

CHAPTER

5



PUBLIC SECTOR UNDERTAKINGS

ANNUAL REPORT 2017-18

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Coal India Limited

Coal India Limited (CIL) an organised state owned coal mining corporate came into being in November 1975 with the Government taking over private coal mines. With a modest production of 79 MT at the year of its inception CIL today is the single largest coal producer in the world.

CIL works within the framework of an overall vision to emerge as a global player in the primary energy sector by attaining environmentally socially sustainable growth through best practices from mine to market.

Coal India Limited, the holding company with headquarters at Kolkata, is headed by a Chairman. He is assisted by four Functional Directors, namely, Director (Technical), Director (Personnel & Industrial Relations), Director (Finance) and Director (Marketing). Each subsidiary company of CIL has its Board of Directors headed by a Chairman-cum-Managing Director. In addition, there are four functional Directors in each of the seven production companies and Central Mine Planning & Design Institute Limited (CMPDIL). In addition, part-time or nominee Directors on the Board of CIL and its subsidiary companies are appointed in accordance with the Articles of Association of the Company and Government guidelines prescribed in this regard from time to time.

CIL's Strategic Relevance

- Produce around 84% of India's overall Coal production.
- In India where approximately 55% of primary commercial energy is coal dependent, CIL alone meets to the tune of 40% of primary commercial energy requirement.
- Commands nearly 74% of the Indian coal market.
- Feeds 98 out of 101 coal based thermal power plants in India.
- Accounts for 76% of total thermal power generating capacity of the utility sector.

- Supplies coal at prices discounted to international prices.
- Insulates Indian coal consumers against price volatility.
- Make the end user industry globally competitive.

Milestones in 2016-17

- Sustaining the growth arc in production and off-take, CIL had exceeded half-a-Billion Tonne mark in both the physical aspects for the second consecutive year.
- Coal production has taken a quantum jump of over 100Mt. in a five-year span, from the level of 452.21 Mt. recorded in 2012-13 to the current level production of 554.14 Mt. in 2016-17.
- Coal dispatch to power utilities (including special forward e-Auction) during the year was 425.397 Mt. registering a growth of 3% compared to last year dispatch of 413.11 Mt.
- CIL's Gross sales turnover have exceeded Rs. 100000 Crore for the second consecutive year.
- CIL has been accredited with IS/ISO 9001:2015 (Quality Management System) and IS/ISO 50001:2011 (Energy Management System) certification during 2016-17.
- CIL is one of the highest contributors to the Government ex-chequer both-Central and State Governments. CIL paid corporate taxes of Rs. 8942.70 crore to Government of India in 2016-17
- There was a decline in coal import resulting in substantial Forex saving.

Transformational HR Initiatives in CIL

➤ Manpower

The total manpower of the Coal India Ltd. including its subsidiaries as on 31.12.2017 was **3,02,785**. Company-wise status of manpower is as below:-

Company	2016-17 (Upto 31.12.2016)	2017-18 (Upto 31.12.2017)
ECL	64801	62655
BCCL	51860	49581
CCL	42725	41188
WCL	47791	46245
SECL	62255	59688
MCL	22258	22392
NCL	15578	15107
NEC	1743	1577
CMPDIL	3562	3434
DCC	391	378
CIL(HQ)	865	918
TOTAL	313829	302785

➤ Employees' participation in management

In general, decisions concerning employees are taken through bilateral forums represented by employees and management. Bilateral forums such as Housing Committee, Welfare Committee, Canteen Committee etc. are in operation at all project. Similarly, Bipartite meetings, under the Industrial Relations system, are held periodically at unit level, area level and corporate level to resolve issues pertaining to employees' service conditions and welfare. Every subsidiary is having an Apex Bipartite Committee (Joint Consultative Committee) headed by the Chairman-cum-Managing Director of the Company. The Joint Consultative Committee deliberates on various strategic issues and issues related to quality of life of employees in general. All these bipartite bodies are represented by employee's representatives.

➤ Contract workers

The Company is a source of employment to the nearby villagers. There are about 1,12,931 contractors' workers employed in mines through registered contractors for various outsourced works. The company ensures compliance of all legal and company norms, pertaining to the pay and welfare of the contractors' workers, by the contractor. Minimum wages for the contract workers in Coal India Ltd. who have been engaged in mining activities has been fixed, which is higher than the minimum wages under the Payment of Minimum Wages Act.

In addition to the above, the Company provides medical treatment at the Company's facility, free of cost, to the contractors' workers. All the contractors' workers are being subjected to medical examination, safety training and are being provided with personal protective equipment. The Company has successfully covered all the contractors' workers under the Social Security Schemes (CMPF & CMPS). The payment of wages to the contractors' workers is ensured through bank to avoid any exploitation on this count.

For monitoring compliance of payment of wages and other benefits to the Contractors' Workers under the Contract Labour (R&A) Act, 1971, Coal India Ltd. has created and launched "Contract Labour Payment Management portal". Comprehensive database, including bank account number and Aadhar number, of all the workers engaged by different contractors in CIL & its Subsidiaries is uploaded on this portal. This portal provides access to all contractors' workers so that they may view their personal details including rate of wages and payment status as well as, if need be, register their grievance.

Further, Ministry of Labour & Employment vide its Gazette Notification dated 7th December, 2015, exempted Subsidiaries of CIL to engage the contractor workers on the works specified (prohibited) at serial nos. 1 to 3 under S.O.2063 dated 21st June, 1988, Published in the Gazette of India, Part-II Section-3, sub-section (ii) published by Ministry of Labour & Employment for five years from the date of publication of the notification.

➤ Child Labour/Forced Labour/Bonded Labour

Engagement of child labour, forced labour or bonded labour, in any form, is prohibited in the Company, either by itself or by any stakeholder in the value chain of the Company's operation. This is strictly monitored through mandatory initial medical examination of all contract workers engaged in mines.

➤ Freedom of Association

Democratic values are ingrained in the management of human resource in the company. Employees are free to be part of any registered trade union and other govt./ non-govt. organizations. Branches of all central trade unions and local unions are operating in coalfields. Their representation is allowed in the bipartite bodies in the company under the norms of the Industrial Relations System

Non-Discrimination

The Company follows principles of non-discrimination in employee management. There is no discrimination of the employees in the name of religion, caste, region, creed, gender, language etc. All employees are given equal opportunity in service matters.

Organisational Culture Building initiatives

All the new entrants joining the Organisation have been welcomed under Project Aagaman. Employees are inducted in the Company under the Induction Program at Indian Institute of Coal Management and Vocational Training Centres. The Chairman, CIL extends a warm welcome to the fresh recruits through "Welcome letter".

All the superannuating employees are being given farewell and their terminal dues are settled under the Project Samman. The Chairman, CIL and the CMDs of the Subsidiaries express their gratitude to the contributions of the employees and their family members to the success of the Organisation.

People Development initiatives

A Talent Management Policy has been approved by CIL Board to identify and groom a talent pool of Executives, from which, successors for each and every critical position of the Company would be selected. A talent Management Committee comprising of Outside Experts would be involved in selecting successor from the identified talent pool.

A Comprehensive Learning & Development Policy has been formulated and is under process for approval. The draft mandates compulsory training envisages planned development of Employees in a training cycle of 4 years. The training facilities are being upgraded with proper training infrastructure and training aids.

Through CIL Mentorship programme, all the freshers are being mentored by a group of well-trained mentors, to cope up with the challenges in the working environment.

Functional skill trainings, Skill development trainings, Management Development Programmes, Leadership Development Programmes have been organised for different levels of employees. Similarly, special programmes have been organised on Contract Management, Project Management, Environment, Forest & Sustainability, Enterprises Risk

Management, Finance, Stress Management etc.

Social Security

All employees are covered under the social security schemes of the Company as below:

i. Gratuity

Employees on their retirement receive Gratuity payment upto Rs. 10 lakhs. The ceiling is due to be raised to Rs. 20 lakhs under Pay Revision 2017.

ii. CMPF

All employees are covered under the Coal Mines Provident Scheme which is a contributory fund with equal shares both by employee and the Company.

iii. Coal Mines Pension Scheme (CMPS)

All employees are covered under the Coal Mines Pension Scheme by which, on superannuation, they receive 25% of their Basic Pay as monthly pension. In the event of death of the employee, the spouse and children are eligible to receive pension.

iv. Post-Retirement Medical Support

CIL has added a post-retirement medical support to its 3 lakh employees to provide critical health support to the employees and the spouse, post retirement. Subject to conditions, the Scheme provides reimbursement of medical expenses for indoor and outdoor treatment for a maximum amount upto Rs. 5 lakhs (For Non executives) and Rs. 25 lakhs for Executives in ordinary cases, and enhanced support in case of critical diseases such as Heart diseases, Cancer, Renal diseases, paralysis, etc.

CIL has now planned to introduce Healthcare Insurance Scheme to cover all the employees and their dependent family members, ex employees and their spouse to provide health coverage for hospitalization, outpatient treatments and other diagnostic tests. The proposed system will ensure cashless treatment through Smart Cards with biometric data for authentication purposes and linking with Aadhar details.

v. Superannuation Pension Scheme

CIL has formulated a Superannuation Pension Scheme to provide superannuation benefit in the form of annuity through an Annuity

Service Provider, post retirement, to all Board level and below Board level Executives. It is to be implemented with retrospective effect from 01.01.2007.

vi. Employee Compensation

In the event of death/ disablement while on duty, the employees are eligible to receive monetary compensation under the Employee Compensation Act. Apart from that, the Company provides additional compensation of Rs. 5 lakh and Rs. 90,000 as Ex-gratia.

vii. Life Cover Scheme

In the event of death of an employee while in service, the dependents of the employee are entitled to receive an amount of Rs. 1,25,000 under the life cover scheme.

viii. Employment to dependent

In the event of death/ disablement of an employee, while in service, one of his dependent entitled for permanent employment in the Company.

Grievance Management

The Company has a robust online Stakeholder grievances system to deal with the grievance of Stakeholders i.e. employees, Consumers and others. Under the policy all grievances are redressed within 10 days and Stakeholders are informed accordingly. As on 31st Dec'17, there is no cases pending in **SEBI SCORES** and **PG Portal** of CIL.

Resettlement & Rehabilitation Policy of CIL

Coal India's R & R Policy was first formulated in 1994 and has been in operation with modifications from time to time. The R & R Policy, in vogue since 2000, was further modified in 2004, 2008 and 2012. The revised R & R Policy of CIL-2012 provides multiple options to the land losers. It also bestows more flexibility to the Board of Subsidiary Companies to meet unique R & R problems to acquire land faster.

Some of the operational features of the policy are as follows:-

- Land compensation to land oustees is paid as per the provisions of the relevant Act or State Government notification.
- Employment is provided to land oustees against every

two acre of land. All the land losers who are not eligible for employment, are entitled to receive monetary compensation in lieu of employment at the rate of Rs. 5 lakhs for each acre of land on pro-rata basis.

- A one-time lump-sum payment of Rs. 3 lakhs is paid in lieu of alternate house site. Monetary compensation is also provided for construction of work shed etc.
- Each affected family gets a subsistence allowance at the rate of 25 days Minimum Agriculture Wage per month for one year.
- Coal companies assist project affected people to establish non-farm based self-employment. Contractors are encouraged to give jobs to the eligible PAPs on preferential basis.
- As far as possible, coal companies shift tribal community as a unit and provide facilities to meet the specific needs of the tribal community – thus allowing them to maintain their unique identity.
- Affected Tribal families are given one time financial assistance of 500 days of MAW for loss of customary right or usages of forest produce.
- Affected Tribal families settled out of the district are given 25% higher rehabilitation and resettlement benefit. At rehabilitation site, a school, road with street light, pucca-drain, pond, tube well for drinking water supply, community center, place of worship, dispensary, grazing land for cattle and play ground are provided.
- The community facilities are available to all the residents of the resettlement colonies, including PAPs and the host population.
- The approach for operation of community facilities is flexible and all efforts are made to involve the State and local self- Government/Panchayat. The planning of community facilities and their construction is undertaken in consultation with the affected community.

In the background of the Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation & Resettlement (RFCTLARR) Act of 2013, and other relevant

issues, the R & R Policy of Coal India Ltd. is being revised to incorporate the provisions of RFCTLARR Act-2013. The draft of revised R & R Policy of CIL has been prepared by a committee under the chairmanship of CMD-WCL and the revised policy is under process of approval.

Care for Environment

Coal companies have been constantly addressing the impact of mining activities across environmental and social issues. Eco-friendly mining systems have been implemented in all mining areas. To make environmental mitigation measures more transparent, coal companies have introduced state-of-the-art Satellite Surveillance to monitor land reclamation and restoration for all opencast projects. Coal India has made afforestation over an area of around 38,374 hectares through a well structured Environment management plans and sustainable development activities. As a part of 'Clean & Green' programme, massive plantation is also taken up by CIL wherever land is available. In 2017-18 alone CIL and its subsidiaries have planted 19,36,264 saplings in mining areas. Till 2017-18, CIL has planted 95.9 million trees.

NLC India Limited (NLCIL)

Overburden removal, lignite production, gross power generation and export of power during the year 2017-18 up to the end of December 2017 and provisional for the period January 2018 to March 2018 are indicated below:

Product	Unit	BE 2017-18	2017-18 (up to Dec 2017)		Jan 2018 to March 2018 (Prov)
			Target	Actual	
Overburden	MM ³	157.40	116.29	134.27	41.11
Lignite	MT	26.80	17.35	16.43	9.45
Power Gross	MU	22000.00	16020.51	15277.55	5979.49
Power Export	MU	18720.00	13625.51	12814.81	5094.49

NLC India Limited (NLCIL) was registered as a company on 14th November 1956. The Mining operations in Mine-I were formally inaugurated on 20th May 1957 by the then Prime Minister. NLC India Limited has been conferred with the "NAVRATNA" status since April 2011.

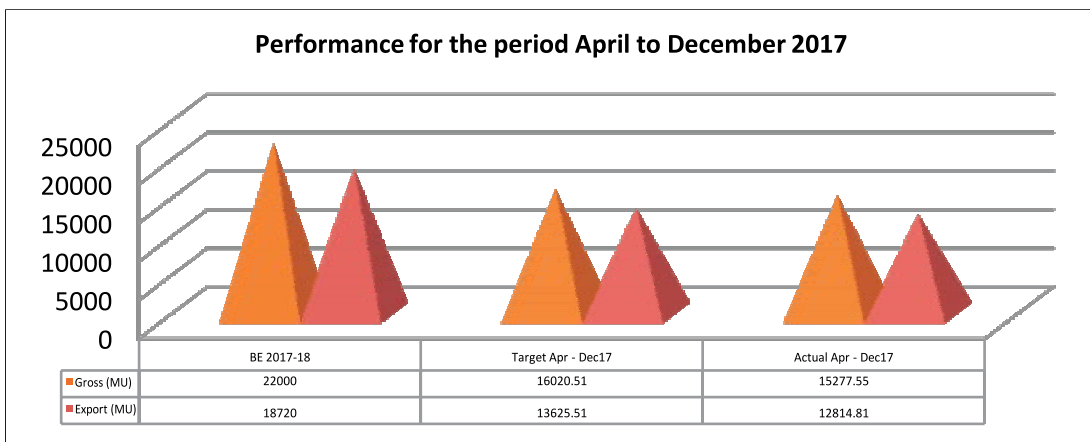
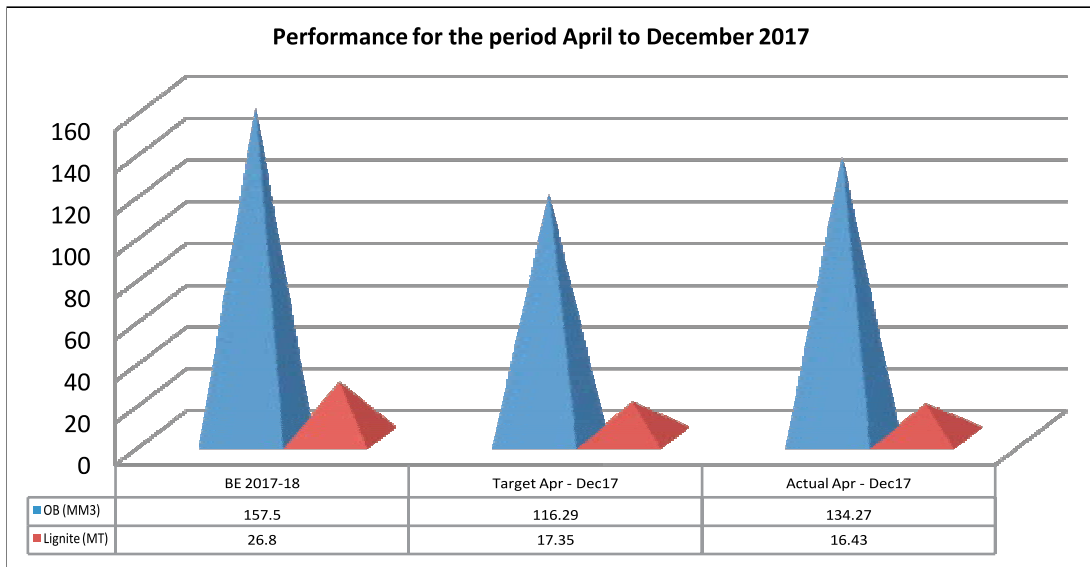
NLC India Limited's present mining capacity is 30.6 MTPA and power generating capacity, as on December 2017, is 4431 MW. All the Mines and the Power Stations of NLC India Limited have received ISO Certification for Quality Management System (QMS), Environmental Management System (EMS), and Occupational Health & Safety Management System (OSHAS).

Authorised Capital

The authorised capital of NLC India Limited is Rs. 2000 Crore and paid up equity is Rs. 1528.57 Crore. The investment by Govt. of India as on 31.03.2017 is as under:

Investment	(Rs. Crore)
Equity - GOI Portion:	1528.57
Loan from GOI - (including accrued interest)	Nil

Production Performance (NLCIL)



If power surrender of 1738.25 MU is added in that case, the gross power generation for the period April 2017 to December 2017 would be 17015.80 MU with an achievement of 106.21% (against the present level of 95.35%).

Productivity

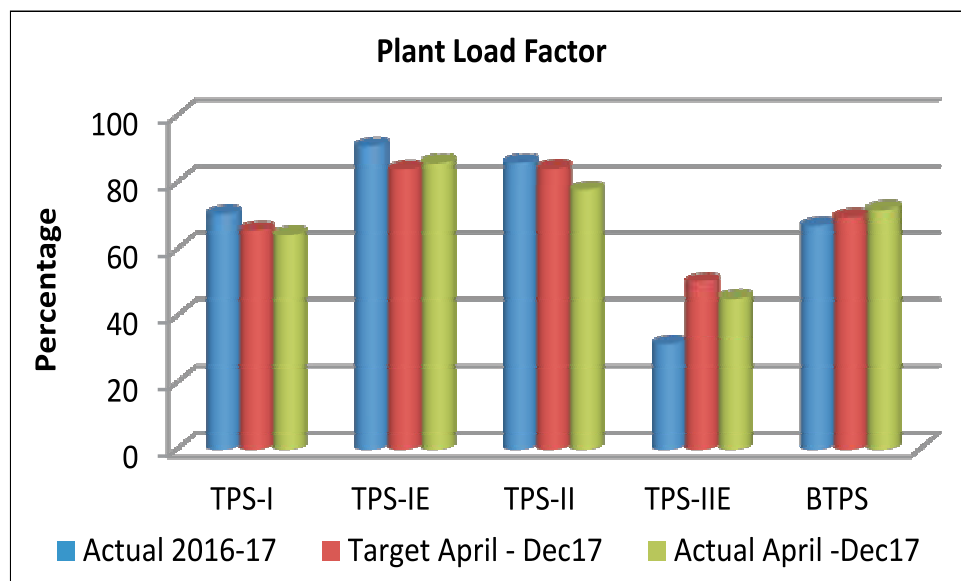
The productivity performance in 2016-17 and 2017-18 (up to December 2017) is furnished in the table below:

OMS	Unit	2016-17 Actual	2017-18 (up to Dec 2017)	
			Target	Actual
Mines	Tonne	13.67	10.42	11.42
Thermal	KwHr	24341	22228	24209

Plant Load Factor

The PLF achieved by TPS-I, TPS-I Expansion, TPS-II and Barsingsar TPS during 2016-17 and 2017-18 (up to December 2017) are as under:

PLF	2016-17 Actual	2017-18 (up to Dec 2017)	
		Target	Actual
T.P.S-I	70.33	65.61	64.27
T.P.S-IE	90.71	83.84	85.82
T.P.S-II	85.83	84.12	77.56
T.P.S-II E	31.35	50.03	45.15
Barsingsar TPS	66.82	69.52	71.83



Singareni Collieries Company Limited

The Singareni Collieries Company Limited (SCCL) is a Joint venture of Govt. of Telangana and the Govt. of India with equity participation in the ratio of 51:49 respectively. SCCL is contributing around 9.5 % of the total all India production.

Coal Production

The production of coal by the CIL during Apr.-Dec.2017 was 383.93 Mte in 2017-18 as against the annual target of 600 Mte. The SCCL produced 41.99 MTe of coal during 2017-18 against the annual target of 62 Mte.

Productivity (OMS)

Productivity target for the year 2017-18 was 5.29 Tonnes and 4.28 Tonnes productivity is achieved upto December,2017.

Singareni Collieries Co. Ltd.		
Target 2017-18	Target 2017-18 (April-December 17)	Actual 2017-18 (April-December 17)
5.29	5.13	4.28

Development Activities In North Eastern Region

In the North Eastern Region, Coal India Limited has its mining activities mainly in Makum Coalfields of Assam. At present 4(Nos) of mines are in operation. These are Tirap, Tikak, Ledo(OCP) and

Tipong. Out of these, Tirap, Tikak and Ledo (OCP) are open cast Mines/Projects while Tipong is an Under Ground Mine.

In North Eastern Coalfields there are 5(five) major outsourcing patches in the open cast Mines. These are: Tirap(East), Tirap(West), Tikak(East), Tikak(OCM) and Ledo(OCP). NEC’s entire coal production of open cast mine is outsourced. Ledo(OCP) was started in the F.Y. 2008-09. The coal production of Last 4(four) years has been shown in the following table I.

Table – I (Fig. in Lakh Tonnes)

Year	2013-14	2014-15	2015-16	2016-17	2017-18 Provisional
Coal Production of NEC	6.63	7.79	4.86	6.002	7.00

In the year 2017-18, it is expected to achieve 7.00 lakh tones. During the year 2017-18, out of 5(five) patches, only 4(four) patches hav produced coal during the month of April’2017 to Dec’2017.

During the month of December’17 only 4(four) patches had produced coal at North Eastern Coalfields. This was due to non-finalization of outsourcing contract. As on date tender for only 1(one) patch of Opencast Mine is yet to be finalized. Tender has already opened and tender Committee recommendation is being scrutinized.

PERFORMANCE OF NEC (Period from 01.04.2017 to 31.12.2017)

Table – II (Actual Data)

1	Coal Production	Unit	Quantity
I.	Under Ground	Lakh Tonnes	0.021
II.	Open Cast	"	3.52
	TOTAL	"	3.54
2	O.M.S.		
I.	Under Ground	Tonnes	0.02
II.	Open Cast	"	3.10
III.	Overall	"	1.70
3	Coal Despatch/Off take		
I.	Despatch	Lakh Tonnes	4.96
II.	Domestic Consumption	--	--
III.	Off take	"	4.96
4	Pit-head coal stock as on 31.12.16	"	0.41
5	No. of Mines	Working	04

PERFORMANCE OF NEC (Period from 01.01.2018 to 31.03.2018)-Provisional

Table – III (Provisional Data)

1	Coal Production	Unit	Quantity
I)	Under Ground	Lakh Tonnes	0.0085
II)	Open Cast	"	3.45
	TOTAL	"	3.46
2	O.M.S.		
I)	Under Ground	Tonnes	0.03
II)	Open Cast	"	9.79
III)	Overall	"	5.51

3	Coal Despatch/Off take		
	Despatch	Lakh Tonnes	2.04
	Domestic Consumption	"	--
	Off take	"	2.04
4.	Pit-head coal stock as on 31.03.2018	"	1.82
5.	No. of Mines	Working	04

PERFORMANCE OF NEC (Period from 01.04.2017 to 31.03.2018)-Provisional

Table – IV (Anticipated Data)

1.	Coal Production	Unit	Quantity
I)	Under Ground	Lakh Tonnes	0.0295
II)	Open Cast	"	6.97
	TOTAL	"	7.00
2.	O.M.S.		
I)	Under Ground	Tonnes	0.25
II)	Open Cast	"	4.58
III)	Overall	"	2.58
3.	Coal Despatch/Off take		
I)	Despatch	Lakh Tonnes	7.00
II)	Domestic Consumption	"	-
III)	Off take	"	7.00
4.	Pit-head coal stock as on 31.03.2018	"	1.82
5.	No. of Mines	Working	04

Performance of NEC during Last five years

Though NEC was incurring heavy losses barring a few years in the past, it has started earning overall profitability. However, the under ground Collieries are still in Losses since 2005-06. The profitability of the last five years has been shown in the table –V.

Table – V

(Fig. in Lakh Rupees)

MINES	2012-13	2013-14	2014-15	2015-16	2016-17
TIPONG(UG)	(-)6011.03	(-)5279.12	(-)6698.94	(-)6473.28	(-)6841.20
LEDO(UG)	(-)1688.24	(-)1464.79	(-)1446.81	--	
BARAGOLAI(UG)	(-)3493.09	(-)2934.05	(-)3033.63	(-)2819.03	
JEYPORE(UG)	(-)110.73	(-)122.02	(-)100.68	(-)140.32	(-)112.26
TIRAP(OC)	(+)6423.05	(+)10718.88	(+)10282.01	(-)131.73	(-)1556.79
TIKAK(OC)	(+)5947.83	(+)1.78	(+)5075.65	(+)1443.27	(-)3770.64
LEDO OCP	(+)4831.36	(+)2306.24	(-)1160.10	(+)2149.18	(-)65.49
Service unit	(+)674.09	(+)31.20	--	--	
Total NEC	(+)6573.23	(+)3258.12	(+)2917.51	(+)5971.91	(-)12356.38

NEC'S PRODUCTION PROGRAMME

In NEC, at present there are altogether four(4) Nos existing working mines. Out of 4 mines, 3 Nos are opencast mines and 1 No is underground mine. During the Financial Year 2017-18, it is anticipated to produce coal 7.0 Lakh tonnes of coal.