

# ANNUAL REPORT 2014-15



# ORGANIZATIONAL STRUCTURE AND FUNCTIONS

## **Organizational Structure and Functions**

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

#### **Objectives**

- Ensuring achievement of Annual Action Plan targets for coal production and off-take, OBR removal, lignite production and lignite based power generation.
- Infrastructure development to augment coal and washed coal production.
- Leveraging technology to minimize environmental externalities.
- > Cutting edge research and development initiatives.
- > Enhancing exploration to augment resource base.
- > Quality and reliability in customer services.
- > Expeditious and joint solutions to interministerial issues.
- Improving efficiency of Coal India
- Attracting private investments
- > Allocating coal blocks in a transparent manner.

#### Functions

- Facilitating exploration, development and exploitation of coking and non-coking coal and lignite reserves in India.
- All matters related to production, supply, distribution and prices of coal.
- Development and operation of coal washeries other than those for which Department of Steel is responsible.
- Administration of the Coal Mines (Nationalisation) Act, 1973; Mines and Minerals (Development and Regulation) Act, 1957; the Coal Bearing Areas (Acquisition and Development) Act, 1957; the Coal Mines Provident Fund and Miscellaneous Provision Act, 1948; rules under the Mines Act, 1952 for levy

and collection of excise duty on coke and coal produced and dispatched from mines; the Coal Mines (Conservation and Development) Act 1974 and other Union laws related to coal and lignite and sand for stowing and the business incidental to such administration.

#### **Schemes**

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

#### **Organizational Structure**

The Secretariat of Ministry of Coal is headed by a Secretary who is assisted by one Additional Secretary, four Joint Secretaries (including the Financial Adviser), one Project Adviser, one Economic Adviser, seven Directors/Deputy Secretaries, one Technical Director, nine Under Secretaries, Twenty Section Officers, one Assistant Director (Official Language) and one Dy. Controller of Accounts and their supporting staff.

#### **Public Sector/ Joint Sector Companies**

#### **Coal India Limited (CIL)**

Coal India Limited (CIL) is a 'Maharatna' company under the Ministry of Coal, Government of India with headquarters at Kolkata, West Bengal. CIL is the single largest coal producing company in the world and one of the largest corporate employers with a manpower of 3,46,638 (as on 1st April, 2014). CIL operates through 82 mining areas spread over eight provincial states of India. Coal India Limited has 429 mines of which 237 are underground, 166 opencast and 26 mixed mines.

Coal India Limited (CIL) with its headquarters at Kolkata is the apex body in coal industry under the administrative control of the Ministry of Coal. Coal India is a holding company with seven wholly owned coal producing subsidiary companies and one mine planning & consultancy company. It encompasses the whole gamut of identification of coal reserves, detailed exploration followed by design and implementation and optimizing operations for coal extraction in its mines. The producing companies are:

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

North Eastern Coalfields (NEC) a small coal producing unit operating in Margherita, Assam is under direct operational control of CIL.

In addition, CIL has registered a company, namely Coal India Africana Limitada, for development of 2 coal blocks acquired in Mozambique.

Coal India's major consumers are Power and Steel sectors. Others include Cement, Fertiliser, Brick Kilns, and small scale industries.

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

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

- Three Opencast Lignite Mines of total capacity of 28.5 million tonnes per Annum at Neyveli and one open cast lignite Mine of capacity 2.1 million tonnes per Annum at Barsingsar, Rajasthan.
- Three Thermal Power Stations with a total installed capacity of 2490 mega watt at Neyveli and one Thermal Power Station at Barsingsar, Rajasthan with an installed capacity of 250 mega watt

All the Mines of NLC are ISO Certified for Quality Management System, Environmental Management System and Occupational Health & Safety Management System. All the Power stations of NLC are also ISO Certified for Quality Management System and Environmental Management System. NLC's growth is sustained and its contribution to India's social and economic development is significant.

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

The Singareni Collieries Company Limited (SCCL) is a Government coal mining company jointly owned by the Government of Telangana and Government of India on a 51:49 equity basis. The Singareni coal reserves stretch across 350 Km of the Pranahita – Godavari Valley of Telangana with a proven geological reserves aggregating to whopping 8791 million tonnes. SCCL is currently operating 15 opencast and 34 underground mines in 4 districts of Telangana with a manpower around 62,805.

#### **COAL CONTROLLER'S ORGANISATION (CCO)**

The Coal Controller's Organization is a subordinate office of the Ministry of Coal, with its headquarters at Kolkata and 7 field offices at Dhanbad, Ranchi, Bilaspur, Nagpur,Kothagudem, Sambalpur and Aasansol. Each field office is headed by a GM/DGM level executive working in the capacity of Officer on Special Duty (OSD) being supported by other technical officials. The Coal Controller's Organization discharges statutory functions derived from the following statutes:

- > The Colliery Control Rules, 2004.
- The Coal Mines (Conservation and Development) Act, 1974 and the Coal Mines (Conservation and Development) Rules, 1975.
- The Collection of Statistics Act, 1953[32 of 1953] and the Collection of Statistics (Central) Rules, 1959.
- The Coal Bearing Areas (Acquisition and Development) Act 1957 [20 to 1957].

In addition Coal Controller's Organization discharges the following functions;

- Monitoring progress of development of captive coal/lignite blocks
- Monitoring of washeries
- Monitoring disposal of various coal products
- Following up on submission of Mine Closure Plans
- > To lay down procedure and standard for sampling of coal
- Inspection of collieries so as to ensure the correctness of the class, grade or size of coal.

- To issue directives for the purpose of declaration and maintenance of grades of a seam mined in a colliery.
- To act as the appellate authority in case of dispute between consumers and owner arising out of declaration of grade and size of coal.
- To regulate disposal of stock of coal or the expected output of coal in the colliery.
- Quality surveillance with respect to loading of coal in wagons/ trucks according to laid down procedures regarding grades and sizes.
- To grant opening /reopening permission of coal mine, seam or a section of seam or to subdivide a mine.
- Assessment and collection of excise duty levied on all raw coal raised and dispatched.
- > Providing financial support to the coal operators for-
  - Ensuring the conservation of coal resources: Stowing of UG mines.
  - Undertaking the development of coal mines in a scientific manner.
  - Undertaking research in relation to conservation of coal, development of coal mines and utilization of coal.
  - Protective works including blanketing with incombustible material, N<sub>2</sub>&CO<sub>2</sub> flushing, filling up of subsided areas, cutting of trenches etc.
  - Infrastructure development in coal-fields.
- > carrying out annual Coal & Lignite survey.
- Submission of monthly coal data to different ministries of central and state Govt., national and international organization.
- > Collection of Statistics relating to coal washeries.
- Under Coal Bearing Area (Acquisition and Development Act, 1957 to hear any objection to the Central Government's Notification relating to acquisition of coal bearing land Under Coal Bearing Area (Acquisition and Development Act, 1957and to furnish his reports to Central Govt.
- functions as the Commissioner of Payment to settle the claim cases of colliery owners of pre-nationalisation period under

the Under the Coking Coal Mines (Nationalisation) act, 1972 and the Non-coking Coal Mines (Nationalisation) Act, 1973.

Monitoring of opening of Escrow account as per approved MCP.

#### **Coal Mines Provident Fund Organization**

The Coal Mines Provident Fund Organization is a social security Organization, formed under the Central Statute - The Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (Act No.46 of 1948), It is an autonomous statutory Organization, with its headquarters at Dhanbad. It has 24 regional offices in the coal producing States catering to the needs of employees of coal industries. This includes coal workers of the private sector.

In a nutshell, the CMPFO has been entrusted with the responsibility of administering the Coal Mines Provident Fund & Miscellaneous Act, 1948 and schemes framed thereunder namely:

- > The Coal Mines Provident Fund Scheme
- > The Coal Mines Pension Scheme
- > The Coal Mines Deposit Linked Insurance Scheme

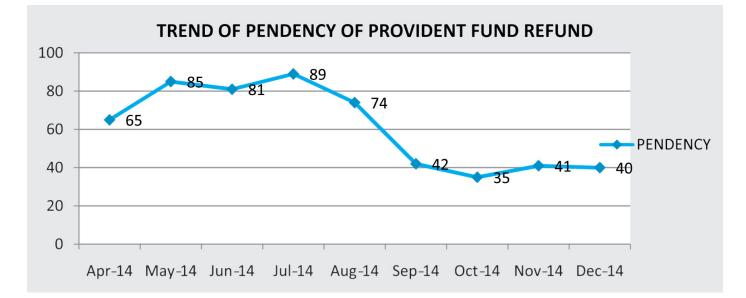
#### **Coal Mines Provident Fund Scheme, 1948**

The Coal Mines Provident Fund Scheme framed under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 provides Provident fund benefits to all employees of coal mines in India. Neyveli Lignite Corporation is not covered under this Act. The workers contribute to the Coal Mines Provident Fund at the rate of 12% of their emoluments and the employers pay an equivalent amount. Interest at the rate of 8.75% per annum was approved by BoT on the closing balance of PF of financial year 2013-14. A rate of 8.75% has been proposed for financial year 2014-15. The fund vests in and is administered by a tripartite Board of Trustees consisting of representatives of employers, employees and Central/State Governments.

The table below indicates the broad profile of the Scheme:

Particulars	2013-14 Actual	2014-15 Unaudited	2015-16 Estimated
Number of Coal Mines/Plants covered (as at the end of the year)	908	913	913
Number of live membership during the year (lakhs)	4.14	4.17	4.20
Contribution during the year up to Dec. 2014 (₹ in crores) including voluntary contribution.	4103.73	3842.21	5300.00 (approx)
Rate of interest allowed to the members of the fund.	8.75% (Rate of Interest approved by BOT)	8.75% (Rate of Interest approved by BOT))	8.75% (Estimated Rate of Interest to be approved by BOT later)
Advance during the year up to Dec. 2014 (₹ in crores)	473.23	380.48	500.00 (approx)
Refund of Provident Fund during the year up to Dec. 2014 (₹ in crores)	4177.56	3654.60	4500.00 (approx)
No. of cases settled (refund)	29,595	22675	30,000
No. of cases received (refund)	29,134	22806	30,500
Officers in position	35	35	35
Staff in position	861	843	943

Due to constant efforts and repeated follow-ups pendency in settlement of cases has declined considerably. The trend of pendency in Settlement of Provident Fund refunds is shown in the figure given below:



#### **ORGANIZATIONAL STRUCTURE AND FUNCTIONS**

As a result of emphasis on extending social security benefits to all workers of Coal Mines the coverage of contractor's worker under the provisions of CMPF/EPF Act increased from 50376 (1.4.2014) to 62243 (1.12.2014).

#### **Coal Mines Pension Scheme, 1998**

The Coal Mines Pension Scheme, 1998 (CMPS,98) was introduced with effect from 31.03.1998 in exercise of the powers conferred by Section 3E of the Coal Mines Provident Fund Miscellaneous Provisions Act, 1948 (46 of 1948) in supersession of the Coal Mines Family Pension Scheme, 1971 (CMFPS,71).As on 31.12.2014 the CMPF Membership is reported at 4,17,128/-.

**The Pension Fund** 

The pension fund consists of the net assets of the Coal Mines Family Pension Scheme, 1971. The beneficiaries of the scheme include members of the ceased Coal Mines Family Pension Scheme, 1971 who were on roll on 31<sup>st</sup> March, 1998; employees appointed on or after 31<sup>st</sup> March, 1998 and optee members who opted for membership of the Pension Fund. All such employees who died while in service during the period 01.04.1994 to 31.03.1998 are treated as deemed optee of the scheme vide G.S.R. No. 521 (E) dated 12.08.2004. There is provision for valuation of the Pension Fund every third year by an Actuary, to be appointed by the Board of Trustees.

#### **Types of Entitlements**

- Monthly Pension
- Disablement Pension
- > Widow or Widower Pension
- > Children Pension
- Orphan Pension
- Ex-gratia Payment.

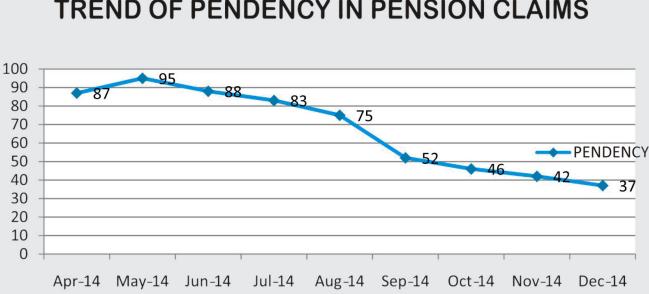
The Central Government contributed towards pension fund a sum of ₹ 15.00 crore during 2013-14, ₹ 16.00 crore in 2014-15 (BE) and ₹ 17.00 crore in 2015-16 (BE) have been provided. In addition, the Central Government contributed a sum of ₹ 7.00 crore during 2013-14 towards the administrative expenses for maintaining the pension scheme. ₹ 8.00 crore in 2014-15 (BE) and ₹ 10.00 crore in 2015-16 (BE) have been provided for this purpose.

The table below indicates the broad parameters of the CMPS, 1998.

#### Details of beneficiaries of CMP Scheme

S. No.	Particulars	2013-14 Actual	2014-15 Unaudited	2015-16 Estimated
i)	Membership of Coal Mines Pension Scheme. (Lakhs)	4.19	4.40	4.50
ii)	Contribution to Pension Scheme, 98 during the year up to Dec. 2014 by employers, employees, Govt. and interest in CMPS 98 (₹ in Crores).	2119.21	1668.15	2300.00
iii)	Disbursement of Benefits up to Dec. 2014 (Ceased Family Pension Scheme and Pension Scheme) (CMFPS, 1971)(₹ in crores).	1358.89	1183.70	1500.00
iv) (a)	No of Family Pension (CMFPS, 1971) and Life Assurance benefit (now ceased) cases settled.	4	4	2
(b)	Pension) (CMPS, 1998) cases settled up to Dec. 2014	32,597	23304	31,000
v) (a)	No. of Family Pension (CMFPS, 1971) and Life Assurance benefit cases received.	4	4	2
(b)	No. of Pension cases received under CMPS, 1998 up to Dec. 2014.	32,070	23304	30,000

Due to constant efforts and repeated follow-ups pendency in settlement of cases has declined considerably. The trend of pendency in settlement of Pension cases is shown in the figure given below:



### **TREND OF PENDENCY IN PENSION CLAIMS**

#### **Coal Mines Deposit Linked Insurance Scheme, 1976**

The Coal Mines Deposit Linked Insurance Scheme was introduced with effect from 1st August, 1976. The executive cadre employees of CIL were exempted from operation of the said Scheme vide Gazette Notification No. S.O. 822 (E) dated 24.03.2009. The workers of the CIL and its subsidiaries were exempted earlier from

the operations of the Scheme by Ministry of Coal. But other Private Coal Companies/Subsidiaries/ Units like TISCO, IISCO, Jindal Power, Singareni, Adani Mining Pvt Ltd, BLA Industries, Sainik Mining Allied Service Pvt. Ltd (SECL) etc. are still covered under the scheme.