Policy 2008. For example, while NRRP contain a provision of providing 'land-for-land' subject to availability of the Government land, there is no such provision in R&R Policy of CIL. Similarly, NRRP-2007 provides for house-site to Project Affected Persons (PAPs) in proportion to the actual loss of land but not more than 250 sq.m. in rural area and 50 sq.m. in urban area, whereas CIL's policy offers 150 sq.m. irrespective of the size of house whether it is less or more acquired. The Committee had felt that CIL's R&R packages should have not been less than that of NRRP. The Committee, therefore, recommended that these provisions of NRRP relating to 'land-for-land' and house-site should have been suitably incorporated/modified in R&R Policy of CIL.

1.7 The Ministry in their replies have stated as under :

"Land for land' provision has not been considered due to non availability of government land. There is scarcity of land in CIL and the land acquisition for both mining and associated infrastructure development purposes is very difficult. Subsidiary companies of CIL do not have extra land for implementing the 'land for land' provision.

In case of NRRP-2007, the Project Affected People (PAP) are provided with land equal to the actual loss of area of the house upto a maximum of 250 square meters in rural areas and 150 square meters in urban areas whereas Rehabilitation and Resettlement (R&R) Policy-2008 of CIL provides 100 square meters of land for construction of house, irrespective of the house area whether it is less or more, in a resettlement site where all necessary basic amenities and infrastructure are made available.

From the foregoing, it may be concluded that, the R&R Policy-2008 of CIL is more beneficial to the comparatively less house area holder upto 100 square metres."

1.8 **Keeping in view the fact that National Rehabilitation and Resettlement Policy of 2007 was more progressive and pragmatic vis-à-vis Coal India R&R Policy, the Committee had recommended that the provisions of National Policy on Rehabilitation and Resettlement relating to 'land for land' and house site should be suitably modified and incorporated in Rehabilitation and Resettlement Policy of Coal India Limited. The Ministry have responded that 'land for land' provision has not been considered due to non-availability of Government land. However, CIL provides 100 sq. mtrs. of land for construction of house irrespective of the house area whether the acquired area is less or more in a resettlement site where all the necessary basic amenities and infrastructure are made available. In case of NRRP 2007 the project affected peoples are provided with land equal to the actual loss of the area of the house upto a maximum of 250 sq. mtrs. in rural areas and 150 sq. mtrs. in urban areas. The Ministry of Coal have contended that R&R Policy 2008 of CIL is more beneficial to the comparatively less house area holder upto 100 sq. mtrs. The Committee, however, are not inclined to accept this view of the Ministry as it goes against the interest of Project Affected People whose houses have been acquired in excess of 100 sq. mtrs. The Committee strongly feel that Coal India Limited should address this issue in right perspective and come out with a more liberal policy. Consequently, the Committee reiterate that CIL should come up with a provision of 'land for land' as is being provided in National R&R Policy.**

NEED TO AMEND LAW ACQUISITION ACT 1984 AND COAL BEARING AREAS (ACQUISITION AND DEVELOPMENT) ACT, 1957

Recommendation (Sl. No. 2, Para No. 22)

1.9 The Committee noted that Coal India Limited acquires land for coal mining under the Land Acquisition Act, 1894 and Coal Bearing Areas (Acquisition and Development) Act, 1957 and in certain cases, by direct purchase. Whenever any land in any locality/area is to be acquired, a notification under the above Acts, to that effect, is published in the Official Gazette wherein the extent of land, so required, is notified. In case of any objection to the acquisition of such land, the interested person(s) can file his/their objections within 30 days from the date of publication of notification. It is pertinent to note that the coal reserves in the country are mostly in the far-flung areas inhabited by the tribal communities, most backward and weaker sections of the society. They hardly have any access to the Official Gazette wherein they could see that their lands are to be acquired for public purposes. The Committee felt that a mechanism may be in place to ensure that such people automatically

become aware of the acquisition of their land and if necessary, they could timely file any objection therefore within 90 days instead of the present provision of 30 days. For this purpose local NGOs may be involved and wide publicity through print and electronic media can also be given. Necessary action might be taken to amend the said Acts, in this regard, if required.

1.10 The Ministry in their replies have stated as follows :

“Notification for acquisition of land under different sections of Coal Bearing Areas (Acquisition & Development) Act (CBA Act), 1957 is published by the Central Government in the official Gazette while the notification for acquisition of land under different sections of Land Acquisition Act (LA Act), 1894 is published by the State Government in the official Gazette.

Apart from above Gazette notification, the notice of acquisition under the CBA Act is communicated amongst the land owners by proclaiming by beat of drums in the locality. For wider publicity regarding the land acquisition, copies of the notice are affixed in conspicuous places like local schools, panchyat offices, temples etc.

Notice of acquisition under Land Acquisition Act is published in 2 daily newspapers circulating in that locality of which one is in regional language. The District Collector also arranges to display a public notice of the substance of such notification at convenient places in the said locality.

Section 8(1) of the CBA Act, 1957 provides for 30 days for raising objections to land acquisition. As and when the said Act is amended, the recommendations of the Committee would be kept in view.”

1.11 In view of the provisions contained in the Land Acquisition Act 1984 and Coal Bearing areas (Acquisition and Development) Act, 1957 that before acquiring any land a notification is Published in the official gazette to this effect and objections are invited from interested persons within 30 days, the Committee had desired that the period for filing objections should be raised from 30 days to 90 days. The Ministry have informed the Committee that recommendation of the Committee would be kept in view as and when the said Act is amended. The Committee, however, note that the Ministry have not given any serious thought to the recommendation of the Committee as no time frame has been indicated in the reply for amending the Act. The Committee would like this amendment to be effected at the earliest and they may be informed about the same.

Recommendation (Sl. No. 3, Para No. 23)

1.12 The Committee were given to understand that CIL was in possession of unutilized land acquired for mining and also reclaimed land. At present, there was no provision under CBA (A&D) Act, 1957, for returning acquired land to Project Affected Persons (PAPs). The Committee had been informed that measures were being contemplated by CIL for returning mined out areas and unutilized land, which were no

more required by the coal companies. The Committee hoped that necessary changes in this Act should be effected to ensure return of unutilized land to the PAPs after proper development. The Committee had, therefore, recommend that CIL should plan their land requirements so that the same is judiciously and optimally utilized.

1.13 The Ministry in their replies have stated that "Coal companies acquire land to open up site specific coal projects. Suggestion of the committee for proper planning on land requirement and its judicious use is already in vogue. However, further care to ensure minimum requirement/acquisition for maximum utilization of land will be taken up as per suggestion of the Committee. Action has been initiated to revisit Coal Bearing Areas (Acquisition and Development) Act, 1957 and consider necessary amendment to enable use of unutilized land."

1.14 In the absence of any provision in Coal Bearing Areas (Acquisition and Development) Act 1957 to return the mined out and unutilized land to Project Affect People, the Committee had desired the Ministry to effect necessary changes in the Act. Although the Ministry have stated that action has been initiated to revisit the Act and consider necessary amendment to enable use of unutilized land but the Ministry have not come out clearly with any time frame for bringing the amendment in the Act. The Committee would appreciate if action in this matter is taken up as early as possible and they would like to be informed in this regard.

PROVISION FOR COMPULSORY EMPLOYMENT

Recommendation (Sl. No. 4, Para No. 30)

1.15 The Committee noted that as per the revised R&R Policy of CIL, one employment is released for each two acres of land acquired (irrespective of category of land) subject to availability of vacancy and suitability of the candidate in the descending order of land lost. The Committee had observed that the assurance for providing employment is subject to availability of vacancies and suitability of the affected persons and not as a guarantee. As such the assurance of employment is often found as a lip-service rather than any serious efforts to achieve it. The Committee had, therefore, felt that the PAPs should have the right to get employment in the projects as the employment remains the most preferred option of the PAPs since it is a permanent source of income. The Committee had therefore, recommended that instead of conditional provision of employment, CIL should provide employment on mandatory basis within a reasonable time. The Committee had also recommended that the employment in lieu of acquisition of land should be provided to the oustees in

ascending order of land lost so that the interests of the poorest of the poor are taken care of. The Committee had further recommended that employment might be provided to the PAPs according to their qualifications. The Committee hoped that the Ministry would ensure that there is no discrimination against women in employment under CIL and its subsidiaries.

1.16 The Ministry in their replies have stated that "As per the revised R&R Policy-2008 of CIL, employment to one person is provided for each two acres of land acquired (irrespective of category of land) subject to availability of vacancy and suitability of the candidate in the descending order of land lost. Coal India tries its best to accommodate as many displaced persons as possible, through provision of employment. However, keeping in view the productivity as well as the economic viability of the company, the manpower has to be regulated and as such provision of unlimited vacancies is not possible. In such a scenario, in order to compensate the left out people, the new R&R Policy of CIL makes a provision for the payment of cash compensation in lieu of employment to the PAPs at the rate of Rs. 2 lakhs for 1st acre of land, Rs. 1.50 lakh for the 2nd and 3rd acre of land and Rs. 1 lakh for land beyond 3 acre in addition to the land compensation paid under Coal Bearing Areas Act and Land Acquisition Act. Regarding offer of employment, it may be pointed out that, least land loser does not necessarily mean least land holder. Employment in terms of descending order is considered so that highest land loser, who is most affected, gets preference. If preference is given in ascending order of land lost then there are chances of land getting distributed amongst the family members to increase the numbers of land oustees with least holding of land. The matter relating to employment of PAPs as per their qualifications, is under consideration of CIL."

1.17 The Committee had recommended that instead of conditional provision of employment to the Project Affected People, Coal India Limited should provide employment on mandatory basis within a reasonable time according to their qualifications. The Ministry in reply have explained that keeping in view the productivity as well as the economic viability of the company, the manpower has to be regulated and as such provision of unlimited vacancies is not possible and in order to compensate the left out people, the new R&R policy of Coal India Limited makes a provision for payment of cash compensation in lieu of employment. The Committee hardly need to emphasise that employment is a permanent source of income for PAPs whereas cash compensation is a temporary measure. Needless to say that the oustees should be in a better position to lead a reasonably life and earn livelihood in their rehabilitated locations. The Committee are, therefore, inclined to conclude that providing compulsory employment to PAPs would to

a certain extent help the uprooted people. Consequently, the Committee, reiterate that compulsory employment may be provided to the PAPs according to the qualifications. The Committee would like to be apprised in this regard.

COAL INDIA TO STUDY COMPENSATION PACKAGE PROVIDED BY PRIVATE PLAYERS

Recommendation (Sl. No. 5, Para No. 38)

1.18 The Committee found that CIL makes the payment of compensation for the loss of means of livelihood of the Project Affected Persons (PAPs) as per their R&R Policy in vogue. In lieu of employment, the policy provides for cash compensation of Rs. 2 lakh for 1st acre of land, Rs. 1.50 lakh for the 2nd and 3rd acres of land and Rs. 1 lakh for beyond 3 acres in addition to the compensation paid under CBA & LA Acts. The Committee were not satisfied with compensation as it is not proportionate to acre of land acquired. The Committee desired that compensation should have been paid equally for each acre of land which will create a sense of financial security in the minds of PAPs. The Committee would also like CIL to come with a package of compensation that yields a permanent source of income not only to the head of the family but also to other dependants of the family.

The Committee had noted that the private players are able to overcome the land acquisition by offering attractive compensation package, whereas the CIL and its subsidiaries take into consideration registration value of the land, which is far below the prevailing market rate for fixing compensation. The Committee apprehended that CIL may not be in a position to offer attractive rate to the land oustees. The Committee had, therefore, recommended that coal subsidiaries should become competitive vis-à-vis private players in their approach while dealing with land acquisition. The Committee also recommended that CIL and its subsidiaries should become more flexible in finalizing the relief packages according to the prevailing ground realities. For this it may be desirable that CIL may study and analyse packages being offered by the private parties to the PAPs.

1.19 The Ministry in their replies have stated as under:

“Cash compensation in lieu of employment to the land losers is provided as per the norms of the concerned State Government. If there is no such provision of State Government, then cash compensation is given to the land losers which has recently been enhanced to Rs 2.00 lakh for 1st acre (minimum 0.50 lakh), Rs 1.50 lakh for 2nd & 3rd acre and Rs 1.00 lakh for the land beyond 3 acre.

Payment of compensation equally for each acre of land has not been considered to ensure better payment to lesser land loser. In addition to compensation of

land in lieu of employment, CIL provides the following additional benefits as under:

- i) Subsistence allowance of 25 days Minimum Agricultural Wages (MAW) as per NRRP-2007.
- ii) One time financial assistance of Rs 25000/- for construction of working shed or shop to the displaced rural artisan, small trader or self employed person.
- iii) Affected displaced family having cattle shall be given financial assistance of Rs 15000/ for construction of cattle shed.
- iv) Tribal community is treated as per the provision in the National Rehabilitation and Resettlement Policy (NRRP) -2007

The R&R Policy-2008 of CIL has been formulated after careful examination and giving due consideration to all related aspects concerning land acquisition and rehabilitation of land oustees. However, the suggestion of the Committee concerning the study to be made by CIL is under consideration.

1.20 Since the private players are able to overcome the problem of land acquisition by offering attracting compensation package, the Committee had desired that Coal India Ltd. might study and analyze the packages being offered by the private parties to the PAPs. The Committee have been informed that the R&R Policy 2008 of CIL has been formulated after careful examination and giving due consideration to all related aspects concerning land acquisition and rehabilitation of land oustees. However, the suggestion of the Committee concerning the study to be made by CIL is under consideration. The Committee would like the Ministry to apprise them about the findings of such a study and resultant action taken thereon.

PROVISION FOR SEPARATE ALLOCATION OF FUND FOR R&R

Recommendation (Sl. No. 8 Para No. 60)

1.21 The Committee noted that funds for implementation of R&R schemes were provided in the overall budget under the head of Account "Land" and no separate budget provision was made for this purpose. The Committee felt that implementation and progress of R&R schemes could be well monitored if separate allocation was made therefor. The Committee, therefore, recommended that a separate budgetary head should be made for allocation of funds for R&R schemes.

1.22 The Ministry in their replies have stated that "R&R budget is included in Mine Development head in Project Reports of the companies. These provisions are kept along with land, the provision for infrastructure etc. There is no separate

budget head for R&R. The recommendation of the Committee for separate budgetary provision for R&R activities is under consideration of CIL. However, a separate fund for Corporate Social Responsibility (CSR) has been created in the modified R&R Policy-2008 of CIL.”

1.23 With a view to have proper monitoring of implementation and progress of R&R Scheme, the Committee had recommended to create a separate budgetary head for this purpose. The Ministry in their written reply have informed the committee that there is no separate budget for R&R and the same is included in Mine Development Head in project reports of the companies. The Ministry have, however, stated that the recommendation of the Committee for separate budgetary provision for R&R activities is under consideration of CIL. The Committee would like the Ministry to speed up the matter and they would like to be informed in this regard.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Serial No. 3)

The Committee are given to understand that CIL is in possession of unutilized land acquired for mining and also reclaimed land. At present, there is no provision under CBA (A&D) Act, 1957, for returning acquired land to Project Affected Persons (PAPs). The Committee have been informed that measures are being contemplated by CIL for returning mined out areas and unutilized land, which are no more required by the coal companies. The Committee hope that necessary changes in this Act should be effected to ensure return of unutilized land to the PAPs after proper development. The Committee also recommend that CIL should plan their land requirements so that the same is judiciously and optimally utilized.

Action Taken

Coal companies acquire land to open up site specific coal projects. Suggestion of the committee for proper planning on land requirement and its judicious use is already in vogue. However, further care to ensure minimum requirement/acquisition for maximum utilization of land will be taken up as per suggestion of the Committee.

Action has been initiated to revisit Coal Bearing Areas (Acquisition and Development) Act, 1957 and consider necessary amendment to enable use of unutilized land.

[Ministry of Coal, M. No. 20011/13/2008-IF, dated 19/02/2008]

Recommendation (Serial No. 6)

The Committee note that around 4500 cases of compensation are pending with CIL and its subsidiaries. The Committee also note that CIL and its subsidiaries propose to set up a mechanism for dealing with the disputes of PAPs. The Committee, therefore, desire that the CIL and its subsidiaries should expedite the establishment of mechanism and settle the pending cases in a time bound manner. The Committee also desire the Ministry to monitor the progress in this regard.

The Committee have been apprised of the difficulties such as non-availability of updated record of rights, delay in authentication of ownership by the State Governments, non-production of relevant documents to establish ownership etc. being faced in disbursing compensation to PAPs. The Committee feel that application of Information Technology tools like e-governance, e-seva etc. in land reforms can be of immense help to overcome these difficulties. The Committee, therefore, recommend that the Ministry of Coal should pursue the Ministry of Rural Development (Department of Land Resources) to carry out land reforms like updating relevant land records and establishing authenticity of land ownership rights of concerned PAPs in the coal bearing States.

Action Taken

Subsidiary companies of CIL are carrying out regular follow up with the land owners for disposal of compensation cases. Payment camps are also being organised in the locality . Besides, help and support of the State Govt is also taken for this purpose.

For dealing with disputes, a provision for a committee comprising the nominee of the State Government, a nominee of the project General Manager, a representative of PAPs, an independent party such as a local community leader, a retired judge or principal of a local educational institution has been kept in new R&R Policy of CIL to examine the grievances of the PAPs and propose corrective action as required.

The Ministry has brought to the notice of Ministry of Rural Development (Department of Land Resources), the recommendations of the Committee on land reforms like updating relevant land records and establishing authenticity etc., for early action in the matter.

[Ministry of Coal, O.M. No. 20011/13/2008-IF, dated 19/02/2008]

Recommendation Serial No. 7

The Committee have been apprised that as a part of compensation package CIL and its subsidiaries would assist PAPs to establish non-farm self-employment through provision of infrastructure, petty contracts or formation of cooperatives. The Committee feel that success of the above initiatives is possible only if the PAPs are provided proper marketing facilities for their products. The Committee, therefore, recommend that CIL should provide marketing facilities to PAPs for their products and to instill entrepreneurial skills in them. For this, active support and participation of NGOs and State Government should be obtained.

Action Taken

As a part of non-farm self-employment, training on income generation and entrepreneurship development programme is being conducted by CIL for the PAPs. They are also being provided necessary infrastructural and other supports to initiate the self employment scheme. Local marketing facility of their products is also available in and the surrounding areas of the mine (eg: mine colony, guest houses, offices, mine hospital, dispensary etc).

[Ministry of Coal, O.M. No. 20011/13/2008-IF, dated 19/02/2008]

Recommendation (Serial No. 9)

The Committee observe that problems relating to land acquisition and compensation is more pronounced in the major coal bearing States. 34 R&R Schemes in Coal India Ltd (CIL) and its subsidiaries are stated to have been spilled over from 10th Five Year Plan to 11th Five Year Plan and are under progress. The Committee desire that ongoing R&R Schemes/ projects should be implemented without any further delay. In addition, some projects of SECL namely Amera OC, Amadand OC and Mahan OC could not be started due to slow progress in R&R / land acquisition activities. The reasons for poor implementation of R&R schemes might be either the land oustees are unwilling to shift or non-acceptance of compensation packages offered to them or faulty approach to the Project Affected Persons (PAPs). The Committee feel that sincere efforts for speedy clearance of land acquisition and compensation cases are need of the hour so that coal production is not affected. The Committee, therefore, recommend that the Ministry of Coal should facilitate CIL and its subsidiaries in close coordination with Governments of coal bearing States in land acquisition and settlement of compensation cases.

Action Taken

Implementation of some of the projects, both mining and non-mining, are delayed due to problems in land acquisition and obtaining its physical possession. Regular follow up is being done with the land losers for their acceptance of compensation and R&R benefits. Coal India has formulated new R&R Policy-2008 with a view to offering better compensation packages to the land losers.

The subsidiary coal companies of CIL are also interacting with the concerned State Government for expeditious acquisition of land and obtaining its physical possession to implement the projects in time.

[Ministry of Coal, O.M. No. 20011/13/2008-IF, dated 19/02/2008]

Recommendation Serial No. 10

The Committee have been informed that CIL and its subsidiaries undertake Community Development activities in the coal mining areas and earmark 1 to 2 ½% of their retained earning on such activities. During the last seven years, there had been lesser utilization of budgetary funds earmarked for Community Development. The Committee are unhappy over dismal performance of CIL and its subsidiaries in utilization of funds earmarked for Community Development. The Committee, therefore, desire that CIL and its subsidiaries should make sincere efforts to utilize the earmarked funds fully for Community Development activities. Welfare of PAPs should be taken care of under various programmes / schemes with a major emphasis on providing facilities for higher and technical education to the children of PAPs.

Action Taken

Under the existing Community and Peripheral Development Scheme of CIL and its subsidiaries, Rs 1/- per tonne of coal production has been fixed for Community Development Programme (CDP). Various activities are normally taken up in the peripheral villages within a radius of 8 Kms from the mine which can be extended to district towns also on the recommendation of the Community Development Committee.

The estimated budget and related actual expenditure for the year 2007-2008 on C.D.P., including primary budget for the year 2008-09 are as under :

(Figures in Rs.lakh)

Company	BE 2007-08	Expenditure 2007-08	Primary Budget 2008-09
ECL	400.00	387.68	480.00
BCCL	240.00	185.78	252.00
CCL	492.00	345.80	717.00
WCL	439.07	351.46	435.12
SECL	885.00	734.66	937.91
MCL	946.47	980.20	1026.47
NCL	492.17	318.14	416.56
NEC	12.00	12.00	13.00
CMPDL	-	-	10.00
Total	3906.71	3315.72	4288.06

It may be pertinent to mention here that the total budget in the year 2006-07 on C.D.P. was Rs. 3479.48 lakh against which expenditure incurred was Rs.2338.76 lakh whereas in the year 2007-08 the total budget has been increased to Rs. 3906.71 lakh and the expenditure incurred has also increased considerably to the tune of Rs. 3315.72 lakh. Thus it can be seen that expenditure on C.D.P. has increased significantly in comparison to the year 2006-07. Further it may be mentioned that the coal companies have tried to achieve the budgeted target and

every effort is being made by the companies to ensure 100% utilization of the allocated budget before the end of the financial year.

Apart from the existing Community and Peripheral Development Schemes, CIL has introduced a Corporate Social Responsibility (CSR) Scheme to intensify the development activities in and around the villages where land is being acquired. A provision of 1 to 2.5% of retained earnings will be made initially depending upon the requirement. The funds would be utilized for creation of social assets, developing infrastructure, creating Institutions and to conduct various welfare programme for women / children.

[Ministry of Coal , O.M. No. 20011/13/2008-IF, dated 19/02/2008]

CHAPTER III

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

-- NIL --

CHAPTER IV

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

Recommendation (Serial No. 1)

The Committee note that Coal India Ltd (CIL), keeping in view the fact that lives and livelihoods of a large number of people are affected by forced displacement due to coal mining projects, framed its Rehabilitation and Resettlement (R&R) Policy in 1994 to safeguard the interests of the Projected Affected People (PAPs) so that they may regain their original standard of living and earning capacity after a reasonable transition period. This policy has been in operation with modifications from time to time. This Rehabilitation and Resettlement (R&R) Policy of Coal India Ltd. (CIL) has now been revised in 2008 in consonance with the National Rehabilitation and Resettlement Policy (NRRP) 2007. The Committee, however, observe that even after the revision of the policy by CIL, much needs to be done. In some cases, NRRP-2007 is more progressive and pragmatic vis-à-vis CIL's R&R Policy 2008. For example, while NRRP contains a provision of providing 'land-for-land' subject to availability of the Government land, there is no such provision in R&R Policy of CIL. Similarly, NRRP-2007 provides for house-site to Project Affected Persons (PAPs) in proportion to the actual loss of land but not more than 250 sq.m. in rural area and 50 sq.m. in urban area, whereas CIL's policy offers 150 sq.m. irrespective of the size of house whether it is less or more acquired. The Committee feel that CIL's R&R packages should not be less than that of NRRP. The Committee, therefore, recommend that these provisions of NRRP relating to 'land-for-land' and house-site should be suitably incorporated/modified in R&R Policy of CIL.

Action Taken

'Land for land' provision has not been considered due to non availability of government land. There is scarcity of land in CIL and the land acquisition for both mining and associated infrastructure development purposes is very difficult. Subsidiary companies of CIL do not have extra land for implementing the 'land for land' provision.

In case of NRRP-2007, the Project Affected People (PAP) are provided with land equal to the actual loss of area of the house upto a maximum of 250 square meters in rural areas and 150 square meters in urban areas whereas Rehabilitation and Resettlement (R&R) Policy-2008 of CIL provides 100 square meters of land for construction of house, irrespective of the house area whether it is less or more, in a resettlement site where all necessary basic amenities and infrastructure are made available.

From the foregoing, it may be concluded that, the R&R Policy-2008 of CIL is more beneficial to the comparatively less house area holder upto 100 square metres.

[Ministry of Coal, O.M. No. 20011/13/2008-IF, dated 19/02/2008]

Recommendation (Serial No. 4)

The Committee note that as per the revised R&R Policy of CIL, one employment is released for each two acres of land acquired (irrespective of category of land) subject to availability of vacancy and suitability of the candidate in the descending order of land lost. The Committee observe that the assurance for providing employment is subject to availability of vacancies and suitability of the affected persons and not as a guarantee. As such the assurance of employment is often found as a lip-service rather than any serious efforts to achieve it. The Committee, therefore, feel that the PAPs should have the right to get employment in the projects as the employment remains the most preferred option of the PAPs since it is a permanent source of income. The Committee, therefore, recommend that instead of conditional provision of

employment, CIL should provide employment on mandatory basis within a reasonable time. The Committee also recommend that the employment in lieu of acquisition of land should be provided to the oustees in ascending order of land lost so that the interests of the poorest of the poor are taken care of. The Committee further recommend that employment may be provided to the PAPs according to their qualifications. The Committee hope that the Ministry would ensure that there is no discrimination against women in employment under CIL and its subsidiaries.

Action Taken

As per the revised R&R Policy-2008 of CIL, employment to one person is provided for each two acres of land acquired (irrespective of category of land) subject to availability of vacancy and suitability of the candidate in the descending order of land lost. Coal India tries its best to accommodate as many displaced persons as possible, through provision of employment. However, keeping in view the productivity as well as the economic viability of the company, the manpower has to be regulated and as such provision of unlimited vacancies is not possible. In such a scenario, in order to compensate the left out people, the new R&R Policy of CIL makes a provision for the payment of cash compensation in lieu of employment to the PAPs at the rate of Rs. 2 lakhs for 1st acre of land, Rs. 1.50 lakh for the 2nd and 3rd acre of land and Rs. 1 lakh for land beyond 3 acre in addition to the land compensation paid under Coal Bearing Areas Act and Land Acquisition Act. .

Regarding offer of employment, it may be pointed out that, least land loser does not necessarily mean least land holder. Employment in terms of descending order is considered so that highest land loser, who is most affected, gets preference. If preference is given in ascending order of land lost then there are chances of land getting distributed amongst the family members to increase the numbers of land oustees with least holding of land.

The matter relating to employment of PAPs as per their qualifications, is under consideration of CIL.

Regarding employment of women, no gender discrimination is done in the R&R Policy of CIL.

[Ministry of Coal, O.M. No. 20011/13/2008-IF, dated 19/02/2008]

CHAPTER V

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

Recommendation (Serial No. 2)

The Committee note that Coal India Limited acquires land for coal mining under the Land Acquisition Act, 1894 and Coal Bearing Areas (Acquisition and Development) Act, 1957 and in certain cases, by direct purchase. Whenever any land in any locality/area is to be acquired, a notification under the above Acts, to that effect, is published in the Official Gazette wherein the extent of land, so required, is notified. In case of any objection to the acquisition of such land, the interested person(s) can file his/their objections within 30 days from the date of publication of notification. It is pertinent to note that the coal reserves in the country are mostly in the far-flung areas inhabited by the tribal communities, most backward and weaker sections of the society. They hardly have any access to the Official Gazette wherein they could see that their lands are to be acquired for public purposes. The Committee feel that a mechanism may be in place to ensure that such people automatically become aware of the acquisition of their land and if necessary, they could timely file any objection therefore within 90 days instead of the present provision of 30 days. For this purpose local NGOs may be involved and wide publicity through print and electronic media can also be given. Necessary action may be taken to amend the said Acts, in this regard, if required.

Reply of the Government

Notification for acquisition of land under different sections of Coal Bearing Areas (Acquisition & Development) Act (CBA Act), 1957 is published by the Central Government in the official Gazette while the notification for acquisition of land under different sections of Land Acquisition Act (LA Act), 1894 is published by the State Government in the official Gazette.

Apart from above Gazette notification, the notice of acquisition under the CBA Act is communicated amongst the land owners by proclaiming by beat of drums in the locality. For wider publicity regarding the land acquisition, copies of the notice are affixed in conspicuous places like local schools, panchayat offices, temples etc.

Notice of acquisition under Land Acquisition Act is published in 2 daily news-papers circulating in that locality of which one is in regional language. The District Collector also arranges to display a public notice of the substance of such notification at convenient places in the said locality.

Section 8(1) of the CBA Act, 1957 provides for 30 days for raising objections to land acquisition. As and when the said Act is amended, the recommendations of the Committee would be kept in view. Ministry of Coal.

[Ministry of Coal, O.M. No. 20011/13/2008-IF, dated 19/02/2008]

Recommendation (Serial No. 5)

The Committee find that CIL makes the payment of compensation for the loss of means of livelihood of the Project Affected Persons (PAPs) as per their R&R Policy in vogue. In lieu of employment, the policy provides for cash compensation of Rs. 2 lakh for 1st acre of land, Rs. 1.50 lakh for the 2nd and 3rd acres of land and Rs. 1 lakh for beyond 3 acres in addition to the compensation paid under CBA & LA Acts. The Committee are not satisfied with compensation as it is not proportionate to acre of land acquired. The Committee, therefore, desire that compensation should be paid equally for each acre of land which will create a sense of financial security in the minds of PAPs. The Committee would also like CIL to come with a package of

compensation that yields a permanent source of income not only to the head of the family but also to other dependants of the family.

The Committee note that the private players are able to overcome the land acquisition by offering attractive compensation package, whereas the CIL and its subsidiaries take into consideration registration value of the land, which is far below the prevailing market rate for fixing compensation. The Committee apprehend that CIL may not be in a position to offer attractive rate to the land oustees. The Committee, therefore, recommend that coal subsidiaries should become competitive vis-à-vis private players in their approach while dealing with land acquisition. The Committee also recommend that CIL and its subsidiaries should become more flexible in finalizing the relief packages according to the prevailing ground realities. For this it may be desirable that CIL may study and analyse packages being offered by the private parties to the PAPs.

Action Taken

Cash compensation in lieu of employment to the land losers is provided as per the norms of the concerned State Government. If there is no such provision of State Government, then cash compensation is given to the land losers which has recently been enhanced to Rs 2.00 lakh for 1st acre (minimum 0.50 lakh), Rs 1.50 lakh for 2nd & 3rd acre and Rs 1.00 lakh for the land beyond 3 acre.

Payment of compensation equally for each acre of land has not been considered to ensure better payment to lesser land loser. In addition to compensation of land in lieu of employment, CIL provides the following additional benefits as under:

- i) Subsistence allowance of 25 days Minimum Agricultural Wages (MAW) as per NRRP-2007.
- ii) One time financial assistance of Rs 25000/- for construction of working shed or shop to the displaced rural artisan, small trader or self employed person.
- iii) Affected displaced family having cattle shall be given financial assistance of Rs 15000/ for construction of cattle shed.
- iv) Tribal community is treated as per the provision in the National Rehabilitation and Resettlement Policy (NRRP) -2007

The R&R Policy-2008 of CIL has been formulated after careful examination and giving due consideration to all related aspects concerning land acquisition and rehabilitation of land oustees. However, the suggestion of the Committee concerning the study to be made by CIL is under consideration.

[Ministry of Coal, O.M. No. 20011/13/2008-IF, dated 19/02/2008]

Recommendation (Serial No. 8)

The Committee note that funds for implementation of R&R schemes are provided in the overall budget under the head of Account "Land" and no separate budget provision is made for this purpose. The Committee feel that implementation and progress of R&R schemes can be well monitored if separate allocation is made therefor. The Committee, therefore, recommend that a separate budgetary head should be made for allocation of funds for R&R schemes.

Action Taken

R&R budget is included in Mine Development head in Project Reports of the companies. These provisions are kept along with land, the provision for infrastructure etc. There is no separate budget head for R&R.

The recommendation of the Committee for separate budgetary provision for R&R activities is under consideration of CIL. However, a separate fund for Corporate Social Responsibility (CSR) has been created in the modified R&R Policy-2008 of CIL.

[Ministry of Coal, O.M. No. 20011/13/2008-IF, dated 19/02/2008]

NEW DELHI;
20 September, 2010
29 Bhadra , 1932 (Saka)

KALYAN BANERJEE
Chairman
Standing Committee on Coal and Steel

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 20th SEPTEMBER, 2010 IN COMMITTEE ROOM 'B', PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1400 hours to 1500 hours.

PRESENT

Shri Kalyan Banerjee - **Chairman**

MEMBERS

2. Shri Hansraj G. Ahir
3. Shri Ismail Hussain
4. Shri Yashbant Laguri
5. Shri Govind Prasad Mishra
6. Shri Ramesh Rathod
7. Shri Rakesh Sachan
8. Shri Pashupati Nath Singh
9. Shri Rajiv Ranjan Singh(Lalan)
10. Sardar Sukhdev Singh Libra
11. Dr. G. Vivekanand
12. Shri Mohd. Amin
13. Shri Ali Anwar Ansari
14. Ms. Mabel Rebello
15. Shri Dhiraj Prasad Sahu
16. Shri Jai Prakash Narayan Singh

SECRETARIAT

1. Shri Raj Shekhar Sharma - Director
2. Smt. Sunita - Deputy Secretary
3. Md. Aftab Alam - Under Secretary

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

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

3. The Committee, thereafter, adopted the Draft Action Taken Report on Action Taken by the Ministry of Coal on the recommendations contained in the 35th Report (14th Lok Sabha) of the Standing Committee on Coal and Steel viz. "Rehabilitation and Resettlement by Coal India Limited" Ministry of Coal.

4. The Committee authorised the Chairman to finalize these Reports after making consequential change arising out of factual verification by the concerned Ministries and to present the same to both the Houses of Parliament.

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

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

The Committee then adjourned.

**Do not pertain to this Report.

ANNEXURE- II
(Vide Para IV of Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE THIRTY-FIFTH REPORT
OF THE STANDING COMMITTEE ON COAL AND STEEL**

I.	Total No. of Recommendations made	10
II.	Recommendations that have been accepted by the Government (<i>vide</i> recommendation at Sl. Nos.3,6,7,9 &10)	5
	Percentage of total	50%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies (<i>vide</i> recommendation at S1. No. Nil)	00
	Percentage of total	Nil
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee (<i>vide</i> recommendation at Sl. No. 1 & 4.)	2
	Percentage of total	20%
V.	Recommendations in respect of which final replies of the Government are still awaited (<i>vide</i> recommendation at Sl. No. 2, 5 & 8)	3
	Percentage of total	30%