

CHAPTER - I

INTRODUCTION OF ORGANIZATION

PREAMBLE

The Ministry of Coal has the overall responsibility of determining policies and strategies in respect of exploration and development of coal and lignite reserves, sanctioning of important projects of high value and for deciding all related issues. These key functions are exercised through its public sector undertakings, namely, Coal India Limited(CIL) and Neyveli Lignite Corporation(NLC) Limited and Singareni Collieries Company Limited(SCCL), which is a joint sector undertaking of Government of Andhra Pradesh and Government of India with equity capital in the ratio of 51:49 respectively.

The coal reserves of India up to the depth of 1200m, have been estimated by the Geological Survey of India at 247.85 billion tonnes as on 1.1.2005.

Currently, lignite reserves in the country have been estimated at around 36009 million tonnes, most of which occur in Tamil Nadu. Other states where lignite deposits have been located are Rajasthan, Gujarat, Kerala, Jammu and Kashmir and Union Territory of Pondicherry

CIL and Subsidiary coal companies.

The Coking Coal Mines (Emergency Provisions) Ordinance was promulgated by the Government of India on 16.10.1971 under which except the captive mines of TISCO and IISCO, the management of all coking coal mines was taken over by the Government. A new company called the Bharat Coking Coal Limited was formed as a subsidiary company of the Steel Authority of India Limited to manage the taken over mines. These mines were subsequently nationalised w.e.f. 01.05.1972. Later on, the management of 711 coal mines was also taken over by the Government with effect from 31.01.1973 and they were nationalised w.e.f. 01.05.1973 and a new Government Company namely, the Coal Mines Authority Limited (CMAL) with headquarters at Calcutta, was set up by the Government in May, 1973 to manage the non-coking coal mines. CMAL was organised as a unitary structure on divisional pattern with four Divisions, the Central Division, the Eastern Division, the Western Division and the CMPDIL. The mines of erstwhile National Coal Development Corporation were brought under the Central Division of CMAL. In September, 1975, CIL was formed as a Holding Company with five subsidiaries, namely, Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Eastern Coalfields Limited (ECL), Western Coalfields Limited (WCL) and Central Mine Planning and Design Institute Limited (CMPDIL).

In view of the projected increase in production and investment contemplated for CCL and WCL group of coal mines and in view of their extensive geographical spread resulting in day to day administrative, technical and communication problems etc. two more coal

companies, namely, Northern Coalfields Limited and South Eastern Coalfields Limited were formed w.e.f. 28.11.1985.

Considering the prospects of Orissa Coalfields, being the growth centre for the VIII and IX Plan periods, a new coal company was formed bifurcating South Eastern Coalfields Limited (SECL). The new company, the Mahanadi Coalfields Limited was incorporated on 3rd April, 1992 with its headquarters at Sambalpur (Orissa) as fully owned subsidiary of Coal India Limited to manage the Talcher and IB-Valley Coalfields in Orissa.

Coal India Ltd. (CIL) have now 8 subsidiaries viz. Bharat Coking Coal Limited (BCCL), Central Coalfields Limited (CCL), Eastern Coalfields Limited (ECL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Northern Coalfields Limited (NCL), Mahanadi Coalfields Limited (MCL) and Central Mine Planning and Design Institute Limited (CMPDIL). CMPDIL is an engineering, design and exploration company set up for preparing perspective plan(s), rendering consultancy services and undertaking exploration and drilling work to establish coal reserves in the country and collection of detailed data for preparation of projects for actual mining. The other seven subsidiaries of CIL are coal producing companies.

CIL and its subsidiaries are incorporated under the Companies Act, 1956 and are wholly owned by the Central Government. The coal mines in Assam and its neighbouring areas are controlled directly by CIL under the unit North Eastern Coalfields.

In addition to CIL and its subsidiaries, there is another coal company in Public Sector, namely, the Singareni Collieries Company Limited (SCCL), which is a joint venture between the Government of Andhra Pradesh and Government of India, with equity capital shared in the ratio of 51:49 respectively.

Delegation of greater autonomy an enhanced powers to Public Sector Enterprises - Declaration of Mini-Ratna and Nav-Ratna Status

.The Department of Public Enterprise's OM dated 09.10.1997 provides for grant of enhanced autonomy and delegation of powers to the profit making public sector enterprises(PSEs), for making the public sector more efficient and competitive, subject to some eligibility criteria and guidelines given in the said O.M.

In accordance with the provisions of the aforesaid guidelines, the Government have earlier conferred the status of Mini Ratna (Category I) on the following coal PSUs :

- The Coal India Limited (CIL);
- The Mahanadi Coalfields Limited (MCL);
- The Northern Coalfields Limited (NCL);
- The South Eastern Coalfields Limited (SECL);
- The Western Coalfields Limited (WCL).
- The Central Coalfields Limited (CCL).

However, on 24.10.2008, DPE conferred Nav-ratna status on CIL subject to certain conditions.

The enhanced powers delegated to a Mini Ratna PSE placed in Category-I/Nav-ratna enable them to incur capital expenditure on new projects, modernisation, purchase of equipments etc., without Government approval, stands at Rs.500 crore/Rs.1000 Crore or equal to net worth, whichever is less.

4. Revival of sick PSUs.

ECL : The revival package of ECL sanctioned by BIFR was referred to BRPSE for examination on 05.04.2005. The Board considered the revival proposal in its 19th meeting held on 29.08.2005 and recommended a revival package for ECL subject to ECL achieving the physical and financial projections from 2005-06 to 2009-10. The matter was considered by the Committee of Secretaries on 13.01.2006. The Committee approved the recommendation of BRPSE subject to ECL achieving physical and financial projections.

The Govt. have since approved the proposal of revival of ECL. This does not involve any budgetary support from the Govt..

BCCL: BCCL was formed in 1971 pursuant to nationalization of coal mines in the country and became one of the subsidiaries of Coal India Limited w.e.f. 01.11.1975. Since inception, BCCL had been incurring losses. A revival plan for BCCL was submitted to BIFR. After constitution of BRPSE in 2004, in its 19th meeting, BRPSE, inter-alia, directed that the revival plan be vetted by an independent consultant M/s Credit Analysis and Research Ltd. (CARE) was accordingly appointed as consultant by BCCL. Based on the appraisal report of the consultant, a modified Revival Package for BCCL as approved by the Boards of Directors of BCCL and CIL was submitted to BRPSE for consideration. After approval of BRPSE, the revival proposal has been sent to BIFR for further concurrence, which is awaited.

FUNCTIONS OF THE MINISTRY OF COAL

The Ministry of Coal is responsible for development and exploitation of coal and lignite reserves in India. The subjects allocated to the Ministry which include Sub-Ordinate office or other organization including PSUs concerned with their subjects 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 the 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).
- 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.

At the Secretariat level, the Ministry is headed by a Secretary who is assisted by one Special Secretary, one Additional Secretary, two Joint Secretaries (including the Financial Adviser), one Project Advisor/ one Economic Advisor/ eight Director/Deputy Secretaries, nine Under Secretaries, eighteen Section Officers, one Assistant Director (Official Language) and one Deputy Controller of Accounts and their supporting staff.

PUBLIC SECTOR COMPANIES

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.

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.

The Ministry of Coal has under its administrative control the Neyveli Lignite Corporation Limited, with its 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

- i) The following Subordinate Offices and autonomous organization are under the administrative control of this Ministry:-
- ii) Office of the Coal Controller's Organization, - a Subordinate Office.

- iii) Office of the Commissioner of Payments, - a Subordinate Office (now abolished)
- iv) Coal Mines Provident Fund Organization, - an autonomous organization.

COAL CONTROLLER'S ORGANISATION

The Coal Controller's Organisation is a Subordinate Office of the Ministry of Coal, having its headquarters at Kolkata and field offices at Dhanbad.

The Coal Controller performs the following statutory functions:-

- (a) Grant of permission for opening and re-opening of seams/mines.
- (b) Conservation and Utilisation of Coal: Under the guidance of Coal Conservation and Development Advisory Committee, the Office of the Coal Controller carries out assessment of the actual expenditure incurred by the coal mines on the sand stowing jobs and also makes necessary recommendations to the CCDA 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.
- (c) Collection of Excise Duty.

COMMISSIONER OF PAYMENTS

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 nationalised in 1972-73. Initially, there were two offices of Commissioner of Payments, one for determining compensation etc. for nationalised coking coal mines and coke oven plants with headquarters at Dhanbad and another 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.

COAL MINES PROVIDENT FUND ORGANISATION

The Coal Mines Provident Fund Organisation (CMPFO) is an autonomous body under the Ministry of Coal, Govt. of India, established under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 to administer different schemes of Provident Fund, Pension and Deposit Linked Insurance for coal miners. At present the CMPFO is administering the Coal Mines Provident Fund Scheme, 1948, Coal Mines Deposit Linked Insurance Scheme, 1976 and Coal Mines Pension Scheme, 1998.

2. The above schemes are administered by the Board of Trustees comprising of 23 Members. These Members are nominated by Central Government. Secretary, Ministry of Coal is Chairman of the Board of Trustees and CMPFO is ex-officio Members of the Board. Out of the remaining 21 members, 3 members are nominees of the Central Government, 6 members are representatives of the State Governments (mainly coal producing states), 6 representatives are of the employers and 6 representatives of the employees. The term of the

Board is for 3 years. The term of the Board of Trustees constituted on 22.2.2005 expired and new Board is in process of reconstitution.

3. The sanctioned strength of the CMPFO is 1574 and the staff in position was 1055 as on 1.10.2007.

4. The rules applicable to Central Government employees have also been made applicable to employees of CMPFO. As per regulation 27 of CMPF (Staff & Conditions of Service) Regulations, 1964, employees Associations of CMPFO are to be regulated by the rules relating to services association of Central Government employees.

CHAPTER – II

COAL EXPLORATION, RESOURCES, CONSERVATION, SUBSIDENCE, S&T PROJECTS AND SAFETY

COAL EXPLORATION:

Exploration for coal in the country is carried out in two stages i.e. the Regional Exploration and Detailed Exploration. The regional exploration for coal is carried out by the Government organizations whereas detailed exploration is largely undertaken by coal companies.

REGIONAL & PROMOTIONAL EXPLORATION

In first stage of exploration, Geological Survey of India (GSI, under Ministry of Mines) undertakes Regional Exploration of large areas to find out the broad availability of coal seams, geological structure, resource etc. on a systematic routine basis, confirming the prognosticated occurrence of coal. In order to supplement and augment the efforts of GSI, Ministry of Coal (MoC) is also undertaking regional exploration of coal on promotional basis. A central sector scheme of Promotional Exploration of Coal and Lignite has been introduced in 1989 and is continuing on plan-to-plan basis through Mineral Exploration Corporation (MECL), GSI and CMPDIL. The Sub-committee on Energy Minerals (Group III of Central Geological Programming Board) of Geological Survey of India approves the programmes, co-ordinates and reviews the work. CMPDIL acts as a nodal agency for disbursement of funds for Promotional Exploration besides carrying out technical supervision of MECL's work in coal Sector. The Promotional Exploration programme for XI Plan envisages to undertake 7.50 lakh meter of drilling (4.0 lakh metre in coal and 3.5 lakh metre in lignite) along with sub components of creation of coal & lignite information system and CBM studies.

Besides, preparation of Coal data base and Lignite data base has also been undertaken during X Plan under funding from Ministry of Coal under promotional exploration which is continuing in the XI Plan as well.

DETAILED EXPLORATION:

In the second stage, Detailed Exploration is carried out in potential areas identified through Regional/Promotional Exploration. Such blocks are taken up for detailed drilling to bring the reserves into Proved Category to increase the confidence level. The Geological Reports of such detailed exploration form the basis of Mine Feasibility Studies/Mining Plans and formulation of Project Reports for mining. Detailed exploration in coal PSUs and NLC are funded by the respective companies. Some of the Captive Mining block allocatees are also undertaking detailed drilling in blocks allotted to them as per the guidelines of MoC. In addition, the MoC's Plan scheme of Detailed Drilling in Non-CIL Blocks aims at covering exploration of the blocks in order to reduce the time lag between allotment and development of blocks. The scheme is continuing on plan-to plan basis and it is envisaged to undertake

13.50 lakh metre of drilling in Non-CIL blocks during the XI Plan through CMPDIL as well as through outsourcing.

COAL RESOURCES

As a result of exploration carried out by GSI, CMPDIL and MECL etc, a cumulative total of 264.535 Billion tonnes of Geological Resources of Coal have been estimated in the country as on 1.4.2008 up to a depth of 1200m. Details of the state-wise geological resource of coal is given as under:-

State	(in Million Tonnes)			
	Geological Resources of Coal			
	Proved	Indicated	Inferred	Total
West Bengal	11584.09	11680.05	5070.7	28334.84
Jharkhand	37492.92	31628.9	6338.32	75460.14
Bihar	0	0	160	160
Madhya Pradesh	7895.96	9882.37	2781.63	20559.96
Chattisgarh	10419.32	29272.15	4442.57	44134.04
Uttar Pradesh	765.98	295.82	0	1061.8
Maharashtra	5004.26	2821.66	1992.17	9818.09
Orissa	19221.59	31728.09	14313.66	65263.34
Andhra Pradesh	9007.13	6710.65	2978.81	18696.59
Sikkim	0	58.25	42.98	101.23
Assam	314.59	24.04	34.01	372.64
Arunachal Pradesh	31.23	40.11	18.89	90.23
Meghalaya	88.99	69.73	300.71	459.43
Nagaland	3.43	1.35	15.16	19.94
Total	101829.49	124215.96	38489.61	264535.06

EXPROLATION OF COAL BED METHANE (CBM)

Coal Bed Methane (CBM), is an eco-friendly natural gas, stored in coal seams, generated during the process of the coal formation. CBM, which was earlier considered as a hazardous byproduct of coal mining and allowed to be released in atmosphere, has now emerged as new source of energy. Also, methane is a potent green house gas.

Extraction of methane from virgin coal seams is known as Coal Bed Methane (CBM) activity and the same from running mines is known as Coal Mine Methane (CMM) activity. Prognosticated CBM resources in the country have been estimated to be around 4.6 Trillion Cubic Meters (TCM).

In 1997, a CBM policy was framed by Govt. of India, wherein MoP&NG has been earmarked as an administrative ministry for the subject of coal bed methane and Directorate General of Hydrocarbons (DGH) has been assigned the role of nodal agency for its promotion. However, consultation with Ministry of Coal is mandatory in the process.

An MoU was signed between MoC & MoP&NG, in the subject area of coal bed methane. Prospective CBM blocks were delineated in close consultation with MoC. In terms of the MoU, the coal producing companies will have the right of CBM exploitation in their working mines including pre and post mining operations.

Delineation of CBM Blocks and preparation of data packages for facilitating award of blocks by DGH through global bidding is facilitated through CMPDIL.

Three rounds of competitive bidding for award of CBM blocks has already being held and 26 blocks with an area of 13600 sq. km have been awarded for exploitation of CBM. The estimated gas reserves in these blocks are 1374 billion cubic meters and the estimated CBM production potential is 38 MMSCMD (million metric standard cubic meters per day).

CIL has also formed a joint venture with ONGC and this consortium has been allotted two CBM blocks (out of the above 26 blocks) one each in Jharia and Raniganj coalfields. It is expected that the commercial production from the Jharia Block will commence shortly.

One of the private companies namely, The Great Eastern Energy has started producing CBM on commercial basis in Raniganj.

With a view to develop indigenous capacity in the field of coal mine related to CBM recovery, a Global Environment Facility (GEF)/ United Nations Development Programme (UNDP) aided demonstration project was undertaken by Ministry of Coal, Govt. of India, for CBM recovery & utilization at Moonidih and Sudamdih mines of Bharat Coking Coal Limited (BCCL). The implementation was started in September 1999 jointly by Bharat Coking Coal Ltd. (BCCL) & Central Mine Planning & Design Institute Limited (CMPDIL). The project is to be commissioned by December 2008.

Government of India is also a partner of the Methane to Markets Partnership to associate it self with the countries aiming at reducing methane emissions, promote energy security, and improving economic growth.

A CBM clearing house is also established in CMPDIL campus in Ranchi in association with US Environmental Protection Agency (USEPA). The Clearing house would also provide services to potential clients with the aim of making them self sustaining.

UNDERGROUND COAL GASIFICATION (UCG)

UCG has the potential to exploit the coal resources regarded as either uneconomic to work by conventional underground methods or in accessible due to depth, geology or other mining and safety considerations. The feasibility of UCG has been examined in many countries and a few have undertaken field trials mostly in shallow depths. Some recent work in Europe has focused on exploitation of UCG in deep coal seams using guided drilling techniques. The technical feasibility of UCG at depth was demonstrated in field trials in Belgium and Spain. UCG operations on commercial scale are reported from Russia, Australia and South Africa.

Underground coal gasification involves injecting steam and air or oxygen into an underground coal seam to form a combustible gas that can be used as a fuel or chemical feedstock at the surface. A cavity is formed as the coal burns and the roof is allowed to collapse. Eventually a stage is reached when gasification efficiency declines and a new gasifier must be initiated.

Recently CIL and NLC have entered into an MOU with ONGC for development of UCG. ONGC in turn has entered into an MOU with Scochinsky Institute of Mining, Russia for UCG technology.

Alternatively, coal gasification can also be done at the surface after mining of coal through conventional methods. The process is then called surface coal gasification. Coal gasification (surface and underground) has been notified as one of the end uses under captive mining policy for allocation of coal blocks to potential entrepreneurs. Delineation of suitable blocks are under process and MOC is finalizing the guidelines for UCG.

COAL TO OIL/LIQUID/COAL LIQUEFACTION (CTL)

CTL is basically a technology/process to convert coal into liquid fuel. The liquid fuels produced through this process are suitable for transportation application by the removal of carbon or addition of hydrogen, either directly or indirectly. In direct coal liquefaction coal is converted to liquid fuel in a single process. In indirect coal liquefaction coal is first gasified and then converted to liquid.

In this way coal can act as a substitute for crude oil. However, the cost effectiveness of coal liquefaction depends to a large extent on the world oil price with which in an open market economy, it needs to compete.

Germany produced substantial amounts of coal derived fuels during the 2nd World War and South Africa due to embargos during the period 1950 to 1980 and is continuing large scale production of liquid fuels today. The Secunda plant of SASOL, South Africa, is reportedly producing about 160,000 barrels per day or about 8 million tonnes per annum of product fuels and chemicals.

Government has notified CTL as one of the end uses under captive mining policy and blocks have been identified for offer to potential entrepreneurs.

COAL CONSERVATION

Conservation of coal enjoins maximum recovery of in-situ reserves of coal. Coal deposits in India occur mostly in thick seams and at shallow depths. These aspects are taken into account during mine planning and operation in ensuring maximum recovery.

Mechanized opencast mining in India is the most prevalent technology. The percentage recovery by this method in the country is up to 90% of the in-situ coal reserves. The coal production from opencast method is around 88% of total production. This trend is likely to continue in near future. The coal deposits developed earlier under shallow cover

through Board and pillar mining are being extracted through open cast method for conservation point of view in a number of coalfields.

Coal companies are adopting different technologies for extraction of coal through under ground mining viz longwall, blasting gallery continuous Miners, SDLs, LHDs etc from conservation point of view. In open cast mines, higher stripping ratios are being considered for coal conservation.

SAND STOWING

Sand stowing in underground mines is yet another effective means of coal conservation, which is widely in use for extraction of coal from underground thick coal seams and coal seams lying underneath built up area, such as surface structures, railway lines, roads, rivers, nallahs, Jores, etc. Sand stowing is also used for protecting the upper seams from damage where extraction of the lower seams is being done prior to the extraction of the upper seams. Sand stowing is also used for protection against fire in coal seams.

ASSISTANCE UNDER CCDA

Coal Mines (Conservation & Development) Act. (CCDA) 1974 was enacted soon after the Nationalization of Coal Industry with the objective of providing conservation of coal and development of coal mines in the country. Under Section 6 of the Act, an Excise duty (commonly termed as Stowing Excise Duty or SED) is levied on the coal dispatched at rates, not exceeding Rs. 10 per tonne. The current rate of SED is Rs. 10 per tonne to be paid to the Coal Controller Organization.

In each financial year, SED so collected is reimbursed (as per norms) by the Central Government to different coal companies based on the expenditure incurred on the work executed for undertaking stowing, protective works and infrastructure development jobs.

CONTROL OF MINE FIRE AND SUBSIDENCE

Mining areas in Jharia and Raniganj Coalfields within the leasehold of Bharat Coking Coal Limited and Eastern Coalfields Limited are faced with problems of fire and subsidence due to the centuries old history of mining. In the past, coal seams of good quality occurring at shallow depth were mined unscientifically, leaving small stooks (coal pillars) in the underground workings. The operators extracted as much coal as possible without supporting or stowing the mined out workings. The mines were operated in small leaseholds and later closed due to economic and other reasons. Some of these workings either caught fire or became unstable/subsidence prone later. The magnitude of the problems compounded manifold with the growth of habitation over these areas and is now a matter of serious concern.

BCCL (Jharia Coalfield)

History of fire in Jharia Coalfield (JCF) dates back to 1916. Since then a number of other fires were reported. According to the investigation made after Nationalization, 70 fires were known to exist in BCCL covering an area of 17.32 SQ KM. It was estimated that about 37 million tonne of good quality prime coking coal was destroyed and about 1864 million tonne coal has been blocked due to these fires. Subsequently 7 more fires were also identified. These 77 fires were spread over in 41 collieries of BCCL.

Efforts were made to address the issue and 10 fires were successfully liquidated and others were controlled. The total fire affected area was reduced from 17.32 Sq Km to 8.90 Sq Km and Coal blockage from 1864 million Tonnes to 1453 million Tonnes.

A Diagnostic study was undertaken in 1993 with World Bank Assistance of US\$ 12 million for developing a long-term plan for dealing with the problems of fire in the JCF. M/S GAI/MET-CHEM were engaged, who submitted their report in 1996.

In 1996, Government of India constituted a High Power Committee under the Chairmanship of Secretary (Coal) with other members from Govt. of Bihar, West Bengal, Planning Commission, Ministry of Labour, DGMS, CIL, ECL, BCCL and CMPDIL. The Committee submitted its report in December, 1997. The recommendations of the Committee are under various stages of implementation. A Master Plan to deal with the problem of fire, subsidence and rehabilitation was prepared in March 1999.

Between 1998 – 2001 another 8 schemes were sanctioned by Government for JCF under the plan head of Environment Measures and Subsidence Control (EMSC) and Rehabilitation and Control of Fire and Subsidence (RCFS) for a total capital investment of Rs. 39.85 crores. Out of these, 6 schemes have been completed and 2 schemes are under implementation.

A writ petition (Civil) No. 381/97 was filed by Shri Haradhan Roy, Ex. M.P. in 1997 in the Hon'ble Supreme Court of India, under Article 32 of the Constitution of India, with a prayer for order of initiation of immediate steps for control of subsidence and fire in Bharat Coking Coal Limited/ Eastern Coalfields Limited and mitigations of its impact on surface. It also inter-alia prayed for rehabilitation of affected persons within a specific time frame.

Union of India filed several affidavits and in 31.01.2003, the Hon'ble Supreme Court directed to Solicitor General of India to co-ordinate for ascertaining the grievances of petitioner. The Solicitor General of India held a meeting with MoC, BCCL, ECL and DGMS on 10.03.003 and the matter was referred to Cabinet Secretary, Government of India. Accordingly a meeting was convened by the Cabinet Secretary on 18.03.2003 wherein the MoC, DGMS, CIL, BCCL, ECL and Chief Secretary, Government of West Bengal and representative of Chief Secretary, Government of Jharkhand, Secretaries of Environment & Forest, Legal, Economic Affairs, Revenue and Welfare were present. According to the directions of the meeting, an Action Plan for rehabilitation of people from unsafe areas, dealing with fire & stabilizing unstable areas, in command areas of was prepared in July, 2003. The said action plan was put in operation in July, 2003.

The Action Plan/Master Plan for Jharia Coalfield was updated in 2004, 2006 & 2008. The Master plan was discussed in the EFC meeting on 13.10.2008. The Master Plan envisages a total capital investment of Rs. 7112 crores in a time frame of 10 years. All 67 fires are proposed to be dealt with at the cost of Rs. 2311.50 crores. 595 sites are to be rehabilitated, 98314 numbers of houses to be vacated and 79159 houses to be constructed colony Rs. 4780.60 crores. Rs. 20 crore has also been provided for rail/road diversions.

ECL (Raniganj Coalfield)

Coal mining activities in Raniganj coalfield started in 1774. Unplanned and unsystematic mining left many areas with serious problems of subsidence. The old abandoned underground workings got subsequently filled up with water and occurrence of subsidence can not be ruled out once the water level is disturbed and hydrostatic pressure changes. There has been agitation, demonstration, public hue and cry whenever subsidence or potholing occurs. These problems were addressed through various committees. The first such Committee was formed way back in 1922.

The Master Plan/Action Plan to deal with these problems was prepared in February 99, which was subsequently updated in 2003, 2006 and 2008. The Master Plan has been recommended for the consideration of CCEA by the EFC in its meeting held on 1.7.2008. The total indicative capital requirement for the implementation of Master Plan has been estimated as Rs. 2661.73 crores which includes Rs. 2610.01 crores for rehabilitation schemes involving 33196 houses at 139 locations, 40.28 crores for dealing with 7 fires and Rs. 7.72 crores for diversion of rail and road. The activities are envisaged to be completed in a time frame of 10 years.

SAFETY IN COAL MINES

Safety and health of coal mines and miners assume top priority with an aim to achieve 'Zero harm' and mine operators are directly responsible for ensuring the same. Comprehensive mines safety legislation is in place under Mines Act, 1952 and all mines are covered under this all. The Directorate General of Mines Safety (DGMS) under the Ministry of Labour & Employment is vested with the responsibility of enforcing safety legislation.

In addition to following the legislative prescribed procedures, rules & regulations, self regulation through Internal Safety Organisation (ISO), risk assessment & Management are also being followed by the coal companies.

The trend in fatal coal mine accidents in India since 1951 in ten yearly averages indicates a consistent decline. The trend in annual death rate due to mine accident per

thousands persons employed indicates that the rate of 0.21 achieved in 2007 was the lowest ever in coal mines.

Safety Status of Coal Mines			
Year	Avg. No. of accidents per year	Avg. no. of fatalities per year	Fatality rate per thousand
1951-60	223	295	0.82
1961-70	202	259	0.62
1971-80	187	264	0.55
1981-90	162	185	0.34
1991-2000	140	170	0.33
2001-07	89	117	0.28

Trend in accidents in coal mines				
Year	Fatal accidents		Serious accidents	
	Accident	Fatalities	Accidents	Injuries
1975	222	664	2135	2211
1985	176	204	1007	1060
1995	137	219	757	813
2000	117	144	661	707
2005	96	117	1106	1138
2006	78	137	838	867
2007	83	85	681	735

Roof and side falls is the major cause of fatalities in under ground mines and dumpers and trucks in open cast mines.

Safety Measures

The safety measures being pursued by Coal Companies are summarized as under:-

- Structured multi-disciplinary Internal Safety Organization (ISO) for monitoring safety status of mines, both at subsidiary level and at CIL (Hq) level
- Workers participation in safety management through various bodies at mine, area, subsidiary (HQ) and CIL level
- Regular safety audits of mines by experienced engineers and implementation of the recommendations
- Design of system of roof support in the underground mines by scientific support systems based on rock-mass-rating studies
- Greater use roof bolts for support in workings in underground mines

- Phased replacement of timber support by steel support
- Reduced exposure of workers to mining hazards by mechanisation of loading operations in coal face by increasing use of SDLs & LHDs and by introduction of Powered Support Longwall faces where workmen work under skin-to-skin steel roof support
- Regular monitoring of mine environment by hand held gadgets for detecting inflammable and noxious gases. Besides, eight computerised continuous Mine Environmental Tele-monitoring System are in operation and eight additional numbers of such systems are under installation
- Preventive measures against the danger of inundation are prepared and implemented. Besides,
 - Check co-relation surveys have been undertaken to establish the barriers between waterlogged workings wherever danger of inundation exists.
 - Assessment of requirement of survey personnel & survey instruments has been made and corrective action is being taken wherever required.
 - Mine plans have been connected to the national grid
- Training on simulator for dumper operators.
- A comprehensive action plan is under implementation to reduce accidents in opencast mines and at surface of mines
- Thrust on training & retraining of workmen, supervisors to increase safety awareness

Monitoring of Safety Status

The safety status of coal mines is being continuously monitored at different levels. At the mine level the Safety Committees, where workmen are represented, review the safety status of every mine. Workmen's Inspectors make inspections of the mines and the reports of the inspections are rigorously acted upon. Bipartite Committees of management and workmen's representatives review the safety status of each and every Area. At the subsidiary company headquarters level Tripartite Committees which include representatives of the Directorate General of Mines Safety (DGMS) also review the safety performance of the company and suggest measures for further improving the safety standards. The Coal India Safety Board, comprising representatives of the coal companies, the workmen, DGMS, the Ministry of Coal review and deliberate on safety measures to be taken for improving the safety performance of CIL bi-annually. The safety situation of the coal mines is also reviewed by the Standing Committee on Safety in Coal Mines chaired by the Hon'ble Minister in-charge for Coal. The last (31st) meeting was held on 14.2.2008.

Mines Rescue Services

To deal with any eventuality two Central Mines Rescue Stations were established in the year 1949 at Dhansar (Jharia Coalfield) and at Sitampur (Raniganj Coalfield). Eight

additional Rescue Stations were setup in coal fields (six in CIL areas & two in SCCL areas). Besides these, a number of Rescue Rooms has also been setup. These have been equipped with modern equipment including Self Contained Breathing Apparatus. A large number of workforce and officials have been trained in rescue services and First aid. Disaster Management Plan has also been put in place at MOC to deal with any eventuality arising out of trapping of persons due to flooding or fire in any under ground mine. It is mandatory for each mine to prepare an emergency action plan and conduct mock rehearsals periodically.

RESEARCH AND DEVELOPMENT

The Standing Scientific Research Committee (SSRC) of the Ministry of Coal monitors and approves proposals to be taken up under coal S&T grant. Major areas covered are production, productivity, safety, coal beneficiation, coal utilization, environment and ecology. The thrust areas are coal gasification, coal washing, beneficiation of low volatile coking coals, coal liquefaction, fluidized bed combustion, sequestration of carbon dioxide etc.

CHAPTER - III

PRODUCTION, DISTRIBUTION & COAL SALE DUES

Coal production and distribution

Coal has been recognized as the most important source of energy for electricity generation in India. About 75% of the coal in the country is consumed in the power sector. In addition, other industries like steel, cement, fertilizers, chemicals, paper and thousands of medium and small-scale industries are also dependent on coal for meeting their process and energy requirements. Performance of coal sector has been satisfactory during the year 2007-2008

Coal production

Coal produced in the country (excluding Meghalaya) during the year 2007-08 was 450.496 million tonnes as compared to the production of 425.045 million tonnes achieved during the same period of the previous year showing a growth of 5.98%. Company-wise details are given below:

(In million tonnes)

Company	Target 2007-08	Actual Production 2007-08	Actual Production 2006-07	% growth over previous year
CIL	384.510	379.487	360.913	5.15
SCCL	38.040	40.604	37.707	7.7
OTHERS	37.950	30.405	26.425	15.06
TOTAL	460.500	450.496	425.045	5.98

(others include Meghalaya)

DISTRIBUTION OF COAL

The Marketing Division of CIL coordinates marketing activities for all its subsidiaries. CIL has set up Regional Sales Offices and Sub-Sales Offices at selected places in the country to cater to the needs of the consuming sectors in various regions.

Linkage Committees

Two types of linkage committees function for deciding the coal linkage and distribution to the consumers belonging to Cement, Power & Steel including Sponge Iron Units.

- (i) Standing Linkage Committee (Long Term)
- (ii) Standing Linkage Committee (Short Term)

Standing Linkage Committee (Long-Term)

Standing Linkage Committee (Long Term) for Power, Cement and Sponge Iron consider requirement of coal of consumers at the planning stage and links the requirement in the long-term perspective from a rational source after examining factors like quantity and quality required, time frame, location of the consuming plants, transport logistics, development plan for the coal mine etc.

The Long Term linkage Committees are Chaired by Additional Secretary, Ministry of Coal and has representatives from Ministry of Power, Ministry of Steel, Ministry of Commerce & Industry, Ministry of Railways, Ministry of Surface Transport, Central Electricity Authority, Coal India Limited, CMPDIL and Singareni Collieries Company Limited (SCCL).

Standing Linkage Committee (Short Term)

Standing Linkage Committee(Short Term), an inter-Ministerial Committee consisting of the representatives of Ministry of Power, Central Electricity Authority, Railways, Department of Industrial Policy and Promotion and coal companies. This Committee allocates coal to consumers of Power and Cement Sector on quarterly basis taking into account coal production and logistic involved in thereto. The short-term linkages to power and cement industries are granted once every quarter. SLC also takes care of mid term deviations. Coal India Limited, Kolkata, decides allocation to Spong Iron Units.

Linkages of coal to thermal power stations are allocated by Standing Linkage Committee (ST) on quarterly basis keeping in view the recommendation made by the Central Electricity Authority(CEA). The CEA recommendations are based on the power generation programme, ground stock with individual power houses etc. Factors for deciding the linkages are power generation programme, availability of coal and carrying capacity of Railways as well as feasibility of movement by other modes. As per New Coal Distribution Policy, SLC(ST) will lose its significance and may be discontinued once FSA regime is established.

STEEL PLANTS

The allocation of coking coal to steel plants was earlier made by the Coal Controller. However, after deregulation of coking coal, the supplies of coking coal are being made by the coal companies themselves on the basis of linkages established by the SLC(LT) or on the basis of their existing commitments.

During the year 2007-08, CIL and SCCL supplied 417.264 million tonnes to various consumers as against actual dispatches of 388.760 million tonnes during 2006-07.

Dispatches to Power Sector

As against the Annual Action Plan target of 278.320 MT finalized by the Planning Commission for dispatches to power sector, CIL dispatched 279.527 MT. Similarly, in case

of SCCL, as against AAP dispatch target of 27.750 MT for power sector, they dispatched 29.839 MT.

MODE OF TRANSPORT

Important modes of transport of coal are Railways, Road, Merry-go-Round Systems (MGR), Conveyor Belts and the Multi Modal Rail-cum-Sea Route. The share of these modes of transport in the total movement of coal is as under :-

Sl.No.	Mode of transport	Estimated share (in total transport) (approx.)
1	Railways (Including Rail-cum-sea)	56.0%
2	Road	17%
3	MGR System	23%
4	Other (Belt Conveyor, Ropeways, Rail-cum-Sea Routes etc)	4%
	Total	100%

NEW COAL DISTRIBUTION POLICY, 2007

Prior to introduction of New Coal Distribution Policy in October, 2007, the consumers were broadly classified in two categories Viz. "Core" and "Non Core" Sector. The basis for earlier classifying consumers was solely based on their role in economic development. Power, Cement, Steel, Railways etc. were considered as "Core sector" consumers and others were considered as "Non-core sector" consumers. However, under New Coal Distribution Policy (NCDP) the erstwhile classification of the consumers has been dispensed with. This policy was formulated in view of the direction of the Apex Court and came in force w.e.f 18.10.2007. Under this Policy, each sector/consumers have been treated on merit, keeping in view the regulatory provisions applicable thereto.

Earlier Standing Linkage Committee (Long Term), inter alia, granted long-term coal linkage to power utilities, IPP, CPP and Cement units with firm commitment of the coal quantity and the identified sources of coal supplies. However, it was observed that many of the power projects, which were granted long-term coal linkage, did not come up as planned resulting in preemption of coal linkage. Therefore, under New Coal distribution Policy it was decided to introduce the concept of "Letter of Assurance" (LOA), which provides for assured supply of coal to developers, provided they meet stipulated milestones. Once the milestones as stipulated in the LoA are met by the developers, LoA holders would be entitled to enter into Fuel Supply Agreements (FSAs) for long-term supply of coal.

DISTRIBUTION OF COAL TO ERSTWHILE NON -CORE SECTOR/SMALL & MEDIUM CONSUMERS.

Supply of Coal to non core sector consumers has been revisited in view of the directions of the Apex Court given in the matter of M/s. Ashoka Smokeless Coal India Pvt. Limited –vs- Union of India & Others. The New Coal Distribution Policy also specifically address the issue of supply of coal to consumers in small and medium sector since the classification of the consumers as core and non core sector has been dispensed with under the New Coal Distribution Policy.

Under this policy, the State Governments are required to work out genuine requirement of such units in small and medium sector like Smokeless fuel, brick kiln, coke oven units etc. in a transparent and scientific way and distribute coal to them accordingly. The State Governments are take to appropriate steps to evaluate the genuine consumption and monitor use of coal. The cap has also been enhanced to 4200 tonnes per annum from 500 tonnes for the targeted consumers under this category. In order to meet the enhanced cap fixed for such consumers, the quantity earmarked for distribution by State nominated agencies would be increased to 8 million tonnes annually to start with. This quantity would be allocated for distribution to those units/consumers in small and medium sector across the country whose requirement is less than 4200 tonnes per annum and are otherwise not having any access to purchase coal or conclude Fuel supply Agreement (FSA) for coal supply with coal companies.

The earmarked quantity would be distributed through agencies notified by the State Governments. These agencies could be State Govt. Agencies/Central Govt. Agencies (National Co-operative consumers Federation (NCCF)/National Small Industries Corporation (NSIC) etc) or industries associations, as the State Govt. may deem appropriate. The agency so notified will continue to distribute coal until the State Govt. decide to denotify it.

The FSA would be based on firm commitment and compensation for default in performance on either side. The State Government/Central Govt. agencies would be free to devise their own distribution mechanism. However, the said mechanism should inspire public confidence and should result in distribution of coal in a transparent manner.

The price charged to such agencies would be the notified price as applicable to other consumers entering into FSA. The agency would be entitled to charge actual freight and upto 5% margin as service charge, over and above the basic price charged by the coal company, from their consumers. The concerned State Governments and Central Govt. Deptt. having administrative control over the agencies would be responsible to ensure that coal allotted for targeted consumer is distributed in a fair and transparent manner and appropriate action taken to prevent its misuse.

Supply of coal on “cost plus basis”

In the past, some of the consumers were accorded linkage by SLC(LT) on “cost plus basis”. Under this formula, coal company was to develop a specific project for supply of coal to the consumer and the cost of supplies was to be worked out by the coal company, based on IRR of the project. However, due to various reasons, supplies to those consumers who were granted long term coal linkage on “cost plus basis” especially in WCL and SECL, were either made on “notified price” or on commitment charges basis. This is apparently because the coal company could not develop specific project as was envisaged and agreed upon mutually and supplied coal out of other existing mines/projects.

In order to ensure allocation of coal on “cost plus basis” in a fair and transparent manner, comprehensive guidelines have been issued by the Ministry. Necessary details in this regard have been placed in the website of the Ministry.

EXPORT OF COAL

Coal is under Open General Licence (OGL) list. The traditional buyers of Indian coal are Nepal, Bangladesh and Bhutan. Export to Nepal and Bhutan is done in rupee exchange as per the protocol between the two countries and it is done in US dollar with Bangladesh. Export of coal to the neighboring countries was earlier canalised through the Mineral and Metal Trading Corporation, but for the last few years it has been decanalised and export is being done based on the recommendations from Royal Government of Nepal. The last contract for export of coal to Nepal for a quantity of 35000 tonnes was entered into during the year 2004-05. Thereafter, no contract has been signed for supply of coal to Nepal and CIL has been advised to take commercial decision on export of coal.

IMPORT OF COAL

As per the present Import policy, coal can be freely imported (under Open General Licence) by the consumers themselves considering their needs based on their commercial prudence.

Coking coal is being imported by Steel Authority of India Limited (SAIL) and other Steel manufacturing units mainly to bridge the gap between the requirement and indigenous availability and to improve the quality. Coast based power plants, cement plants, captive power plants, sponge iron plants, industrial consumers and coal traders are importing non-coking coal. Coke is imported mainly by Pig-Iron manufacturers and Iron & Steel sector consumers using mini-blast furnace.

Details of import of coal and products during the last five years are as under:
(in million tonnes)

Coal	2003-04	2004-05	2005-06	2006-07	2007-08
Coking Coal	12.99	14.57	17.11	17.877	21.500
Non-coking Coal	8.69	11.56	19.75	25.204	28.500
Coke	1.89	2.51	2.56	3.800	6.258
Total Import	23.57	38.64	39.42	46.881	56.258

COAL CONSUMERS COUNCILS

For redressal of consumer's grievances and monitoring of complaints received from the consumers, one Regional Coal Consumers Council has been set up for each coal company. An Apex body viz. National Coal Consumers Council has also been set up at the Headquarters of Coal India Limited. In case the complainant does not receive a reply within a month or the complainant is not satisfied with the reply of Coal Company, he may prefer a complaint to the National Coal Consumers Council. These councils have been reconstituted recently.

Monitoring of supply to power stations

Presently, there are 77 Thermal power stations (TPS) located all over the country, which are monitored by Central Electricity Authority (CEA), on daily basis. Those plants which have less than **4 days coal stock** are considered as **“Super Critical”** and those plants which have less than **7 day coal stock** are considered as **“Critical”**

As on 31.10.2008, there were 55 critical thermal plants, which include 37 super critical plants. The reasons for their criticality vary from case to case. However, major reasons for non-building up of stock in those plants can be attributed to the following :-

- (a) less supply/materialization than approved allocations, due to production constraints in linked mines
- (b) increased demand for coal, as a result of higher Plant Load Factor (PLF) by various power plants, to meet increase in power generation
- (b) unloading constraints at the power plant end;
- (c) less supply of railway rakes
- (d) less imports by some utilities, than import target fixed by Ministry of Power during last year as current year
- (e) self-regulation by some utilities, to control inventory cost.

The Coal stock position at these thermal power stations in the country are monitored regularly both in the Ministry of Coal as well as Cabinet Secretariat through monthly review by the inter-ministerial Sub-Group on infrastructure constraints headed by Secretary (Coordination), Cabinet Secretariat. Further, a Sub-group chaired presently by Additional Secretary (LA), Ministry of Coal monitors and coordinate coal supplies and movement to these thermal power stations on a weekly basis.

E-auction of coal

Coal distribution through e-auction was introduced by CIL with a view to provide access to coal for such consumers who are not able to source coal through the available institutional mechanisms for reasons like the seasonality of coal requirement, limited requirement of coal not warranting long-term coal linkage etc. Under NCDP, about 10% of annual production of CIL has been earmarked for offer under e-auction. During the period from April 08 to October 2008, CIL offered a quantity of about 57 Million Tonnes of coal as compared to 16 Million Tonnes offered during the same period of the previous year. However, actual allocated quantity was 25 Million Tonnes only.

CHAPTER-IV

IMPLEMENTATION OF PROJECTS IN THE COAL SECTOR

Coal Projects Appraisal & Monitoring

Recently, being declared as “Nav Ratana status” the delegated powers of CIL Board to approve coal projects have been enhanced from Rs.500 crores to Rs.1000 crores. Being declared as “Mini Ratana status” Board of Directors of Northern Coalfields Limited (NCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), Mahanadi Coalfields Limited (MCL) and Central Coalfields Limited (CCL) could approve projects costing up to Rs. 500 crores. Board of Directors of Eastern Coalfields Limited (ECL), Central Mine Planning & Design Institute Limited (CMPDIL) and Bharat Coking Coal Limited (BCCL) can approve coal projects up to Rs.20 crores. Board of Directors of Singareni Collieries Company Limited (SCCL) can approve coal projects up to Rs.100 crores. Projects of CIL costing above Rs.1000 crores and projects of SCCL costing above Rs.100 crores are approved by the Govt through EFC/PIB and CCEA. Environmental clearance is mandatory before the project proposal is posed to Cabinet Committee on Economic affairs for approval.

Coal projects are monitored in the coal companies at colliery level, area level and HQ level. Remedial actions, wherever warranted, are taken. Quarterly Project Monitoring Reports of projects costing Rs.20 crore and above are submitted by all coal companies to this Ministry as well as Ministry of Programme Implementation. In the Ministry of Coal, major coal projects costing above Rs. 100 crores are monitored at the level of Secretary (Coal) on quarterly basis. In this meeting members from Planning Commission, Department of Expenditure, Ministry of Statistics & Programme Implementation and MoEF also participate. Such meetings are taken on the basis of inputs furnished by the coal companies indicating various problems encountered by them in implementation of projects under their jurisdiction and command. Based on the decision taken in the review meetings, appropriate follow up action is taken both in the Ministry of Coal and by the coal companies concerned. This apart, whenever coal companies approach the Ministry for extending Governmental support for resolution of any pending issues affecting implementation of coal projects, the matter is taken up by the Ministry at the appropriate level with the concerned authorities

Abstract details of projects under implementation:

As on 31.12.2007, out of total 658 mining projects, costing Rs. 2 crores & above, 366 projects stand completed & 139 projects under various stages of implementation. Out of 139 on-going projects, 103 are on schedule and 36 are delayed. 153 projects have either been merged with other projects or shelved/withdrawn resulting in count of total number of projects as 505. In Singareni Collieries Company Limited (SCCL), out of total 95 mining projects, 58 have been completed and out of the remaining 37 projects, 29 are on schedule and 8 are delayed. The company wise position is as follows:

Company	Ongoing Projects			No. of completed projects	Total no. of Projects
	On Schedule	Delayed	Total		
ECL	16	04	20	46	66
BCCL	03	05	08	62	70
CCL	14	08	22	51	73

NCL	08	02	10	15	25
WCL	21	05	26	88	114
SECL	22	12	34	75	109
MCL	17	0	17	29	46
NEC	02	-	02	-	02
CIL	103	36	139	366	505
SCCL	29	08	37	58	95

Status of projects monitored at the Government level:

At the Government level, projects, costing Rs. 20 crores & above are being monitored by the Department of Programme Implementation. As on 31.12.2007, there are 131 such on-going projects (Mining & non-mining) under implementation in Coal India Limited (CIL), Singareni Collieries Company (SCCL) and Neyveli Lignite Corporation (NLC). Summarized position of the projects are as follows.

Company	No of Projects	Sanctioned Capital (Rs. Crs)	Ultimate Capacity (Mty)	Projects on Schedule	Projects Delayed
CIL	107	15943.83	230.470	85	21 + 1 *
SCCL	28	2397.99	39.358	25	03
NLC	04	5560.31	06.600	04	-
TOTAL	131	23902.13	276.428	114	24+1 *

* Project kept in abeyance

Main reasons for slippage in the implementation of projects:

- (a) Delay in obtaining environmental and forestry clearances
- (b) Delay in acquisition of land and associated problems of rehabilitation,
- (c) Delay due to adverse geo-mining condition,
- (d) Delay due to fire,
- (e) Delay due to law & order problems.
- (f) Shortage of funds & other miscellaneous reasons.

Steps taken to improve project implementation :

Land acquisition and rehabilitation:

- i) Vigorous follow up action with concerned State Govts. officials are being actively done to expedite land acquisition proceedings.
- ii) Regular meetings with State Authorities viz. Land Revenue Commissioner, LR Secretary, Chief Secretary and Committees constituted by respective State Govts are held to sort out acute problems.

- iii) To overcome the problem of acquisition of land, forestry and environmental clearance, Advance actions for projects(costing Rs. 50 crores and above) are being sanctioned up to Rs. 20 crores since April 1989 to help initiate processes for various clearances before sanction of the projects by the Govt.

Geo-mining constraints:

Sophisticated geological and geo-physical exploration technique adopted for advance forecasting of geo-mining condition.

Project monitoring:

- i) Director (Projects & Planning) posted in each company with overall responsibility of implementation of projects.
- ii) Comprehensive guidelines for project formulation and monitoring have been issued by the Govt.
- iii) The system of monitoring at various levels has been standardized. Project monitoring is done on monthly basis or at shorter intervals at the area level by General Manager/Chief General Manager and by Director (Projects) and CMDs at corporative level.
- Status of project is also reviewed at every company board meeting by exceptions.
 - Mandatory review of the projects are carried out at company level when the expenditure of the project exceeds 50% of the sanctioned capital.
 - Projects, costing Rs. 100 crores & above, are also reviewed in CIL Board by exception.
 - Department of Programme Implementation regularly monitors the implementation of projects costing 20 crores and above.
 - Quarterly review in the administrative Ministry / Department at the level of Secretary is taken for major projects.

Projects sanctioned by CIL & its subsidiaries/SCCL under delegated Power from 01.01.2007 to 31.12.2007.

New projects sanctioned by Coal India Limited (CIL)

Sl. No.	Name of Projects	Company	Latest Capacity (Mty)	Latest capital (Rs. Crs.)
1	Chitra East OC	ECL	2.50	112.69
2	Churi Benti Cont. Miner UG	CCL	0.65	145.44
3	Bharatpur Expn (Phase-III)	MCL	9.00	131.39

RCE / RPR sanctioned by Coal India Limited (CIL)

Sl. No.	Name of Projects	Company	Latest Capacity (Mty)	Latest capital (Rs. Crs.)
1	Jhanjra Aug. UG (RCE)	ECL	0.438	93.60

New projects sanctioned by Coal Companies

Sl. No.	Name of Projects	Company	Latest Capacity (Mty)	Latest capital (Rs. Crs.)
1	Nakrakonda B OC	ECL	1.50	17.13
2	Hansdiha Patch, Sonpur Bazari Block	ECL	1.00	2.73
3	Ashok Expansion OC	CCL	3.50	341.63
4	North Urimari OC	CCL	3.00	177.25
5	Bhatadih Expansion OC	WCL	0.65	99.68
6	Durgapur Deep Extension OC	WCL	2.00	42.98
7	Junad Extension OC	WCL	0.60	38.75
8	Gouri-II Extension OC	WCL	1.80	13.00
9	Mahamaya Augmentation UG	SECL	0.48	90.48
10	Samleswari Expansion OC (Phase-III)	MCL	2.00	87.05
11	Bhubaneswari Expn. OC (Incr: 10 mty)	MCL	10.00	153.42
12	Kaniha Expansion OC (Incr: 6.50 mty)	MCL	6.50	361.59
13	Balarampur Extn OC	MCL	8.00	172.08

RCE / RPR sanctioned by Coal Companies

Sl. No.	Name of Projects	Company	Latest Capacity (Mty)	Latest capital (Rs. Crs.)
1	Chhal OC (RPR)	SECL	3.00	50.38
2	Kanchan OC (RPR)	SECL	0.65	26.01
3	Mahan OC (RPR)	SECL	0.36	41.95

Projects sanctioned by Singareni Collieries Company Limited (SCCL)

S. No.	Name of Projects	Date of sanction of FR/RCE	Latest Capacity (Mty)	Latest capital (Rs. Crs)	Year of Completion
1	Indaram OCP	23.02.2007	1.200	91.20	2011-12
2	Medapalli OCP Expansion	26.06.2006	3.000	83.30	2007-08
3	Manuguru OC-II	26.06.2006	4.000	44.21	2008-09
4	RG OC-I Expn. Phase-II	12.10.2007	1.500	79.52	2010-11
5	RG OC-III Extension	26.6.2006	4.300	43.12	2009-10

Coal Projects Appraisal & Monitoring

As per the present delegation of power approved by Coal India Limited (CIL) Board on 29th December, 1997, coal projects costing up to Rs.100 crores can be sanctioned by the Board of Directors of Coal India Limited (CIL), and coal projects costing up to Rs.50 crores can be sanctioned by the Board of Directors of Northern Coalfields Limited (NCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL), and Mahanadi Coalfields Limited (MCL) subject to the condition that the project should be included in the approved Five Year and Annual Plans and outlays provided for the required funds can be found from the internal resources of the company and the expenditure is incurred on schemes included in the capital budget approved by the Government. The Board of Directors of ECL, BCCL, CCL and CMPDIL can, however, sanction coal projects up to Rs.20 crores. SCCL Board can sanction coal projects up to Rs.50 crores.

Projects costing more than Rs.100 crores are sanctioned by the Government.

In pursuance of the decision taken by the Cabinet in its meeting held on 11th august 2005, the requirement of obtaining 'in-principle approval' of the Planning Commission in respect of power and coal projects is dispensed with. If the project is considered feasible, it is recommended for consideration of Expenditure Finance Committee/ Public Investment Board depending upon the capital investment of the project. Environmental clearance is mandatory before the project proposal is posed to EFC/PIB. After clearance from EFC/PIB, it is posed to Cabinet Committee on Economic Affairs for approval. Proposals of revised cost estimates of coal projects are also processed in the Ministry for obtaining approval of competent authority.

Coal projects are monitored in the coal companies at colliery level, area level and HQ level. Remedial actions, wherever warranted, are taken. Quarterly Project Monitoring Reports of projects costing Rs.20 crore and above are submitted by all coal companies to this Ministry as well as Ministry of Programme Implementation. In the Ministry of Coal, major coal projects costing above Rs. 100 crores are monitored at the level of Secretary (Coal) on quarterly basis. In this meeting members from Planning Commission, Department of Expenditure, Ministry of Statistics & Programme Implementation and MoEF also participate. Such meetings are taken on the basis of inputs furnished by the coal companies indicating various problems encountered by them in implementation of projects under their jurisdiction and command. Based on the decision taken in the review meetings, appropriate follow up action is taken both in the Ministry of Coal and by the coal companies concerned. This apart, whenever coal companies approach the Ministry for extending Governmental support for resolution of any pending issues affecting implementation of coal projects, the matter is taken up by the Ministry at the appropriate level with the concerned authorities.

ABSTRACT DETAILS OF PROJECTS UNDER IMPLEMENTATION

As on 31.12.2004 out of total 450 mining projects of CIL each costing Rs. 2 Crs. & above, 332 projects stand completed (including projects where coal reserves have since been exhausted). Out of the remaining 118 projects under various stages of implementation, 81 are

on schedule and 37 are delayed. In Singareni Collieries Company Limited (SCCL), out of total 90 mining projects, 46 projects have been completed; and out of the remaining 44 projects, 40 are on schedule and 4 are delayed. The company-wise position is as follows:

Company	Total No. of projects	No. of Completed Projects	Ongoing projects		
			Total	On Schedule	Delayed
ECL	61	45	16	12	4
BCCL	70	62	8	5	3
CCL	63	46	17	2	15
NCL	19	12	7	6	1
WCL	102	84	18	18	0
SECL	104	64	40	27	13
MCL	31	19	12	11	1

CIL	450	332	118	81	37
SCCL	90	46	44	40	4

As of 1.4.2005 there are 102 on-going projects in the coal sector costing Rs.20 crores and above, (CIL-70 and SCCL-32), out of which-16 have been delayed (CIL – 11 and SCCL-5).

Company	Category	Status	No. of projects	Total capacity Mty
CIL	Project costing Rs.100 crores and above	On schedule	7	46.90
		Delayed	1	0.68
			1	2.00
		Sub Total Delayed	2	2.68
Sub Total		9	49.58	
	Project costing Rs.20 crores to 100 crores	On schedule	43	54.78
		Delayed	2	1.16
			1	0.30
			2	1.07
			1	0.47
			1	0.44
			1	0.90
			1	0.50
		Sub total delayed	9	4.84
Sub total		52	59.62	
TOTAL CIL			70	109.20

Company	Category	Status	No. of projects	Total capacity Mty
SCCL	Project costing Rs.100 crores and above		NIL	
	Project costing Rs.20 crores to 100 crores	On schedule	27	17.31
		Delayed	1	0.29
			1	0.31
			1	0.61
			2	1.32
	Sub total delayed	5	2.53	
TOTAL SCCL			32	19.84

The Ministry of Coal has approved following coal and lignite projects with the following details in last one year.

Sl No.	Name of the Project	Capacity	Sanction cost (Rs. Crores)	Dt. of Sanction
1	Dipka Expn. OC, South Eastern Coalfields Limited	20.00 Mty	856.59	07/2005
2	Gevra Expn. OC, Mahanadi Coalfields Limited.	20.00 Mty	1339.69	07/2005
3	Bhubaneswari. Opencast, Mahanadi Coalfields Limited	10.00 Mty	336.68	01/2005
4	Kaniha Opencast, Mahanadi Coalfields Limited	3.50 Mty	96.18	01/2005
5	Kulda Opencast, Mahanadi Coalfields Limited	10.00 Mty	302.96	01/2005
6	Rajasthan Lignite Project, Neyveli Lignite Corporation	2.10Mty	254.07	12/2004
7	Rajasthan Power Project, Neyveli Lignite Corporation	2X125MW	1114.18	12/2004
8	Mine-II Expansion, Neyveli Lignite Corporation	4.50Mty	2161.28	10/2004
9	TPS-II Expansion, Neyveli Lignite Corporation	2X250MW	2030.78	10/2004

STEPS TAKEN TO IMPROVE PROJECT IMPLEMENTATION

a) Land acquisition and rehabilitation :

- i) Vigorous follow up action with land acquisition officials of State Govts. are being actively done to expedite acquisition proceedings.
- ii) Regular meetings with State authorities viz. Land Revenue Commissioner, LR Secretary and Chief Secretary are held to sort out the acute problems.
- iii) To overcome the problem of acquisition of land, forestry and environmental clearance, "Advance Action" for projects costing Rs. 100.00 Crs. and above are being sanctioned upto Rs.20.0 Crs. in each case to help initiate processes involved for various clearances before sanction of the project by the Government.

b) Equipment supply and turn-key execution :

Regular follow-up with the representatives of the public sector mining equipment manufacturers through measures like :

- Posting of coal company officials at the works for expediting the supplies.
- Frequent Director/CMD level discussions.
- Regular review meetings at Secretary level where representatives of concerned Ministries / Departments are also present.

c) Geo-mining constraints:

Sophisticated geological and geo-physical exploration techniques adopted for advance forecasting of geo-mining conditions.

d) Project Management :

- i) Director (Projects & Planning) posted in each company with overall responsibility of implementation of projects.
- ii) Comprehensive guidelines for project formulation and monitoring issued by the Department of Coal.
- iii) The system of monitoring at various levels has been standardised.

e) Constitution of Committee for resolving resettlement, rehabilitation problems and environmental clearance

Ministry of Coal has already finalised an institutional mechanism for resolving land acquisition and Environmental & Forestry clearances problems with State Governments of Chattisgarh, Jharkhand, Andhra Pradesh, Maharashtra, Orissa and West Bengal. This committee for resolving problems of Forestry clearance, land acquisition, resettlement and rehabilitation etc. consist of representative from Ministry of coal, State Governments, Coal Company and Ministry of Environment & forests.

f) Guidelines by the Govt. on specific measures to cut delays in implementation of projects.

A Group of Ministers (GOM) was constituted under the directive of the PM in February, 1994 to suggest specific measures to cut delays in implementation of projects. The Group submitted its report. Main recommendations were identification of projects for shelving or transferring to Joint/Private sector and reprioritization of projects in view of resource constraints. The Govt. had accepted these recommendations. Ministry of Statistics and Programme Implementation is coordinating with all the concerned Ministries for implementation of these decisions. On advice of the Department, coal companies are taking further necessary action in this regard. Planning Commission have also devised a mechanism for fixing responsibility where the project has suffered cost over-run and time over-run. In a meeting of Committee of Secretaries held on 25.11.2003 to review the measures to minimise cost and time overruns, it was observed that the existing instructions on project formulation, implementation and appraisal are adequate.

Assistance required in Project Implementation:

- i) State Government to assist in land acquisition and rehabilitation.
- ii) Ministry of Environment & Forest (MOEF) to ensure expeditious clearance of forest land and EMPs
- iii) Public sector equipment manufacturers to ensure timely supply and commissioning.

ENVIRONMENTAL AND FORESTRY CLEARANCES

As per instructions of the Ministry of Finance, all proposals to be submitted for approval of the Public Investment Board and Cabinet Committee on Economic Affairs should have prior environmental clearance. According to the Ministry of Environment and Forests policy of "single window" clearance, the environmental clearance is given only after the proposal has been cleared from environmental and forestry angles. Therefore, environmental clearance is contingent upon prior clearance from forestry angle. The environmental clearance is considered by an Expert Committee set up by the Ministry of Environment & Forests, which scrutinizes the Environmental Management Plans of Coal Mining Projects.

The Forest Conservation Act 1980 came into force with effect from 24th October, 1980. The Act provides that no State Govt. or other authority shall dereserve a reserved forest land or divert any forest land for non-forest purpose without prior approval of the Central Govt. While in the initial years (immediately after October, 1980), there was some ambiguity about the submission of proposals under Forest Conservation Act, 1980, a detailed set of guidelines have also been issued by Ministry of Environment & Forests clarifying all the procedural aspects relating to this Act. In respect of coal projects there being no locational option available, the diversion of forest land for mining purpose is inevitable. The application seeking forestry clearance is submitted by the coal company / project authority to

the local DFO indicating, inter-alia, the area required, the type of mining project (opencast or underground), justification of the project alongwith its downstream linkage and the land reclamation / afforestation programme to be undertaken by the company. There are a number of procedural aspects to be completed at the DFO level, before the application is finally recommended by the State Govt. to the Central Govt. The delay had been generally occurring due to enumeration of forestry wealth, fixing its values and identifying of non-forest land for compensatory afforestation.

MOEF takes review meetings from time to time for rationalizing the processes for environmental / forestry clearances.

CHAPTER-V

COAL PRICING AND ROYALTY

PRICE OF COAL

Prior to 1.1.2000 the Central Government was empowered under Rule 4 of the Colliery Control Order, 1945, as continued in force by the Essential Commodities Act, 1955 to fix the grade-wise and colliery-wise prices of coal. The prices of the administered grades of coal were last revised w.e.f. 17.6.94. The price notification had been amended in December 1995, January 1996 and April 1996 to enhance the differential between run of mine, steam and slack coal, to increase the transportation charges and also to provide for additional prices for coal produced from Ramagundam OCP of SCCL and Rajmahal OCP of Eastern Coalfields Limited.

Following the recommendations of Bureau of Industrial Costs and Prices (BICP), a decision was taken by the Government to deregulate the prices of all grades of coking coal and A, B, & C grades of non-coking coal and this decision was implemented with effect from 22.3.96. Subsequently in consideration of a recommendation of the Committee on Integrated Coal Policy, the Government decided to de-regulate the prices of soft coke, hard coke and D grade of non-coking coal and this decision was implemented with effect from 12.3.97.

The Government also decided to allow CIL and SCCL to fix prices of E, F and G grades of non-coking coal once in every six months by updating the cost indices as per the escalation formula contained in the 1987 report of the BICP and necessary instructions to this effect were issued to CIL and SCCL on 13.3.97.

The pricing of coal has been fully deregulated after the Colliery Control Order, 2000 was notified with effect from 1st January 2000 in supersession of the Colliery Control Order, 1945. Under the Colliery Control Order, 2000 the Central Government has no power to fix the prices of coal.

However, the Ministry of Power has been writing to the Ministry of Coal that in the absence of a regulatory mechanism, the prevailing monopoly situation in the coal market will lead to arbitrary increase in price levels affecting adversely the cost of generation and thereby electricity tariff which has direct impact on the national economy. The Ministry of Power has been pressing for appointing an independent regulatory body for price determination. Several State Governments and State Electricity Boards/ Undertakings have also raised the issue.

The issue of pricing of coal was discussed in a meeting in the Prime Minister's Office and after deliberations it was decided that "the matter might be referred to the Tariff Commission to recommend the price of coal for the power sector and to suggest modalities for pricing of coal for other sectors". The Tariff Commission took up the study on 2.8.05 and

has made field visits to study the issue. Questionnaires have also been circulated by the Commission to CIL and SCCL to collect information.

Legislative History of Coal Mining since 1971 and latest status

Coal mines were nationalized in early seventies in view of the then existing unsatisfactory mining conditions e.g. slaughter mining, violation of mine safety laws, industrial unrest, failure to make investments in mine-development, reluctance to mechanise etc. and in order to meet the long range coal requirements of the country.

The 1973 Act was amended on 27.5.1976 terminating all the mining leases on coal held by the private lessees to allow captive mining by private companies engaged in the production of iron and steel and sub-leasing to private parties of isolated small pockets not amenable to economic development and not requiring rail transport. In 1993 the Act was further amended to allow captive coal mining in the private sector for power generation, washing of coal obtained from a mine and such other end uses as may be notified by the Central Government from time to time. Cement production was subsequently notified as a specified end-use for the purposes of captive coal mining.

Status of the Coal Mines (Nationalization) Amendment Bill.

The Central Government decided to amend the Coal Mines (Nationalisation) Act, 1973 to allow Indian companies both in the public and private sectors to mine coal in the country without the existing restriction of captive mining and to be engaged in exploration of coal in the country in order to bridge the gap between demand and supply of coal. Accordingly a Bill, namely the Coal Mines (Nationalisation) Amendment Bill, 2000, was introduced in the Rajya Sabha on 24.4.2000 .

The Bill was referred to the Standing Committee on Industry on 27.4.2000 and then to the Standing Committee on Energy on 22.11.2000 for examination and report. The Committee, after having extensive and wide-ranging discussions and consultations with the State Governments, Trade Unions/Officers' Associations, apex Chambers of Trade and Commerce, and Central Ministries submitted its report which was tabled in both the Houses of Parliament on 31.8.2001. The Committee recommended that the Bill be passed to facilitate Indian private companies to explore and mine coal and lignite without the existing restriction of captive mining.

Due to stiff resistance from the trade unions the Bill could not be processed further. It has been decided by the Energy Coordination Committee (ECC) headed by Prime Minister that the Bill shall be moved only after a consensus is arrived. The ECC has been asked the Planning Commission to prepare a Paper on this Subject.

WORKING RESULTS OF COAL INDIA LTD. FOR THE LAST THREE YEARS.

Company-wise position with regard to profit (+) earned or loss (-) incurred during the last three years is as under :-

(Rs. in crores)

COMPANY	2004-05	2005-06	2006-07
ECL	-679.20	371.96	118.12
BCCL	-959.43	205.08	52.30
CCL	437.81	1164.98	1020.30
NCL	1976.03	2116.26	2177.61
WCL	935.30	1446.96	1054.44
SECL	1580.93	1286.12	1777.83
MCL	1469.36	1837.21	2081.39
CMPDIL	1.73	3.94	4.47
NEC/CIL	1328.30	1979.27	2864.84
Sub Total	6090.83	10411.78	11151.30
Less dividend from subsidiaries	(-)1289.31	1735.06	2629.08
TOTAL: CIL	4801.52	8676.72	8522.22

ROYALTY ON COAL

Royalty on coal and lignite is payable under Section 9(1) of the Mines and Minerals (Development and Regulation) Act. Section 9(3) of the MMDR Act, 1957 empowers the Central Government to enhance or reduce the royalty rates in respect of any mineral. The proviso to Section 9(3) of the Act prevents the Central Government from enhancing the rate of royalty in respect of any mineral more than once during any period of three years and there is no compulsion on the Central Government to revise royalty every three years.

2. The royalty rates in respect of coal were last revised on 16.08.2002 and the royalty rate in respect of lignite was revised on 15.03.2001.

3. Ministry of Coal constituted a Committee under the Chairmanship of the Additional Secretary (Coal) on 02.06.2005 to examine the issue of revision of royalty rates on coal. The Committee after detailed deliberations with all stake holders submitted its report on 14.7.2006.

4. The Government after considering all facts has revised the royalty rates on coal and lignite w.e.f 01.08.2007 on the basis of a formula consisting of ad-valorem + a fixed component. The rates of royalty, which shall be a combination of specific and ad valorem rates of royalty be as follows :

$$\text{(Royalty Rupees/tonne)} = \mathbf{a + bP}$$

Where 'P' (price) shall mean basic pithead price of ROM (run-of-mine) coal and lignite as reflected in the invoice, excluding taxes, levies and other charges and the values of 'a' (fixed

component) and ‘b’ (variable or ad-valorem component); ‘b’ has been fixed at 5% of the invoice price, excluding taxes etc, and the fixed component is different as per the grade of coal.

2. Notification of coal gasification and coal liquefaction as specified end uses

It was felt that in view of the rising demand for energy in a rapidly going economy the efforts to locate alternative/additional sources of energy to supplement the available energy resources needs to be supported strongly for the sake of energy security of the country. The need, necessity and justification for encouraging underground coal gasification (UGC) and coal liquefaction were considered on the following grounds:

- (i) Reserves beyond 300 meters which are not feasible for conventional mining can be exploited through coal gasification and liquefaction.
- (ii) This is a clean coal technology with no environmental issues.
- (iii) It is necessary to encourage private entrepreneurs to invest in development of these frontier technologies.
- (iv) Isolated small patches can be exploited through this technology.
- (v) This is an alternative source of energy.
- (vi) This can be used to meet part of the increasing demand for energy of the country.

The Integrated Energy Policy has also recommended that in-situ coal gasification and coal liquefaction should be notified as specified end-used under the current captive consumption policy. The Notification specifying coal gasification and liquefaction as end uses has been published in the Gazette of India on 12th July, 2007.

5. Regulator for Coal Sector

Representations have been received in this Ministry from various sources regarding appointment of Coal Regulator for fixing coal prices. The Energy Coordination Committee (ECC) headed by Prime Minister has decided that the Planning Commission will prepare a paper on this issue. The Planning Commission has requested this Ministry to appoint a Consultant in this connection. This Ministry had appointed a consultant i.e. Administrative Staff College of India, Hyderabad (ASCI). The ASCI has submitted to report alongwith a draft Bill on constitution of Coal Regulator. On the basis of the report submitted by the ASCI, the draft cabinet note has been prepared and circulated to concerned Ministries/Deptt. for obtaining their comments on the same. Comments from some of the Ministries have been received and the remaining are awaited. The same would be submitted to cabinet for approval.

6. Removal of coal from the list of Essential Commodities Act, 1955

Coal was earlier classified as an essential commodity in terms of the Essential Commodities Act, 1955. In exercise of the powers conferred by Section 3 read with Section 5 of the said Act, the Colliery Control Order, 2000 was notified on 01.01.2000 regulating coal mining activities through delegation of powers to Coal Controller by notification.

The Govt. of India was actively considering for the last few years to delete coal from the list of the Essential Commodities Act, 1955. Now coal stands omitted from the list of essential commodities with the enactment of the Essential Commodities (Amendment) Act, 2006, The said Amendment Act came into force w.e.f. 12.02.2007.

NEYVELI LIGNITE CORPORATION LIMITED

Neyveli Lignite Corporation is a miniratna company under this Ministry and is engaged in lignite mining-cum-power generation. NLC has been making significant contribution to energy requirements of all the four Southern States. The production performance of NLC is given in the following table :-

Product	Unit	2007-08	2008-09 (upto October, 2008)
Lignite	Lakh Tonnes	215.86	116.73
Power (Gross)	Million Units	17456.89	8849.58

CHAPTER – VI

CAPTIVE COAL MINING BLOCKS

Under the Coal Mines (Nationalisation) Act, 1973 coal mining was mostly reserved for the public sector. By an amendment to the Act in 1976, two exceptions to policy were introduced viz., (i) captive mining by private companies engaged in production of iron and steel and (ii) sub-lease for coal mining to private parties in isolated small pockets not amenable to economic development and not requiring rail transport. Considering the need to augment thermal power generation and to create additional thermal power capacity during the VIII Plan period, the Government decided to allow private participation in the power sector.

The Coal Mines (Nationalisation) Act, 1973 was amended with effect from 9th June, 1993 to allow coal mining for captive consumption for generation of power, washing of coal obtained from a mine and other end uses to be notified by Government from time to time, in addition to the existing provision for captive coal mining for production of iron and steel. Under the powers conferred on the Central Government by Section 3 (3) (a) (iii)(4) of the Act, another Gazette Notification was issued on 15.3.96 to allow captive mining of coal for production of cement.

The June, 1993 amendment to the Act as well as the Gazette Notification of 15.3.96 apply to both the public sector and private sector companies desiring to mine coal for captive consumption. The restriction of captive mining does not apply to the Government-owned Coal Companies such as CIL and SCCL and the Mineral Development Corporations of the State Governments.

The eligibility to do coal mining in the country has been laid down in the provisions in Section 3 (3) of the Coal Mines (Nationalisation) Act, 1973. The parties eligible to do coal mining in India without the restriction of captive consumption are:-

The Central Government, a Government company (including a State Government company), a Corporation owned, managed and controlled by the Central Government.

A person to whom a sub-lease has been granted by the above mentioned Government company or corporation having a coal mining lease, subject to the conditions that the coal reserves covered by the sub-lease are in isolated small pockets or are not sufficient for scientific and economic development in a coordinated manner and that the coal produced by the sub-lessee will not be required to be transported by rail.

As per the provisions in Section 3 (3) (a) (iii) of the Coal Mines (Nationalisation) Act, 1973, a company engaged in the following activities can do coal mining in India only for captive consumption: -

- i) production of iron and steel
- ii) generation of power
- iii) washing of coal obtained from a mine, or
- iv) such other end use as the Central Government may, by notification, specify.

Under the powers vested with the Central Government by virtue of Section 3 (3)(a) (iii)(4) of the Coal Mines (Nationalisation) Act, 1973, a Gazette Notification was issued on 15.3.96 to provide cement production as an approved end-use for the purpose of captive mining of coal. Therefore, the cement producing companies are now eligible for undertaking coal mining for captive consumption.

Any of the companies engaged in any of the approved end-uses indicated in paras 2 and 2.1 above can itself mine coal from a captive coal block. Some of the private companies who were offered captive coal blocks expressed their difficulties to do coal mining in the country on the ground of lack of experience in coal mining. Keeping in view the difficulties experienced by such companies, the Government have allowed the following dispensations: -

(a) A company engaged in any of the approved end-uses can mine coal from a captive block through an associated coal company formed with the sole objective of mining coal and supplying the coal on exclusive basis from the captive coal block to the end-user company, provided the end-user company has at least 26% equity ownership in the associated coal company at all times.

(b) There can be a holding company with two subsidiaries i.e. (i) a company engaged in any of the approved end-uses and (ii) an associated coal company formed with the sole objective of mining coal and supplying the coal on exclusive basis from the captive coal block to the end-user company, provided the holding company has at least 26% equity ownership in both the end-user company and the associated coal company.

The allocation of coal blocks to private parties is done through the mechanism of an inter-ministerial inter-governmental body called the Screening Committee. The Screening Committee is chaired by the Secretary (Coal) and has representation from Ministry of Steel, Ministry of Power, Ministry of Industry and Commerce, Ministry of Railways, Coal India Limited, CMPDIL and the concerned State Governments. The application is received from the applicant in the Ministry of Coal along with its enclosures and is then sent to the concerned administrative Ministry for their scrutiny and recommendations. It is also sent to CIL/CMPDIL for their scrutiny and recommendations. In the Screening Committee, the applicant is given an opportunity to present his case before the full Screening Committee. Allocation of coal block is decided on merits through consultation/discussions in the Screening Committee. Guidelines for allocation of coal blocks both for the use of the Screening Committee and

guidance to the applicants have been framed and necessary changes are made in the same from time to time based on experience gained and views of the Screening Committee. The same are displayed on the website of the Ministry of Coal.

As on date, there are 148 coal blocks identified and on display in the website of Ministry of Coal. Out of the 148 blocks identified for allotment for captive mining, 89 coal blocks have so far been allocated/decided for allocation. Since the captive blocks are allocated for meeting the fuel requirement of specified users industries such as production of iron and steel, cement and generation of power, allotment of captive coal blocks help in augmenting the production of these basic inputs to the economy besides contributing to the Central and State Government exchequers by way of revenue from taxes, royalty etc. So far production has commenced in 8 blocks.

A large number of applications for coal blocks for captive mining was pending in the Ministry prior to 28.06.2004. In order to clear the backlog, the Government decided in October, 2004 that only applications received up to 28.06.2004 would be considered for allotment of captive blocks. Further allotments shall be made under a new process of selection through competitive bidding. The competitive bidding process of selection could be more objective and transparent, considering the large number of applicants per block making selection a difficult task. However, subsequently it was felt by the Government that the competitive bidding process will require amendment to the Coal Mines (Nationalisation) Act, 1973, which will take time. Therefore, the position was reviewed and the Government has, for the time being, decided to continue allocation of coal/lignite blocks for captive mining under the existing process of allocation through the Screening Committee.

It had been decided in the Ministry of Coal that 20 coal blocks (from out of balance 59 of 148 blocks available for allocation) and 8 lignite blocks, which have been explored in detail and are available for allocation, would be offered for captive mining through the Screening Committee. This was notified by way of advertisement in the prominent national newspapers. The detailed guidelines with respect to making applications for these blocks were also posted on the website of the Ministry of Coal. The last date for receiving applications was 31st October, 2005. A large number of applications both for coal and lignite blocks have been received in the ministry in response to the advertisement. These are under process.

CHAPTER - VII

Wage Negotiation

Prior to nationalization of coal industry, the wage structure and other service conditions including fringe benefits were covered under the recommendations of the Central Coal Wage Board for Coal Mining Industry. The recommendations of the Central Coal Wage Board have been accepted by the Government of India and made applicable with effect from 15.8.1967.

However, after nationalization of coal industry during 1971-73, it was felt that a bipartite forum for wage negotiations where the Central Public Sector Undertakings would directly negotiate with the trade unions would be more functional. Accordingly, the Govt. of India decided to review the wage structure and consequently in 1973 set up a Joint Bipartite Wage Negotiations Committee for the coal industry which later came to be known as the Joint Bipartite Committee for Coal Industry (JBCCI). The JBCCI originally consisted of representatives of four dominant Central Trade Unions (CTUs) viz. Indian National Trade Union Congress (INTUC), Hind Mazdoor Sabha (HMS), All India Trade Union Congress (AITUC) and Confederation of Indian Trade Unions (CITU) with an equal number of representatives of the management of all the five coal producing companies existing at that time. Viz. Coal Mines Authority Limited (including National Coal Development Corporation), Bharat Coking Coal Limited (BCCL), Singareni Collieries Company Limited (SCCL), Indian Iron & Steel Company Limited (IISCO) and the sole private sector company, Tata Iron & Steel Company Limited (TISCO). After holding deliberations, the First National Coal Wage Agreement (NCWA-I) was signed on 11.12.1974. It was applicable to all the member companies, including TISCO.

Successive Joint Bipartite Committees for Coal Industry (JBCCI-II to JBCCI-VII) were constituted from time to time for finalization of National Coal Wage Agreements (NCWAs). These Committee consisted for equal representations from Management of the coal producing companies and five Central Trade Unions, viz. INTUC, HMS, BMS, AITUC and CITU.

The operational period of NCWA-I to NCWA-VII were as follows:

<u>NCWA</u>	<u>Period</u>	<u>Signed on</u>
NCWA-I	1.1.1975 to 31.12.1978	11.12.1974
NCWA-II	1.1.1979 to 31.12.1982	11.8.1979
NCWA-III	1.1.1983 to 31.12.1986	11.11.1983
NCWA-IV	1.1.1987 to 30.6.1991	27.7.1989
NCWA-V	1.7.1991 to 30.6.1996	19.1.1996
NCWA-VI	1.7.1996 to 30.6.2001	23.12.2000
NCWA-VII	1.7.2001 to 30.6.2006	15.7.2005

The ratio of representation of the Central Trade Unions (CTUs) was supposed to be decided on the basis of verification conducted by the Chief Labour Commissioner (Central).

However, from JBCCI-III onwards, it was on the basis of the recommendations of CIL based on informal discussions with the Central Trade Unions. Thus, it can be said that the constitution of JBCCI is not on the basis of any Act/Rule/Standing Order etc.

Till JBCCI-V, the Govt. of India used to pass an order constituting the JBCCI. However, at the time of constitution of JBCCI-V, the Trade Unions raised numerous disputes regarding the representation given to them by the Government. Finally, to break the impasse, the Ministry of Coal authorized Coal India Limited (CIL) to reconstitute JBCCI-V de novo. Thus, with effect from the reconstitution of JBCCI-V, the Ministry was no longer involved in the composition of JBCCI, but granted approval to CIL for constitution of JBCCI.

The composition of the last JBCCI (JBCCI-VII), which was constituted for finalization of NCWA-VII, was as follows:

<u>S.No.</u>	<u>Representing (Management/Trade Union)</u>	<u>No. of Members</u>
1.	CIL & its Subsidiary Companies	12
2.	SCCL	01
3.	TISCO	01
4.	IISCO	01
5.	Integrated Coal Mining Ltd.	01
6.	Bengal EMTA Coal Mining Pvt. Ltd.	01
7.	Jindal Steel & Power Ltd.	01
8.	Indian National Mine Workers Federation (INTUC)	06
9.	Indian Mine Workers Federation (AITUC)	03
10.	Hind Khadan Mazdoor Federation (HMS)	03
11.	Akhil Bharatiya Khadan Mazdoor Sangh (BMS)	03
12.	All India Coal Workers Federation (CITU)	03

However, management representatives mentioned from Sl. Nos.3 to 7 above declined to participate and ultimately NCWA-VII, operative for a period of five years from 1.7.2001 to 30.6.2006 was finalized and signed on 15.7.2005 with the participation of CIL & its subsidiaries and SCCL from the management side.

The scope of NCWA-VII covered the wage structure including Dearness Allowance, fitment in the revised scale of pay, fringe benefits, service conditions, welfare/social security/pension, safety and other matters. The minimum wage for the lowest paid employee in the coal industry which in NCWA-I was Rs.325/- per month was brought to Rs.6203/- per month under NCWA-VII. Similarly, other fringe benefits/allowances were also increased. Apart from that there has been substantial improvement in welfare measures such as housing, water supply, education facilities, health care amenities etc.

Since the coverage period of NCWA-VII had already come to an end on 30.6.2006, JBCCI-VIII was therefore, Ministry of Coal, based on recommendations of BOD of CIL, authorized CIL for constitution of JBCCI-VIII on 28.2.2007 for finalizing the next National Level Wage Agreement (NCWA-VIII). JBCCI-VIII was accordingly constituted on 21.5.2007.

The XIth Plan period is expected to witness substantial mining of coal by the private sector companies also. In order to ensure that level playing field exists between the pay, perks and terms of employment of the workers in the private companies vis-à-vis in the nationalized coal companies, it was considered essential that the private companies participate in JBCCI-VIII to enable formulation of a National Coal Wage Agreement focused on productivity and growth. With this end in view, the following coal producing companies have been requested by CIL on 3.5.2007 to nominate their representatives to associate in JBCCI-VIII:-

- a) Indian Iron & Steel Company (IISCO)
- b) Tata Iron & Steel Company (TISCO)
- c) Integrated Coal Mining Limited
- d) Jindal Steel & Power Limited
- e) Bengal EMTA Coal Mining Pvt. Ltd.

IISCO informed CIL that consequent upon merger of IISCO with SAIL, their collieries have come under the provisions of National Joint Committee for Steel Industry and hence there will be no nominee from IISCO in JBCCI-VIII. Other companies did not respond to the request made by CIL.

In the 5th meeting of JBCCI-VIII held on 27.8.2008, all the five Central Trade Unions unanimously demanded that the wage settlement has to be for five years only and the trade unions would not negotiate for a settlement of more than five years. As per the revised DPE guidelines, the wage settlement can be for a period less than ten years but not less than five years. It is further stated in the revised guidelines that the Administrative Ministries concerned with the PSUs may take a decision on a case by case basis for the periodicity of wage settlement below 10 years but not less than 5 years, with the approval of their Minister. As such, CIL has made a proposal to the Ministry of Coal for obtaining approval of the Minister for the wage settlement of five years as demanded by the Unions during the negotiations in JBCCI-VIII. Ministry of Coal has asked CIL to ascertain the position regarding the periodicity of wage agreement from some other PSUs. Ministry of Coal has also written to other Ministries in this regard to obtain the position in respect of the PSUs under their administrative control.

Resettlement & Rehabilitation (R&R) Policy of CIL:

Coal mining is a site specific industry. For reserves that are close to the surface, opencast mining has proven to be the most efficient mining method. While relatively inexpensive opencast mines require large areas of land. Population growth makes it increasingly difficult for the subsidiary coal companies to acquire the land they need for expanding their operations.

In the past, subsidiaries found it relatively easy to acquire land, if they were able to offer employment. Partly because of this practice, subsidiaries have built up their labour force beyond their needs. This has contributed to the heavy losses to many mines and eroded the competitiveness of the coal industry. Coal India's basic philosophy for compensating land losers and other project affected people remains substantially unchanged and emphasizes the need to cultivate and maintain good relationships with the people affected by Coal India's

projects. It also underscores that the subsidiaries have a responsibility towards the landless project affected people too, whose livelihood is often taken away. Proper Resettlement & Rehabilitation (R&R) Policy can streamline the different R&R practices that are being followed in the subsidiaries.

Coal India’s R&R Policy was first formulated in 1994 and has been in operation, with modifications from time to time. Based on the lessons learned during operation, CIL, through its Board resolutions, had made amendments/modifications in the policy and a revised R&R policy had been formulated in the year 2000. The R&R Policy in vogue since 2000, has been further modified in 2008, in consonance with the National Rehabilitation and Resettlement Policy, 2007 (NRRP, 2007), notified by the Ministry of Rural Development, Govt. of India. Through the preparation of resettlement and rehabilitation action plans as per the R&R policy, subsidiaries will safeguard that project affected people to improve or at least regain their former standard of living and earning capacity after a reasonable transition period. The modified R&R Policy of CIL also provides for undertaking and intensifying corporate social responsibility activities in and around villages where land is being acquired. Over-riding priority and involvement of project affected people, particularly land losers, shall be ensured in the process.

Comparison of certain provisions, as per CIL’s R&R Policy, the NRRP, 2007 and the modified R&R Policy, 2008 of CIL is as indicated below:

CIL’s R&R Policy, 2000	NRRP, 2007	CIL’s R&R Policy, 2008
-----------------------------------	-------------------	-----------------------------------

1. Definition of Project Affected Person/Family

<ul style="list-style-type: none"> - Persons from whom land is acquired, including tribal cultivating under traditional rights - Persons whose homestead is acquired - Share croppers, landlesses, tenants, day labourers, tribal dependent on forest produce. 	<ul style="list-style-type: none"> - Family whose property or source of livelihood is adversely affected. - Tenure holder, tenant, lessee or owner of other property. - Agriculture, non-agriculture labourers, landless persons, rural artisan, small trader, self-employed persons affected due to land acquisition 	<ul style="list-style-type: none"> - Same as per NRRP, 2007
CIL’s R&R Policy, 2000	NRRP, 2007	CIL’s R&R Policy, 2008

2. Definition of Family

The family in relation to displaced person would mean	“Family” includes a person, his/her spouse, minor sons,	As per NRRP, 2007
---	---	-------------------

<p>husband, wife with their minor children below 18 years and unmarried/widowed daughters on or before the date of notification in respect of the area/village. Major unmarried sons will be also included in the family. However, each major married son will constitute a separate family.</p>	<p>unmarried daughters, minor brothers, unmarried sisters, father, mother and other relatives residing with him or her and dependent on him or her for their livelihood' and includes "nuclear family" consisting of a person, his or her spouse and minor children.</p>	
--	--	--

3. Employment

<p>One Land Lost: One employment for two acres of irrigated or three acres of non-irrigated land subject to availability of vacancy and suitability of the candidate.</p>	<p>Preference to the affected families – one person per nuclear family.</p>	<p>On Land Acquired: Provision of employment is considered under package. For each two acres of land acquired, one employment will be released subject to availability of vacancy and suitability of the candidate in the descending order of land lost.</p>
---	---	--

4. Cash Compensation in Lieu of Employment

<p>Rs, one lakh for 1st acre (minimum Rs.0.25 lakh), Rs. 0.75 lakh for 2nd and 3rd acre and Rs.0.50 lakh beyond 3 acres.</p>	<p>750 days of Minimum Agriculture Wages (MAW)</p>	<p>Cash compensation as announced by the State Govt. If there is not such provision of State Govt., Rs.2 lakhs for 1st acre (minimum Rs.0.50 lakh), Rs.1.5 lakh for 2nd and 3rd acre and Rs.1 lakh beyond 3 acres. (Flat standard rate has not been considered to ensure better payment to lesser land holders.</p>
---	--	--

CIL's R&R Policy, 2000	NRRP, 2007	CIL's R&R Policy, 2008
-----------------------------------	-------------------	-----------------------------------

5. Land for Land

No provision	Agriculture land or cultivable waste land to the extent actual land loss subject to maximum 1 hectare irrigated or 2 hectare non-irrigated land/cultivable waste land, if Govt. land is available. Financial assistance for land development for waste land or degraded land.	No provision. “Land for land” provision has not been considered due to non-availability of Govt. land.
--------------	--	---

6. Share Croppers, Land Lessees, Tenants & Day Labourers

Non-farm self employment through provision of infrastructure, petty contracts, formation of co-operatives or job with contractors.	Skill development, opportunities. Preference for out sourced contracts, shops or other economic opportunities. Preference in engagement of labour in construction phase.	Non-farm self employment through provision of infrastructure, petty contracts, formation of co-operatives or job with contractors.
--	--	--

7. Resettlement Benefit

<u>Home Land</u> : 100 sq.m. of land in the resettlement site, with all basic infrastructure. Shifting cost.	Actual loss of area of the house but not more than 250 sq.m. in rural area and 50 sq.m. in urban area.	150 sq.m. (irrespective of the house area acquired) of land in the resettlement site with all necessary basic infrastructure
<u>Subsistence allowance</u> : No provision.	25 days MAW per month for one year to the displaced affected family.	Same as NRRP, 2007.
<u>Assistance for construction of working shed or shop</u> : No provision	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.	Same as NRRP, 2007
<u>Assistance for Cattle Shed</u> : No provision.	Affected displaced family having cattle shall be given financial assistance of Rs.15000/- for construction of cattle shed.	Same as NRRP, 2007

<u>Cash Compensation in lieu of all resettlement benefit to persons whose homestead is acquired: Rs.0.50 lakh</u>	No provision	This benefit has been enhanced to Rs.1 lakh.
<u>Compensation for loss of customary right/forest produce for Tribals:</u> No provision	Tribal affected family will be given one time financial assistance of 500 days MAW for loss of customary right or usage of forest produce	Same as NRRP, 2007
<u>Additional compensation for Tribals settling outside the district:</u> No provision	Tribal affected families settled out of the district shall be given 25% higher rehabilitation and resettlement benefits.	Same as NRRP, 2007

8. Community Engagement Backed by Budgetary Provision

No provision	No provision	Inclusive development based on community engagement/public participation backed by necessary budgetary provision incorporated with a view to bring the participation of the community as a whole in the process of development and also reduce the grievances of affected person.
--------------	--------------	---

Coal Transportation through Ex-Servicemen Transportation Companies

The scheme for coal transportation through Ex-Servicemen (ESM) Coal Transportation Companies was started in 1979 consequent to an agreement between the erstwhile Ministry of Energy and Ministry of Defence. The scheme was necessitated after large scale infiltration of mafia related elements in coal transportation, cartel formation and consequent rise in transportation charges. A Memorandum of Understanding (MOU) was signed between Coal India Limited (CIL) and Director General Resettlement (DGR) in 1993. A revised MOU has been signed on 16th April, 1999 between CIL and DGR to incorporate the changes necessitated with passage of time and the experience gained over the years.

The basic aim of the scheme was two fold, viz.

- (a) To provide union free transportation of coal in the subsidiaries of CIL.
- (b) To provide suitable rehabilitation avenues for Ex-Servicemen (ESM).

Complaints were received in the Ministry against the formation and functioning of the ESM transport companies. One of the major complaints was that these ESM companies had come under benami ownership of private business firms. In the context of several complaints received, Ministry of Defence constituted a task force from the office of the DGR, who visited some collieries in February, 2001 for random checking/survey. In the report of the task force dated 14.2.2001, it has been stated that there was no violation of MOU in terms of ownership of the ESM companies. However, they had noticed that ESM companies were

deploying vehicles far in excess of the prescribed norms. DGR had issued suitable warning to the erring companies, under intimation to the concerned subsidiary of CIL. In addition, it was pointed out by the task force that the rates for loading and transportation were not revised w.e.f. 1992-93 and 1995-96 respectively. It was emphasized that there was an urgent need to revise the rates on annual basis regularly as per the provisions of the MOU. To review the rate structure, CIL had already commissioned M/s Pricewaterhouse Coopers to study the pricing mechanism of coal transportation. Their report has been accepted by the Board of Director of CIL and directions have been issued to the subsidiaries in March 2000, for implementation of the rates recommended by M/s Pricewaterhouse Coopers.

However, complaints against the ESM Companies continued and during the last 2-3 years many allegations were levelled against these companies by the Members of Parliament also. A meeting was held on 6th Sept., 2005 between the then Defence Minister (Shri Pranab Mukherjee) and former MOS (Coal) (Dr. Dasari Narayana Rao). During the course of discussion in the meeting, Ministry of Coal suggested for introduction of tender system in entire coal transportation in CIL with a specific quota of work reserved for ESM Companies. This suggestion was opposed by the Ministry of Defence and the Defence Minister favoured to maintain status quo. In this meeting, it was agreed that DGR would conduct investigations on all the complaints relating to malfunctioning of these companies. As on today, Ministry of Coal has not received any report on such investigations from DGR, Ministry of Defence.

Members of Parliament have been continuously making allegations of irregularities in South Eastern Coalfields (SECL) in various fora including in Parliament, Consultative Committee Meetings, through letters to PMO and to the Ministry of Coal. These allegations include diversion and theft of coal in collusion with ESM Companies and Aryan Coal Beneficiation Company, operating in the premises of SECL. In the said circumstances, a Group of MPs was constituted to visit SECL and make suggestions on inadequacies, if any, in the system of SECL, particularly, in coal loading and transportation.

The Group of MPs visited SECL on 3rd & 4th April, 2007 and has submitted its report. Some of the recommendations made in the report of the Group of MPs pertain to the rates for transportation, quantum of work to ESM companies, area of work for parties other than ESM companies etc. and to order a CBI inquiry to ascertain the sources of financing of the ESM companies, the role of auditors, the role of DGR etc. The recommendation regarding the CBI inquiry has been conveyed to the Ministry of Defence and they have already requested the CBI to conduct the inquiry vide their letter dated 21st Feb., 2008 addressed to the Director, CBI. As regards the other recommendations of the Group of MPs in its report pertaining to coal transportation, there is a need to revise the existing MOU signed between CIL and DGR, Ministry of Defence. Accordingly, action has been initiated to finalize the revised MOU. A draft revised MOU has been prepared by DGR and forwarded to CIL. Comments on the revised draft MOU from the subsidiary coal companies have been obtained by CIL. Subsequently, the draft revised MOU, after incorporating suggestions from subsidiary companies, was discussed in the CMDs' meeting held on 4th Sept., 2008 and then discussed with DGR on 8th Sept., 2008. After incorporating the suggestions made by DGR and obtaining the legal and financial vetting of CIL, the draft revised MOU has been returned by CIL to DGR for their consent. On receipt of the revised MOU consented by DGR, it will be placed before the CIL Board for finalization.

CHAPTER - VIII

WELFARE AND SOCIAL SECURITY SCHEME OF EMPLOYEES OF COAL INDIA LIMITED

The focus of Welfare Activities encompasses employees and their families. The coal companies are paying greater attention to the welfare of their workers. Every effort is being made to improve the living conditions of the coal miners. In order to create a sense of belonging and involvement of work, top priority is given by the management to provide housing, medical, educational facilities etc. The results of the welfare measures taken in different areas are as under:

(i) Housing

At the time of nationalization, in Coal India Ltd. and its subsidiaries there were only 1,18,366 houses including sub-standard houses. The availability of these houses has increased to 4,09,872 (up to 01.12.2004). The percentage of housing satisfaction has now reached to 86.32%.

(ii) Water Supply

In Coal India Ltd. & its subsidiaries as against 2.27 lakh population having access to potable water at the time of Nationalization in 1973, presently a populace of 22.78 lakh (up to 01.12.2004) has been covered under water supply scheme.

(iii) Medical Facilities

The Coal India Ltd. and its subsidiaries are extending medical facilities to the employees and their families through various medical establishments from the Dispensary level to the Central and Apex Hospitals in different parts of the coalfields.

There are 1,705 Doctors including Specialists, 88 Hospitals with 5,921 Beds, 434 Dispensaries, 673 Ambulance in CIL and its subsidiaries to provide medical services to the employees. Besides, 15 Ayurvedic Dispensaries are also being run in the Subsidiaries of Coal India Limited to provide Indian system of treatment to workers.

(iv) Educational Facilities

The primary responsibility of providing educational facilities lies with the State Governments. However, CIL on its part has been providing financial assistance to certain schools like DAV Public Schools, Kendriya Vidyalaya, Delhi Public School and other educational institutions run by the State Government to provide quality education to the employees children. In addition, financial assistance by way of grants-in-aid is also provided to certain privately managed schools by the subsidiary coal companies functioning in and around coalfield areas.

PROBLEM OF PRIVATE SCHOOL TEACHERS IN CIL

Background of the dispute.

There are about 464 privately managed schools in various subsidiaries of CIL which are partially funded through grants-in-aid given by the PSUs. Teachers of these privately managed school under the umbrella of Koyala Khadan Shikshak Morcha have been agitating for getting status of employees of coal companies and demanding salaries at par with teachers of State Government. They have managed to get political pressure for acceptance of their demand. However Coal India and Ministry of Coal have been clarifying that no employer – employees relationship existed between the PSUs and such other teachers of private schools.

Schools in CIL fall in two broad categories of a) Project Schools and b) Privately managed schools. It was envisaged that a PSU will provide infrastructure, furniture etc. to the project schools and will bear all the running costs incurred over and above the fees and other charges taken by such schools. As regards **other privately managed schools**, a PSU gives some form of grants-in-aid as a means of financial assistance purely as a welfare measure so as to give easy accesses to the basic education for children of its employees. This under no circumstances should be construed to imply that these PSUs are running departmental schools and employing any teachers.

Over the years a phenomenon has been observed which is typical to ECL, BCCL and CCL which operate largely in slightly underdeveloped areas of Jharkhand and West Bengal where there is a lot of unemployment and underemployment. There is mushrooming of small schools which open up on the premises or land owned by these companies with the professed objective of providing schooling to children of coal miners. Initially, they only request for the use of some shed or structure but gradually their demands increase and they start seeking parity with privately managed schools receiving grants-in-aid from the coal companies. Not only that they also demand absorption in the PSU and payment of salaries at par with State Government teachers.

Quantum of Grants being given to these school have been enhanced from time to time. Recently on advice of Minister (C & M), Coal Companies have been advised to enhance grants from Rs. 2000 per month per teacher to Rs. 2500.

Legal Developments

Despite these steps taken by the PSUs, teachers of privately managed schools have not been satisfied. In writ petitions filed in High Court of Jharkhand, the teachers had, inter-alia demanded parity with the pay scale of teachers of Government of Jharkhand or clerks of BCCL and absorption in BCCL or taking over of all these schools by the State Government. The Hon'ble Ranchi High Court in its judgement dated 10.9.2002 in respect of CWJC No. 2226 of 2000 directed BCCL to pay teachers of schools aided by them a salary at par with equivalent clerical grade in BCCL.

Aggrieved by the above order, BCCL filed an appeal and the Ranchi High Court vide its order dated 12.12.2002 stayed its earlier order passed in CWJC No. 2226 of 2000. Subsequently, the matter was heard on 23.1.2003 and the court directed formation of a committee comprising representatives of BCCL, State of Jharkhand and Director, Indian School of Mines, Dhanbad to look into the entire gamut of problems of school teachers in the context of BCCL. Among other things, the court also directed the committee to scrutinise the functioning of schools and to examine whether the number of schools and workforce needs to be drastically reduced so as to make them financially viable. The committee has submitted its report on 5.11.2003 and Ranchi High Court in its order dated 21st January, 2004 dismissed petition and upheld the appeal filed by BCCL.

In a similar writ petition filed by some teachers working in a privately managed school functioning in the command area of Mahanadi Coalfield Limited, Hon'ble Supreme Court in its order dated 3.12.99 directed Government of Orissa to take over the school and absolved MCL from the onus of taking over the school. The Supreme Court merely acknowledged the offer of MCL to continue giving some grants-in-aid to the said school.

Coal Mines Provident Fund Organisation

Introduction

The Coal Mines Provident Fund Organisation is an autonomous body set up under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948. The Coal Mines Provident Fund Commissioner is the Chief Executive Officer of the Coal Mines Provident Fund Organisation. He administers the Organisation through 23 Regional Offices, situated in coal bearing States, employing 1350 personnel out of the sanctioned strength of 1603.

The Organisation administers the Coal Mines Provident Fund Scheme, 1948, Coal Mines Family Pension Scheme, 1971 since superseded by a new scheme namely Coal Mines Pension Scheme, 1998 which was brought into force w.e.f. 31.3.98 and the Coal Mines Deposit Linked Insurance Scheme, 1976 which are all framed under the aforesaid Act.

The functions of the Organisation is administered by a tripartite body, called the Board of Trustees, consisting of representatives of (i) the Central Government/State Governments, (ii) the employers and (iii) the employees. The Board of Trustees functions under the overall administrative control of the Ministry of Coal. The Board reviews the functioning of the Organisation at every meeting.

One of the most important landmarks in the history of CMPF Organisation was the introduction of Coal Mines Pension Scheme, 1998 which come into force w.e.f. the 31st day of March, 1998. This will benefit around 8 lakhs coal workers in the country. With the introduction of Coal Mines Pension Scheme, 1998 the erstwhile Family Pension Scheme, 1971 ceased to operate. However, the Pensioners who were drawing benefits under the erstwhile Family Pension Scheme, 1971 will continue to draw Pension under the old Coal Mines Family Pension Scheme, 1971.

CHAPTER-IX

INTERNATIONAL CO-OPERATION

FOREIGN COLLABORATION

To meet country's growing demand for coal, foreign collaboration with the advanced coal producing countries are considered for:

- (a) Bringing in new technologies both in underground and opencast sectors for efficient management in the coal industry and skill development and training etc.
- (b) Seeking bilateral funds for import of equipment, which are not manufactured in the country.
- (c) Bringing foreign financial assistance to meet the investment requirement.

Keeping these objectives in view, Joint Working Group on coal had been set up with France, Germany, Russia, Canada, Australia and China. Ministry of Coal is also the nodal Ministry for the Joint Commission with Poland. The priority areas, inter-alia, include acquisition of modern underground mining technology, introduction of high productive opencast mining technology, working underground in difficult geological conditions, fire control and mine safety. Training of Indian personnel as well as assimilation of the technology are an important consideration. With the liberalization of the economy, greater thrust is being given to get the foreign investments /assistance on the basis of cost competitiveness.

The latest policy pursued by CIL is to encourage technology up gradation through Global Tender. Bilateral co-operation, although limited, continues to play an important role for search of new technologies and process improvement. Global tender approach has been used towards introduction of high productivity Continuous Miners at SECL and WCL. Bilateral co-operation mode has been adopted for the introduction of PSLW mining at 3 mines in SECL.

COOPERATION WITH FRANCE

France has developed expertise in thick seam underground mining with the introduction of advance technologies like Blasting Galleries and Longwall Sub-level Caving. It has assisted India in introduction of blasting gallery method at East Katras (Bharat Coking Coal Limited) and Chora (Eastern Coalfields Limited). France has also assisted in the introduction of sub-level caving technology at East Katras mine of Bharat Coking Coal Limited. France had also cooperated in the introduction of high face long wall mining technology in Kottadih Project of ECL. GDK-10 (Block B) and GDK-8 incline projects in SCCL were taken up for introducing blasting gallery technology in collaboration with France. These two projects have already been completed. SCCL has signed another contract for introducing Blasting Gallery method at VK-7 project.

In order to strengthen the cooperation between two countries and broaden the scope of cooperation especially in coal industry, a Joint Working Group on coal was constituted, which used to meet annually to address the various problems covering bilateral cooperation. In view of the declining cooperation with France in the field of coal, it has been decided to merge this Working Group with the proposed Working Group on Energy. Three meetings of Working Group on Energy have so far been held and the last meeting of the Working Group on Energy was held on 14th November, 2002 in New Delhi.

COOPERATION WITH U.K.

In January, 1997 an Indo-British Coal Forum (IBCF) was established to foster greater cooperation between the two countries in coal sector. The Forum provides a platform for mutual consultations and cooperation between the coal industries of both the countries under the auspices of the Govt. of the India and U.K.. The activities which are envisaged under the MOU include sharing of latest know-how technology, organization of meetings for exchange of information, identification of suitable projects as well as methods of funding, introduction of compatible technology for more efficient management in Indian Coal Industry and skill development etc. Eleven meetings so far have been held till in furtherance of these objectives. Eleventh meeting of IBCF was held on 26th November, 2004 at Kolkata.

COOPERATION WITH POLAND

The First meeting of the reconstituted Indo-Polish Joint Commission Meeting was held on 27.5.08. A protocol of Economic Cooperation was jointly signed by both sides.

CO-OPERATION WITH RUSSIA

The 4th meeting of Russian Indian Working Group on Metallurgy and Mines of the Russian – Indian Intergovernmental Commission for Trade, Economic, Scientific, Technical & Cultural Co-operation was held on 22nd and 23rd October 2008 at New Delhi. Ministry of Coal expressed their interest in the following new areas of technologies where they require the expertise of Russian Companies:-

- i) Mining of steep and deep seated seams in coal mines.
- ii) Mining deep seated multiple thin lignite seams;
- iii) Hydraulic equipment for roof bolting purposes;
- iv) Rapid exploration methods including geo physical surveys for coal exploration;
- v) Advance drilling technology for coal exploration and
- vi) Cast blasting and advance drag line application techniques for large opencast mines.

The Russian side will look into these new areas of technological co-operation. The 5th meeting of the Working Group will be held in Moscow in 2009.

CO-OPERATION WITH JAPAN

The meeting of India-Japan Energy Dialogue was held on 16th January, 2007. In the above meeting, the following areas were suggested for cooperation under proposed Indo-Japan Working Groups and also requested to apprise of the action taken in this regard.

- i) Coal Mine Safety,
- ii) Coal benefaction
- iii) Coal up-gradation for low rank coal
- iv) Coal gasification
- v) Coal liquefaction
- vi) CBM/CMM utilization.

The subject of instrumentation in the areas of communication, environment monitoring, prediction of strata behavior etc.

Japan-India Energy Dialogue Working Group meeting was held on 28-06-2007 in a seminar form. The specific proposals prepared by the Ministry on Safety, Communication & Coal Washing for Coal Industries for India-Japan Working Group have been sent to Japanese side for consideration.

CO-OPERATION WITH MOZAMBIQUE:

The Coal Working Group between India and Mozambique was constituted and first meeting of this Group was held in Maputo in April, 2007. Coal India has drawn a detailed road map for active co-operation with Mozambique in the areas of Coal exploration and exploitation, specially coking coal. A high power technical delegation from Mozambique led by permanent Secretary (Mr. Horacio Belengueze) visited India in Nov. 2007. The delegation visited various institutions such as Central Mine Planning & Design Institute Limited (CMPDIL), Indian Institute of Coal Management (IICM), Piparwar mines and washery etc.

CO-OPERATION WITH KAZAKHSTAN

A proposal has been received from embassy of the Republic of Kazakhstan regarding various projects for Industrial & Innovation development of Kazakhstan including coal projects.

(i) Cooperation with USA

Consequent upto the meeting between Deputy Chairman, Planning Commission and US Energy Secretary in 2005, a high level Indo-US Energy Dialogue was formed. Five

Working Groups, including one on Coal, was constituted. Indo-US Working Group on Coal comprises of AS (Coal), as Co-Chair and other members. So far, four meetings of the Working Group have been held.

(ii) **Republic of South Africa**

A Working Group between India and South Africa was constituted in 2003 headed by Secretary, Ministry of Coal from Indian side and Director General (Coal & Mines) on South African side. The first meeting of the Working Group was held on 29-30 July 2008.

(v) **Multilateral Cooperation**

India is one of the partner countries in Asia Pacific Partnership on Clean Coal Development and Climate (APP). Coal Mining Task Force is one of the 8 Task Forces constituted under APP for formulating sector specific action plans. India is a founder member of 6 country Coal Mining Task Force (CMTF). Out of 18 projects identified for cooperation during 2007-08 by CMTF, India has proposed 7 projects which have been approved for the coal sector and are at different stages of implementation in accordance with schedule of implementation. So far five meetings of CMTF took place, the 5th meeting was held at Las Vegas, USA (20th to 24th September, 2008). In these meetings all the projects were reviewed and road map for further cooperation was discussed. In addition, two major Workshops, in coal Beneficiations technologies and waste Coal management at Ranchi and another on coal mines safety at New Delhi were also organized during the year 2007. India is also assisting other partner countries in holding workshop/seminar in India. India, being co-chair of CMTF, has also been attending Policy & Implementation Committee(PIC).

ACQUISITION OF COAL PROPERTIES ABROAD

The team of Coal Videsh comprising of 4 officers visited Mozambique & Zimbabwe with a view to explore possibility of acquiring stakes in operating mines / new projects under implementation and also in green field coal blocks.

In South Africa, there are limited coking coal reserves and therefore opportunities exist in low ash thermal coal only. CIL is given to understand that the coal MNCs like BHP Billiton, Rio Tinto or Anaglo Coal do not have much resources for entering into a joint initiative. Thus opportunities for strategic entry in South Africa exist through partnership with Black Economic empowerment (BEE) organization, which are working in coal sector. CIL had meeting with the major BEE coal companies like Kumba resources, Eyesizwe, Shanduka who have expressed their intention to examine the issue for entering into partnership with CIL.

Coal India Limited is in a progressive stage for entering into partnership in exploration and development of two coal blocks under the concession M/s Zimbabwe Electricity supply Authority (ZESA) Holdings Pvt. Ltd., which is an undertaking of Zimbabwe Government organization.

Coal India Limited also is in the process of identifying Coal block for acquiring the exploration right, it has also started dialogue for partnership with several companies who have the exploration licenses in coal bearing Tete province.

COOPERATION WITH CANADA

The meeting of Indo-Canada Working Group on Coal was held in Canada during 24th –30th June, 2003. Indian delegation led by the then JS&FA and CMD, ECL discussed over Rajmahal Expansion Project of ECL during the meeting.

An inter-Ministerial meeting was held on 14.09.2006 in Ministry of Power to consider a proposal for an India-Canada Energy Dialogue and to firm up India's stand on the relevant issues.

COOPERATION WITH CHINA

Meetings of the Indo-China Joint Working Group (JWG) on Coal are held alternatively in India and China every year. The 9th meeting of the Task Force and the 11th Session of the JWG were held in India at New Delhi during 2 – 4 April, 2007. The 10th Task Force meeting and the 12th Session of the of Indo-China Joint Working Group on Coal are proposed to be held in China in 2009.

CHAPTER-X

PLANNING

The aggregate raw coal demand for 2008-09 has been assessed by Planning Commission at 550.00 million tonnes and all India Coal Production target has been fixed at 497.29 million tonnes (CIL – 405.00 million tonnes, SCCL – 41.50 million tonnes and Others – 50.79 million tonnes). The gap between supply and demand of coal will be met through drawdown of stocks and import of coal. Target for lignite production by Neyveli Lignite Corporation has been fixed at 21.14 million tonnes.

The Plan outlay for 2008-09 for coal and lignite has been fixed at Rs. 6897.00 crores (including 10% of budgetary provision to be earmarked for NEC). The company-wise/scheme-wise break-up is given below:

(Rs. In Crores)		
Company / Schemes	2008-09 (BE)	2008-09 (Exp. upto Sept.,08)
CIL	3214.70	666.09
SCCL	665.30	130.24
NLC	2717.00	763.39
Total (Capital)	6597.00	1559.72
Departmental Schemes		
R & D (S&T)	10.00	5.00
Regional Exploration	30.00	20.00
Detailed Drilling	60.00	0.00
EMSC	10.00	0.00
Conservation and Safety in Coal Mines	135.00	N.A.
Dev. of Transportation Infrastructure in Coalfields	21.80	N.A.
VRS	0.00	0.00
Coal Controller	0.20	0.09
Information Technology	3.00	N.A.
Provision for NE Region	30.00	0.00
Total	6897.00	1584.81

CHAPTER-XI

BOARD LEVEL APPOINTMENT IN CIL & NLC

BOARD LEVEL APPOINTMENTS IN COAL INDIA LTD AND NEYVELI LIGNITE CORPORATION LTD.

Board level posts in Coal India Ltd (CIL) and its subsidiary companies and Neyveli Lignite Corporation Ltd. (NLC) are filled on the recommendations of the Public Enterprises Selection Board (PESB) and with the approval of the Appointments Committee of the Cabinet (ACC). Incumbency of CMDs/Functional Directors of CIL, its subsidiaries and NLC as on 31.10.2008 is given at Annexure – I.

2. Position regarding the existing vacancies in Board level posts in PSUs is indicated below -

S.No.	Name of the Post	Date of vacancy	Action taken/Status
1.	CMD, NLC	01.06.2008	Opinion of CVC has been received and sent to EO. DOPT had requested Ministry of Coal to re-examine the issue. Ministry of Coal has sent reply dated 04.10.2008 to the DOPT after re-examination of the issue.
2.	Director (Tech, BCCL)	01.11.2008	This is a consequential vacancy which arose on account of appointment of present incumbent to the post of CMD, BCCL. The vacancy has been reported to PESB for initiation of recruitment process.
3.	Director (Marketing), Coal India Limited	01.05.2008	Interviews will be conducted by PESB on 10 th and 12 th November, 2008 for making selection for the post.
4.	Director (Technical) ECL	01.08.2008	The proposals for making selection to this post has been sent to PESB for conducting interviews. PESB is yet to decide the date of interview.
5.	Director (Tech), CCL	01.08.2008	
6.	Director (Technical), SECL	01.08.2008	

VACANCIES LIKELY TO OCCUR DURING THE YEAR 2009

S.No.	Name of the Post	Date of Vacancy	Action taken/Status
1.	Dir(Tech), ECL	01.02.2009	Names have already been sent to PESB. Interview date is yet to be decided by PESB.
2.	Dir(Finance), WCL	01.11.2009	Vacancy intimated to PESB on 9.10.2007
3.	Dir(Fin), NCL	01.02.2009	Panel of officers has been received from PESB. CVC clearance is awaited.
4.	Dir(Pers), MCL	01.03.2009	Panel of officers has been received from PESB. The proposal is being sent to ACC for approval.
5.	Dir(Finance),NLC	01.10.2009	Intimated to PESB on 09.10.2007.

VACANCIES OF CHIEF VIGILANCE OFFICERS

S.No.	Name of the Post	Date of Vacancy	Action taken/Status
1.	CVO, NLC	06.11.2008	Panel is awaited from DOPT.
2.	CVO, BCCL	01.01.2008	Panel is awaited from DOPT.
3.	CVO, NCL	17.10.2009	The tenure of the present incumbent could be extended for further two years as per the instructions.
4.	CVO, CCL	22.09.2009	

REDUCTION OF STAFF IN COAL CONTROLLER ORGANISATION & ABOLITION OF COMMISSIONER OF PAYMENTS

ERC, in its recommendations contained in their second report, had recommended for abolition of Coal Controller's Organisation. The ERC also recommended that Ministry of Coal should plan to phase out the residual work of Commissioner of Payments within one year and any remaining unsettled cases could be handled in the Ministry and finally closed after necessary consultation with Ministry of Law. The matter was considered in detail and in a meeting convened under the chairmanship of Secretary (Coal) to review the implementation of the recommendations of ERC (No. 12 and 13) and it was agreed to abolish 40 posts of CCO and to re-organize the entire set up.

2. A Note was sent for the Committee of Secretaries to consider the comments of this Ministry on the recommendations of ERC which were not acceptable to this Ministry. These recommendations included Recommendations No.12 and 13. Ministry of Expenditure, vide

their O.M. dated 07.06.2005 informed that the Cabinet Secretariat has approved this Ministry's proposal in respect of recommendation No. 12 for grant of an exemption from abolishing the offices of CCO and COP and also to allow reduction of staff strength of CCO from 217 to 177 by surrendering 40 posts and further surrender of 17 ministerial posts and simultaneously creation of 17 technical posts as pointed out in recommendation No. 12. The Department of Expenditure intimated that they may not have objection to continuation of the office of Coal Controller provided that the staff strength does not exceed 177 posts.

3. As regards recommendation No.13, this Ministry had requested that continuation of office of Commissioner of Payments be allowed for two more years till the pending cases were reduced as pointed out in the recommendation. The Department of Expenditure intimated that they had no objection provided the remaining work is completed within two years with the present staff strength of 22 posts and the residual work transferred to the Coal Controller after two years.

4. Subsequently, Indian School of Mines (ISM), Dhanbad was entrusted with the task for undertaking a study to suggest an appropriate reorganization package for the Coal Controller's Organisation. on a consultancy fee of Rs. 7.5 lakhs The terms of reference of the consultancy project for restructuring of CCO have been as under –

i) To study and suggest the changed roles/ functions proposed to be assigned to CCO in the context of changing profile of the national economy in general and the coal industry in particular, and corresponding changes needed in the organizational structure.

ii) To study and recommend corresponding changes needed in the different statutes/Acts/Orders etc.

iii) To identify the (total) manpower requirements of CCO along with its distribution to the different regional offices, roles to be played by these offices alongwith their major duties and responsibilities. Recommendations will also be made for setting up new regions, if any, with justification.

iv) To identify major facilities required to be developed at the offices.

ISM has submitted their report and reorganisation of CCO is under consideration.

As per ERC recommendations, office of the Commissioner of Payments, Kolkata has been wound up by 6th June, 2007 by transferring the residual work of this office to CCO.

Annexure-I

**INCUMBENCY OF CMDs/FUNCTIONAL DIRECTORS OF
CIL, ITS SUBSIDIARIES AND NLC**

1. Coal India Limited, Kolkata

Sl. No.	Name of Post	Name of incumbent S/Shri	Date of Birth	Date of superannuation	Date of appointment	Tenure ending date
1.	CMD	P.S. Bhattacharyya	27.02.1951	28.02.2011	01.10.2006	28.02.2011
2.	Director(Tech)	N.C.Jha	02.01.1952	31.01.2012	01.01.2007	31.12.2011
3.	Director(P&IR)	R.Mohan Das	23.05.1957	31.05.2017	01.06.2007	31.05.2012
4.	Director(Finance)	S.Bhattacharya	04.01.1950	31.01.2010	01.07.2006	31.01.2010
5.	Director(Marktg)					23.05.2008

2. Bharat Coking Coal Limited

Sl. No.	Name of Post	Name of incumbent S/Shri	Date of Birth	Date of superannuation	Date of appointment	Tenure ending date
1.	CMD	T.K.Lahiry	07.03.1956	31.03.2016	01.11.2008	31.10.2013
2.	Director(Technical)					
3.	Director(Technical)	Rakesh Sinha	17.05.1955	31.05.2015	01.06.2008	31.05.2013
4.	Director(Finance)	P.G.Nandy	22.03.1951	31.03.2011	01.06.2008	31.03.2011
5.	Director(Personnel)	P.E.Kachhap	15.12.1953	31.12.2013	11.07.2007 (AN)	11.07.2012

3. Central Coalfields Limited

Sl. No.	Name of Post	Name of incumbent S/Shri	Date of Birth	Date of superannuation	Date of appointment	Tenure ending date
1.	CMD	R.K.Saha	01.03.1952	29.02.2012	01.08.2008	29.02.2012
2.	Director(Technical)					01.08.2008
3.	Director(Technical)	T.K.Nag	05.09.1957	30.09.2017	24.05.2008	23.05.2013

4.	Director(Finance)	A.K.Sarkar	15.04.1951	30.04.2011	06.10.2004 (AN)	06.10.2009
5.	Director(Personnel)	T.K.Chand	17.11.1959	30.11.2019	12.07.2007	11.07.2012

4. Eastern Coalfields Limited

Sl N.	Name of Post	Name of incumbent S/Shri	Date of Birth	Date of superannuation	Date of appointment	Tenure ending date
1.	CMD	S.Chakraborty	08.08.1950	31.08.2010	01.04.2007	31.08.2010
2.	Director(Technical)	U.S.Upadhyay	25.01.1949	31.01.2009	14.08.2005	31.01.2009
3.	Director(Technical)					31.08.2008
4.	Director(Finance)	A.K. Sinha	04.10.1952	31.10.2012	17.04.2006 (AN)	17.04.2011
5.	Director(Personnel)	S.K.Srivastava	02.10.1953	31.10.2013	01.02.2008	31.01.2013

5. Western Coalfields Limited

Sl. No.	Name of Post	Name of incumbent S/Shri	Date of Birth	Date of superannuation	Date of appointment	Tenure ending date
1.	CMD	D.C.Garg	12.11.1954	30.11.2014	01.05.2007	30.04.2012
2.	Director(Technical)	B.K.Saxena	28.01.1956	31.01.2016	07.03.2008	06.03.2013
3.	Director(Technical)	Om Prakash	11.02.1956	29.02.2016	01.06.2008	31.05.2013
4.	Director(Finance)	Smt.Irawati A Dani	18.10.1949	31.10.2009	28.08.2006	31.10.2009
5.	Director(Personnel)	O.P.Miglani	09.07.1951	31.07.2011	01.01.2008	31.07.2011

6. Northern Coalfields Limited

Sl No.	Name of Post	Name of incumbent S/Shri	Date of Birth	Date of superannuation	Date of appointment	Tenure ending date
1.	CMD	V.K. Singh	03.09.1954	30.09.2014	01.08.2008	31.07.2013
2.	Director(Technical)	N.Das	19.08.1958	31.08.2018	03.04.2008	02.04.2013
3.	Director(Technical)	P.K. Saxena	24.12.1948	31.12.2008	01.08.2006	31.12.2008
4.	Director(Finance)	S.N. Choudhary	07.01.1949	31.01.2009	01.02.2006	31.01.2009
5.	Director(Personnel)	Ms.Shantilata Sahu	17.07.1958	31.07.2018	01.01.2008	31.12.2012

7. South Eastern Coalfields Limited

Sl. No.	Name of Post	Name of incumbent S/Shri	Date of Birth	Date of superannuation	Date of appointment	Tenure ending date
1.	CMD	M.P.Dixit	01.02.1955	31.01.2015	01.08.2008	31.07.2013
2.	Director(Technical)	V.Sawhney	24.11.1948	30.11.2008	01.10.2006	30.11.2008
3.	Director(Technical)					01.08.2008
4.	Director(Finance)	A.R.Komwar	15.07.1953	31.07.2013	01.05.2008	30.04.2013
5.	Director(Personnel)	R.S.Singh	10.07.1951	31.07.2011	01.10.2007	31.07.2011

8. Mahanadi Coalfield Limited

Sl. No.	Name of Post	Name of incumbent S/Shri	Date of Birth	Date of superannuation	Date of appointment	Tenure ending date
1.	CMD	S.R.Upadhyay	01.09.1950	31.08.2010	01.09.2007	31.08.2010
2.	Director(Technical)	A.K.Tiwari	18.08.1956	31.08.2016	01.10.2008	30.09.2013
3.	Director(Finance)	B.Mohapatra	02.08.1950	31.08.2010	01.02.2007	31.08.2010
4.	Director(Personnel)	G.D.Gulab	08.02.1949	28.02.2009	01.02.2004	31.01.2009
5.	Director(Technical)	A.K.Singh	22.05.1953	31.05.2013	11.09.2008	31.05.2013

9. Central Mine Planning and Design Institute Limited

Sl. No.	Name of Post	Name of incumbent S/Shri	Date of Birth	Date of superannuation	Date of appointment	Tenure ending date
1.	CMD	A.K.Singh	07.07.1952	31.07.2012	01.01.2008	31.07.2012
2.	Director(Technical)	A.N.Sahay	24.10.1955	31.10.2015	01.11.2007	31.10.2012
3.	Director(Technical)	A.K.Debnath	01.01.1956	31.12.2015	01.08.2007	31.07.2012
4.	Director(Technical)	S.K.Mitra	25.10.1951	31.10.2011	01.09.2007	31.10.2011
5.	Director(Technical)	Narinder Khurana	29.02.1952	29.02.2012	22.06.2007	29.02.2012

10. Neyveli Lignite Corporation Limited

Sl. No.	Name of Post	Name of incumbent S/Shri	Date of Birth	Date of superannuation	Date of appointment	Tenure ending date
1.	CMD					31.05.2008
2.	Director(Mines)	B.Surender Mohan	09.09.1955	30.09.2015	01.05.2008	30.04.2013
3.	Director(Finance)	J.N.Prasanna Kumar	04.09.1949	30.09.2009	07.03.2003	30.09.2009
4.	Director(P&P)	A.R.Ansari	01.07.1952	30.06.2012	19.09.2003 (AN)	30.06.2012
5.	Director(Personnel)	P.Babu Rao	06.08.1950	31.08.2010	22.09.2006	31.08.2010
6.	Director(Power)	V.Sethuraman	17.03.1950	31.03.2010	01.05.2005	31.03.2010

CHAPTER-XII

PROGRESSIVE USE OF HINDI

Hindi Section of the Ministry is responsible for implementing the official Language policy of the union and overseeing the progress made in this regard. Ministry of Coal along with its all Subordinate offices/Companies and Autonomous Body continued efforts for propagating and spreading the progressive use of Official Language, Hindi. This Ministry is committed to increase the progressive use of official language. Instructions received from Department of Official Language, Ministry of Home Affairs and Committee of Parliament on Official Language are circulated regularly among the officers/sections of the Ministry as well as the Subordinate Offices/Companies and Autonomous Body under its control to ensure implementation of the statutory provisions of Official Language policy of the Union and to fully achieve the targets fixed in the Annual Programme issued by Department of Official Language.

In order to increase the progressive use of Hindi in day-to-day official work, various circulars, orders and appeals have been issued regularly. With a view to facilitate noting and drafting in Hindi, bilingual standard drafts, dictionaries, help books etc. have been distributed among all officers/sections of the Ministry.

The Ministry of Coal is fully computerized and bilingual facilities for using Hindi have also been provided with the PCs to all sections of the Ministry. Besides, the *Website* of the Ministry has been prepared in bilingual form (Hindi/English) and it is updated from time to time.

The meetings of "Official Language Implementation Committee" are being organized in each quarter in the Ministry and all Subordinate Offices/ Companies and Autonomous Body under its control and emphasis is given on increasing progressive use of Hindi in these meetings.

In order to create consciousness to accelerate the use of Hindi as Official Language in official work various Hindi Competitions were organised during Hindi Pakhwara for each category of the employees. Cash award and certificates are given to the winners.

The meeting of High Power Hindi Salahkar Samiti of the Ministry was convened on 2nd November, 2007 under the Chairmanship of Minister of State for Coal. During this meeting, Hon'ble Minister released the 8th issue of inhouse Hindi Magazine 'Koyal' which was dedicated to 150th anniversary of freedom struggle of India. The members of the Committee appreciated the magazine.

Hindi Section of the Ministry is responsible for implementing the official Language policy of the union and overseeing the progress made in this regard. Ministry of Coal along with its all Subordinate offices/Companies and Autonomous Body continued efforts for propagating and spreading the progressive use of Official Language, Hindi. This Ministry is

committed to increase the progressive use of official language. Instructions received from Department of Official Language, Ministry of Home Affairs and Committee of Parliament on Official Language are circulated regularly among the officers/sections of the Ministry as well as the Subordinate Offices/Companies and Autonomous Body under its control to ensure implementation of the statutory provisions of Official Language policy of the Union and to fully achieve the targets fixed in the Annual Programme issued by Department of Official Language.

In order to increase the progressive use of Hindi in day-to-day official work, various circulars, orders and appeals have been issued regularly. With a view to facilitate noting and drafting in Hindi, bilingual standard drafts, dictionaries, help books etc. have been distributed among all officers/sections of the Ministry.

The Ministry of Coal is fully computerized and bilingual facilities for using Hindi have also been provided with the PCs to all sections of the Ministry. Besides, the *Website* of the Ministry has been prepared in bilingual form (Hindi/English) and it is updated from time to time.

The meetings of "Official Language Implementation Committee" are being organized in each quarter in the Ministry and all Subordinate Offices/ Companies and Autonomous Body under its control and emphasis is given on increasing progressive use of Hindi in these meetings.

In order to create consciousness to accelerate the use of Hindi as Official Language in official work various Hindi Competitions were organised during Hindi Pakhwara for each category of the employees. Cash award and certificates are given to the winners.

The meeting of High Power Hindi Salahkar Samiti of the Ministry was convened on 2nd November, 2007 under the Chairmanship of Minister of State for Coal. During this meeting, Hon'ble Minister released the 8th issue of inhouse Hindi Magazine 'Koyal' which was dedicated to 150th anniversary of freedom struggle of India. The members of the Committee appreciated the magazine.

CHAPTER-XIII

VIGILANCE ACTIVITIES AND ACHIEVEMENTS

VIGILANCE SET-UP:

The Ministry of Coal exercises superintendence and supervision over the vigilance administration of 10 Public Sector Undertakings & one autonomous body under its jurisdiction as well as over the Ministry staff. The vigilance set up of the Ministry is headed by Joint Secretary (Coal)-cum-Chief Vigilance Officer who is assisted by a Director, an Under Secretary and a Section. The vigilance wings of Coal India Limited, its subsidiaries and Neyveli Lignite Corporation (NLC) are headed by full time Chief Vigilance Officers. The Coal Mines Provident Fund Organisation (CMPF) has a part-time CVO. These units have been structured in conformity with the guidelines of the Central Vigilance Commission and commensurate with the organisational requirements. The Vigilance set-up of CIL, its subsidiaries, NLC and CMPF is given in Annexure-I.

Being the watch-dog of Coal and Lignite PSUs, the Ministry pays due attention to streamlining the procedures and practices prevailing in these organisations so as to make their working more transparent and systematic thus minimising chances of corruption. For effective supervision and monitoring of the functioning of Vigilance Deptts., interaction with CVOs of PSUs is maintained at the level of Joint Secretary/Chief Vigilance Officer.

The Ministry of Coal monitors the work of Vigilance Departments of Coal India Limited, its subsidiaries, Neyveli Lignite Corporation and Coal Mines Provident Fund Organisation. The Vigilance Department of CIL also coordinates the activities of the subsidiary vigilance wings and also acts as a nodal agency for compiling information/statistics, etc. for the Ministry of Coal and Central Vigilance Commission. The Vigilance Departments also do liaison with the Central Bureau of Investigation and other anti-corruption agencies and advise the Chief Executives of coal and lignite companies on all aspects of preventive and punitive vigilance.

PREVENTIVE VIGILANCE:

In order to bring transparency, uniformity and streamlining of the procedures and practices in sensitive areas of working of the PSUs, the following measures were taken for system improvement: -

- a) In pursuance of directives from CVC, all the Subsidiary Companies have implemented publication/uploading of tender documents in the website.
- b) The Purchase Manual, Contract Manual and the Civil Manual of Coal India Limited have been revised and published. These reviews were made in order to identify and remove the lacunae and loop-holes of the previously published manuals. Further, the Sales & Marketing Department has been advised by the Vigilance Division of CIL (Hqrs.) to compile a Compendium of all the

relevant circulars and guidelines issued by the Ministry of Coal/CIL in order to facilitate greater transparency in its transactions.

- c) The Vigilance Department of CIL(Hqrs.) constituted a team of vigilance officers in line with the CTE and after necessary interaction of these officers with CVC, have started conducting studies and inspections. The core group conducted studies and inspections and submitted its reports on (i) award and execution of haul road construction, (ii) contractual coal transportation system and (iii) procedures adopted by the Departmental Promotion Committee.
- d) Quarterly review of disciplinary proceedings pending for more than one year.
- e) Identification of sensitive departments and transfer of personnel occupying the sensitive posts for a long period.
- f) Surprise checks to unearth the intentional lapses, manipulations, mal-practices, dereliction of duty etc.
- g) Workshops are conducted by CIL Vigilance and guidelines framed/revised with a view to strengthening preventive vigilance.
- h) Vigilance inspections in corruption prone areas of the industry like diesel dispensing units in the open cast mines, explosive consumption, civil works, road sale of coal and procurement of spares have been intensified.

Guidelines are issued from time to time in different branches of functioning of coal companies to bring in more transparency and bring down areas of discretion or patronage.

An exercise has been carried out in the Ministry also to identify the sensitive positions. Action has been initiated to rotate the officials working in sensitive posts and as part of this exercise, some transfers have since been effected.

PUNITIVE ACTION:

Complaints received from various sources against the officials of the Ministry and Board Level Officers of PSUs are processed in the Ministry. Based on the findings, departmental proceedings were initiated during the current year by the Department against a Board Level Executive of Coal Company. In two cases penalties have also been imposed.

A brief of the cases taken up for investigation, departmental inquiry, cases in which penalty was imposed, number of officials placed under suspension, number of regular cases registered by CBI and number of officials transferred from sensitive posts by the coal companies, NLC and CMPF (upto October 2005) is given in Annexure-II.

Annexure-I

SET UP OF THE VIGILANCE ORGANISATION:

	<u>Executives</u>	<u>Non- Executives</u>	<u>Total</u>
1. Eastern Coalfields Limited	13	15	28
2. Bharat Coking Coal Limited	11	28	39
3. Central Coalfields Limited	19	15	34
4. Western Coalfields Limited	08	11	19
5. South Eastern Coalfields Limited	11	10	21
6. Northern Coalfields Limited	08	07	15
7. C.M.P.D.I.L.	05	05	10
8. Mahanadi Coalfields Limited	05	04	09
9. Coal India Limited (HQ)	12	19	31
10. Neyveli Lignite Corporation	14	47	61
11. Coal Mines Provident Fund Organisation	1	3	4

Annexure-II

2005-2006 (upto October - 2005)

		ECL	BCCL	CCL	WCL	SECL	NCL	CMPDIL	MCL	CIL(HQ)	TOTAL FOR CIL	NLC	CMPF	TOTAL
(a)	(i) No. of cases taken up for investigation	21	40	27	10	31	04	05	14	04	156	71	06	233
	(ii) No. of investigation completed	32	48	29	17	47	02	-	13	06	194	88	03	285
(b)	(i) No. of cases taken up for Departmental Inquiry	04	11	11	20	30	03	-	04	03	86	29	01	116
	(ii) No. of inquiries completed	04	12	06	12	22	-	-	04	04	64	41	01	106
(c)	No. of cases in which penalty imposed													
	(i) Major Penalty	05	09	10	02	10	04	01	02	-	43	19	-	62
	(ii) Minor Penalty	02	25	22	14	20	04	02	04	01	94	21	-	115
(d)	No. of officials placed under suspension	01	05	-	-	01	-	-	01	-	08	-	03	11
(e)	No. of Regular cases registered by CBI.	-	06	04	-	-	-	-	03	-	13	1	03	17
(f)	No. of officials transferred from sensitive posts.	21	443	142	187	250	77	-	75	11	1206	185	27	1418
