

## **CHAPTER II**

### **ORGANISATION**

#### **FUNCTIONS OF 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:

- i) Exploration and development of coking and non-coking coal and lignite deposits in India.
- ii) All matters relating to production, supply, distribution and prices of coal.
- iii) Development and operation of coal washeries other than those for which the Ministry of Steel is responsible.
- iv) Low Temperature carbonisation of coal and production of synthetic oil from coal.
- v) Administration of the Coal Mines (Conservation and Development) Act, 1974 (28 of 1974).
- vi) The Coal Mines Provident Fund Organisation.
- vii) The Coal Mines Welfare Organisation.
- viii) Administration of the Coal Mines Provident Fund and Miscellaneous Provision Act, 1948 (46 of 1948).
- ix) Administration of the Coal Mines Labour Welfare Fund Act, 1947 (32 of 1947).
- x) Rules under the Mines Act, 1952 (32 of 1952) for the levy and collection of duty of excise on coke and coal produced and despatched from mines and administration of rescue fund.
- xi) Administration of the Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957).
- xii) 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, eight Director/Deputy Secretaries, four Under Secretaries, eleven Section Officers, 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 (CIL), a Public Sector Undertaking with its eight (8) subsidiary companies namely:-

1. Bharat Coking Coal Limited (BCCL)
2. Central Coalfields Limited (CCL)

3. Eastern Coalfields Limited (ECL)
4. Western Coalfields Limited (WCL)
5. South Eastern Coalfields Limited (SECL)
6. Northern Coalfields Limited (NCL)
7. Mahanadi Coalfields Limited (MCL)
8. Central Mine Planning and Design Institute Limited (CMPDIL)

2.4. Coal India Limited with its headquarters at Kolkata, is the apex body in the Coal Industry and is responsible for laying down policy guidelines and coordination work of subsidiaries. It does the investment planning, manpower management, 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 (NLC), 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 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) Office of the Commissioner of Payments - a subordinate office.
- iii) Coal Mines Provident Fund Organization - an autonomous organization.

#### **COAL CONTROLLER'S ORGANIZATION (C.C.O)**

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

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

- (i) Colliery Control Order, 2000.
- (ii) Coal Mines (Conservation & Development) Act, 1974 and Coal Mines (Conservation & Development) Rules, 1975.
- (iii) The Collection of Statistics Act, 1953(32 of 1953) and the Collection of Statistics (Central) Rules, 1959.
- (iv) 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 (Development & Regulation) Act, 1957.

2.10. In addition to 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 various statutes administered by the Coal Controller.
- (c) To attend other specific jobs assigned by the Ministry of Coal from time to time.

2.11. Coal Controller's Organisation performed the following main functions during the period from April, 2004 to December, 2004.

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

2.12. Under Clause 9 of Colliery Control Order, 2000, the Coal Controller granted permission for opening and re-opening of 17 seams/mines during April, 2004 to December, 2004.

**(B) Conservation and Utilisation 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, protective works and also makes necessary recommendations to the CCDAC for grant of assistance for stowing and protective works as provided under the Coal Mines (Conservation & Development) Act, 1974. Subsidy is also provided for road and rail infrastructure development, scientific development work in the coal companies, research related to coal conservation, 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. It has also been

decided to expand the ambit of funding CCDAC for the Action Plan to deal with fire and subsidence in ECL & BCCL command areas.

2.14. During the period April, 2004 to December, 2004, the CCDA Committee met once in the Office of the Coal Controller for approval of new application and recommended the claims of the ongoing schemes to the Union Government for reimbursement towards stowing, protective works and construction of roads & rail infrastructure pertaining to the period October, 2003 to March, 2004. CCDA fund has been released in phases during the financial year to reimburse the spill over claims of 2003-04 and also the first half year claim of 2004-05 i.e. October, 2003 to March, 2004 from the funds allotted in BE 2004-05.

2.15 **The Budget Estimates for 2004-2005 for CCDA works:-**

|                                      |                         |
|--------------------------------------|-------------------------|
| 1. Stowing, Protective works and R&D | <u>Rs. 90.00 Crores</u> |
| 2. Development of Road & Rail.       | <u>Rs. 69.12 Crores</u> |
| Total                                | <u>Rs.159.12 Crores</u> |

2.16. The 56<sup>th</sup> meeting of CCDA Committee held on 04/05.08.2004 in the Office of the Coal Controller, Kolkata recommended for reimbursement of various claims of Coal Companies for the period of October, 2003 to March, 2004.

**These claims including the spill over of 2003-04 were subsequently released by Ministry of Coal from BE 2004-05 as detailed below: -**

|                                  | Spill over of 2003-04 | 1 <sup>st</sup> half of 2004-05 (56 <sup>th</sup> meeting)         | Total release     |
|----------------------------------|-----------------------|--|-------------------|
| Stowing, Protective work and R&D | Rs.47.62 Crores.      | Rs.42.38 Crores released against recommendation of Rs.43.43 Crores | Rs. 90.00 Crores  |
| Development of Road & Rail       | Rs. 4.13 Crores.      | Rs.50.45 Crores.   | Rs. 54.58 Crores  |
| Total                            | Rs.51.75 Crores..     | Rs. 92.83 Crores   | Rs. 144.58 Crores |

**(C) Collection of Excise Duty :**

2.17 During April, 2004 to November, 2004 an amount of Rs. 242.91 Crores was collected against BE 2004-05 of Rs.350.00 Crores. Estimation for RE 2004-2005 is Rs.365.00 Crores.

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

2.18 Coal Controller being the Statistics Authority of Coal Statistics, the publication of the Organisation is perhaps the lone authentic source of coal statistics in the country. The organisation collects, compiles and analyses coal statistics periodically to cater to the needs of various Government Departments, National and International bodies, research organisations etc. who require such data. A compendium entitled "Coal Directory of India" has been prepared after restructuring and remodelling of the earlier publication in order to present it as an integrated and exhaustive data bank. As the Coal Directory requires a longer time frame for publication, "Provisional Coal Statistics" is also brought out by the organisation within a month of expiry of the financial year giving provisional statistics of some of the major parameters required by various organisations and departments.

2.19 The Provisional Coal Statistics 2003-04 was published in April 2004 and the Coal Directory of India 2003-04 was published in November 2004. Besides, monthly coal data is also being supplied to the Ministry of Coal, Central Statistical Organisation, Indian Bureau of Mines, International Energy Agency etc.

(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 objections pertaining to the notification and send report under section 8 of the said Act on such objections or nil report, as the case may be, to the Ministry of Coal.

2.21 During the period April 2004 to December 2004, reports in respect of 13 notifications were sent to the Ministry of Coal.

(F) Vigilance Report for the period from April 2004 to December 2004

2.22 The receipt and disposal of vigilance cases for the period April 2004 to December 2004 in respect of Coal Controller's Organisation is 'NIL'.

(G) Quality Surveillance Activities.

2.23 Under the Colliery Control Order, 2000, the Coal Controller may monitor the quality of coal despatched from collieries and also settle quality complaints of consumers. After the introduction of third party/ joint sampling, the requirement of such quality monitoring has come down considerably as the consumers are now required to pay in terms of the grades as analysed on the basis of third party/joint

sampling results. Under such circumstances, the strength of the quality control cell available earlier in the office of the Coal Controller has been drastically pruned down from 133 to 30 in March 2001.

2.24 There are five field offices in the Coal Controller's Organisation located at Dhanbad, Ranchi, Bilaspur, Nagpur and Kothagudem. The location of the field offices and their jurisdiction are as under:-

| Field Offices | Jurisdiction   |
|---------------|--|
| Dhanbad       | Collieries under ECL, BCCL, TISCO(Jharia), IISCO, BECML and ICML |
| Ranchi        | Collieries under CCL, NCL, TISCO (West Bokaro), JSMDCL and DVC   |
| Bilaspur      | Collieries under SECL, MCL, JSPL and Monnet Ispat Ltd.           |
| Nagpur        | Collieries under WCL   |
| Kothagudem    | Collieries under SCCL  |

2.25 Each of the field offices is headed by one GM level Executive working in the capacity of Officer on Special Duty. In SCCL it is headed by a Dy.G.M level Officer. Apart from carrying out normal inspection for ascertaining quality in selected mines, the field officers also carry out inspections to comply with specific orders relating to coal quality and for resolving statutory complaints. Besides looking after the quality surveillance jobs, the above field officers are also entrusted with field assignments associated with CCDA assistance, opening and re-opening permission under the Colliery Control Order, 2000 and other coordination jobs with the Coal Companies. In addition, one Officer on Special Duty is posted at Coal Controller's Office at Kolkata for coordinating the field offices and rendering assistance to Coal Controller on technical matters.

#### **COMMISSIONER OF PAYMENTS (COP)**

2.26 The Office of Commissioner of Payments was set up in pursuance of the Coking Coal Mines (Nationalisation) Act, 1972 and Coal Mines (Nationalisation) 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 the other for nationalised 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 work was transferred to the Office of the Commissioner of Payments, Kolkata. At present, Coal Controller is functioning as Commissioner of Payments.

2.27 The details of the number of colliery accounts in the office of the COP in respect of which claims are yet to be settled and the amount of compensation money left for disbursement at the end of December, 2004 are as under:-

| Sl. No. | Particulars  | Coking Coal<br>(Act of 1972) | Non-Coking<br>Coal<br>(Act of 1973) |
|---------|--|------------------------------|-------------------------------------|
| 1.      | Number of Collieries Nationalised                                    | 226                          | 711                                 |
| 2.      | Number of Colliery accounts closed upto 31.12.2004.                  | 163                          | 576                                 |
| 3.      | Number of Colliery accounts not closed upto 31.12.2004.              | 63                           | 135                                 |
| 4.      | Amount of compensation money left for disbursement as on 31.12.2004. | Rs.3.59<br>Crores            | Rs.6.43<br>Crores                   |

**COAL MINES PROVIDENT FUND ORGANISATION (C.M.P.F.O.)**

2.28 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 establishment of the organization now consists of 71 officers and 1532 staff.

**Coal Mines Provident Fund Scheme.**

2.29 In the beginning of the year 2004-2005 the total number of units covered stood at 971 excluding coke plants operating in private sector. During 2003-2004 (up to March, 2004), 3616 persons were enrolled as new members of the Fund, while the exit was 27835. The number of live subscribers to the Fund stood at 633781 at the end of December 2004.

2.30 During 2004-2005 (upto December, 2004) Provident Fund contributions including voluntary contributions amounting to Rs.1,406.00 crores were received in the Coal Mines Provident Fund raising the total contributions received to Rs. 18606.67 crores. The net accretion since the inception of the fund by way of contribution and interest thereon, less refund and advances upto December, 2004, amounted to Rs.17970.70 crores. 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 upto December, 2004 stood at Rs.25,716.68 crores

approx. During 2004-2005 interest at the rate of 8% has been allowed on the accumulated contributions of members.

2.31 Refund from Provident Fund during 2004-2005 (upto December, 2004) together with the advances paid are indicated below:-

|   | <b>No. of claims Settled</b> |
|---|------------------------------|
| No. of claims settled under Provident Fund                        | 19285                        |
| No. of Marriage Advance claims settled under Provident Fund       | 12135                        |
| No. of Education Advance claims settled under Provident Fund      | 345                          |
| No. of House Building Advance claims settled under Provident Fund | 17606                        |
| The amount disbursed on Provident Fund and others / claims        | 1518.55<br>crores<br>approx. |

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

**Coal Mines Deposit Linked Insurance Scheme**

2.32 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/-.

2.33 In accordance with the Scheme, the employers are required to contribute at the rate of 0.5% 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 2004-2005 (upto December, 2004), employers contributed a sum of Rs.2.00 crores approx. on this account.

2.34 During 2004-2005 (upto December, 2004) an amount of Rs.20,000 was paid – as Deposit Linked Insurance as benefit in the cases of 2 deceased employees. For meeting the cost of administration of this scheme, employers contribute @0.1 % of aggregate wages and the Central Government contributes 50% thereof i.e. 0.05% of aggregate wages.

**Coal Mines Pension Scheme, 1998**

2.35 In exercise of the powers conferred by Section 3E of the Coal Mines Provident Fund and miscellaneous Provisions Act, 1948 (46 of 1948) and in supersession of the Coal Mines Family Pension Scheme, 1971, except as respects things done or omitted to be done before such supersession, the Central Government has framed the Coal Mines Pension Scheme, 1998.

2.36 The Coal Mines Pension Scheme has come into force with effect from the 31<sup>st</sup> day of March, 1998 and as on March, 2004 its membership consists of 7,39,383 coal workers, working in different coal mines within the country. 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 31<sup>st</sup> day of March, 1996 and two percent of the notional salary of the employee from the 1<sup>st</sup> 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.

2.37 In 2003-2004 (up to March, 2004) Rs.151.14 crores were diverted to Pension Fund from Provident Fund. Net accretion in the pension as on 31.03.2004 (without Government Shares and interest) is Rs.243.08 crores approx.

II. Coverage:-

- a) All employees who are members of the ceased Coal Mines Family Pension Scheme, 1971 and are on rolls on 31<sup>st</sup> March, 1998.
- b) All such employees who are appointed on or after 31<sup>st</sup> March, 1998.

- c) All such optee members who opted for membership of the Pension Fund in form PS-1 and PS-2 as the case may be with the condition specified 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.

2.38 In 2004-2005 (up to December, 2004) Rs.184.82 crores was diverted to Pension from Provident Fund. Net accretion in the pension as on 31.12.2004 (without Government Shares and interest) is Rs. 427.90 crores approx.

2.39 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.

Coal Mines Pension Scheme, 1998 & Family Pension Scheme, 1971

2.40 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 Pension settled in 2004-2005 (up to December, 2004) is 23937. The total amount disbursed under the Coal Mines Pension Scheme, 1998 & Family Pension Scheme, 1971 is Rs.560.00 crores approx.

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