

14

STANDING COMMITTEE ON
COAL AND STEEL
(2005-2006)
FOURTEENTH LOK SABHA

MINISTRY OF COAL

MANPOWER PLANNING, UTILISATION OF MACHINERY
AND OUTSOURCING IN COAL INDIA LIMITED

FOURTEENTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

March, 2006 / Phalguna, 1927 (Saka)

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Presented to Lok Sabha on 22.3.2006
Laid in Rajya Sabha on 22.3.2006



LOK SABHA SECRETARIAT
NEW DELHI
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**COMPOSITION OF THE STANDING COMMITTEE ON
COAL AND STEEL (2005-06)**

Shri Ananth Kumar - **Chairman**
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Lok Sabha

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4. Shri Shiv Singh - Under Secretary
5. Shri B.D.Dhyani - Senior Committee Assistant

COMPOSITION OF THE SUB-COMMITTEE ON COAL OF THE
STANDING COMMITTEE ON COAL AND STEEL(2004-05)

- Shri Ananth Kumar – **Chairman**
2. Shri Nitish Kumar – **Convenor**
 3. Shri Hansraj G. Ahir
 4. Shri E.Ponnuswamy
 5. Shri Vidya Sagar Nishad
 6. Shri Hemlal Murmu
 7. Shri Devdas Apte
 8. Shri Faggan Singh Kulaste
 9. Shri Bhubaneswar Prasad Mehta
 10. Shri Anirudh Prasad alias Sadhu Yadav

INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Fourteenth Report (Fourteenth Lok Sabha) on the subject “Manpower Planning, Utilisation of Machinery and Outsourcing in Coal India Limited”

2. Taking into consideration the significance of the subject, the Standing Committee on Coal and Steel selected the above-mentioned subject and entrusted the same to the Sub-Committee on Coal for examination and report thereon.

3. The Sub-Committee on Coal was briefed by the representatives of the Ministry of Coal on 30.12.2004 and 7.1.2005 on the subject. Thereafter the Standing Committee on Coal & Steel took oral evidence of the representatives of the Ministry of Coal on 20.6.2005 on the aforesaid subject.

4. The Committee wish to express their thanks to the representatives of the Ministry of Coal for placing before them the detailed material/information as desired by the Committee/Sub-Committee and sharing with the Committee/Sub-Committee their frank views and perceptions concerning the subject.

5. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 21.3.2006.

6. The Committee place on record their profound appreciation for the work done by the Sub-Committee on Coal for their indepth study and analysis of the subject, thereby helping in preparation of the Report.

7 For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

New Delhi;

21 March, 2006

30 Phalgun, 1927 (Saka)

ANANTH KUMAR,

Chairman,

Standing Committee on Coal and Steel.

PART - I

CHAPTER 1

REPORT

Introductory

Coal India Limited (CIL), a holding company, under the Ministry of Coal, was set up on 1st November, 1975 to streamline the working of the coal industry in a manner conducive to more efficient administration and rapid stepping up of coal production. Coal India Limited is primarily responsible for establishing corporate objectives and strategies for their achievements, for setting up of targets, monitoring of performance, marketing, raising resources and laying down broad guidelines in important policy matters like marketing, procurement, environmental management, inventory control, etc. The company has under it seven producing subsidiaries and one planning and design subsidiary. These subsidiaries are as under:

- (i) Eastern Coalfields Ltd. (ECL)
- (ii) Bharat Coking Coal Ltd. (BCCL)
- (iii) Central Coalfields Ltd. (CCL)
- (iv) Northern Coalfields Ltd. (NCL)
- (v) Western Coalfields Ltd. (WCL)
- (vi) South Eastern Coalfields Ltd. (SECL)
- (vii) Mahanadi Coalfields Ltd. (MCL)
- (viii) Central Mine Planning & Design Institute Ltd. (CMPDIL)

1.2 Coal India Ltd. (CIL), after its formation as holding company, started its journey with huge manpower of more than six lakh employees in hundreds of small units scattered over seven States (now eight States after formation of Chhattishgarh) of the country. The huge manpower of CIL was mainly due to manual coal mining and loading requiring more persons especially during the pre-nationalisation period when the coal mining was not in the organized sector. Subsequently, with the introduction of mechanization, requirement of manpower has reduced. For mechanization, CIL developed training programmes for skill development. Employees have been trained for different skills and deployed to operate different kinds of machines, introduced in different mines. Training, retraining and refresher courses are being conducted by Department of Human Resource Development of CIL to meet the need of skilled manpower. Thus, except for certain skilled categories like doctors, nurses, chemists, etc., CIL does not recruit manpower from outside.

1.3 The most important objective to increase production to meet the country's growing coal demand, is the introduction of most advanced technologies and their proper utilization. The overseas and modern national experience reveal that coal production concentration could be achieved only through the introduction of new technologies, utilization of heavy-duty and highly reliable earth moving machines, roadheading and longwall equipments capable of working in a wide range of Indian geological conditions, underground transportation systems and stationary equipments. Due to the low utilization of equipments, the mining industry faces huge losses. Thus, introduction of the latest equipments is one of the major objectives of Coal India Limited in leading the industry out of the crisis by means of concentrated mining activities and intensified production. It also ensures less exposure of workmen to the mining hazards.

1.4 Outsourcing has grown in importance world-wide because economic and competitive pressures have made it imperative for organizations to focus on their core issues and for the secondary corporate functions, turn to third parties to assume responsibility. In line with many other industries and agencies, Coal India Ltd. has also adopted the concept of outsourcing for better economic returns. The activities outsourced by Coal India Ltd. include coal production, overburden removal and transportation of coal. The experience of Coal India Ltd. reveals that outsourcing of some of its activities has been financially and economically viable. Thus outsourcing also plays an important role in the functioning of Coal India Ltd.

CHAPTER-II

MANPOWER PLANNING

Manpower Management/Planning is productive harnessing of manpower resources. Without competent people at the operational and managerial levels, the organization will not be able to accomplish the organizational objectives in a desirable manner. Manpower Planning is choosing the proper type of people as and when required. It also takes into account the upgradation in existing manpower. Manpower planning ensures optimum use of available human resources. It is essential to generate facilities for educating people in the organization, bring about fast economic developments, provide smooth working atmosphere and also provide opportunities for career development of the employees in the larger interest of the company and the employees.

2.2 In Coal India Limited (CIL), Human Resource Development is a key area of management function and occupies an important place. The personnel policies of the organization have been formulated to ensure positive contribution by its employees.

2.3 Rationalization of manpower has been a major thrust area by the management. Effective methods such as redeployment/transfer of employees against the vacancies created due to natural wastage, strict control on fresh recruitment and retirement through Voluntary Retirement Scheme (VRS) were taken up. Resultantly, there has been large reduction of overall manpower from a level of 6.70 lakhs as on 1 April 1985 to 4.73 lakhs as on 30 December 2004.

Assessment of Manpower Requirement

2.4 At the time of nationalization of coal mines, the manpower of Coal India Limited (CIL) was a little over five lakh and the production of coal was 79 million tonne. At that time, the coal was being mined manually and about 80% of coal was being produced from underground coal mines which required huge workforce. As the CIL started taking up new projects to increase the production to meet the growing coal demand of the country, the manpower also increased substantially. In about 17 years time from 1974, it went over to 6.72 lakh in 1991. Thereafter, there had been significant change in the coal industry. The coal was started being mined by opencast system and that too with the introduction of state-of-the-art heavy machinery. The process of mechanization of underground mines was also started. This resulted in the less requirement of manpower especially unskilled workforce. Besides, natural retirements, CIL made its efforts to reduce the workforce by offering VRS and other benefits. The manpower thereafter started declining and as on 1

October 2004, it came down to 4,76,754. The group-wise manpower in CIL as on 1 October 2004 was as under:-

(As on 1.10.2004)

Category	Manpower	Percentage
Executive	17,165	4%
Supervisory	38,574	8%
Skilled	1,59,732	34%
Unskilled	2,23,096	46%
Ministerial	34,565	7%
Others	3,622	1%
Total	4,76,754	

2.5 The skilled workers were 1,59,732 which is 34% of the total manpower of the CIL and the unskilled were 2,23,096 which constituted 46% and the problem of surplus is mainly with this category of workforce. Because of this surplus manpower, the recruitment of manpower including Engineers and Managers in CIL has been stopped, which has resulted in shortage of young engineers and managers.

2.6 The Committee were informed that the sanctioned strength of 1999 was treated as the actual strength as on 5.11.1999 which might not be reflective of the actual requirement. CIL has, however, recently decided to engage the services of a competent consultancy agency who will work out the optimal manpower requirement of CIL in respect of executives. So far as non-executives are concerned, the manpower requirement is assessed through preparation of manpower budget every year in each subsidiary. Subsidiary companies have been specifically advised by CIL to start a rigorous exercise on scientific assessment of manpower and to prepare a comprehensive report on this.

2.7 On being enquired about the shortage of manager/engineer level officers and to meet the shortages, the Ministry of Coal in a pre-evidence written reply stated as under:-

“An attempt at company level was recently made to assess the requirement of executives by a Committee constituted at subsidiary level.

Although an assessment of requirement of executives at various subsidiaries of CIL was made, CIL Board has considered it prudent to have such assessment made by a Management Institute of repute for which appropriate actions are afoot.

In the absence of assessment of manpower by a Management Institute of repute, vacancies cannot be worked out. Normally, this will cause cessation of recruitment.

However, appreciating the need of young blood at entry level, it is being proposed to permit recruitment as per annual recruitments made earlier (on an average 550). This will, however, be adjusted against the vacancies when these are assessed. After assessment, a proper recruitment drive will be started”.

2.8 When asked about the adequacy of sanctioned strength of executives in each subsidiary of CIL considering the increase in the mining activities in the recent past and also the fact that the production of coal is to be increased manifold to meet the increasing demand, the Ministry of Coal stated that compared to the sanctioned strength as on 5 November 1999 of the executives, the vacancy is 2,230 against the sanctioned strength of 19,083 which was the working strength of executives in CIL as on 5 November 1999. The Ministry further informed as under:-

“As advised by CIL Board, an assessment of requirement of manpower (executive) in 2005-06 and five years from now with due regards to the upcoming projects is proposed to be carried out by a Management Institute of repute/a management expert, etc.

Although CIL is planning to increase its production substantially from a level of 323.62 million tonne per annum (mtpa) to 363.00 mtpa in 2006-2007 (terminal year of Xth Plan and 508 mtpa in 2011-2012 (terminal year of XIth Plan). Most of its projects (upcoming) are high capacity high OMS projects with not a high requirement of manpower. As per the project provision, the requirement will be met by :-

- (i) Relocation of surplus manpower from one place to other (subsidiary- wise)
- (ii) Retraining of deployable surplus of one mine to another (same-subsidiary)
- (iii) Recruitment from outside”.

2.9 As regards ratio of executives and non-executives at present in CIL and its subsidiaries, the Ministry of Coal has given the following figures:

Category	ECL	BCCL	CCL	WCL	SECL	MCL	NCL	NEC	CMPDI	DCC	CIL(HQ)	TOTAL CIL
Executive	2489	2534	2611	2395	2806	1278	1431	107	830	53	328	16862
Non-Exec.	103203	89734	64260	66543	84784	20010	15743	3382	2460	594	875	451588
Ratio (NEx/Ex)	41.46	35.41	24.61	27.78	30.22	15.66	11.00	31.61	2.96	11.21	2.67	26.78

2.10 It has been transpired from the above that the ratio of executives and non-executives reveals different ratio for CIL and its subsidiaries. When asked about the reasons therefor, the Ministry of Coal informed as under:

“The ratio of executive to non-executive varies from one subsidiary to another as the ratio is dependent on following factors:-

- (i) Number of underground mines and number of opencast mines in the company;
- (ii) Extent of mechanization (number of manual districts as compared to mechanized districts);
- (iii) Method of work, system of coal evacuation from underground face to surface (by haulages or by belt/chain conveyers);
- (iv) Size and extent of the mine;
- (v) Surface manpower in underground mines, etc; and
- (vi) Manpower deployed at area and corporate Headquarter level. The ratio is 1:11 in NCL which has only higher capacity opencast mines (8 nos.) as compared to 1:41 in ECL having large number (88 nos.) underground mines, most of which are manual”.

2.11 In this regard, the Ministry further informed the Committee that generally the ratio of executive manpower should, in a labour intensive industry like ours, range between 3 to 5% of the total manpower. However, with the increasing thrust on mechanization, 8 to 10% should be better option. The ratio of non-executive manpower should range between 90 to 92% of the total manpower in that case.

2.12 The Committee have been informed that the problem of surplus manpower is more with the three loss making subsidiaries, *i.e.* Bharat Coking Coal Ltd. (BCCL) Eastern Coalfields Ltd. (ECL) and Central Coalfields Ltd. (CCL). However, there has been substantial reduction in the manpower especially of the unskilled labour in these three subsidiaries. The figures of manpower reduction in BCCL, ECL and CCL during the last three years are as under:

	Eastern Coalfields Ltd.			Bharat Coking Coal Ltd.			Central Coalfields Ltd.		
	1.10.01	1.10.04	Increase/ decrease	1.10.01	1.10.04	Increase/ decrease	1.10.01	1.10.04	Increase/ decrease
Executive	2,872	2,524	(-) 348	2,966	2,619	(-) 347	2,977	2,657	(-) 320
Supervisory	12,242	2,524	(-) 3,796	8,240	7,967	(-) 273	4,494	4,077	(-) 417
Skilled	32,033	32,240	(+) 207	32,306	27,370	(-) 4,936	19,644	18,821	(-) 1,123
Unskilled	66,485	56,460	(-)10,025	59,630	49,437	(-)10,193	41,868	36,084	(-)5,784
Ministerial	8,460	7,644	(-) 816	7,625	6,735	(-) 890	6,509	6,020	(-) 489
Others	1,039	746	(-)293	519	820	(+)301	453	1,146	(+)693
Total	1,23,131	1,08,060	(-)15,071	1,11,2861	94,948	(-)16,338	75,945	68,505	(-)7440

2.13 On the point of assessment of manpower requirement of the above three loss making companies, the Ministry of Coal in a written reply stated that manpower requirement is assessed through the preparation of Manpower Budget every year in each subsidiary. Except in ECL, BCCL and CCL, there is no surplus manpower in other subsidiaries. ECL, BCCL and CCL have following surplus manpower as per manpower budget 2004-2005:

Company	Executive	Supervisory	Skilled	Semi/Unskilled	Ministerial	Total
ECL	0	69	378	4626	185	5258
BCCL	0	0	0	8788	446	9234
CCL	0	0	0	8387	0	8387
Total	0	69	378	21801	631	22879

2.14 While considering proposals for revival of these companies, Controller General of Accounts, Ministry of Finance has suggested that 41 mines in BCCL and 26 in ECL, which are losing more than Rs.1000/- per metric tonne of coal or more, should be closed as a part of revival proposal.

2.15 If these mines are closed, 33,471 persons in BCCL and 11,164 persons in ECL will be rendered surplus.

2.16 The Secretary, Ministry of Coal, during the oral evidence informed the Committee in respect of assessment of manpower requirement of the subsidiaries of CIL as under:

“We had recently sent three teams of officers – one to USA, one to Australia and one to Indonesia – to study mining practices in these three countries and then work out a strategy which deals with all aspects of coal mining in the country which includes manpower deployment, mining practices and maintenance practices. These teams visited USA, Indonesia and Australia during the months of April and May. They will be shortly submitting their reports based on which we will be able to actually point as to what should be the real manpower system in Coal India.

Apart from this, Coal India's Board has recently decided to engage the services of a competent consultancy agency who will also work out the optimal manpower requirement for Coal India. So, based on that, we will then have to really work out as to what should be the optimal manpower, both skilled and unskilled, in Coal India. Unfortunately, because of a lack of scientific study of manpower requirement, Coal India had frozen its manpower as it existed in 1999 and treated that as the sanctioned manpower for Coal India. That apparently is not a very scientific method of deciding as to what should be the rational manpower in a company of the size of Coal India.

Because of that decision taken in 1999, recruitment in Coal India was frozen. Therefore, there was no fresh recruitment of managerial and skilled technical executive manpower in the last six or seven years. This has been an unfortunate decision because of which decision, we have not been able to induct younger managers and engineers in Coal India for a couple of years, which can create problems in future. As older people are retiring, we may not have younger people at middle level management. Coal India has, therefore, been advised, pending study to be completed by a reputed institution, to start a modicum of recruitment of younger engineers and managers so that we do not create a vacuum in respect of skilled manpower in years to come.”

2.17 The Committee note that rationalization of manpower is essentially the productive harnessing of human resources in Coal India Ltd.(CIL). The rationalization was necessitated due to mining of coal by opencast system, introduction of state-of-the-art heavy machinery as well as mechanization of underground mines after 1991 entailing less requirement of unskilled manpower. The Committee further note that by taking various measures viz. redeployment, strict control on fresh recruitment and separation through Voluntary Retirement Scheme (VRS), CIL has been able to reduce overall manpower substantially from a level of 6.70 lakhs as on 1.4.1985 to 4.73 lakhs as on 31.12.2004. The Committee firmly believe that by effecting rationalization of manpower, CIL will continue on the right track of progression. The Committee, therefore, strongly desire that manpower planning/management in CIL should focus on the rationalization as against reduction in the manpower considering the rapid advancement, expansion and modernisation in the coal sector. The Committee further desire the Ministry of Coal to submit the latest figures of manpower category-wise in Coal India Limited.

2.18 The Committee note that the recruitment of manpower including engineers and managers in CIL has been stopped since 1999. The CIL has since engaged the services of a reputed Management Institute for assessment of manpower and during intervening period, the Ministry has advised CIL to initiate an exercise for the recruitment of young engineers and managers. The Committee are of the view that no organisation can progress if it is deprived of the services of the fresh and trained manpower for such a long time. The Committee feel that non-induction of engineers and managers must have had an adverse affect on the key areas of CIL and, therefore, desire the Ministry/CIL to complete the scientific assessment of manpower requirement in a shortest possible span of time. The Committee would like to be apprised of the progress made in this regard within a period of three months.

2.19 The Committee note that the number of executives and non-executives in CIL were 17,165 and 4,59,589 respectively as on 1.10.2004. The percentage of executives in CIL as a whole comes to 3.73. In the subsidiaries of CIL, the percentage of executives ranges from 2.41 to 9.08. The Committee have been informed that in a progressive and mechanized coal mining industry, the number of executives should range between 8-10 per cent of the total workforce. The Committee, therefore, desire that keeping in view the CIL's major thrust on mechanization of mines, the existing ratio of executive manpower needs to be suitably enhanced to the desired level both in respect of underground mines and opencast mines to keep pace with the state-of-art-technology and modernisation in coal industry.

2.20 The Committee express grave concern over the continuing outsourcing by the CIL's Subsidiaries while terming existing manpower as surplus. The Committee, therefore, desire the CIL to apprise them within two months about the number of jobs outsourced in each of the subsidiaries category-wise. The Committee further desire the CIL to gainfully utilize the existing surplus manpower by upgrading their skill.

Appointment of Board Level Officers

2.21 At the apex level of Coal India Limited (CIL) and each of its subsidiaries, there is a Board of Directors. The Board of CIL, the holding company with headquarters at Kolkata, is headed by Chairman-cum-Managing Director (CMD). The CMD is assisted by four functional Directors; namely Director (Technical), Director (Personnel & Industrial Relations), Director (Finance) and Director (Marketing). Similarly, the Board of Directors of each subsidiary company is headed by a Chairman-cum-Managing Director who is assisted by four functional Directors (except MCL) having the portfolios of Personnel, Finance, Technical (Planning and Project) and Technical (Operations) in the company. In MCL, there are three functional Directors holding the portfolios of Personnel, Finance and Technical. In addition, there are part time Directors in the Board of CIL and its subsidiaries representing various stake holders such as Central Government, State Governments, etc. They are appointed in accordance with the Articles of Association of the Company and Government guidelines prescribed in this behalf from time to time.

2.22 Selection to the Board level posts is made by Public Enterprises Selection Board (PESB). As per the guidelines of Department of Personnel and Training (DoPT), action for filling up the Board level posts is initiated one year before the occurrence of vacancy. It has, however, been observed that even after initiating action well in advance for completing the various formalities for filling up the vacancy, a number of Directors posts remained vacant for a minimum period of six months to one year. When asked as to whether any posts at Board level are vacant at present or likely to fall vacant in near future in CIL and its subsidiaries, the Ministry of Coal furnished the following information showing the details of the posts, date from which the same are vacant and likely to be vacant in future, subsidiary-wise and the action taken by the Ministry to fill up these posts:

Sl. No.	Name of post	Vacancy date	Status
1.	Dir.(Pers.), NCL	29.03.2005	PESB recommendations awaited.
2.	Dir.(Tech.), ECL	29.01.2005	Consequential vacancy <i>vice</i> Shri R.P.Ritolia. Mandatory vigilance clearance of empanelled candidate awaited from CVC.
3.	CMD, ECL	01.02.2005	ACC approval awaited.
4.	Dir.(Tech.) CMPDIL	04.02.2005	Consequential vacancy <i>vice</i> Shri G.S. Chug. Mandatory vigilance clearance of empanelled candidate awaited from CVC.
5.	Dir.(Tech.), WCL	01.03.2005	Consequential vacancy <i>vice</i> Shri Abhiram Sharma. Mandatory vigilance clearance of empanelled candidate awaited from CVC.
6.	Dir.(Tech.), CMPDIL	10.03.2005	Consequential vacancy <i>vice</i> Shri S. Choudhury. Mandatory vigilance clearance of empanelled candidate awaited from CVC.
7.	Dir.(Tech.), BCCL	11.03.2005	Consequential vacancy <i>vice</i> Shri L.Jha. Mandatory vigilance clearance of empanelled candidate awaited from CVC.
8.	Dir.(Marktg.)CIL	30.03.2005	Consequential vacancy <i>vice</i> Shri Shashi Kumar. Selection process is under way.
9.	Dir.(Tech.), BCCL	01.05.2005	Appointment of empanelled candidate was delayed as there was lack of clarity on the vigilance status of empanelled candidate. However, the issue is now sorted out in consultation with CVC. Proposal for appointment of empanelled candidate is under process.
10.	Dir.(Fin.), SECL	01.08.2005	PESB recommendations awaited.
11.	Dir.(Tech.), MCL	01.10.2005	Mandatory vigilance clearance of empanelled candidate awaited from CVC.
12.	Dir.(Tech.), CMPDIL	01.11.2005	Mandatory vigilance clearance of empanelled candidate awaited from CVC.
13.	Dir.(Tech.), CMPDIL	01.02.2006	Mandatory vigilance clearance of empanelled candidate awaited from CVC.
14.	Dir.(Fin.),NCL	01.02.2006	PESB recommendations awaited.

2.23 It has been observed from the above that the posts of some of the Directors in various subsidiaries were lying vacant for more than 4-5 months. In the past also, the posts of some CMDs and other Board level officers remained vacant for about one full year, although action for filling up the said vacancies was initiated in time. During the period 1 July 2002 to 30 June 2005, the following Board level posts remained vacant for more than six months:

	Name of the Post	Date of Vacancy Occurred	Date when actually filled up
1.	Dir.(Finance), NCL	01.07.2002	18.02.2003
2.	Dir.(Tech.), CIL	02.07.2002	21.01.2003
3.	Dir.Tech), CMPDIL	06.07.2002	16.04.2003
4.	Dir.(Power), NCL	08.09.2002	16.04.2003
5.	Dir.(Tech.), CCL	01.10.2002	16.04.2003
6.	Dir.(Per.), CCL	20.02.2003	15.12.2003
7.	Dir.(Tech.), CMPDIL	24.01.2003	22.04.2004
8.	Dir.(Tech.), CMPDIL	01.02.2003	15.01.2004
9.	Dir.(Per.), BCCL	11.08.2003	11.10.2004
10.	Dir.(Fin.), WCL	20.11.2003	06.10.2004
11.	Dir.(Fin.), CCL	01.12.2003	06.10.2004
12.	Dir.(Per.), ECL	23.12.2003	18.10.2004
13.	Dir.(Per.), SECL	01.02.2004	22.09.2004
14.	CMD, MCL	01.04.2004	28.02.2005
15.	CMD, CIL	16.08.2004	29.03.2005

2.24 On being enquired about the steps taken or proposed to be taken to ensure that the board level posts do not remain vacant for a long time which would ultimately affect the working of the company, the Ministry of Coal stated as under:

“This Ministry has initiated action in accordance with the guidelines of Department of Personnel and Training (DoPT) for filling up board level posts one year in advance. It is submitted that concerted efforts are being made by this Ministry to follow these guidelines to shorten the time gap between various stages of selection process such as occurrence of vacancy, Public Enterprises Selection Board (PESB) recommendations, clearance from Central Vigilance Commission (CVC) and final orders. The initiative taken in this regard by this Ministry has produced encouraging results. Out of a total 50 board level posts in Coal India Limited (CIL) and its subsidiaries and Neyveli Lignite Corporation (NLC), only 9 posts are

vacant at present. Out of these nine vacant posts, 7 are consequential vacancies and the panel for filling up these consequential vacancies have also been obtained from PESB. With regard to the other 2 vacancies, proposal for appointment of CMD, ECL has been sent to DoPT for approval of the competent authority. In respect of the vacancy of the post of Director (Personnel), NCL, list of candidates has already been sent to PESB for convening the interview. It may be noted that in a few cases where the vacancy position was known, the Ministry was able to obtain the recommendation of PESB well in advance of the date of occurrence of the anticipated vacancies”.

2.25 The Committee note that selection to the Board level posts in Coal India Limited (CIL) and each of its subsidiaries is made by Public Enterprises Selection Board (PESB) and that action therefor is initiated one year before the occurrence of the vacancy as per the guidelines of the Department of Personnel and Training (DoPT). It has been found that action for completing the various formalities for filling up the vacancies was taken well in time, yet a number of posts at the Director level in CIL and some of its subsidiaries remained vacant for a period ranging from six months to one year and even beyond that. The Committee observe that despite concerted efforts made by the Ministry to shorten the various processes of selection, there had been a delay of approximately 5 and 10 months respectively for filling up the vacant posts of CMD, CIL and CMD, MCL. The Committee understand that the recommendations of PESB, clearance from CVC and approval of ACC are the pre-requisite requirements for filling up Board level posts and, therefore, the same should not be considered as excuse for delay in filling up such posts. The Committee cannot but draw inference that there had been a definite laxity on the part of the Ministry in quickly processing the appointment cases of Board level posts in CIL which has resulted in many such posts remaining vacant for several months. The Committee would like to emphasise that keeping in view the significant role being played by the Board level officers in the smooth functioning of CIL and its subsidiaries, delay in their appointment is unwarranted. The Committee, therefore, desire the Ministry to take timely action and ensure the completion of the various stages of selection process well before the occurrence of a vacancy.

Voluntary Retirement Scheme (VRS)

2.26 The Voluntary Retirement Scheme (VRS) introduced by Coal India Limited (CIL) as per the Board of Public Enterprises guidelines, to reduce its surplus manpower, has been in operation since 1988-1989. At the time of introduction of this scheme in 1988-1989, there were very few VRS takers. The response of the employees was not overwhelming. During the 1988-1989, 1,661 employees took VRS. The next year 1989-1990, it declined and only 900 employees took VRS. Thereafter there has been a good response. The total number of employees retired under the existing VRS during the Ninth and Tenth Plan periods are as under:

Ninth Plan

Year	No. of employees taken VRS
1997-1998	4,912
1998-1999	10,245
1999-2000	11,634
2000-2001	7,854
2001-2002	10,539
Total	45,184

Tenth Plan

Year	No. of employees taken VRS
2002-2003	6,573
2003-2004	5,947
2004-2005 (upto 31.12.04)	2,177
Total	14,697

2.27 The amount received from Ministry of Coal on account of VRS funds for ECL/BCCL and CCL during 1997-98 to 2004-2005 and its utilization is as under:

Year	Company	Amount Sanctioned (Rs.crores)	Amount Spent (Rs.crores)	Nos. of VRS. Optees whom paid
1997-1998	ECL	Rs.40.00	Rs.25.00	1472
	BCCL	Rs.40.00	Rs.50.33	3327
1998-1999	ECL	Rs.80.00	Rs.82.00	4323
	BCCL	Rs.80.00	Rs.68.23	3499
1999-2000	ECL	Rs.85.00	Rs.91.37	4450
	BCCL	Rs.80.00	Rs.67.15	3253
2000-2001	ECL	Rs.70.00	Rs.60.33	2653
	BCCL	Rs.70.00	Rs.50.59	2270
	CCL	Rs.40.00	Rs.29.11	1283
2001-2002	ECL	Rs.108.46	Rs.92.93	3604
	BCCL	Rs.108.46	Rs.64.32	2533
	CCL	Rs.65.62	Rs.35.14	1383
2002-2003	ECL	Rs.43.00	Rs.69.61	2512
	BCCL	Rs.42.00	Rs.70.44	2579
	CCL	Rs.22.02	Rs.32.46	1082
2003-2004	ECL	00.00	Rs.31.40	938
	BCCL	00.00	Rs.51.03	1734
	CCL	00.00	Rs.38.34	1148
2004-2005 (up to 31.12.2004)**	ECL	Rs.30.00	Rs.27.22	846
	BCCL	Rs.47.70	Rs.38.95	1236
	CCL	Rs.25.80	Rs.30.41	799

** For the year 2004-2005 funds were released as soft loan to CIL for VRS which in preceding years were released as grant from Government.

2.28 From the year 2000-2001, the PSUs under the Ministry of Coal, were de-linked from release of grant-in-aid from National Renewal Fund and budgetary provision for VRS was sanctioned from the Annual Budget of this Ministry. During the financial year *i.e.* 2003-2004, no fund was released from Ministry of Coal. For the financial year 2004-2005, Rs.103.50 crore has been sanctioned.

2.29 The utilization of funds allocated for the implementation of VRS in the CIL subsidiaries has been very poor especially during the Tenth Plan. During the first year *i.e.* 2002-2003 of the Tenth Five Year Plan, a provision of Rs.185.40 crore (BE) was made for VRS but the actual utilization has been to the tune of Rs.107.02 crore. The reason furnished by the Ministry of Coal for less utilization was that the number of employees retired under VRS were fewer than anticipated at the time of budget formulation. Rs.138.44 crore which was kept for the year 2003-2004 remained unutilized for the reasons, as furnished by the Ministry of Coal, that coal companies were left with the unutilized funds released in the previous years.

2.30 The Committee have been informed during the oral evidence that the coal companies have a large surplus manpower and even after their best efforts, not many people are willing to opt for VRS because it is a one time payment which leads to hardship in a long term basis for the workers. To a specific query, the Committee were informed that if VRS could be replaced by some kind of a tapering pension scheme which could ensure workers to have some fixed monthly income, that might have been acceptable in terms of reduction of manpower than the system of VRS. The other suggestion was regarding giving some shares in the company to the workers who are being separated so that they also have a stake in making the company profitable over a period of time.

2.31 When asked about the progress made in this regard during the last one year, the Ministry of Coal informed as under:

“Introduction of pension scheme will need to be discussed with the unions before a final view can be taken. Since, Coal India Limited for the last couple of months is involved in finalisation of VIIth Wage Agreement with Unions, it was not considered appropriate to take up new issues pending finalisation of Wage Agreement”.

2.32 The Committee have further been informed that a liberal Voluntary Retirement Scheme has been received from CIL which is under examination in the Ministry of Coal.

2.33 The Committee note that the Voluntary Retirement Scheme (VRS) was introduced in the year 1988-89 in Coal India Ltd. to reduce its surplus manpower. Although the response of the employees towards VRS was not that encouraging initially, yet it picked up gradually and as a result, during the Ninth Five year Plan i.e. from 1997-98 to 2001-02, as many as 45, 184 employees of Coal India Ltd. including its subsidiaries opted for VRS. Similarly, during the first three years of the Tenth Plan Period, i.e. 2002-2003, 2003-2004 and 2004-2005 (upto 31 December, 2004), 14,697 employees took VRS. The Committee further note that despite 59881 employees opted for VRS so far, the coal companies have still been ladened with large surplus manpower. The Committee have also been informed that replacement of VRS by some kind of tapering pension scheme which would ensure a fixed income and allotting some shares in the company to the workers who are being separated is on the anvil. In the opinion of the Committee, the pension scheme and allotment of shares merits attention and if implemented, will be as effective as the VRS, to reduce the surplus manpower in the coal companies.

The Committee, therefore, recommend the Ministry to explore the possibility of introducing the tapering Pension Scheme and allotment of shares to the separated employees to instil a sense of security among those employees opting for VRS by having a permanent source of income.

2.34 The Committee further observe that a liberal Voluntary Retirement Scheme has been submitted by Coal India Ltd. and the same is under examination in the Ministry. The Committee desire the Ministry to finalise the liberal VRS in true spirit, at an early date and allocate adequate funds for the same in order to enable the coal companies to shed the extra flab progressively.

Training

2.35 Training is imparted to workmen and some classes of supervisors as per the Mines Vocational Training Rules (MVTR) 1966. Different types of training for different categories of works are imparted, as prescribed in the above rules as per their job requirements. Basic introductory job related training is also provided to all workers at the time of their entrance to the industry. Refresher training is also provided as per requirement of VTC Rules.

2.36 The training strategies in Coal India Limited (CIL) are focused on the following areas:

- (i) To facilitate availability of skilled manpower through planned development of existing employees.
- (ii) To conduct basic and refresher training for operators and maintenance personnel with reference to Heavy Earth Moving Machine (HEMM) used in coal production.

- (iii) To prepare employees for acquiring statutory qualification through intensive coaching as well as grooming eligible employees for departmental examination aimed at career growth.
- (iv) To conduct general development programmes for workmen and supervisors for integrating them with the state-of-art technology as well as enterprise.
- (v) To train Management Trainees, through a standard scheme.
- (vi) To develop senior executives from M-1 to M-3 level through centralised in house programmes organised at IICM, a apex training Institute at Ranchi.
- (vii) To develop senior executives through nomination to courses organised by reputed institutions and professional bodies in India and facilitate inter organisational exposure to assimilate development in the areas of technology and management science.
- (viii) To develop employees through training opportunities abroad available from foreign Government, manufacturers and international seminars and courses and to help and enhance managerial and technical competence of employees working in strategic positions.

2.37 The number of employees trained during 2004-05 (April 2004-December, 2004) in Coal India Limited is given below:

CATEGORY	EMPLOYEE		TRAINEED	
	Abroad	Outside the company	In-house	Total
Executives	4	1310	5214	6528
Supervisors	Nil	156	5476	5632
Workers	Nil	180	12331	12511
TOTAL	4	1646	23021	24671

2.38 The Ministry of Coal, in a written note, informed the Committee that to develop skill of workers, the following procedures are being adopted in each company:

- Through planned development programmes.
- Refresher training for operators and maintenance personnel with reference to HEMM equipment.
- To prepare employees for acquiring statutory qualification through intensive coaching as well as grooming eligible employees for departmental examination aimed at career growth .
- To conduct general development programmes for workmen for integrating them with the state-of-art technology as well as enterprises.
- To train the workers, through a standard scheme.
- To develop workers through training opportunities abroad available from foreign Government and manufacturers of equipment and enhance technical competence of workers in each key positions.

The process of Training and re-Training

Systematic training specially designed to meet defined needs.

Systematic training is based on a simple model expressed as follows :

- Define training needs.
- Decide what sort of training is required to satisfy these needs.
- Use experience and trained trainers to plan and implement training.
- Follow up and evaluate training to ensure that it is effective.

2.39 The following four areas are focused as thrust areas and due emphasis are given as per subsidiary company's requirement:

- (i) Technical Training;
- (ii) Management Training;
- (iii) General Development Training; and
- (iv) Transformation Training.

2.40 Technical Training is an In-House training which is imparted to the worker at each company's workers training institute.

2.41 Transformation training is a planned attempt to help those who join CIL as part of management policy and for the workmen who are required to acquire skill for improvement from conventional to semi-mechanised mines with intermediate technology or at the instance of closer of mines and surplus manpower . These trainees are used as source of supply of manpower in critical and non-critical areas of skill for the technology specific to the subsidiary company .

2.42 The training programmes are generally conducted to train and re-train the workers at the company's twenty six training institutes for eight subsidiary companies.

2.43 Workers trained in-house, outside company, abroad and in the 102 Vocational Training Centres during the last three years are as under:

Category / Year	2004-2005	2003-2004	2002-2003
In – House	16741	16961	15761
Outside Company	312	450	532
Abroad	0	0	2
Trg. At VTC	65581	72204	61408

2.44 Each year, the company inducts about 4000 persons through new appointees joining the coal companies under the land losers scheme as also through the scheme of compassionate employment. The majority of the new appointees are untrained and unskilled, which include the widows of employees dying in harness. This has given rise to a serious mis-match between the skills required and the persons available.

2.45 The problem is further aggravated due to the exit of skilled persons on superannuation/retirement.

2.46 In order to deal with this problem, a scheme is being formulated under which the new appointees would be initially taken as trainees. They would be imparted training on the Indian Training Institute (ITI) pattern for a period of 2/3 years. This will help in building up a sound technical pool of employees.

2.47 The following details show the progress made to the redeployment/upgradation of skill of the unskilled manpower during the last three years:

Sl.No.	Name of Company	Unskilled Manpower (as on 1.4.2001)	Redeployment /Upgradation of Skill				
			2001-2002	2002-2003	2003-2004	2004-2005	Total
1.	ECL	80040	224	1103	232	10	1569
2.	BCCL	60721	117	86	405	80	688
3.	CCL	43533	0	0	2193	247	2440
4.	NCL	4547	3	2	4	2	11
5.	WCL	34252	171	760	189	241	1361
6.	SECL	51216	62	346	733	779	1920
7.	MCL	10838	167	500	353	79	1099
8.	CMPDIL	803	2	1	1	1	5
9.	NEC	1809	50	63	47	9	169
10.	CIL(HQ)	219	0	0	0	0	0
11.	CIL Overall	287978	796	2861	4157	1448	9262

2.48 As would be seen from the above, during the last four years, 9,262 employees could be redeployed/upgraded as on November, 2004. When enquired about schedule of training programme for redeployment/upgradation of skill of the employees, the Ministry informed that transformation training is being planned for upgradation of skill of the remaining employees for improvement from conventional to semi-mechanised underground mines and mechanized open cast mines for redeployment. Based on necessity and scope of redeployment, such target is set in the beginning of the year. As per Memorandum of Understanding 2005-2006, target of number of employees to be trained has been fixed at 8,455 for skill development.

2.49 The Committee note that as per the Mines Vocational Training Rules (MVTR) 1966, different types of training for different types of workers are imparted in Coal India Ltd.(CIL). Such training programmes which include basic introductory job related training, refresher training, etc. are conducted in-house, outside the company, abroad as well as at Vocational Training Centres (VTCs). Technical Training, Management Training, General Development Training and Transformation Training have remained the focussed and thrust areas of training programmes. The Committee further note that out of a total workforce of 4,76,754 in CIL, 46% constituted unskilled workforce as against 34% skilled workers. The

Committee strongly feel that unless more and more unskilled workers are given training/retraining, the qualitative improvement in CIL cannot be brought about. The Committee are, however, constrained to note that out of 2,87,978 unskilled workers, only 9,262 were imparted training during the last four years. The Committee are dismayed at the present training schedule for unskilled workers as at the current pace, the CIL will take decades in training its entire unskilled workforce. The Committee, therefore, desire the Ministry/CIL to chalk out a comprehensive training programme for unskilled workers in particular so as to convert more and more workers from the unskilled category into skilled category within a reasonable time frame.

CHAPTER III

UTILIZATION OF MACHINERY

In the coal mining, equipments/machines play a vital role. With the procurement of proper machines and their optimal utilization, the mining activities can be increased manifold in terms of both quality and quantity. The overseas and modern national experience reveals that coal production concentration could be achieved only through the introduction of new technologies, utilization of heavy-duty and highly reliable road heading and longwall equipment capable of working in a wide range of geological conditions, underground transportation system and stationary equipment, etc.

Assessment of Equipment Requirement and Availability

3.1 At the time of Coal India's formation, there were 613 Heavy Earth Moving Machines (HEMM) which have increased to 6017 as on 1 April 2004. Some of the main Heavy Earth Moving Machines (HEMM) used for extraction of coal in opencast mines are as under:-

- (i) Dragline
- (ii) Shovel
- (iii) Dumper
- (iv) Dozer
- (v) Drill

3.2 In underground mining, the following major equipments/machinery are used:-

- (i) Winder
- (ii) Haulage
- (iii) Road Header
- (iv) Longwall Faces
- (v) Side Discharge Loader
- (vi) Load Hall Dumper
- (vii) Main Pump
- (viii) Main Ventilation Fan
- (ix) Belt Conveyor
- (x) Transwitch Units

3.3 In respect of requirement and actual availability of above equipments, the Ministry of Coal furnished the following statement:-

Equipment	Total Requirement	Population as on date
1	2	3
Eastern Coalfields Limited (ECL)		
Dragline	1	1
Shovel	108	101
Dumper	369	330
Dozer	121	109
Drill	82	79
Bharat Coking Coal Limited (BCCL)		
Dragline	2	2
Shovel	198	172
Dumper	633	541
Dozer	159	133
Drill	215	176
Central Coalfields Limited (CCL)		
Shovel	122	106
Dumper	618	587
Dozer	180	169
Drill	167	162
Western Coalfields Limited (WCL)		
Dragline	4	4
Shovel	175	167
Dumper	760	701
Dozer	177	169
Drill	125	119

1	2	3
Northern Coalfields Limited (NCL)		
Dragline	20	19
Shovel	121	109
Dumper	797	565
Dozer	197	189
Drill	146	145
South Eastern Coalfields Limited (SECL)		
Dragline	9	9
Shovel	71	63
Dumper	395	338
Dozer	175	162
Drill	133	119
Mahanadi Coalfields Limited (MCL)		
Dragline	7	7
Shovel	69	65
Dumper	398	359
Dozer	98	90
Drill	94	91

3.4 From the above, it has been found that there is shortage of equipments almost in every subsidiary of CIL. The Committee have been informed that the Hon'ble. Supreme Court has allowed Coal India Limited (CIL) to purchase only 40% requirement of Heavy Earth Moving Machine (HEMM). As such, the shortage of equipment will further increase ultimately resulting in substantial shortfall in the production of coal. When enquired as to how the CIL will meet such a situation, the Ministry of Coal informed that the purchase preference policy of the Government favouring PSUs for placement of orders in certain circumstances has however expired on 31.3.2005 and is no more a hindrance in placement of orders for procurement of equipment. Additionally, however, following steps are being taken:

- (i) Making available the old equipment for production from the existing fleet which have already crossed their rated life / surveyed off norms, by carrying out in-house maintenance with the help of Central Workshops(SECL).
- (ii) Efforts are being made to optimise the efficiency of existing equipment (as in case of CCL).

- (iii) Hiring of HEMM for removal of O.B. and extraction of coal would be resorted to meet any eventuality.

3.5 Continuous miner technology has been found most suitable for the underground mines in the geo-mining conditions in India. At present, CIL is producing only one per cent of coal with the use of continuous miners. This technology has been introduced only in two mines. The mines are :-

- (i) 'O' seam of Chirimiri Area(Anjan Hill), SECL, started on May 2002. (Presently, the continuous miner of Anjan Hill has been shifted to NCPH mine in South Eastern Coalfields Limited); and
- (ii) Tandsi Colliery, WCL, started on 1 September 2003.

3.6 When enquired as to whether there is any proposal to introduce this technology in other mines, the Ministry of Coal in a written reply stated that in 16 mines of CIL (3 in ECL, 2 in BCCL, 4 in WCL and 7 in SECL), it is proposed to introduce this technology. Regarding bottlenecks/constraints being faced by the coal companies in introducing continuous miners technology in other underground mines, the Committee have been informed that continuous miner technology is a site dependent machine and its applicability is limited to seams with milder gradients (milder than 1 in 8), with strong floor conditions and low make of water. Though it is giving encouraging results, its application is restricted in CIL mines. Continuous efforts are being made to introduce this technology wherever feasible. The other bottlenecks / constraints which are being experienced are:-

- (i) Non-availability of required infrastructures like coal evacuation system to handle high output, ventilation system, etc.
- (ii) Availability of skilled manpower
- (iii) Timely availability of spares.

3.7 The following steps have been taken to overcome the constraints:-

- (i) Up-gradation of infrastructures in existing mines by introduction of belt conveying system in places of haulages.
- (ii) Replacing by high capacity ventilators.

- (iii) Modifying mine development.
- (iv) Planning & developing new mines keeping the requirement of this technology in view.
- (v) Training of selected manpower for mechanization including operation and maintenance.
- (vi) Entering into Contract with suppliers – on long range risk-gain sharing basis.
- (vii) Inclusion of spares (fast moving) for at least 2 years in the package itself.
- (viii) Timely action for procurement of spares keeping “lead-time” in view.

3.8 The Committee note that the fleet of Heavy Earth Moving Machines (HEMMs), which was 613 at the time of Coal India’s formation in 1975, has increased nearly ten times to 6017 as against the projected requirement of 6,946 HEMMs as on 1.5.2005. The shortage of HEMMs in most of the subsidiaries of CIL particularly in Eastern Coalfields Ltd., Northern Coalfields Ltd. and Bharat Coking Coalfields Ltd. is the prime reason for below average growth rate of coal production. The Committee feel that when all the core and non-core sectors are heavily depended on CIL for coal supply, the shortage of such heavy equipments which are critical for coal production does not augur well. The option left with the coal companies to meet the requirement of HEMMs is either to hire or use the old equipment after incurring huge amount on their repair/maintenance. The Committee are not satisfied with the efforts made by CIL in the past to procure the HEMMs in a time bound programme to bridge the gap between their requirement and the availability. The Committee are also not convinced with the operation of old HEMMs after their repair/maintenance as well as hiring of the heavy machinery as it will not be in the interest of sound financial health of the company. The Committee, therefore, recommend that CIL should constitute a Task Force to expedite the HEMMs procurement and see that the same are procured within the scheduled time. The Committee also desire the Ministry of Coal to approach the Hon’ble Supreme Court regarding embargo on procurement of HEMMs.

3.9 The Committee note that CIL has found continuous miner technology suitable for some of the underground mines in the Indian geo-mining conditions. The Committee further note that it has been introduced only in two mines one each in South Eastern Coalfields Ltd. and Western Coalfields Ltd. This technology is proposed to be introduced in 16 other mines of CIL. The Committee are unhappy at the snail’s pace of introduction of such an useful technology in other underground mines. The Committee stress for expeditious introduction of new technology for increased production of coal to meet the growing demand of all the sectors. The Committee, therefore, desire that concerted efforts should be made to introduce the

Continuous Miner Technology in all the identified 16 mines of CIL. The Committee further desire that in other underground mines also, feasibility of introducing this technology may be explored.

Norms for Utilisation

3.10 The Central Mine Planning and Design Institute Ltd. (CMPDIL), a subsidiary of Coal India Limited (CIL), is engaged among other things, in the work of fixing of norms for the utilization of machinery. The Committee have been informed that the utilization of machinery never matched the liberal norms of the CMPDIL.

3.11 The Committee have further been informed that the following norms have been fixed by the CMPDIL for utilization of some of the HEMMs by the subsidiaries of CIL:-

Name of the equipment	CMPDIL norms
Dragline	73
Shovel	58
Dumper	50
Dozer	45
Drill	40

3.12 In respect of methodology to fix the norms by the CMPDIL for the utilization of equipments, the Committee have been informed during the oral evidence, as under:-

“Now, I would come to the one point which you had last time asked as to how do we decide these norms. This is in respect of walking drag lines. It has been worked out after certain observations years ago for a working hour of 5,000. We need to have some major maintenance after 5,000 hours. It is the reconditioning of the system. Minor repair is the boom of the drag line. There is a frame of it. It is a massive structure, so it needs to be observed for minor cracks, etc. It takes about 300 hours. After 5,000 hours it is mandatory. There is a cycle. I have allocated it in the picture as to what are the jobs that have to be carried out. For every 5,000 hours, 1030 hours go for maintenance. It will have to be consumed and like that. Similarly, you can see the idle hours for every 5,000 hours. So, the total idle hours is 820, which we cannot avoid. There have been some improvement. Some people have gone beyond 73 per cent. So, the sum total will be 6,850 hours. Out of that we will obtain only 5,000 working hours, which corresponds to 73 per cent. It means that the machine will be available for 85 per cent of the time and can be put to use for 73 per cent of the time. There could be some reduction in these hours for maintenance. From 1,030 hours we can have 900 hours, from 820 idle hours, we

can make it 750 hours. They will be there. This is how we arrive at the norms. Such calculation is available here in respect of all equipment”.

Utilization of Equipments

3.13 The utilization of these equipments in Coal India Limited (CIL) during the last five years has been as under:-

Equipments	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	CMPDI norms
Dragline	81	80	76	79	79	73
Shovel	46	44	44	44	44	58
Dumper	35	33	33	32	31	50
Dozer	27	26	25	25	24	45
Drill	27	25	24	24	24	40

3.14 Subsidiary-wise utilisation of equipments during the last five years is as below:-

Equipment	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	CMPDIL norms
1	2	3	4	5	6	7
ECL						
Dragline	87	80	61	72	73	73
Shovel	46	43	42	40	35	58
Dumper	37	34	35	33	30	50
Dozer	28	27	25	25	25	45
Drill	25	24	24	23	21	40
BCCL						
Dragline	48	55	65	65	57	73
Shovel	45	48	50	50	51	58
Dumper	33	32	34	34	33	50
Dozer	28	27	29	29	29	45
Drill	30	28	29	27	28	40
CCL						
Shovel	43	40	39	37	37	56
Dumper	28	25	26	25	24	50
Dozer	25	23	23	22	20	45
Drill	21	19	18	17	16	40
NCL						
Dragline	89	88	88	89	87	73
Shovel	39	40	38	39	38	58
Dumper	39	39	37	36	34	50
Dozer	23	23	21	21	20	45
Drill	27	25	23	26	26	40

WCL						
Dragline	90	87	77	82	84	73
Shovel	53	50	50	52	53	58
Dumper	41	38	37	37	37	50
Dozer	32	30	30	31	32	45
Drill	30	28	30	28	27	40
SECL						
Dragline	80	80	78	78	81	73
Shovel	57	52	45	48	55	58
Dumper	39	31	35	34	34	50
Dozer	31	30	28	28	27	45
Drill	42	41	38	41	39	40
MCL						
Dragline	64	63	62	58	62	73
Shovel	37	35	37	35	33	58
Dumper	27	26	26	23	22	50
Dozer	25	21	21	20	20	45
Drill	19	17	15	16	16	40

3.15 The main reasons as furnished by the Ministry of Coal, for the poor utilization of Heavy Earth Moving Machine (HEMM) are as under:

- (i) **Poor availability of Machines** due to improper maintenance. Besides this, many of the HEMM equipments are over-aged, resulting into frequent breakdown. Bad condition of haul roads is another factor which causes breakdowns of Dumpers which in turn causes less production and less utilization.
- (ii) **Inadequate availability of workplace.** This is due to non availability / less availability of land for making mining layout with proper gradient of haul roads. In many projects extension of mine working is not possible because of the problem of land acquisition.
- (iii) **Hazardous working conditions** like developed underground workings, presence of fire in some mines of BCCL and CCL.
- (iv) **Restricted blasting** due to nearness of villages.
- (v) **Mismatch of excavation** and transport capacities in a mine.
- (vi) **Lack of discipline** among workforce results in loss of time at shift change, longer idle time at the beginning & end of shifts coupled with longer idle time during tiffin break. All this has effect on utilization of equipments.

3.16 The Ministry informed the Committee that the following steps have been taken for improvement in utilization of Heavy Earth Moving Machines:

- (i) Task force at the subsidiary Head Quarter and Area level have been constituted and utilization of HEMM is being monitored closely.
- (ii) Action Plan prepared for construction and maintenance of Haul Roads.
- (iii) Steps have been taken to expedite the acquisition of land especially in ECL and SECL.
- (iv) PHASE WISE replacement of outlived HEMM.
- (v) Condition Based Monitoring implemented in bigger projects.
- (vi) Mismatch of digging and transport capacity in projects being reduced.
- (vii) GPS based Truck Despatch System (TDS) is being introduced in larger mines of SECL and NCL for close monitoring of field operations.
- (viii) Communication facilities are being further improved.
- (ix) Advance action has been taken to improve the availability of critical spares required for imported equipment.
- (x) To improve reliability of HEMM, annual plan is drawn for their rehabilitation.
- (xi) Special emphasis has been laid on blasting for better fragmentation of blasting material. This will reduce breakdown of equipment.

3.17 Director (Technical) CIL is also visiting subsidiaries for on the spot study and to review the steps taken by the companies to improve the utilization.

3.18 Apart from the above, Coal India, at the apex level, have directed its subsidiaries to appoint consultant for improving the utilization of Heavy Earth Moving Machine (HEMM).

3.19 As regards technologies and equipments used for removing overburden and extracting coal from opencast and underground mines, the Committee have been informed as under:

- (a) Depending on the occurrence of coal deposit with reference to earth's surface, coal is extracted either by opencast methods or by underground methods.
- (b) Selection of technology depends on geo-mining & economic parameters.
- (c) In case of opencast mines, HEMMs are deployed for both removal of overburden and extraction of coal. Number, type and configuration of such machines are optimally determined depending on the geo-mining parameters.

3.20 However, gradually emphasis is being laid to plan and operate bigger and bigger mines with high capacity equipments globally available.

- (d) Apart from conventional HEMM like shovel, Dumper, Drill, Dozers, Dragline, etc. Surface Miners have also been introduced in some of the mines of MCL, CCL & SECL. Presently, there are 27 Surface Miners working in subsidiaries of CIL.
- (e) In case of underground mines, Board & Pillar technology is the most prevalent method. During last few years, efforts are afoot to replace manual loading operations by introducing loading machines like SDLs & LHDs. Presently, there are 1060 such machines working in underground mines of CIL. Apart from this, Continuous Mining Technology has also been introduced in recent past. Longwall mining, in limited way, is also in practice and 8 faces are working presently.
- (f) Majority of HEMM and SDLs/LHDs are of indigenous origin. However, Continuous Miners, Longwall equipments, Surface Miners are of overseas origin. Quality/Standards of indigenous machines have gone through continuous improvement over the years in line with the requirement of the users, overcoming the problems faced during on the job field trials. Continuous interaction between manufacturers and users has been of immense help in improving the quality of machines. After sales service has also improved along with increase in market size.

3.21 Import is resorted to mainly for equipments which are not available indigenously. However, with assurance of market, indigenous manufacturers are also gearing up to take up future challenges.

3.22 Dragline and Shovel Dumper operations are most common technologies in Opencast Coal Mines all over the world. CIL is also using same technologies. However, depending on the requirement, in-pit Crushing–Conveying and Surface Miner technologies have also been incorporated in some open cast mines of CIL.

3.23 The Committee are constrained to note the poor utilization of Heavy Earth Moving Machines (HEMMs) both in opencast and underground mines of all the subsidiaries of Coal India Limited(CIL) during the last five years. The Committee are not convinced by the oft-repeated reasons advanced by the Ministry for their poor utilisation. The Committee are deeply anguished to note that most of the subsidiaries of CIL have even failed to achieve the liberal norms fixed by Central Mine Planning and Design Institute Ltd.(CMPDIL) in this regard. The Committee strongly deprecate the poor utilisation of HEMMs as well as utter failure of the management of all coal companies in not adhering to the liberal norms fixed by CMPDIL considering that the under-utilization of HEMMs and other equipments does have an adverse effect on the coal production and also the profitability of the CIL. The Committee firmly believe that had the steps to improve the utilization of HEMMs seriously taken in the right perspective, the coal production position would have been much better than what it is at present and the need to outsource some of the activities of CIL would not have surfaced. The Committee, therefore, recommend that a detailed mine-wise exercise should be undertaken to assess the reasons for idling and under utilization of HEMMs. The Committee also desire that an Action Plan should be drawn up with clear-cut demarcation of accountability and responsibility of the officers concerned for improving the fleet utilization.

3.24 The Committee further recommend that major equipments and machines lying idle should be transferred from one mine to the other where there is shortage and like-wise from one subsidiary to another in order to ensure their optimal utilization.

Maintenance of Machines

3.25 The Committee have been informed that the following steps are being taken to improve the quality of indigenous equipments and after-sales service:

- (a) Indigenous manufacturers have been advised to upgrade their equipment as per world standards.

- (b) Shovels and Dumpers to be procured with Maintenance and Repair Contracts (MARC).
- (c) Performance Bank Guarantee for the equipment and Special Guarantee for its sub-assemblies are incorporated in the supply order.
- (d) ISO references are incorporated for different systems of machine.
- (e) Based on experience, suggestions are being given to OEMs for suitable modifications wherever necessary.

3.26 As regards rendering of corrective and preventive service to the machines for their smooth functioning, the Committee have been informed as under:

“Long Term Annual Maintenance Contracts (AMC) with spare parts are being entered into for higher capacity equipment. Also equipment is being purchased with 3 years spares support wherever necessary. Furthermore depot agreements are made with OEMs for steady flow of required spares”.

3.27 Besides Annual Maintenance Contracts, in-house maintenance is being rendered to Heavy Earth Moving Machine (HEMM). Adequate infra-structural facilities are available in major projects. In smaller projects, facilities are extended from Central and Regional Workshops. Upgradation of infrastructure is being done continuously.

3.28 The provision of funds made for the maintenance of Heavy Earth Moving Machine (HEMM) in the coal producing subsidiaries of Coal India Limited (CIL) and actual utilization during the last three years are as under:

(Rs. in crore)

Equipment	2002-2003		2003-2004		2004-2005	
	Budget	Actual Util.	Budget	Actual Util.	Budget	Actual Util. (Prov.)
1	2	3	4	5	6	7
ECL	164.79	161.75	196.28	153.44	185.67	142.10
BCCL	167.20	165.27	160.77	153.29	168.95	161.02

1	2	3	4	5	6	7
CCL	121.57	130.32	173.17	146.34	175.11	168.21
NCL	420.73	345.09	458.11	336.20	469.73	369.21
WCL	157.40	187.81	173.08	179.86	227.02	232.40
SECL	365.21	375.80	451.13	432.24	443.37	468.94
MCL	142.69	144.24	154.72	174.26	183.99	142.47

3.29 The Committee have been informed that:

“There is no fund constraint for maintenance of machinery. All out efforts are made to keep the standard of maintenance to the desired level. In case of BCCL, at present there is no fund constraint as maintenance of machinery is concerned but funds are required to clear the outstanding liabilities for spares already procured”.

The Committee have further been informed by the Ministry as under:

“Scheduled preventive maintenance and daily maintenance of HEMM and re-setting of the technical parameters of different assemblies for improving the reliability is already in practice. Taking the past experience into consideration several checklist model wise have been developed for maintenance. For improving the reliability of equipment system repairs have been taken up basing on failure analysis and repair kits for system repairs have been also developed. Condition based monitoring has also been started. Major repair/rehabilitation for sick equipments have been taken up at Central Workshops. The over-aged equipments that have covered their rated life and are techno economically not viable for operation are being replaced in a phased manner.

Besides, in respect of new procurement we are trying to have annual maintenance contract with equipment manufacturers to improve availability”.

3.30 The Committee appreciate to note that scheduled preventive maintenance, daily maintenance of Heavy Earth Moving Machines (HEMM) and resetting of the technical parameters of different assemblies for improving the reliability are already in vogue in Coal India Ltd.(CIL). Further, long term comprehensive Annual Maintenance Contracts (AMC) are being entered into for higher capacity equipment. Major repair of equipments is being taken up at Central workshops and the over-aged equipment which have covered their rated life and are not techno-economically

viable for operation are being reportedly replaced in a phased manner. In view of the fact that maintenance of machines/equipments is as important aspect, the Committee feel that the measures initiated by CIL for maintenance of machines as well as for improving their reliability are in right direction.

The Committee are, however, extremely disappointed to note that some of the subsidiaries of CIL like ECL, BCCL, CCL, NCL, etc. have failed to fully utilize the amount earmarked during the last three years towards maintenance of machines/equipments. Such under-utilization is glaring in the case of NCL which has fallen short of utilizing the budget amount by nearly Rs.100 crore during each of the last three years. The Committee, therefore, desire the Ministry/CIL to ensure full utilization of the allocated funds as to keep their machines/equipments in perfect condition.

CHAPTER IV

OUTSOURCING

In the new changing economic scenario, the financing strategy of Coal India Limited (CIL) had undergone a change. Before pronouncement of New Economic Policy, budgetary support from Government in the form of Equity and Loan was made available for financing the projects and losses of the subsidiaries were mitigated by Coal Price Regulation Account (CPRA) mechanism. Following New Economic Policy, CPRA was abolished and budgetary support to CIL was withdrawn.

4.2 For financing projects, CIL had to depend on commercial borrowings (both from domestic Financial Institutions and International Institutes) and on its own resource generation. The continuing losses of Eastern Coalfields Limited (ECL) and Bharat Coking Coal Limited (BCCL) are being made up partly by support from CIL and partly by deferment of liabilities.

4.3 As the demand of coal in the succeeding Five Year Plans has been on increase, mechanization through technological innovation and creation of new projects require more funds. The traditional route available for raising more funds are equity based on long-term debts for financing needs. As the Government restricted its investment, the option available to CIL was long-term debts from financial institutions. In order to raise funds from financial institutions, capital restructuring and corporatisation scheme of CIL and its group were undertaken. Upon the strength of the balance sheets, the commercial borrowings had been possible for profit making companies. Since ECL and BCCL were incurring losses from their inception, resulting erosion of capital thereto, their balance sheets did not provide any strength for commercial borrowings from financial institutions. At this point, management had to look for alternative means for financing. The asset-based financing includes (i) lease, (ii) hire purchase, (iii) Build-Own-Operate-Transfer (BOOT) structure, (iv) Build-Own-Operate (BOO) structure and; (v) Built Lease Transfer (BLT) structure, etc. Convenience and instant service are the hall marks of asset-based financing. The financier or owner of assets is generally responsible for maintenance, insurance and operation of the assets.

4.4 In contrast to traditional financing which find place in the liability side of the balance sheet, asset based financing having no place in the balance sheet is called off Balance Sheet financing or financing from “out source”. The term “out source” should not be misconstrued and it should not be viewed narrowly. “Outsourcing” is not the route of privatization, it is means of financing. Privatisation arises when Government sells its holding. In case of debt financing, the lenders who have the stake in the company dictate the company and bind with terms and conditions which may have an influence in the company management, but in case of outsourcing finance, the company dictate the terms and conditions even imposing Provident Fund clause to protect the interest of the workers.

4.5 Outsourcing of certain activities of coal production, overburden removal and transportation of coal and sand in some mines of subsidiary company of Coal India Limited is required to be undertaken to bridge the gap between capacity and target. This will also economise the operational cost of project.

4.6 The process of outsourcing of production and transportation of coal and removal of overburden involves awarding of contract to a contractor who deploys capital equipments for production and transportation of coal and removal of overburden.

4.7 The Committee have been informed, in respect of the need to have outsourcing in CIL, during the oral evidence by the representative of Ministry of Coal as under:

“Another issue is regarding outsourcing. I will briefly go into the rationale for outsourcing as to why one should aim at it and why we are aiming at it. It enables working of opencast patches with small reserves and short life. If the reserve does not last beyond two or three years, we would not be in a position to buy equipment for that, which have life span longer than the reserve. If you outsource it, somebody else does it. He can take the equipment back after the reserves are exhausted. It is in turn, a means of financing as well. You do not have to put your own money. Somebody else does it. As is there in private sector, there is no operating cost and whatever maintenance is to be done, is done by the financier of the machine. In effect, there is low cost per cubic metre of excavation. In our case, it is as high as twice of what they obtain. It enables working of reserves with adverse stripping ratios say ratio of 1:8 or 1:9 as is obtaining at NEC. In the North Eastern Coalfield the ratio is 1:9.75. It is overburdened, and by the outsourcing, we are able to work. Normally, we would not have asked that. In India, as of now, anything beyond the ratio of 1:5 is in workable condition. It brings efficiency elsewhere too. If a man working side by side is working more efficiently, it induces certain amount of efficiency amongst our workers and supervisors also. The most important point is this. Whatever outsourcing we do, it does not affect the conditions of the existing departmental workforce in any way. We are in no way affecting them. Certainly, there is a huge gap between demand and supply. If few projects, etc. are outsourced, we get more production and we are able to bridge that gap more effectively”.

4.8 In respect of violation of provisions of Contract Labour Act in hiring equipments and the workmen/operators, the Committee have been informed that contracts are awarded for hiring of equipments for which the operators are provided by the Contractor to whom the equipments belong. If the workmen/operators of the contractor operating the equipments are on the roll of contractor, provision of Contract Labour Act is not violated. In this context legal opinion from the Solicitor General of India *vide* his opinion dated 21.8.1998 in reference to the brief forwarded by Singareni Collieries Company Limited on the subject matter is as under:

“The provisions of Section 10(1) of the Contract Labour (Regulation & Abolition) Act 1970 are not attracted if the contractor to whom the work is awarded, does not utilise the services of contract labour”.

4.9 When asked about the mechanism available with the subsidiary company to ensure that the contractor is actually deploying the skilled operators to operate the hired equipments, the Ministry of Coal has stated that when contractor is awarded a contract, he is required to submit a list of operators. Regular checks are undertaken to ensure that its operators are duly trained and authorized to operate the equipments. In the contract document special provisions are made to ensure that the contractor does not deploy contract labour. For Example:

“(a) In WCL’s contract document, the following is required:

The contractor should not engage contractual labour *i.e.* to say that they will employ their regular workers against whom PF and other statutory deductions are made as proof of being on their roll and clause no. 4 of “Additional responsibilities of Contractors” which reads as “ The contractor shall not engage a driver on the vehicle unless and until he has a Heavy Vehicle Driving Licence”

(b) In BCCL in order to ensure that the contractors deploy their own employees with the HEMM, as per provision of tender document, tenderers are required to submit affidavit to the effect”.

4.10 As regards violation of Terms and Conditions of contract by a contractor, the Committee have been informed by the Ministry as under:

“There is provision in the agreement between management and contractor for termination, cancellation and foreclosure of the contract, in full or in part, if contractor commits default / breach in complying with any terms and conditions of the contract.

As informed by ECL, BCCL, WCL, SECL, NCL and MCL, no case of major breach or default necessitating cancellation/termination of contract have been found. However, in CCL the contracts of following transporters had been terminated in the past for major breach of contract:

- (i) M/s Essem Transporters & Cont. (Pvt.) Ltd.
- (ii) M/s. Patriot Transport Co.(P) Ltd.
- (iii) M/s. Jawan Transport Co. Ltd”.

4.11 It has been brought to the notice of the Committee that awarding of contracts for lifting of coal is not a form of outsourcing. It is merely hiring of machinery and equipments along with operators. This is distinctly different from outsourcing. Responding on this point, when enquired, the Ministry stated that:

“Outsourcing means asking some one else (not your employee) to carry out certain operation and one can say that the particular operation has been outsourced.

In case of an opencast mine the major operations can be like (i) removal of overburden; (ii) extraction of coal i.e. loading at the face and transportation to a designated place; (iii) Construction and maintenance of haul roads; (iv) drilling and blasting; and (v) managerial supervision and safety etc. Complete outsourcing will involve getting all of these operations carried out by an outsider.

Normally for reasons of safety, supply of explosives and managerial supervision for safety are not outsourced. Even in case of any one operation like removal of overburden, the entire operation can be outsourced, that is the agency doing the job shall design the pattern of holes, do the blasting and carry out the blasted material to a designated place. Elsewhere, he can only be asked to supply equipment and operator for removal of blasted material - the payment being made on hourly basis or on the volume removed. The latter will be a very limited form of outsourcing not exactly meriting the complete description of outsourcing.

Thus hiring of equipment is not exactly outsourcing although the line is thin. Outsourcing generally relates to a specific operation and hiring of equipment”.

4.12 One of the evils of outsourcing is exploitation of labour by the contractor. They are not paid the wages assured to them at the time of employment. The contractors do not care about the conditions in which the labourers work as their sole motive is to earn profits. The health, safety and security interests of the contract labour are ignored. In this regards, Ministry of Coal informed the Committee that:

“In order to protect the interests of the operators/workers of the contractors, following provision exist in the tender document which is part of the agreement –

- (a) The contractor shall ensure that no workmen is deployed on work without getting a basic training in the Vocational Training Centre (VTC) of subsidiary companies.
- (b) The contractor will be liable under Workmen Compensation Act for compensation arising out of injury/death.
- (c) The contractor shall ensure that all persons working are provided with and use safe gadgets like safety shoes and helmets.
- (d) The contractor(s) shall not pay less than the Minimum Wages to the employees engaged by him/them as per Minimum Wages Act or such other legislation or award of the Minimum Wages fixed by the State Government/Central Government whichever is more as may be in force.
- (e) Coverage of Contractors workers under CMPF - The contractor shall have to ensure implementation of CMPF and Miscellaneous Provision Act, 1948 and allied scheme framed thereunder in respect of contractors workers deployed by him and will have to recover statutory dues and deposit the same along with employers contribution (contractors share) to the respective CMPF office and to submit statutory returns under intimation to principal employer”.

4.13 When enquired as to whether outsourcing of some of the mining activities in Coal India Limited is actually economical, the Ministry of Coal informed the Committee that:

“CIL is outsourcing some of its activities in some of its mines. These activities are mechanized extraction of coal in some opencast mines, loading, unloading and transport of coal and overburden for which huge capital investment is required. Instead of investing such huge capital, if these activities are outsourced, it helps the company to improve its economics of operations as the cost of outsourcing is much

less than the cost of doing the same job departmentally. On the other hand, some surplus employees which are mainly unskilled and ministerial categories are being utilized by manpower rationalization at the places of need through training and re-training for skill development etc. Surplus manpower is also being separated through VRS.

If these are not outsourced and carried out departmentally, it would mean huge expenditure and may be some recruitment too which is not a financially desirable situation. Conceding for a moment that huge surplus work force should be put on job rather than outsourcing it is a laudable concept but its applicability is impractical/limited because the surplus work force can not exactly be straightway deployed. They are however being trained/re-trained for such deployment, yet all of them are not suitable. The payment being made to them will have to be made whether the operations being outsourced are outsourced or not”.

4.14 The comparative figures of cost of production and manpower for the three projects where mining activities have been outsourced have been given as under:

	Department variant	Contractual variant (outsourcing of both coal and overburden removal)
Bhubaneshwari OCP (capacity 10 Mty.)		
Cost of production (Rs./t)	205.40	178.55
Manpower	1426	833
Kaniah OCP (Capacity 3.5 Mty.)		
Cost of production (Rs./t)	244.29	194.70
Manpower	748	499
Kulda OCP (Capacity 10 Mty.)		
Cost of production (Rs./t)	249.28	210.09
Manpower	1597	810

4.15 Apprising further about the advantages of outsourcing in Coal India Limited, the Secretary, Ministry of Coal, during oral evidence, stated as under:

“In regards the issue of outsourcing, it was submitted at the last meeting that operations which Coal India conducts departmentally have been found to be relatively much more expensive than the operations Coal India conducts through outsourcing. In a number of mines of Coal India, either removal of coal or overburden is being outsourced for the last couple of years. Our experience is that the cost of outsourcing is much less than the cost at which Coal India removes overburden or removes its coal. Keeping this factor in mind, the Government when it approved some of the recent projects, decided in order to reduce the cost of coal mining and make coal available to consumer industry at a more economical rate. It is desirable that Coal India should take up new mines through the source of

outsourcing. The sources were expressed during the meeting that when we have few surplus manpower, what is the logic in going through outsourcing and not utilizing our own existing manpower. As I submitted, we have a huge surplus manpower in underground mines and skilled manpower, which is required, is not surplus to that extent. Therefore, outsourcing of services in Coal India is not likely to have any adverse impact on the existing manpower in the sense that those who can be gainfully deployed, they are not really available. Therefore, people who are going to outsource the mining activity, they will be bringing their people who are technically skilled people and where our people cannot be replaced.

The reasons for higher cost of production in Coal India are two-fold. Firstly, we have relatively over availability of equipment and when high cost equipment are not available to the optimum level to that extent cost of production goes up substantially. Similarly, our work culture do not work for the number of hours which is expected to be done and therefore our output in terms of individual manpower also is substantially less than that what is obtained either through the outsourcing source or if we compare it with the output which comes from the mines which have been in the private sector. That is, mines which belong to TISCO or some of the captive mines which have reasonably opened up. It is considered in the national interest that we must try to reduce the cost of coal mining as much as possible. Therefore, outsourcing is one of the methods by which we can considerably reduce the cost of coal mining.

The other advantage of outsourcing will be that when you have in the neighbourhood a set of operational activities which are far more efficient than operations which we are conducting ourselves, they should also have induction effect and bringing the level of improved efficiency in our own operations. This is a fact which has been borne out by bringing the private sector operators in areas like telecommunications or air travel. Therefore, it is felt that similar competition is likely to bring in substantial level of operational efficiency in coal mining activity also”.

4.16 The Committee observe that certain activities of coal production, over burden removal and transportation of coal and sand have been outsourced in some mines of the subsidiary companies of Coal India Limited(CIL). It is stated that outsourcing has economized the operational cost of projects. The Committee understand that coal mining requires huge financial investment especially when the new projects are started. The budgetary support to CIL by the Government was withdrawn long back and for financing the projects, CIL has to depend on commercial borrowings and its own resource generation. As the Government restricted its investment, the option available with CIL was long term borrowings from financial institutions. The Committee note that because of the sound financial condition, the commercial borrowings had been possible for profit making companies but the subsidiaries like ECL and BCCL had not been able to generate sufficient funds from external borrowings for undertaking mining activities including procurement of heavy machinery.

The Committee further observe that Coal India Limited (CIL) has tried to justify outsourcing by furnishing comparative figures of cost of production in Bhubaneswari, Kamah and Kulda opencast projects where mining activities have been outsourced vis-a-vis other projects being mined departmentally. The Committee are extremely surprised that the CIL while calculating the cost of mining in outsourced projects, has completely ignored the expenditure being incurred on the heavy machines and work force lying idle. The Committee are anguished that CIL has resorted to fudging of figures to continue and further promote the outsourcing for its various activities. The Committee, therefore, desire the CIL to chalk out a plan to minimize the outsourcing and ensure full capacity utilisation of men and machines to bring down the cost of production in the projects being operated departmentally.

4.17 The Committee are deeply concerned at the distinct possibilities of corruption and exploitation of the labour in the outsourced activities. The Committee feel that although measures are being taken to protect the interests and welfare of the workers and these are also incorporated in the agreement entered with the contractor, still the possibility of the workers being exploited remains. The Committee, therefore, desire the Coal India Limited to ensure that the terms and conditions laid down in the contract with the private companies are strictly adhered to. The Committee also desire that due preference should be given to the private companies utilizing the services of the separated workers.

New Delhi;
21 March, 2006
30 Phalgun, 1927 (Saka)

ANANTH KUMAR,
Chairman,
Standing Committee on Coal and Steel.

STATEMENT OF CONCLUSIONS/RECOMMENDATIONS OF THE STANDING
COMMITTEE ON COAL AND STEEL CONTAINED
IN THE REPORT

Sl. No.	Reference Para No. of the Report	Conclusions/Recommendations
1	2	3
1.	2.17	<p>The Committee note that rationalization of manpower is essentially the productive harnessing of human resources in Coal India Ltd.(CIL). The rationalization was necessitated due to mining of coal by opencast system, introduction of state-of-the-art heavy machinery as well as mechanization of underground mines after 1991 entailing less requirement of unskilled manpower. The Committee further note that by taking various measures viz. redeployment, strict control on fresh recruitment and separation through Voluntary Retirement Scheme (VRS), CIL has been able to reduce overall manpower substantially from a level of 6.70 lakhs as on 1.4.1985 to 4.73 lakhs as on 31.12.2004. The Committee firmly believe that by effecting rationalization of manpower, CIL will continue on the right track of progression. The Committee, therefore, strongly desire that manpower planning/management in CIL should focus on the rationalization as against reduction in the manpower considering the rapid advancement, expansion and modernisation in the coal sector. The Committee further desire the Ministry of Coal to submit the latest figures of manpower category-wise in Coal India Limited.</p>
2.	2.18	<p>The Committee note that the recruitment of manpower including engineers and managers in CIL has been stopped since 1999. The CIL has since engaged the services of a reputed Management Institute for assessment of manpower and during intervening period, the Ministry has advised CIL to initiate an exercise for the recruitment of young engineers and managers. The Committee are of the view that no organisation can progress if it is deprived of the services of the fresh and trained manpower for such a long time. The Committee feel that non-induction of engineers and managers must have had an adverse affect on the key areas of CIL and, therefore, desire the Ministry/CIL to complete the scientific assessment of manpower requirement in a shortest possible span of time. The Committee would like to be apprised of the progress made in this regard within a period of three months.</p>

1	2	3
3.	2.19	<p>The Committee note that the number of executives and non-executives in CIL were 17,165 and 4,59,589 respectively as on 1.10.2004. The percentage of executives in CIL as a whole comes to 3.73. In the subsidiaries of CIL, the percentage of executives ranges from 2.41 to 9.08. The Committee have been informed that in a progressive and mechanized coal mining industry, the number of executive should range between 8-10 per cent of the total workforce. The Committee, therefore, desire that keeping in view the CIL's major thrust on mechanization of mines, the existing ratio of executive manpower needs to be suitably enhanced to the desired level both in respect of underground mines and opencast mines to keep pace with the state-of-art-technology and modernisation in coal industry.</p>
4.	2.20	<p>The Committee express grave concern over the continuing outsourcing by the CIL's Subsidiaries while terming existing manpower as surplus. The Committee, therefore, desire the CIL to apprise them within two months about the number of jobs outsourced in each of the subsidiaries category-wise. The Committee further desire the CIL to gainfully utilize the existing surplus manpower by upgrading their skill.</p>
5.	2.25	<p>The Committee note that selection to the Board level posts in Coal India Limited (CIL) and each of its subsidiaries is made by Public Enterprises Selection Board (PESB) and that action therefor is initiated one year before the occurrence of the vacancy as per the guidelines of the Department of Personnel and Training (DoPT). It has been found that action for completing the various formalities for filling up the vacancies was taken well in time, yet a number of posts at the Director level in CIL and some of its subsidiaries remained vacant for a period ranging from six months to one year and even beyond that. The Committee observe that despite concerted efforts made by the Ministry to shorten the various processes of selection, there had been a delay of approximately 5 and 10 months respectively for filling up the vacant posts of CMD, CIL and CMD, MCL. The Committee understand that the recommendations of PESB, clearance from CVC and approval of ACC are the pre-requisite requirements for filling up Board level posts and, therefore, the same should not be considered as excuse for delay in filling up such posts. The Committee cannot but draw inference that</p>

1	2	3
		<p>there had been a definite laxity on the part of the Ministry in quickly processing the appointment cases of Board level posts in CIL which has resulted in many such posts remaining vacant for several months. The Committee would like to emphasise that keeping in view the significant role being played by the Board level officers in the smooth functioning of CIL and its subsidiaries, delay in their appointment is unwarranted. The Committee, therefore, desire the Ministry to take timely action and ensure the completion of the various stages of selection process well before the occurrence of a vacancy.</p>
6.	2.33	<p>The Committee note that the Voluntary Retirement Scheme (VRS) was introduced in the year 1988-89 in Coal India Ltd. to reduce its surplus manpower. Although the response of the employees towards VRS was not that encouraging initially, yet it picked up gradually and as a result, during the Ninth Five year Plan i.e. from 1997-98 to 2001-02, as many as 45,184 employees of Coal India Ltd. including its subsidiaries opted for VRS. Similarly, during the first three years of the Tenth Plan Period, i.e. 2002-2003, 2003-2004 and 2004-2005 (upto 31 December, 2004), 14,697 employees took VRS. The Committee further note that despite 59881 employees opted for VRS so far, the coal companies have still been ladened with large surplus manpower. The Committee have also been informed that replacement of VRS by some kind of tapering pension scheme which would ensure a fixed income and allotting some shares in the company to the workers who are being separated is on the anvil. In the opinion of the Committee, the pension scheme and allotment of shares merits attention and if implemented, will be as effective as the VRS, to reduce the surplus manpower in the coal companies.</p> <p>The Committee, therefore, recommend the Ministry to explore the possibility of introducing the tapering Pension Scheme and allotment of shares to the separated employees to instil a sense of security among those employees opting for VRS by having a permanent source of income.</p>

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7.	2.34	<p>The Committee further observe that a liberal Voluntary Retirement Scheme has been submitted by Coal India Ltd. and the same is under examination in the Ministry. The Committee desire the Ministry to finalise the liberal VRS in true spirit, at an early date and allocate adequate funds for the same in order to enable the coal companies to shed the extra flab progressively.</p>
8.	2.49	<p>The Committee note that as per the Mines Vocational Training Rules (MVTR) 1966, different types of training for different types of workers are imparted in Coal India Ltd.(CIL). Such training programmes which include basic introductory job related training, refresher training, etc. are conducted in-house, outside the company, abroad as well as at Vocational Training Centres (VTCs). Technical Training, Management Training, General Development Training and Transformation Training have remained the focussed and thrust areas of training programmes. The Committee further note that out of a total workforce of 4,76,754 in CIL, 46% constituted unskilled workforce as against 34% skilled workers. The Committee strongly feel that unless more and more unskilled workers are given training/retraining, the qualitative improvement in CIL cannot be brought about. The Committee are, however, constrained to note that out of 2,87,978 unskilled workers, only 9,262 were imparted training during the last four years. The Committee are dismayed at the present training schedule for unskilled workers as at the current pace, the CIL will take decades in training its entire unskilled workforce. The Committee, therefore, desire the Ministry/CIL to chalk out a comprehensive training programme for unskilled workers in particular so as to convert more and more workers from the unskilled category into skilled category within a reasonable time frame.</p>
9.	3.8	<p>The Committee note that the fleet of Heavy Earth Moving Machines (HEMMs), which was 613 at the time of Coal India's formation in 1975, has increased nearly ten times to 6017 as against the projected requirement of 6,946 HEMMs as on 1.5.2005. The shortage of HEMMs in most of the subsidiaries of CIL particularly in Eastern Coalfields Ltd., Northern Coalfields Ltd. and Bharat Coking Coalfields Ltd. is the prime reason for below average growth rate of coal production. The Committee feel that when all the core and non-core sectors are heavily depended on CIL for</p>

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		<p>coal supply, the shortage of such heavy equipments which are critical for coal productions does not augur well. The option left with the coal companies to meet the requirement of HEMMs is either to hire or use the old equipments after incurring huge amount on their repair/maintenance. The Committee are not satisfied with the efforts made by CIL in the past to procure the HEMMs in a time bound programme to bridge the gap between their requirement and the availability. The Committee are also not convinced with the operation of old HEMMs after their repair/maintenance as well as hiring of the heavy machinery as it will not be in the interest of sound financial health of the company. The Committee, therefore, recommend that CIL should constitute a Task Force to expedite the HEMMs procurement and see that the same are procured within the scheduled time. The Committee also desire the Ministry of Coal to approach the Hon'ble Supreme Court regarding embargo on procurement of HEMMs.</p>
10.	3.9	<p>The Committee note that CIL has found continuous miner technology suitable for some of the underground mines in the Indian geo-mining conditions. The Committee further note that it has been introduced only in two mines one each in South Eastern Coalfields Ltd. and Western Coalfields Ltd. This technology is proposed to be introduced in 16 other mines of CIL. The Committee are unhappy at the snail's pace of introduction of such an useful technology in other underground mines. The Committee stress for expeditious introduction of new technology for increased production of coal to meet the growing demand of all the sectors. The Committee, therefore, desire that concerted efforts should be made to introduce the Continuous Miner Technology in all the identified 16 mines of CIL. The Committee further desire that in other underground mines also, feasibility of introducing this technology may be explored.</p>
11.	3.23	<p>The Committee are constrained to note the poor utilization of Heavy Earth Moving Machines (HEMMs) both in opencast and underground mines of all the subsidiaries of Coal India Limited(CIL) during the last five years. The Committee are not convinced by the oft-repeated reasons advanced by the Ministry for their poor utilisation. The Committee are deeply anguished to note that most of the subsidiaries of CIL have even failed to achieve the liberal</p>

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		<p>norms fixed by Central Mine Planning and Design Institute Ltd.(CMPDIL) in this regard. The Committee strongly deprecate the poor utilisation of HEMMs as well as utter failure of the management of all coal companies in not adhering to the liberal norms fixed by CMPDIL considering that the under-utilization of HEMMs and other equipments does have an adverse effect on the coal production and also the profitability of the CIL. The Committee firmly believe that had the steps to improve the utilization of HEMMs seriously taken in the right perspective, the coal production position would have been much better than what it is at present and the need to outsource some of the activities of CIL would not have surfaced. The Committee, therefore, recommend that a detailed mine-wise exercise should be undertaken to assess the reasons for idling and under utilization of HEMMs. The Committee also desire that an Action Plan should be drawn up with clear-cut demarcation of accountability and responsibility of the officers concerned for improving the fleet utilization.</p>
12.	3.24	<p>The Committee further recommend that major equipments and machines lying idle should be transferred from one mine to the other where there is shortage and like-wise from one subsidiary to another in order to ensure their optimal utilization.</p>
13.	3.30	<p>The Committee appreciate to note that scheduled preventive maintenance, daily maintenance of Heavy Earth Moving Machines (HEMM) and resetting of the technical parameters of different assemblies for improving the reliability are already in vogue in Coal India Ltd. (CIL). Further, long term comprehensive Annual Maintenance Contracts (AMC) are being entered into for higher capacity equipment. Major repair of equipments is being taken up at Central Workshops and the over-aged equipment which have covered their rated life and are not techno-economically viable for operation are being reportedly replaced in a phased manner. In view of the fact that maintenance of machines/equipments is as important aspect, the Committee feel that the measures initiated by CIL for maintenance of machines as well as for improving their reliability are in right direction.</p> <p>The Committee are, however, extremely disappointed to note that some of the subsidiaries of CIL like ECL, BCCL, CCL, NCL, etc. have failed to fully utilize the amount</p>

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		<p>earmarked during the last three years towards maintenance of machines/equipments. Such under-utilization is glaring in the case of NCL which has fallen short of utilizing the budget amount by nearly Rs.100 crore during each of the last three years. The Committee, therefore, desire the Ministry/CIL to ensure full utilization of the allocated funds as to keep their machines/equipments in perfect condition.</p>
14.	4.16	<p>The Committee observe that certain activities of coal production, over burden removal and transportation of coal and sand have been outsourced in some mines of the subsidiary companies of Coal India Limited(CIL). It is stated that outsourcing has economized the operational cost of projects. The Committee understand that coal mining requires huge financial investment especially when the new projects are started. The budgetary support to CIL by the Government was withdrawn long back and for financing the projects, CIL has to depend on commercial borrowings and its own resource generation. As the Government restricted its investment, the option available with CIL was long term borrowings from financial institutions. The Committee note that because of the sound financial condition, the commercial borrowings had been possible for profit making companies but the subsidiaries like ECL and BCCL had not been able to generate sufficient funds from external borrowings for undertaking mining activities including procurement of heavy machinery.</p> <p>The Committee further observe that Coal India Limited (CIL) has tried to justify outsourcing by furnishing comparative figures of cost of production in Bhubaneswari, Kamah and Kulda opencast projects where mining activities have been outsourced vis-a-vis other projects being mined departmentally. The Committee are extremely surprised that the CIL while calculating the cost of mining in outsourced projects, has completely ignored the expenditure being incurred on the heavy machines and work force lying idle. The Committee are anguished that CIL has resorted to fudging of figures to continue and further promote the outsourcing for its various activities. The Committee, therefore, desire the CIL to chalk out a plan to minimize the outsourcing and ensure full capacity utilisation of men and machines to bring down the cost of production in the projects being operated departmentally.</p>

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15.	4.17	<p>The Committee are deeply concerned at the distinct possibilities of corruption and exploitation of the labour in the outsourced activities. The Committee feel that although measures are being taken to protect the interests and welfare of the workers and these are also incorporated in the agreement entered with the contractor, still the possibility of the workers being exploited remains. The Committee, therefore, desire the Coal India Limited to ensure that the terms and conditions laid down in the contract with the private companies are strictly adhered to. The Committee also desire that due preference should be given to the private companies utilizing the services of the separated workers.</p>

ANNEXURE-I

MINUTES OF THE FIRST SITTING OF THE SUB-COMMITTEE ON COAL OF THE
STANDING COMMITTEE ON COAL AND STEEL (2004-05) HELD ON 30TH
DECEMBER, 2004 IN COMMITTEE ROOM 'E', PARLIAMENT HOUSE ANNEXE, NEW
DELHI

The Committee met from 1500 hrs. to 1615 hrs.

PRESENT

Shri Nitish Kumar – Convenor

MEMBERS

2. Shri Hansraj G.Ahir
3. Shri E.Ponnuswamy
4. Shri Faggan Singh Kulaste
5. Shri Bhubaneswar Prasad Mehta
6. Shri Anirudh Prasad
7. Shri Vidya Sagar Nishad

SECRETARIAT

- | | | |
|--------------------|-----|-----------------|
| 1. Shri N.K.Sapra | --- | Joint Secretary |
| 2. Shri A.K.Singh | --- | Director |
| 3. Shri Shiv Singh | --- | Under Secretary |

WITNESSES

Sl.No.	Name & Designation	Ministry/PSU
1.	Shri Prakash Chandra Parakh, Secretary	Ministry of Coal
2.	Shri Pradeep Kumar, Addl.Secretary	-do-

3. Shri A.P.V.N.Sarma, Joint Secretary	-do-
4. Shri K.P.Verma, Adviser (Project)	-do-
5. Shri Rajiv Sharma, Joint Secretary	-do-
6. Shri P.K.Sinha, JS&FA	-do-
7. Shri Suresh Kumar, Deputy Secretary (Finance)	-do-
8. Shri Shashi Kumar, CMD	Coal India Limited
9. Shri P.S.Bhattacharya, CMD	Bharat Coking Coal Limited
10. Shri Abdul Kalam, CMD	Eastern Coalfields Limited
11. Shri M.K.Thapar, CMD	South Eastern Coalfields Limited
12. Shri Ashok Mehta, CMD	Western Coalfields Limited
13. Shri B.M.Nag, CMD(Acting)	Mahanadi Coalfields Limited
14. Shri V.K.Singh, CMD	Northern Coalfields Limited
15. Shri S.Jayaraman, CMD	Neyveli Lignite Corporation Ltd.
16. Shri M.N.Jha, CMD	Central Mine Planning & Design Institute Limited
17. Shri Ajay Kumar, CMD	Central Coalfields Limited

2. At the outset, the Convenor of Sub-Committee on Coal of the Standing Committee on Coal and Steel welcomed the Members and the Officers of Ministry of Coal to the sitting of the Sub-Committee. Thereafter, the Secretary, Ministry of Coal briefed the Sub-Committee on the subject "Manpower Planning, Utilisation of Machinery and Outsourcing in Coal India Limited" selected by the Standing Committee on Coal and Steel for detailed examination during the year 2004-05.

3. The Hon'ble Convenor of the Sub-Committee opined that it would have been more appropriate if a Power Point presentation has been given by the Ministry of Coal incorporating detailed information about the subject and desired the Ministry to do so in the next sitting of the Sub-Committee which was fixed for 7.1.2005.

4. A verbatim record of the proceedings of the sitting has been kept.

The Committee then adjourned.

MINUTES OF THE SECOND SITTING OF THE SUB-COMMITTEE ON COAL OF THE
STANDING COMMITTEE ON COAL AND STEEL(2004-05) HELD ON 7TH JANUARY,
2005 IN COMMITTEE ROOM 'C', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee met from 1500 hrs. to 1650 hrs.

PRESENT

Shri Nitish Kumar – Convenor

MEMBERS

2. Shri Hansraj G.Ahir
3. Shri Hemlal Murmu
4. Shri Anirudh Prasad
5. Shri Devdas Apte
6. Shri Vidya Sagar Nishad

SECRETARIAT

- | | | | |
|----|-----------------|-----|-----------------|
| 1. | Shri N.K.Sapra | --- | Joint Secretary |
| 2. | Shri A.K.Singh | --- | Director |
| 3. | Shri Shiv Singh | --- | Under Secretary |

WITNESSES

Sl.No.	Name & Designation	Ministry/PSU
1.	Shri Prakash Chandra Parakh, Secretary	Ministry of Coal
2.	Shri Pradeep Kumar, Addl. Secretary	-do-

3. Shri A.P.V.N.Sarma, Joint Secretary	-do-
4. Shri K.P.Verma, Adviser (Project)	-do-
5. Shri Rajiv Sharma, Joint Secretary	-do-
6. Shri Harbhajan Singh, JS&FA	-do-
7. Shri Suresh Kumar, Deputy Secretary (Finance)	-do-
8. Shri Shashi Kumar, CMD	Coal India Limited
9. Shri Mohd. Salimuddin, Dir. (Personnel)	Coal India Limited
10. Shri K.S.Mishra, Chief Mining Engineer	Coal India Limited
11. Shri P.S.Bhattacharya, CMD	Bharat Coking Coal Limited
12. Shri Abdul Kalam, CMD	Eastern Coalfields Limited
13. Shri M.K.Thapar, CMD	South Eastern Coalfields Limited
14. Shri G.S.Chug, Acting CMD	Western Coalfields Limited
15. Shri Ajay Kumar, Acting CMD	Central Coalfields Limited
16. Shri V.K.Singh, CMD	Northern Coalfields Limited
17. Shri S.Jayaraman, CMD	Neyveli Lignite Corporation Ltd.
18. Shri S.Choudhuri Acting CMD	Central Mine Planning & Design Institute Limited

2. At the outset, the Convenor of Sub-Committee on Coal of the Standing Committee on Coal and Steel welcomed the Members and the Officers of the Ministry of Coal to the sitting of the Sub-Committee. Thereafter, the Secretary, Ministry of Coal gave a visual presentation on the subject "Manpower Planning, Utilisation of Machinery and Outsourcing in Coal India Limited" selected by the Standing Committee on Coal and Steel for detailed examination during the year 2004-05. After the visual presentation was over, the Committee sought clarifications on the various points from the representatives of the Ministry of Coal.

3. The Hon'ble Convenor asked the Secretary, Ministry of Coal to furnish detailed notes/data on those points which could not be replied during the course of the sitting and also to which full information was not readily available with them.

4. A verbatim record of the proceedings of the sitting has been kept.

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND
STEEL(2004-05) HELD ON 20.6.2005 IN COMMITTEE ROOM NO.63,
PARLIAMENT HOUSE , NEW DELHI

The Committee met from 1500 hours to 1725 hours.

PRESENT

Shri Ananth Kumar - **Chairman**

MEMBERS

2. Shri Prasanna Acharya
3. Shri Hansraj G. Ahir
4. Shri Harishchandra Chavan
5. Shri Bikash Chowdhury
6. Shri Chandra Sekhar Dubey
7. Shri Chandrakant Khaire
8. Shri Nitish Kumar
9. Shri Hemlal Murmu
10. Shri Anirudh Prasad
11. Shri E. Ponnuswamy
12. Smt. Karuna Shukla
13. Shri Rewati Raman Singh
14. Shri Ramsevak Singh (Babuji)
15. Shri M. Anjan Kumar Yadav
16. Shri Ramadhar Kashyap
17. Shri Jibon Roy
18. Shri G.K. Vasan
19. Dr. Swami Sakshi Ji Maharaj

SECRETARIAT

- | | | | |
|----|-----------------|-----|-----------------|
| 1. | Shri N.K.Sapra | --- | Joint Secretary |
| 2. | Shri A.K.Singh | --- | Director |
| 3. | Shri Shiv Singh | --- | Under Secretary |

LIST OF WITNESSES

Sl. No.	Name & Designation	Ministry/PSU
1.	Shri Prakash Chandra Parakh, Secretary	Ministry of Coal
2.	Shri Pradeep Kumar, Addl. Secretary	--do--
3.	Shri K.P.Verma, Consultant	--do--
4.	Shri K.S. Kropha, Joint Secretary	--do--

5.	Shri Rajiv Sharma, Joint Secretary	--do--
6.	Shri Harbhajan Singh, JS&FA	--do--
7.	Smt. Richan Tempo, Director	--do--
8.	Shri Sujit Gulati, Director	--do--
9.	Shri Sanjiv Mittal, Director	--do--
10.	Shri B.K. Panda, Director	--do--
11.	Shri Suresh Kumar, Deputy Secretary	--do--
12.	Shri Shashi Kumar, CMD	Coal India Limited
13.	Shri Mohd. Salimuddin, Dir.(P&IR)	Coal India Limited
14.	Shri P.S.Bhattacharya, CMD	Bharat Coking Coal Ltd
15.	Shri M.K.Thapar, CMD	South Eastern Coalfields Ltd
16.	Shri G.S.Chug, Acting CMD,	Western Coalfields Ltd.
17.	Shri R.P. Ritolia, CMD	Central Coalfields Ltd.
18.	Shri V.K.Singh, CMD	Northern Coalfields Ltd.
19.	Shri Abhiram Sharma, CMD	Mahanadi Coalfields Ltd.
20.	Shri S.Choudhuri, Acting CMD	Central Mine Planning & Design Institute Limited

2. At the outset, the Chairman, Standing Committee on Coal and Steel (2004-05) welcomed the Members of the Committee and, the Secretary, and officers of the Ministry of Coal to the sitting of the Committee.

3. Thereafter, the Secretary, Ministry of Coal gave a general presentation on the subject "Manpower Planning, Utilization of Machinery and Outsourcing in Coal India Ltd.". The following important points emerged out of the discussion:

- (i) Human Resource Development in Coal India Limited;
- (ii) Manpower Assessment;
- (iii) Upgradation of skill of unskilled and surplus workers;
- (iv) Appointment of Board level officers;
- (v) Utilization of Machinery; and
- (vi) Outsourcing in Coal India Limited.

4. A verbatim record of the proceedings of the sitting has been kept.

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND
STEEL(2005-06) HELD ON 21.03.2006 IN COMMITTEE ROOM NO.62,
PARLIAMENT HOUSE, NEW DELHI

The Committee met from 1700 hrs. to 1800 hrs.

PRESENT

Shri Ananth Kumar - **Chairman**

MEMBERS

2. Shri Prasanna Acharya
3. Shri Chandra Sekhar Dubey
4. Shri Chandrakant Khaire
5. Shri Vikrambhai Arjanbhai Maadam
6. Shri Bhubneshwar Prasad Mehta
7. Shri Hemlal Murmu
8. Shri Anirudh Prasad Alias Sadhu Yadav
9. Shri Dalpat Singh Paraste
10. Shri E. Ponnuswamy
11. Smt. Karuna Shukla
12. Shri M.Anjan Kumar Yadav
13. Capt. Jai Narayan Prasad Nishad
14. Shri Vidya Sagar Nishad

SECRETARIAT

1. Shri A.K.Singh- - Joint Secretary
2. Shri A.K.Singh - Director
3. Shri Shiv Singh - Under Secretary

2. At the outset, the Chairman, Standing Committee on Coal and Steel welcomed the Members to the sitting of the Committee.

3. The Committee then considered and adopted the following Draft Report with some additions/deletions/modifications:

- (i) Draft Report on the subject "Manpower Planning, Utilisation of Machinery and Outsourcing in Coal India Limited" relating to the Ministry of Coal.

4. The Committee then authorised the Chairman to finalise the Report after making consequential changes arising out of factual verification by the concerned Ministry and to present the above-mentioned Report to the House on date and time convenient to him.

The Committee then adjourned.