

CHAPTER II

ORGANISATION

FUNCTIONS OF THE MINISTRY OF COAL

2.1 The Ministry of Coal is responsible for development and exploitation of coal and lignite reserves in India. The subjects allocated to the Ministry under the Government of India (Allocation of Business) Rules, 1961, as amended from time to time, are as follows:

- Exploration and development of coking coal and non-coking coal and lignite deposits in India.
- All matters relating to production, supply, distribution and prices of coal.
- Development and operation of coal washeries other than those for which Department of Steel (ISPAT Vibhag) is responsible.
- Low Temperature carbonization of coal and production of synthetic oil from coal.
- Administration of Coal Mines (Conservation and Development) Act, 1974 (28 of 1974).
- The Coal Mines Provident Fund Organization.
- The Coal Mines Welfare Organization.
- Administration of the Coal Mines Provident Fund and Miscellaneous Provision Act, 1948 (46 of 1948).
- Administration of the Coal Mines Labour Welfare Fund Act, 1947 (32 of 1947).
- Rules under the Mines Act, 1952 (32 of 1952) for the levy and collection of duty of excise on coke and coal produced and dispatched from mines and administration of rescue fund.
- Administration of the Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957).
- Public Sector Enterprises dealing with coal and lignite.
- Administration of the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) and other Union Laws in so far the said Act and Laws relate to coal and lignite and sand for stowing, business incidental to such administration including questions concerning various States.

2.2 At the Secretariat level, the Ministry is headed by a Secretary who is assisted by one Additional Secretary, three Joint Secretaries (including the Financial Adviser), one Project Advisor, seven Director/Deputy Secretaries, six Under Secretaries,(two posts of Under Secretaries upgraded as Deputy Secretary on personal basis), eleven Section Officers, (one post of Section Officer upgraded as Under Secretary on personal basis), one Desk Officer, One Economist, One Assistant Director (Official Language) and one Deputy Controller of Accounts, and their supporting staff.

PUBLIC SECTOR COMPANIES

2.3 The Ministry of Coal has under its administrative control Coal India Limited, a Public Sector Undertaking with its eight (8) subsidiary companies namely:-

1. Bharat Coking Coal Limited
2. Central Coalfields Limited
3. Eastern Coalfields Limited
4. Western Coalfields Limited
5. South Eastern Coalfields Limited
6. Northern Coalfields Limited
7. Mahanadi Coalfields Limited
8. Central Mine Planning and Design Institute Limited.

2.4 Coal India Limited with its headquarters at Kolkata, is the apex body in Coal Industry and is responsible for laying down policy guidelines and coordination work of subsidiaries. It does the investment planning, manpower management, purchase of heavy machineries, financial budgeting etc. on behalf of all its subsidiaries. (Details about the subsidiaries are mentioned in chapter –III)

2.5 The Ministry of Coal has under its administrative control the Neyveli Lignite Corporation Limited, with registered office at Chennai and corporate office at Neyveli in Tamil Nadu. The company is engaged in exploitation and excavation of lignite, generation of thermal power and also manufacture of urea and coke products and sale of raw lignite.

ORGANISATIONS UNDER THE ADMINISTRATIVE CONTROL OF MINISTRY OF COAL

2.6 The following subordinate offices and autonomous organizations are under the administrative control of this Ministry :-

- i) Office of the Coal Controller's Organization, - a subordinate office.
- ii) Coal Mines Provident Fund Organization, - an autonomous organization.
- iii) Office of the Commissioner of Payments, - a subordinate office.

COAL CONTROLLER'S ORGANIZATION

2.7 The Coal Controller's Organization is a Subordinate Office of the Ministry of Coal having its headquarters at Kolkata and field offices at Dhanbad, Ranchi, Bilaspur, and Nagpur.

2.8 The Coal Controller discharges various statutory functions derived from the under noted Acts and Rules:-

1. Colliery Control Order, 2000.
2. Coal Mines (Conservation & Development) Act, 1974 and Coal Mines (Conservation & Development) Rules, 1975.
3. The Collection of Statistics Act, 1953(32 of 1953) and the Collection of Statistics (Central) Rules, 1959.
4. Coal Bearing Areas (Acquisition & Development) Act, 1957(20 of 1957).

2.9 Apart from the above, the Coal Controller has been assigned some functions under the Mines and Minerals (Regulation & Development) Act, 1957.

2.10 Apart from the above statutory functions, the Coal Controller has also to discharge the following responsibilities:

- (a) to look after the residual work of the erstwhile Coal Board.
- (b) to attend to legal matters/ court cases arising out of the various statutes which the Coal Controller has been made responsible to administer.

2.11 Coal Controller's Organization performed the following functions during 2002-2003 (up to December-2002).

(A) Grant of permission for opening and re-opening of seams/mines:

2.12 Under clause 9 of the Colliery Control Order, 2000 the Coal Controller granted permissions for opening and re-opening of 11 seams during 2002-2003 (up to December, 2002).

(B) Conservation and utilization of coal:

2.13 Under the guidance of Coal Conservation and Development Advisory Committee (CCDAC), the Office of the Coal Controller carries out assessment of the actual expenditure incurred by the coal mines for sand stowing and also makes necessary recommendations to the CCDAC for grant of assistance for stowing and protective work as provided under the Coal Mines (Conservation & Development) Act, 1974. Subsidy is given for road and rail infrastructure development, scientific development work in the coal companies, research related to coal conservation and for better utilization of coal etc.. The Coal Conservation and Development Advisory Committee also funds projects to study implementation of different surface protection measures in the coal mining areas.

2.14 During the period April 2002 to December 2002 CCDA Committee met in the office of the Coal Controller for approval of new application & recommending the claims of the on going schemes to the Union Government for reimbursement towards stowing, protective works and construction of road & rail infrastructure pertaining to the period October 2001 to March 2002. Generally the CCDA fund is being released in two phases in a financial year.

2.15 The Budget Estimates for 2002-2003 for Coal Controller :-

1.	Stowing, Protective works R&D	Rs.72.90 Crores
2.	Development of Road and Rail	Rs.40.00 Crores
	Total	<u>Rs.112.90 Crores</u>

2.16 The 52nd meeting of CCDA Committee held on 28.6.2002 in the office of the Coal Controller, Kolkata and recommended for reimbursement of various claims of Coal Companies as detailed out below:-

Stowing, Protective work and R&D	Rs. 42.87 Crores
Development of Road and Rail	Rs. 17.95 Crores
Total	<u>Rs. 60.82 Crores</u>

(C) Collection of Excise Duty

2.17 During 2002-2003(up to December,2002) an amount of Rs.85.05 Crores was collected against Rs.114.26 Crores estimated for the whole year 2002-2003.

(D) Collection, Compilation and Publication of Coal Statistics.

2.18 Coal Controller being the Statistics Authority of Coal Statistics, the publication of the Organization is the lone authenticated source of coal statistics in the country. The organization collects, compiles and analyses coal statistics periodically to cater to the need of various Government Departments, National and International bodies, research organizations etc. which require such data. A compendium entitles "Coal Directory of India" has been prepared after restructuring and remodelling of the earlier publication in order to present it as an integrated and exhausting data bank.

2.19 The provisional Coal Statistics 2001-02 was published in April 2002. The Coal Directory of India 2000-01 & 2001-02 were also published in May 2002 and November 2002 respectively.

(E) Disposal of cases under section 8 of the Coal Bearing Areas (Acquisition & Development) Act, 1957.

2.20 Against the notification for intention to acquire the land under Section 7 of Coal Bearing Areas Act 1957, the Coal Controller is the competent authority to receive and hear any objection pertaining to the notification and send report under section 8 of the said Act on such objection or nil report, as the case may be, to the Ministry of Coal.

2.21 During the period April 2002 to December 2002, report in respect of 4 notifications were attended to.

(F) Quality Surveillance Activities (Quality Control Division)

2.22 The Coal Controller is authorized under the Colliery Control Order, 2000 to monitor the quality of coal dispatched from collieries and settle quality complaints of consumers however, the work relating to quality monitoring has come down considerably after the introduction of 3rd party/joint sampling.

2.23 There are 4 field offices in the Coal Controller Organization located at Dhanbad, Ranchi, Bilaspur and Nagpur. The location of the field offices and their jurisdiction are given as under:-

1. Dhanbad - Collieries under BCCL, ECL, TISCO (Jharia), IISCO, BECML & DVC.
2. Ranchi - Collieries under CCL, NCL, TISCO (West Bokaro), BSMDCCL
3. Bilaspur - Collieries under SECL, MCL & JSPL.
4. Nagpur - Collieries under WCL & SCCL.

2.24 Each of the field offices is headed by one GM level Executive working in the capacity of Officer on Special Duty. Besides looking after the quality surveillance jobs, the above field officers are also entrusted with the field works associated with CCDA assistance, opening and re-opening permission under the Colliery Control Order, 2000 and other coordination jobs with the Coal Companies.

COAL MINES PROVIDENT FUND ORGANISATION

2.25 The Coal Mines Provident Fund Organization is an autonomous body established under the Coal Mines Provident Fund and Miscellaneous provisions Act, 1948 and is responsible for administering the Coal Mines Provident Fund Scheme, 1948, Coal Mines Deposit Linked Insurance Scheme, 1976, and Coal Mines Pension Scheme, 1998. These three Schemes are administered by a Tripartite Board of Trustees consisting of Government representatives, employers' representatives and employees' representatives. CMPF Organization has 23 Regional Offices and its headquarters is at Dhanbad (Jharkhand). The sanctioned strength of the organization consists of 71 officers and 1532 staff.

Coal Mines Provident Fund Scheme.

2.26 In the beginning of the year 2002-2003 (up to September, 2002) the total number of units covered stood at 971 excluding coke plants operating in private sector. During 2002-2003 (up to September, 2002), 677 persons were enrolled as new members of the Fund, while the exit was 18018. The number of live subscribers of the Fund stood at 672603 at the end of September, 2002.

2.27 During 2002-2003 (up to September, 2002) Provident Fund contributions including voluntary contributions amounting to Rs.2780.27 crores were received in the Coal Mines Provident Fund raising the total contributions received to Rs. 13275.53 crores. The net accretion since the inception of the fund by way of contribution and interest thereon, less refund and advances up to September, 2002, amounted to Rs. 23437.07 crores. However this does not include interest on investment for the current year. The entire accumulation in the Fund is invested in accordance with the guidelines laid down by the Ministry of Finance. The total face value of the Fund's investment up to September, 2002 stood at Rs.22269.55 crores. During 2002-2003 interest at 9% has been credited to members' accumulation.

2.28 Refund from Provident Fund during 2002-2003 (up to September, 2002) together with the advances paid are indicated below:-

	No. of claims Settled	Amount Paid (Rs. In crores)
Refund of Provident Fund	28,167	1751.65
Marriage Advance	23,145	96.72
Education Advance	406	0.42
House Building Advance	9,750	63.03

The cost of administration of CMPF Scheme is met out of the Administrative Charge levied @3% of the contribution. This is paid by the Coal Companies.

Coal Mines Deposit Linked Insurance Scheme

2.29 In the event of death of an employee in harness, who was a member of Coal Mines Provident Fund, his/her nominee is entitled to receive, in addition to the Provident Fund, an amount equal to the average balance, in the account of the deceased during the preceding 3 years, subject to a maximum of Rs.10,000/-.

2.30 In accordance with the Scheme, the employers are required to contribute at the rate of 0.1% of the aggregate wages of covered workers. The Central Government is also required to pay half of the amount contributed by the employers under the Scheme. During 2002-2003 (up to September, 2002), employers contributed a sum of Rs.3.76 crores on this account.

During 2002-2003 (up to September, 2002) an amount of Rs.48334.00 was paid as Deposit Linked Insurance Benefits in the cases of 5 deceased employees.

Coal Mines Pension Scheme, 1998

2.31 The Coal Mines Pension Scheme has come into force with effect from the 31st day of March, 1998 and as on September, 2002 it has 7,81633 coal workers as members. The highlights of the Scheme are:-

I. Corpus of the Fund and its sustainability:-

The Pension Fund consists of the followings:-

- a) Net assets of the Coal Mines Family Pension Scheme, 1971 as on the appointed day;
- b) An amount equivalent to two and one-third percent of the salary of the employee, being the aggregate of equal shares of the employee and the employer from their respective contributions to be transferred from the appointed day from the Fund of employee;
- c) An amount equivalent to two percent of the salary of the employee from the first day of April, 1989 or the date of joining, whichever is later, up to the 31st day of March, 1996 and two percent of the notional salary of the employee from the 1st day of April, 1996 or the date of joining, whichever is later, to be transferred from his salary;

- d) An amount equivalent to one increment to be calculated on the basis of the salary of the employee as on the first day of July, 1995 or the date of joining, whichever is later, to be transferred from the first day of July, 1995 or the date of joining, whichever is later, from the salary of the employee
- e) An amount equivalent to one and two-third percent of the salary of the employee to be contributed by the Central Government from the appointed day;
Provided that in the case of an employee whose salary exceeds rupees one thousand six hundred per month, the contribution payable by the Central Government shall be equal to the maximum of the amount payable on the salary of rupees one thousand six hundred per month only;
- f) amounts to be deposited by new optees in terms of the provisions of the Scheme.

2.32 In 2002-2003 (up to September, 2002) Rs.631.39 crores were diverted to Pension from Provident Fund. Net accretion in the pension as on 30.9.2002 (without Government Shares and interest) is Rs. 2402.85 crores.

2.33 As per provisions of the Pension Scheme valuation of the Pension Fund will be done every third year by an Actuary to be appointed by the Board of Trustees.

II. Coverage:-

- a) All employees who are members of the ceased Coal Mines Family Pension Scheme, 1971 and were on rolls on 31st March, 1998.
- b) All such employees who are appointed on or after 31st March, 1998.
- c) All such eligible optee members who opted for membership of the Pension Fund under the Scheme.

III. Benefits:-

- (a) Monthly Pension.
- (b) Disablement Pension.
- (c) Monthly widow or widower pension.
- (d) Children Pension
- (e) Orphan Pension.
- (f) Exgratia Payment.

Coal Mines Family Pension Scheme, 1971

2.34 The erstwhile Coal Mines Family Pension Scheme, 1971, since superseded by the Coal Mines Pension Scheme, 1998, covers all the eligible family pension member before the appointed date i.e 31.3.1998. The number of claims of Family Pension settled in 2002-2003 (up to September, 2002) is 164. The total amount disbursed under the Family Pension Scheme, 1971 is Rs. 15.49 crores.

COMMISSIONER OF PAYMENTS

2.35 The Office of Commissioner of Payments was set up in pursuance of the Coking Coal Mines (Nationalization) Act, 1972 and Coal Mines (Nationalization) Act, 1973 for the purpose of disbursement of amounts payable to owners of coal mines or group of coal mines nationalized in 1972-73. Initially, there were two Offices of Commissioner of Payments, one for determining compensation etc. for nationalized coking coal mines and coke oven plants with headquarters at Dhanbad and another for nationalized non-coking coal mines with headquarters at Kolkata. After the work of Dhanbad Office had been disposed of substantially that Office was wound up and its residual works were transferred to the office of the Commissioner of Payments, Kolkata. At present, Coal Controller is functioning as Commissioner of Payments.

2.36 The details of the number of colliery accounts in the office of the COP in respect of which claims are yet to be settled, the compensation amount disbursed and the amount of compensation money left for disbursement at the end of December-2002 are as under:-

Sl.No	Particulars	Coking Coal (Act of 1972)	Non-Coking Coal (Act of 1973)
1.	Number of Collieries Nationalized	226	711
2.	Number of Colliery accounts closed up to 31.12.2002.	151	539
3.	Number of Colliery accounts not closed up to 31.12.2002.	70	172
4.	Amount of compensation money left for disbursement as on 31.12.2002.	Rs.4.96 Crores	Rs.6.21 Crores

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