

# ANNUAL REPORT 2016-17



Secretary, Coal reviews Performance of CCL

# 2

CHAPTER

## ORGANISATIONAL STRUCTURE AND FUNCTIONS



# ORGANISATIONAL STRUCTURE AND FUNCTIONS

## Vision

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

## Objectives

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

## Functions of Ministry of Coal

The Ministry of Coal is concerned with exploration, development and exploitation of coal and lignite reserves in India. The work allocated to the Ministry of Coal (include Subordinate or Autonomous organisations, PSUs concerned with their subjects) under the Government of India (Allocation of Business) Rules, 1961, as amended from time to time, is as follows :

- (i) Facilitating exploration, development and exploitation of coking and non-coking coal and lignite deposits in India.
- (ii) All matters relating to production, supply, distribution and price of coal.
- (iii) Development and operation of coal washeries other than those for which the Department of Steel is responsible.
- (iv) Low temperature carbonization of coal and production of synthetic oil from coal.
- (v) All work related to coal gasification.
- (vi) Administration of the Coal Mines (Conservation and Development) Act, 1974 (28 of 1974), administration of the Coal Mines Provident Fund and Miscellaneous Provision Act, 1948 (46 of 1948), rules under the Mines Act, 1952 (32 of 1952) for the levy and collection of duty of excise on coke and coal produced and despatched from mines and administration of rescue fund, 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, administration of Coal Mines Nationalisation Act, 1973 (26 of 1973), administration of Coal Mines (Special Provisions) Act, 2015 etc.

## Organisation Structure

The Secretariat of Ministry of Coal is headed by a Secretary who is assisted by one Additional Secretary, five Joint Secretaries (including the Financial Advisor), one Project Advisor, one Economic Advisor, twelve Directors/Deputy Secretaries/Joint Director, eleven Under Secretaries, twenty one Section Officers, two Assistant Directors, one Controller of Accounts, one Deputy Controller of Accounts, two Senior Accounts Officers and four Assistant Accounts Officers and their supporting staff. Organisation Chart of Ministry of Coal as given at Annexure-II.

## Subordinate and Autonomous organisations

Office of the Coal Controller's Organisation (CCO) – a subordinate office and Coal Mines Provident Fund Organisation (CMPFO) – an autonomous organisation are functioning under the administrative control of Ministry of Coal.

## Public Sector/Joint Sector Companies

### Coal India Limited (CIL)

Coal India Limited (CIL) is a 'Maharatna' company under the Ministry of Coal, Government of India with headquarter at Kolkata, West Bengal. CIL is the single largest coal producing company in the world and one of the largest employer with manpower of 3,14,906 as on 1st December 2016. CIL has 413 mines (as on 1st April, 2016) of which 207 are underground, 176 opencast and 30 mixed mines.

Coal India is a holding Company with seven wholly owned coal producing subsidiary companies and one mine planning & Consultancy Company. It encompasses the whole gamut of identification of coal reserves, detailed exploration followed by design and implementation and optimizing operations for coal extraction in its mines. For the first time, Coal India's production (538.75 MT) and off-take (534.50 MT) have exceeded Half-a-Billion Tonne mark in 2015-16. Coal India for the first time had surpassed Rs. 1.0 Lakh Crore in Gross Sales (Rs. 1,08,150.03 Cr) during 2015-16.

The subsidiary companies of CIL are:

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

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

Coal India's major consumers are Power and Steel sectors in addition to other consumers like Cement, Fertilizer, Brick Kilns, and small scale industries, etc.

### The Singareni Collieries Company Limited (SCCL)

- The Singareni Collieries Company Limited (SCCL) is a Joint venture of the State Government of Telangana and the Government of India with equity participation in the ratio of 51:49, respectively. SCCL is having 10128 MT proved reserves in the Pranahita – Godavari Valley. SCCL is presently operating 16 Opencast Mines and 30 Underground Mines in six districts of Telangana with manpower of 56,886. Naini coal block in Angul District of Odisha was allotted to SCCL in August 2015 for which pre-mining activities are in process. Penagaddppa coal block located in the Bhadradi District of Telangana State is allotted to SCCL on 15th December, 2016.

### NLC India Limited (NLCIL)

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

- Three Opencast Lignite Mines of total capacity of 28.5 MTPA at Neyveli and one open cast lignite Mine of capacity 2.1 MTPA at Barsingsar, Rajasthan.
- Four Thermal Power Stations with a total installed capacity of 2990 MW at Neyveli and one Thermal Power Station at Barsingsar, Rajasthan with an installed capacity of 250 MW.
- 51MW Wind power project in Kazhaneerkulam, Tirunelveli District, Tamil Nadu 29 WTGs (1.5MWx29) with a capacity of 43.5 MW have been commissioned till November 2016.
- A coal based Thermal Power Project at Tuticorin, Tamil Nadu with two units of 500 MW capacity each through NLC Tamil Nadu Power Limited (NTPL), a joint venture between NLC India Limited and TANGEDCO (equity participation in the ratio of 89:11) has been commissioned.

- The total power generating capacity of NLC India Limited as on November 2016 is 4293.5 MW.

The three Thermal Power Stations (TPPs) and the three Mines at Neyveli are certified with ISO 14001 (Environment Management System), ISO 9001 (Quality Management System) and OHSAS 18001 (Occupational Health and Safety Management System). NLCIL's growth is sustained and its contribution to India's social and economic development is significant.

## Coal Controller's Organisation

The Coal Controller's Organization (CCO) is a subordinate Office of Ministry of Coal, having its headquarters at Kolkata and field offices at Dhanbad, Ranchi, Bilaspur, Nagpur, Sambalpur, Kothagudem and Asansol. Each field office is headed by one GM/ DGM level executive supported by other technical officials. Apart from carrying out inspections for ascertaining quality in selected mines, the field officers also carry out regular inspections to ensure compliance with specific orders relating to coal and resolving statutory complaints. Besides looking after quality surveillance noted above, field officers are also entrusted with field assignments associated with CCDA assistance under Coal Mine (Conservation and Development) Rules 1975 (as amended in 2011); opening/ re-opening permission of seams of mines under Colliery Control Rules 2004 and coordination with the coal companies. In addition four Officer-on-Special Duty are posted in the Coal Controller's Organization, Kolkata for coordinating with the field offices. This office also looks after the coal mines under NEC command area and renders assistance to Coal Controller on various issues.

The CCO has a statistical wing consisting of two ISS officers and other supporting staff which is responsible for collection, compilation and publication of coal statistics on regular basis. CCO is the major source of coal statistics in Government of India.

The CCO is also supported by a Director, Deputy Director, Deputy Assistant Coal Controller and other Officials who assist the CCO in collection of Stowing Excise Duty and other technical and administrative works.

OSDs and Deputy Assistant Coal Controllers play an important role in quality matters, opening permission, monitoring of Captive Coal Blocks, opening of Escrow account, dealing with Court cases, monitoring of the collection of stowing Excise duty, CCDA, quality surveillance, works related to Commissioner of Payment, etc.

The CCO discharges various statutory functions derived from the following statutes:

- The Colliery Control Rules, 2004.
- The Coal Mines (Conservation & Development) Act, 1974 and The Coal Mines (Conservation & Development) Rules, 1975 (amended in 2011)
- The Collection of Statistics Act, 2008 and the Collection of Statistics (Central) Rules, 2011.
- The Coal Bearing Areas (Acquisition & Development) Act, 1957 (20 of 1957)

The CCO also discharges the following functions:

- Monitoring of coal blocks (Vested & Allotted)
- Monitoring of washeries
- Follow up of submission of mine closure plan and act as the exclusive representative of Government of India for signing up Escrow account agreement with different coal/ lignite companies.

A brief description of CCO performance during the period 1st April, 2016 to 31st December, 2016 and provisional for period from 1st January, 2017 to 31st March, 2017 are given as under :-

## (1) Grant of Permission for opening and re-opening of coal mines:-

CCO has granted permission for opening and re-opening of 18 Coal /Lignite mines during 1st April, 2016 to 31st December, 2016 and provisional figure for period from 1st January, 2017 to 31st March, 2017 is expected to be 10 mines.

## (2) Disposal of cases under Section 8 of the Coal Bearing Areas (Acquisition and Development) Act, 1957

During the period from 1st April, 2016 to 31st December, 2016, Coal Controller submitted reports to the Ministry of Coal under section 8 of CBA Act, 1957 in respect of 10 notifications and provisional figure for period from 1st January, 2017 to 31st March, 2017 is 04 notifications.

### (3) Coal Samples collected & analyzed, Statutory Complaints Received & Settled

Under the Colliery Control Rules, 2004, and under the Coal Mines (Conservation & Development) Amendment Rules, 2011, Coal Controller is to monitor the quality of Coal dispatched from collieries and also settle quality complaints of consumers.

Number of statutory complaints received till 31.12.2016 are 08 & action has been taken to resolve these cases. Number of Sampling & analysis of coal for re-assessment of Grade by CCO, including outsourcing through M/s CIMFR & M/s NML during the period from 01.04.2016 to 31.12.2016 is 837 conducted at different subsidiaries of CIL and SCCL.

### (4) Collection of Excise Duty:-

1st.April, 2016 to 31st December, 2016= **Rs. 460.155Crore.**

1st January, 17 to 31st March, 17 expected to be collected = **Rs.140 Crore.**

### (5) Collection, Compilation and Publication of coal Statistics

CCO being the sole agency for collection, compilation, publication and dissemination of data regarding different parameters of production and dispatch of coal and lignite, provides monthly data to Central Statistics Office, RBI, DIPP, Indian Bureau of Mines and other national and international organizations. It also publishes Annual Coal Directory and Provisional Coal Statistics. Coal Directory, 2014-15 and Provisional Coal Statistics, 2015-16 have already been published in 2016-17. Work of Coal Directory 2015-16 is under progress.

### (6) Monitoring and progress of Coal Blocks

Coal Controller's Office collects information regarding Efficiency parameters of captive coal blocks required to be submitted as

per CMDPA and consolidate reports. It also monitors the Bank Guarantee issue related to earlier allocated coal blocks and sends reports as and when required by Ministry for IMG and other meetings.

### (7) Compliance of Mine Closure Plan and Escrow Account agreement.

Coal Controller office has been entrusted to perform the implementation and monitoring of Mine closure activities of the mining areas as per approved Mine Closure plan (Progressive and Final) and certification of works done from Government Notified Institutes like CMPDIL/NEERI/ISM regarding complete safety zone fencing, expenditure incurred for protective and reclamation works and opening a fixed deposit Escrow Account with any scheduled Bank for depositing annual mine closure cost as per approved Mine Closure Plan with Coal Controller as an exclusive beneficiary under the provision of MOC's guidelines for preparation of Mine Closure Plan dated 7.1.2013.

During 2016-17 till Dec, 2016, 28 Tripartite Escrow Agreements were executed for opening an Escrow Account with Government and Private Companies for 28 coal and lignite mines. Out of 28 mines, 5 coal mines are under CIL/ subsidiary companies, 18 mines under SCCL and 4 captive coal mines and 1 lignite mines.

The amount deposited to the Escrow Accounts of scheduled banks during 2016-17 (till 31st. Dec. 2016) was Rs.855.31Crore (Provisional).

Since inception to 31st Dec. 2016, 500 tripartite Escrow Accounts agreements have been executed between the coal/lignite companies with scheduled banks and CCO covering 525 coal and lignite mines. The total amount deposited with interest up to 31st Dec, 2016 to the Escrow Account stands at Rs. **5252.52 Crore** (Provisional).

### The status of opening and deposition of annual closure cost to Escrow Account up to 31.12.2016 during 2016-17:

S. No.	No. of Tripartite Escrow Agreement signed with CCO up to 31.12.2016	Number of Mines for which Escrow A/c has been signed.	Amount deposited to the Escrow Account for the period 2016-17 (till Dec. 2016) (Rs./- in Crore)	Total Amount deposited to the Escrow Account since starting to till 31.12.2016 .(Rs./- in Crore)
1.	500	525	855.31	5252.52

### (8) Work as Commissioner of Payments

Two offices of Commissioner of Payments (CoP) were set up in pursuance of the Coking Coal Mines (Nationalisation) Act, 1972 and the Coal Mines (Nationalisation) Act, 1973, one each at Dhanbad and Kolkata for the purpose of disbursement of amounts to settle the liabilities of the ex-owners of coal mines nationalized in 1972-73. 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 Commissioner of Payments, Kolkata in 1987.

Subsequently, in compliance with the recommendations of the Economic Reforms Commission (ERC), the office of Commissioner of Payments, Kolkata has also been wound up w.e.f. 6th June, 2007. Residual work of the office of Commissioner of Payments, The performance of the CoP is as under:

Kolkata has been transferred to the office of Coal Controller. At present, the Coal Controller is functioning as ex-officio Commissioner of Payments.

By virtue of The Coal Mines (Special Provisions) Act, 2015, the Commissioner of Payments has been appointed to disburse the compensation amount payable to him by the Nominated Authority, Ministry of Coal. The payments made for the year 2015-16 and 2016-17 (up to December, 2016) are given as under:-

Year	Amount disbursed in Rs.
2015-16	82,39,39,830/-
2016-17 (up to December, 2016)	912,08,42,669/-

S.No.	Particulars	The Coking Coal Mines (Nationalisation) Act, 1972	The Coal Mines (Nationalisation) Act, 1973
1	Number of collieries nationalised by the Central Government and corresponding colliery-accounts opened by the Commissioner of Payments	226	711
2	Number of colliery-accounts closed up to 31-03-2016	187	627
3	Number of colliery-accounts closed during April, 2016 to December, 2016 (2016-17)	Nil	Nil
4	Number of colliery-accounts yet to close as on 31-12-2016	39	84
5	Compensation amount disbursed during 2016-17 (up to December)	Nil	Nil
6	Amount left for disbursement as on 31-12-2016	Rs. 386.21 Lac	Rs. 833.43 Lac

### COAL MINES PROVIDENT FUND ORGANISATION (CMPFO)

The Coal Mines Provident Fund Organisation, an Autonomous body, established under the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, is responsible for administering the Coal Mines Provident Fund Scheme, 1948, Coal Mines Deposit Linked Insurance Scheme, 1976, and Coal Mines Pension Scheme, 1998. These three schemes are administered by a tripartite Board of Trustees, consisting of representatives of the Central and State Governments, employers and employees. The headquarters of CMPFO is at Dhanbad and its 24 Regional

Offices are spread all over the Coal producing States in the Country.

As on 31st March 2017, CMPFO render services to about 4.60 lakh Provident Fund subscribers and 4.50 lakh pensioners.

#### Coal Mines Provident Fund Scheme

At the end of the financial year 2016-17 the total number of coal mines & office units covered under the Scheme stood at 899 (01.04.2016 to 31.12.2016) excluding coke plants operating in the Private Sector. Live membership of the Provident Fund Scheme, 1948 as on 31.3.2017 is 4.60 lakh approx.

During 2016-17 i.e. 01.04.2016 to 31.12.2016 the Coal Mines Provident Fund contributions, including voluntary contributions, amounted to Rs. 4250.60 Crore approx. Between 01.01.2017 & 31.03.2017 Rs. 1416.87 Crore is expected to be received in the Coal Mines Provident Fund making thereby the total contributions to about Rs. 41,900/- Crore approximately. The entire accumulation in the fund is invested in accordance with the guidelines laid down by the Ministry of Finance. The total value of the fund's investment up to 31st Dec, 2016 stood at

Rs.68,700.08 Crore (including SDS investment of Rs.16,522.50 Crore). The Incremental Investment (Face Value) from 01.04.2016 to 31.12.2016 is Rs.4777.96 Crore and from 01.01.17 to 31.03.17 is expected to be Rs. 3720.04 Crore approximately.

During 2016-17, provisional interest has been allowed on members' accumulation at the rate of 8.60 % per annum.

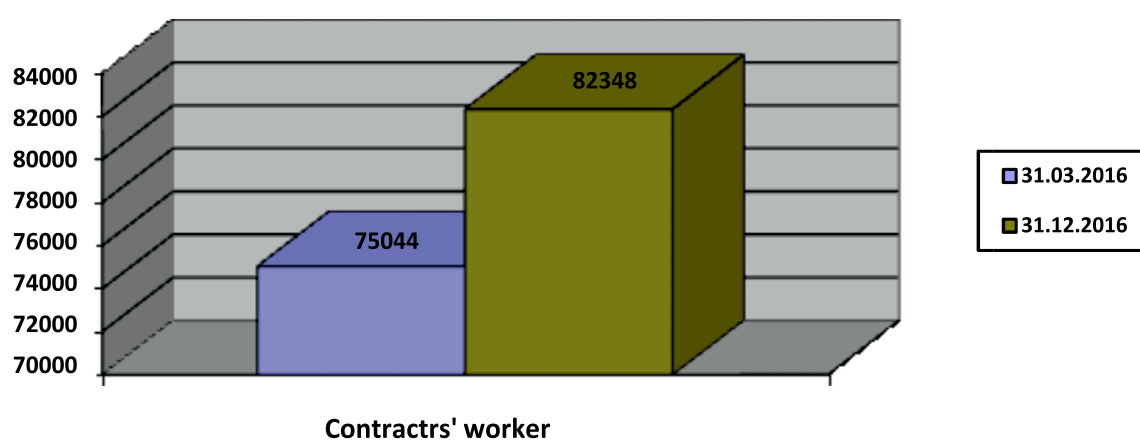
Refund from Provident Fund during 2016-17 (upto 31st Mar, 17) together with the advances paid is indicated below:-

Refund and Advance cases of Provident Fund	No of cases settled (from 01.04.2016 to 31.12.2016) and disbursed #	No of cases expected to be settled (from 01.01.2017 to 31.03.2017) and disbursed # (approximately)
Provident Fund Refund Cases	20897	10400
Marriage Advance	7747	3850
Education Advance		
House Building Advance		
The amount disbursed on P.F. and Advances	Rs.4710.26 Crore.	Rs. 1570.09 Crore

# all figures are provisional.

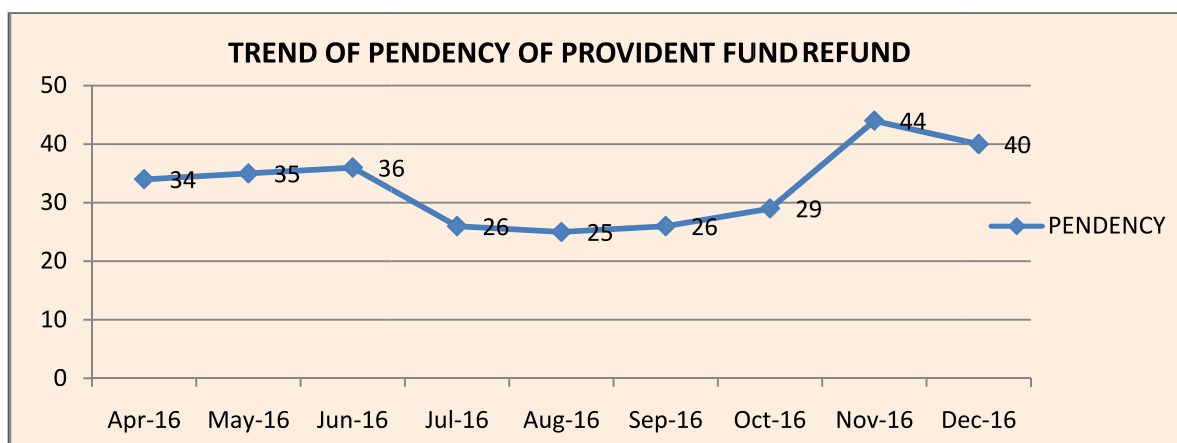
The cost of administration of CMPF Scheme is met out of the administrative charge @3% paid by the Coal companies to the CMPFO.

As a result of emphasis on extending social security benefits to all workers of Coal Mines, the coverage of contractor's worker under the provisions of CMPF/EPF Act has increased from 75044 (31.3.2016) to 82348 (31.12.2016).



Due to constant efforts and repeated follow-up, pendency in settlement of cases has declined considerably; but due to transfer of Patherkhera area from Nagpur Regional Office (RO) to Chhindwara RO in the month of November the pendency

increased. The trend of pendency in Settlement of Provident Fund refunds is shown in the figure given below:



### Coal Mines Deposit Linked Insurance Scheme

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

In accordance with the Scheme, the employers were required to contribute at the rate of 0.5% of the aggregate wages of covered workers. The Central Government was also required to pay half of the amount contributed by the employers under the Scheme. Currently, for meeting the cost of administration of this scheme, Private Sector employers contribute @ 0.1% of aggregate wages

and the Central Government contribute 50% thereof i.e. 0.05% of aggregate wage.

The executive cadre employees of CIL were exempted from operation of the said Scheme. The workers of the CIL and its subsidiaries were exempted earlier from the operations of the Scheme by Ministry of Coal.

### Coal Mines Pension Scheme, 1998

The Coal Mines Pension Scheme has come into force with effect from the 31st day of March, 1998. The total pension claims settled and disbursed under the Coal Mines Pension Scheme, 1998 during 1.4.2016 to 31.12.2016 and 1.1.2017 to 31.3.2017 are indicated below:

Coal Mines Pension Scheme, 1998	No of cases settled (from 01.04.2016 to 31.12.2016) and disbursed	No of cases settled (from 01.01.2017 to 31.03.2017) and disbursed #
Number of new claims of Pension settled	21042	10500
Amount disbursed	Rs. 1583.85 Crore	Rs.560.00 Crore

# all figures are provisional.

Amounts to be deposited by Pension members including new optee in terms of the provisions of the Scheme.

During 2016-17 the net accretion in the pension contribution from in-service members (as on 31st Dec, 2016) is Rs.667 crore and from 1st Jan, 2017 to 31st Mar, 2017 is expected to be Rs.222.00 crore raising, thereby, the total accretions to Rs. 1880.22 crore, approximately (including Government Share and interest).

### Coverage:-

- All employees who were members of the erstwhile Coal Mines Family Pension Scheme, 1971 and were on rolls on 31st March, 1998.
- All such employees who are appointed on or after 31st March, 1998.

- c) All such optee members who opted for membership of the Pension Fund in form PS-1 and PS-2, as the case may be, with the condition specified under the Scheme.
- d) All such employees who died while in service during the period 01.04.1994 to 31.03.1998 are treated as deemed optee of the scheme vide G.S.R. No. 521(E) dated 12.08.2004.

#### Benefits:-

- a) Monthly Pension. (Superannuation, Voluntary Retirement, exit from service)

- b) Disablement Pension.
- c) Monthly widow or widower pension.
- d) Children Pension
- e) Orphan Pension.
- f) Ex-gratia Payment.

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