

CHAPTER II

ORGANISATION

FUNCTIONS OF THE DEPARTMENT OF COAL

2.1 The Department of Coal is responsible for development and exploitation of coal and lignite reserves in India. The subjects allocated to the Department 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 coal 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 Department of Steel (Ispat Vibhag) is responsible.
- iv) Low Temperature carbonisation of coal and production of synthetic oil from coal.
- v) Administration of 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 Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957).
- xii) Public Sector Enterprises dealing with coal and lignite.
- xiii) 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 Department 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 & Mines 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 Department of Coal, Ministry of Coal & Mines, 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 DEPARTMENT OF COAL

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

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

COAL CONTROLLER'S ORGANISATION

2.7 The Coal Controller's Organisation is a subordinate office of the Ministry of Coal & Mines, Department 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. 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 (Development & Regulation) Act, 1957.

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

- (a) the residual work of the World Bank Loan relating to pre-nationalisation period.
- (b) the residual work of the erstwhile Coal Board.
- (c) 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 Organisation performed the following main functions during 2001-2002:

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

2.12 Under clause 14 of the Colliery Control order 1945, the Coal Controller granted permission for opening and re-opening of 3 seams and mines during 2001-2002 (upto October, 2001).

(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 of the 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 development and for scientific development work in the coal companies. The Coal Conservation and Development Advisory Committee funds projects to study and recommend means for restoration of ecological balance in the coal mining areas. It has also been decided by the Coal Conservation and Development Advisory Committee to commission a study for minimising the bulk movement of high ash content coal by the washing for non-coking coal and transportation of washed coal to the remote parts of the country by rail-cum-sea route.

2.14 The Budget Estimates for 2001-2002 for Coal Controller :-

| | | |
|--------------|----------------------------------|----------------------|
| 1. | Stowing, Protective works R&D | Rs.75 Crores |
| 2. | Development of Road and Rail | Rs.40 Crores |
| Total | | Rs.115 Crores |

2.15 The 50th meeting of Coal Conservation and Development Advisory (CCDA) Committee recommended allotment of funds as detailed below to the coal companies to carry out stowing, protective works and Development of Road and Rail infrastructure :-

| Conservation | (Rs. in lakhs) |
|--------------------------|-----------------------|
| Stowing | 4122.49 |
| Protective work, | 262.84 |
| Research and Development | ----- |
| Road/Rail infrastructure | 1786.18 |
| Miscellaneous | 10.00 |
| Total | 6181.51 |

(C) Collection of Excise Duty:

2.16 During 2001-2002 (upto December, 2001) an amount of Rs.84.85 Crores was collected against Rs. 109.59 Crores estimated for the whole year 2001-2002.

(D) Quality Surveillance Activities (Quality Control Division):

2.17 The Coal Controller is authorised under the Colliery Control Order, 2000 to monitor the quality of coal despatched from collieries and settle the complaints of consumers against grading and substandard supply of Coal. Due to rising complaints on quality and related problems, Quality Control Cell was formed under the aegis of Coal Controller to undertake joint sampling and resolve disputes between suppliers and

consumers of coal. However with the introduction of 3rd Party/Joint sampling, there is considerable diminution of the functions of the Coal Controller's Organisation. There are still 4 field offices in the Coal Controller's Organisation. The jurisdiction of these 4 offices are given below.

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

2.18 Each of the field offices is headed by one CGM/GM level executive designated as OSD. These officers also look after the jobs undertaken with CCDA assistance in addition to quality surveillance.

Coal Mines Provident Fund Organisation

2.19 The Coal Mines Provident Fund Organisation 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 Organisation has 23 Regional Offices and its headquarters is at Dhanbad (Jharkhand). The sanctioned strength of the organisation consists of 71 officers and 1532 staff.

Coal Mines Provident Fund Scheme.

2.20 In the beginning of the year 2001-2002 the total number of units covered stood at 962 excluding coke plants operating in private sector. During 2001-2002 (upto December, 2001), 3801 persons were enrolled as new members of the Fund, while the exit was 27,168. The number of live subscribers of the Fund stood at 7,07,633 at the end of December, 2001.

2.21 During 2001-2002 (upto December, 2001) Provident Fund contributions including voluntary contributions amounting to Rs.1214.08 crores were received in the Coal Mines Provident Fund raising the total contributions received to Rs. 11,709.34 crores. The net accretion since the inception of the fund by way of contribution and interest thereon, less refund and advances upto December'2001, amounted to Rs. 22,367.68 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 upto December, 2001 stood at Rs.19,251.74 crores. During 2001-2002 interest at 9.5% has been credited to members' accumulation.

2.22 Refund from Provident Fund during 2001-2002 (upto December, 2001) together with the advances paid are indicated below:-

| | No of claims Settled | Amount Paid (Rs. In crores) |
|--------------------------|----------------------|--------------------------------|
| Refund of Provident Fund | 28,167 | 654.24 |
| Marriage Advance | 23,145 | 69.83 |
| Education Advance | 406 | 0.68 |
| House Building Advance | 9,750 | 79.58 |

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

2.23 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/-.

2.24 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 2001-2002 (upto December, 2001), employers contributed a sum of Rs.2.26 crores on this account.

2.25 During 2001-2002 (upto December, 2001) an amount of Rs.33,334.00 was paid as Deposit Linked Insurance Benefits in the cases of 4 deceased employees.

Coal Mines Pension Scheme, 1998

2.26 The Coal Mines Pension Scheme has come into force with effect from the 31st day of March, 1998 and as on December, 2001 it has 7,92,314 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, upto 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.

2.27 In 2001-2002 (upto December,2001) Rs.324.60 crores was diverted to Pension from Provident Fund. Net accretion in the pension as on 31.12.2001 (without Government Shares and interest) is Rs. 2,181.83 crores.

2.28 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

2.29 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 2001-2002 (upto December, 2001) is 486 while those of the other benefits under the Scheme is 52 . The total amount disbursed under the Family Pension Scheme, 1971 is Rs. 0.09 crores.

COMMISSIONER OF PAYMENTS

2.30 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.

2.31 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 disbursed and the amount of compensation money left for disbursement at the end of November-2001 are as under:-

| Sl.No. | Particulars | Coking Coal (Act of 1972) | Non-Coking Coal (Act of 1973) |
|---------------|--|--------------------------------------|--|
| 1. | Number of Collieries Nationalised | 226 | 711 |
| 2. | Number of Colliery accounts closed upto 30.11.2001. | 151 | 530 |
| 3. | Number of Colliery accounts not closed upto 30.11.2001. | 75 | 181 |
| 4. | Amount of compensation money left for disbursement as on 30.11.2001. | 5.01 Crores | 6.60 Crores |