

**'CENTRAL COALFIELDS LIMITED (CCL)'**

**MINISTRY OF COAL**

**COMMITTEE ON PUBLIC UNDERTAKINGS  
(2020-21)**

**SECOND REPORT**

**SEVENTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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*Presented to Lok Sabha on 29.01.2021  
Laid in Rajya Sabha on 29.01.2021*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*January, 2021/Magha, 1942 (Saka)*

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- II. Minutes of the sitting of the Committee on Public Undertakings (2019-20) held on 17.02.2020
- III. Minutes of the sitting of the Committee on Public Undertakings (2019-20) held on 02.03.2020
- IV. Minutes of the sitting of the Committee on Public Undertakings (2020-21) held on 07.01.2021.

**COMPOSITION OF**  
**COMMITTEE ON PUBLIC UNDERTAKINGS (2020-21)**

***Smt. Meenakashi Lekhi - Chairperson***

**Members**

**LOK SABHA**

2. Dr.Heena Vijaykumar Gavit
3. Shri Chandra Prakash Joshi
4. Smt. K. Kanimozhi
5. Shri Raghu Ramakrishna Raju Kanumuru
6. Smt. Poonamben Hematbhai Maadam
7. Shri Arjunlal Meena
8. Shri Janardan Mishra
9. Shri Kinjarapu Ram Mohan Naidu
10. Prof. Saugata Roy
11. Dr. Arvind Kumar Sharma
12. Shri Ravneet Singh
13. Shri Sushil Kumar Singh
14. Shri Uday Pratap Singh
15. Shri Ramdas Chandrabhanji Tadas

**RAJYA SABHA**

16. Shri Prasanna Acharya
17. Shri Birendra Prasad Baishya
18. Shri Anil Desai
19. Shri Joginipally Santosh Kumar
20. Shri Om Prakash Mathur
21. Shri Surendra Singh Nagar
22. Shri M. Shanmugam

**Secretariat**

Shri R.C. Tiwari	-	Joint Secretary
Shri Srinivasulu Gunda	-	Director
Shri G.C. Prasad	-	Additional Director
Shri Aritra Das	-	Assistant Executive Officer

**COMPOSITION OF THE  
COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2020)**

***Smt. Meenakshi Lekhi - Chairperson***

**Members**

**Lok Sabha**

2. Kunwar Danish Ali
3. Dr. Heena Vijaykumar Gavit
4. Shri Chandra Prakash Joshi
5. Smt. K. Kanimozhi
6. Shri Raghu Ramakrishna Raju Kanumuru
7. Smt. Poonamben Hematbhai Maadam
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14. Shri Uday Pratap Singh
15. Shri Ramdas Chandrabhanji Tadas

**Rajya Sabha**

16. Shri Prasanna Acharya
17. Dr. Anil Jain
18. Mohd. Ali Khan
19. Shri Om Prakash Mathur
20. Shri Mahesh Poddar
21. Shri A.K. Selvaraj
22. Shri Surendra Singh Nagar

## INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2020-21) having been authorized by the Committee to submit the Report on their behalf, present this Second Report on 'Central Coalfields Limited (CCL).'

2. The Committee on Public Undertakings (2019-20) had selected the said subject for detailed examination. As the examination of the subject remained inconclusive during the terms of the Committee on Public Undertakings (2019-20), the present Committee decided to carry forward the subject so as to complete the unfinished task.

3. The Committee (2019-20) was initially briefed about the subject by the representatives of the Central Coalfields Limited (CCL) on 13<sup>th</sup> November, 2019. Thereafter, the Committee on Public Undertakings (2019-20) took evidence of the representatives of Central Coalfields Limited (CCL) on 17<sup>th</sup> February, 2020 and also took oral evidence of the representatives of Ministry of Coal on 2<sup>nd</sup> March, 2020.

4. The Committee (2020-21) considered and adopted the draft Report at their sitting held on 7 January, 2021.

5. The Committee wish to express their thanks to the representatives of Central Coalfields Limited (CCL) and Ministry of Coal for tendering evidence before them and furnishing the requisite information to them in connection with examination of the subject.

6. The Committee also wish to express their sincere thanks to the predecessor Committee for their valuable contribution in examination of the subject.

7. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in Part-II of the Report.

**New Delhi**  
**7 January, 2021**  
**17 Pausha, 1942 (S)**

**MEENAKASHI LEKHI**  
**Chairperson**  
**Committee on Public Undertakings**

## ACRONYMS

<b>NCDC</b>	<b>National Coal Development Corporation Ltd.</b>
<b>BCCL</b>	<b>Bharat Coking Coal Limited</b>
<b>TISCO</b>	<b>Tata Iron and Steel Company Limited.</b>
<b>IISCO</b>	<b>The Indian Iron &amp; Steel Company</b>
<b>CAML</b>	<b>Coal Mines Authority Ltd.</b>
<b>MT</b>	<b>Million tonnes</b>
<b>MTY</b>	<b>Million tonnes/Year</b>
<b>FY</b>	<b>Financial Year</b>
<b>PBT</b>	<b>Profit Before Tax</b>
<b>PAT</b>	<b>Profit After Tax</b>
<b>OC</b>	<b>Open-Cast (Mining)</b>
<b>NCST</b>	<b>National Commission for Scheduled Tribes</b>
<b>DAV</b>	<b>Dayanand Anglo-Vedic</b>
<b>ITI</b>	<b>Industrial Training Institute.</b>
<b>CapEx</b>	<b>Capital Expenditures</b>
<b>CHP</b>	<b>Coal Handling Plant</b>
<b>GHG</b>	<b>Green House Gas</b>
<b>BT</b>	<b>Billion ton</b>
<b>CIL</b>	<b>Coal India Ltd.</b>
<b>NCWA</b>	<b>National Coal Wage Agreement</b>
<b>CAGR</b>	<b>Compound Annual Growth Rate</b>
<b>EC</b>	<b>Environment Clearance</b>
<b>FC</b>	<b>Forest Clearance</b>

<b>OMS</b>	<b>Output Per Manshift</b>
<b>CPT</b>	<b>Con Penetration Test</b>
<b>SPT</b>	<b>Standard Penetration Test</b>
<b>OB</b>	<b>Overburden</b>
<b>PM</b>	<b>Particulate Matter</b>
<b>CAAQMS</b>	<b>Continues Ambient Air Quality Monitoring System</b>
<b>RFID</b>	<b>Radio Frequency Identification</b>
<b>CMPDIL</b>	<b>Central Mine Planning &amp; Design Institute</b>
<b>OCP</b>	<b>Opencast Projects</b>
<b>ODF</b>	<b>Open Defecation Free</b>
<b>SD</b>	<b>Sustainable Development</b>
<b>SVA</b>	<b>Swacch Vidyalaya Abhiyan</b>
<b>CCLQRT</b>	<b>CCL Quick Response Team</b>
<b>NCL</b>	<b>Northern Coalfields Ltd.</b>
<b>ECL</b>	<b>Eastern Coalfields Ltd.</b>
<b>BCCL</b>	<b>Bharat Cocking Coal Ltd.</b>
<b>MCL</b>	<b>Mahanadi Coalfields Ltd.</b>
<b>WCL</b>	<b>Western Coalfields Ltd.</b>
<b>SECL</b>	<b>South Eastern Coalfields Ltd.</b>
<b>NEC</b>	<b>North Eastern Coalfields</b>
<b>SOPs</b>	<b>Standard Operating Procedures</b>
<b>CVC</b>	<b>Central Vigilance Commission</b>
<b>CVO</b>	<b>Chief Vigilance Officer</b>
<b>CTE</b>	<b>Chief Technical Examiner</b>
<b>DPE</b>	<b>Department of Public Enterprises</b>
<b>PMS</b>	<b>Performance Management System</b>
<b>JCC</b>	<b>Joint Consultative Committee</b>

<b>UG</b>	<b>Under Ground (Mines)</b>
<b>LOI</b>	<b>Letter of Intent</b>
<b>BOO</b>	<b>Build, Own, Operate</b>
<b>BOM</b>	<b>Build, Operate, Maintain</b>
<b>CMD</b>	<b>Chairman-cum-Managing Director</b>
<b>PAPs</b>	<b>Project Affected Persons</b>
<b>PPF</b>	<b>Project Affected Families</b>
<b>BDO</b>	<b>Block Development Officer</b>
<b>SDO</b>	<b>Sub-divisional Officer</b>
<b>RIMS</b>	<b>Rajendra Institute of Medical Sciences (Ranchi)</b>
<b>CPGRAMS</b>	<b>Centralized Public Grievance Redress And Monitoring System</b>
<b>R&amp;R</b>	<b>Rehabilitation &amp; Resettlement</b>
<b>WMCC</b>	<b>Washed Medium Coking Coal</b>
<b>DVC</b>	<b>Damodar Valley Corporation</b>
<b>NTPC</b>	<b>National Thermal Power Corporation</b>
<b>SAIL</b>	<b>Steel Authority of India Ltd.</b>
<b>RINL</b>	<b>Rashtriya Ispat Nigam Ltd.</b>
<b>SBICAP</b>	<b>SBI Capital Markets Ltd.</b>
<b>SEBI</b>	<b>Securities &amp; Exchange Board of India</b>
<b>GCV</b>	<b>Gross Calorific Value</b>
<b>UHV</b>	<b>Useful Heat Value</b>
<b>PSC</b>	<b>Pit Safety Committee</b>
<b>DGMS</b>	<b>Directorate General of Mines Safety</b>
<b>E&amp;M</b>	<b>Engineering &amp; Maintenance</b>
<b>SMP</b>	<b>Safety Management Plan</b>
<b>SOP</b>	<b>Safe Operating Procedure</b>

<b>EPF</b>	<b>Employees' Provident Fund</b>
<b>CMPF</b>	<b>Coal Mines Provident Fund</b>
<b>CMPFO</b>	<b>Coal Mines Provident Fund Organization</b>
<b>CLIP</b>	<b>Contractor Labour Information Portal</b>
<b>HEMM</b>	<b>Heavy Earth Moving Machineries</b>
<b>ADs</b>	<b>Aspirational Districts</b>
<b>TADP</b>	<b>The Aspirational District Program</b>
<b>CM</b>	<b>Continuous Miners</b>
<b>CTO</b>	<b>Consent to Operate</b>
<b>CTE</b>	<b>Consent to Establish</b>
<b>FSA</b>	<b>Fuel Supply Agreement</b>
<b>MSQ</b>	<b>Monthly Scheduled Quantities</b>
<b>CEA</b>	<b>Central Electricity Authority</b>
<b>PIDPI</b>	<b>Public Interest Disclosure and Protection to Informers</b>
<b>CPSE</b>	<b>Central Public Sector Enterprises</b>
<b>ERP</b>	<b>Enterprise Resource Planning</b>
<b>NIC</b>	<b>National Informatics Center</b>
<b>GeM</b>	<b>Government e-Marketplace</b>
<b>KKMG</b>	<b>Kayakalp Model of Governance</b>
<b>IR</b>	<b>Industrial Relations</b>
<b>MT</b>	<b>Management Trainees</b>
<b>WIPS</b>	<b>Women in Public Sectors</b>
<b>CCL</b>	<b>Central Coalfields Ltd./Child Care Leave</b>
<b>MOEF&amp;CC</b>	<b>Ministry of Environment, forest and Climate Change</b>
<b>TOR</b>	<b>Terms of Reference</b>
<b>BS</b>	<b>Bharat Stage</b>
<b>CBA(A&amp;D)</b>	<b>The Coal Bearing Areas (Acquisition and Development) Act</b>

<b>RFCTLARR</b>	<b>Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act</b>
<b>JHSOR</b>	<b>Jharkhand Schedule of Rates</b>
<b>JBCCI</b>	<b>Joint Bipartite Coal Committee of India</b>
<b>MM</b>	<b>Material Manager</b>
<b>RCR</b>	<b>Road-cum-Rail</b>
<b>TPD</b>	<b>Transportation Principal Document</b>
<b>SPCB</b>	<b>State Pollution Control Board</b>
<b>JSPCB</b>	<b>Jharkhand State Pollution Control Board</b>
<b>CA</b>	<b>Compensatory Afforestation</b>
<b>HEC</b>	<b>Heavy Engineering Corporation</b>
<b>AMRCD</b>	<b>Alternative Mechanism for Resolution of Commercial Disputes</b>
<b>MDMS</b>	<b>Mine Data Base Management System</b>
<b>IMC</b>	<b>Inter-Ministerial Committee</b>
<b>MOSPI</b>	<b>Ministry of Statistics and Programme Implementation</b>
<b>DPIIT</b>	<b>Department for Promotion of Industry and Internal Trade</b>
<b>FDI</b>	<b>Foreign Direct Investment</b>
<b>EIA</b>	<b>Environment Impact Assessment</b>
<b>EMP</b>	<b>Environment Management Plan</b>
<b>BoT</b>	<b>Board of Trustee</b>
<b>CMPS</b>	<b>Coal Mines Pension Scheme</b>
<b>PVC</b>	<b>Polyvinyl chloride</b>
<b>IME</b>	<b>Independent Medical Examination</b>
<b>PME</b>	<b>Periodic Medical Examination</b>
<b>WTP</b>	<b>Water Treatment Plant</b>
<b>STP</b>	<b>Sewage Treatment Plant</b>
<b>APP</b>	<b>Atactic Polypropylene</b>

**MOM**      **Ministry of Mines**  
**EPC**      **Engineering, Procurement, Construction**  
**WO**      **Washery Operator**

# **REPORT**

## **PART – I**

### **CHAPTER – I**

#### **PROFILE OF THE COMPANY**

##### **A. Historical insight of coal mining in India**

1.1 The origin of coal mining in India dates back to 1774. Demand for coal started rising mainly for use by the railways after 1885 and coal production reached a level of over six million tonne per annum by the beginning of twentieth century. Coal mining was predominantly done by the private sector and pricing was market driven. A surge in demand was witnessed during the First World War which multiplied many-fold during the Second World War. Government control over prices, production and distribution was imposed upon the coal industry during this period by the Colliery Control Order, 1944 which was modified under the Essential Commodities Act, 1946 and it remained in force even after independence. Coal production in pre independent era was mostly by manual means; only a few coal cutting machines were being employed in some of the mines which were electrified.

##### **B. Developments post-independence**

1.2. With the advent of independence, the country embarked upon five year national development plans to improve the economic status of the people. Coal being the most important and proven energy form available, the need was felt in the first five year plan for greater and more efficient production of coal. A production of 39 million tons per year was envisaged by the terminal year of first five year plan. The second plan set a more ambitious coal production target of 60 million tons per year by 1960-61 i.e. terminal year of the plan. During this period it was considered that the private sector would not be able to achieve the target of coal production. As a result National Coal Development Corporation (NCDC), a Government of India company was established in 1956 with the collieries owned by railways as its nucleus. The working of NCDC was in sharp contrast to the working of private sector mines. While the NCDC mines were working scientifically, many private mines practiced slaughter mining.

1.3. Coal mining by the private sector led to a situation wherein there were a number of small pits, with almost no concern for coal conservation, safety of workers and use of scientific methods of development. This led to hazardous working conditions and loss of coal. In spite of the adverse working condition the coal workers were impoverished. Unscientific method of slaughter mining of coal adopted by private owners led to mine fires and subsidence in Jharia and Raniganj coalfields. In view of all these, the coal industry was nationalized in two phases. The benefits of nationalization was: (a) sharp increase in production, (b) scientific and safe coal mining and coal conservation; and (c) employment generation

### **C. Historical Background of CCL**

1.4. The Central Coalfields Ltd. (CCL) has a glorious past. As National Coal Development Corporation Ltd (NCDC), it heralded the beginning of nationalization of coal mines in India. The NCDC was set up in October, 1956 as a Government-owned Company in pursuance of the Industrial Policy Resolutions of 1948 and 1956 of the Government of India. It was started with a nucleus of 11 old state collieries owned by the Railways having a total annual production of 2.9 million tonnes of coal. From its very beginning, the NCDC had focused on increasing coal production and developing new coal resources in the country besides introducing modern and scientific techniques of coal mining. The NCDC had played a pioneering role in India's coal industry by introducing large-scale mechanization and use of modern and scientific methods for coal mining. It went for foreign collaboration with countries such as Poland and the USSR besides limited collaboration with Japan, West Germany and France. With the development and application of improved mining techniques, emphasis on planning, design and research, introduction of modern mine management systems and an enlightened industrial relations policy, the NCDC was able to provide the infrastructure for the total nationalization of coal industry in the country.

1.5. Major event in the history of Indian coal industry was the nationalization of the erstwhile privately owned coal mines in two phases. In the first phase, the management of coking coal mines was taken over by the Government of India on 17th October 1971 and nationalization was effective from 5th January 1972. In the second phase of nationalization, the management of non-coking coal mines in the country, except the

captive coal mines of the two steel plants, viz., TISCO and IISCO, was taken over by the Government on 31st January 1973. These mines were subsequently nationalized with effect from 1st May 1973 and another state-owned company, Coal Mines Authority Ltd. (CMAL) came into being with headquarters at Calcutta (now Kolkata) to manage and develop the NCDC collieries and other newly nationalized units. The NCDC itself, in this process, became a division of CMAL which owned 36 collieries under commercial production in Bihar, Orissa, Madhya Pradesh and Maharashtra, besides four coal washeries, one by-product coke oven plant, two large central workshops and manpower of about 71,000.

1.6. The formation of CMAL witnessed regrouping of the coal mines into three divisions, namely, Western, Central and Eastern. The regrouping had to be done for proper management of mines, keeping in view the geographical location of the collieries.

**D. Formation of Central Coalfields Limited (CCL)**

1.7. The Coal Mines Authority Ltd. (CMAL), with its three divisions continued upto 1st November 1975 when it was renamed as Coal India Limited (CIL) following the decision of Govt. of India to restructure the coal industry. The Central Division of CMAL came to be known as Central Coalfields Limited (CCL) and became a separate company on 1st November, 1975 with the status of a subsidiary of CIL, which became the holding company.

**E. Operating coalfields of CCL Command Area**

1.8. The area of operation of CCL is spread over 8 Districts of Jharkhand covering 2600 square kilometres. The CCL has total 42 operating mines (36 Open Cast and 6 Underground). It has 6 Washeries (4 Coking Coal and 2 Non Coking Coal). It has 5 Regional Workshops and 1 Central Workshop. Presently it has mineable reserves of 5.94 BT, R/P = 86. The area-wise break-up of the 42 mines of CCL is as under:

<b>Coalfields</b>	<b>No. of coal mines</b>	<b>Areas</b>
1. North Karanpura	10	North Karanpura, Piparwar, Rajhara, Magadh & Amrapali
2. South karanpura	8	Brk-Syl, Argada
3. Ramgarh	1	Rajrappa
4. West Bokaro	9	Hazaribagh, Kuju
5. East Bokaro	12	B&K, Dhori, Kathara
6. Giridih	2	Giridih

## **F. Vision, Mission and Objectives**

1.9. **Vision**: The vision of the CCL is to emerge as a national player in the primary energy sector, with the commitment to provide energy security to the country by attaining environmentally and socially sustainable growth through the best practices from mine to market.

1.10. **Mission**: The mission of central coalfields limited (CCL) is to produce and market the planned quantity of coal efficiently and economically in eco-friendly manner with due regard to safety, conservation and quality.

1.11 **Objectives** : The objectives of CCL are as under:

- (i) To optimize generation of internal resources by improving productivity of resources, prevent wastage and to mobilize adequate external resources to meet investment need.
- (ii) To maintain high standards of safety and strive for an accident free mining of coal.
- (iii) To lay emphasis on afforestation, protection of environment and control of pollution.
- (iv) To undertake detailed exploration and plan for new projects to meet the future Coal demand.
- (v) To modernize existing mines.
- (vi) To develop technical know-how and organizational capability of coal mining as well as coal beneficiation and undertake, wherever necessary, applied research and development work related to scientific exploration for greater extraction of Coal.
- (vii) To improve the quality of life of employees and to discharge the corporate obligations to society at large and the community around the coalfields in particular.
- (viii) To provide adequate number of skilled manpower to run the operations and impart technical and managerial training for up gradation of skill. (ix) To improve consumer satisfaction.
- (ix) To enhance the CSR activities specifically in the field of health, sanitation and drinking water in the surrounding villages.

## **G. Future vision of CCL**

1.12. The CCL in a background note submitted to the Committee stated that its future vision is to produce 110 MT of coal by 2024-25 besides emphasizing the crucial aspects of coal quality and environment sustainability through commissioning of new washeries, establishment of silos, coal handling plants (CHPs), conveyor systems, railway sidings and development of surface and continuous miners, eco parks. Besides, CCL is committed to meet the coal demand of the nation by practicing sustainable mining. Sharp increase in production and dispatch has not only saved forex but has also given fillip to “Make in India” initiative. It has also been stated that commissioning of greenfield projects has not only boosted production and dispatch but has also resulted in employment generation. Further, the commissioning of long delayed railway projects have made transportation of coal eco-friendly by reducing dust generation and emission of green house gases. Launch of various CSR and welfare projects has resulted in better relationship with stakeholders, which in turn has led to record land acquisition and physical possession. The Committee has also been informed that monitoring of bio reclamation sites by satellites, mine water management, eco parks, concurrent mining and reclamation, adoption of surface miners, development of washeries, planning, expediting and completion of railway sidings reflect CCL’s commitment to sustainable mining.

## **H. Future of Coal Sector**

1.13 When asked about the future of coal sector and CCL specifically when there is too much emphasis on renewable energy, the Secretary, Ministry of Coal, during the course of oral evidence before the Committee responded as under:

"You have also raised this issue of the challenge of renewable energy on coal and whether we have looked into its likely adverse impact on the coal PSUs future. What I might inform is that the renewal story is unfolding very fast and this has led to a lot of scare in the energy circle and administrative structure governance at the top levels as to what might be the future of coal and especially the wellbeing of coal PSUs and the people who work for coal PSUs and the contribution that they make to these sectors.

We just held a Chintan Shibir in Kewaria ten days back and we got some top experts from TERI and some other sectors to talk to us. Over the two-day Shibir, the general impression was the story of coal is going nowhere for the next at least 15 to 20 years. So, the very clear indications that we get is that,

just to give you a small matrix, solar might cost Rs. 3.5 crore a MV to set up plant, whereas the state-of-the-art thermal power project might Rs. 7.5 crore per MW. It will cost Rs.7.5 crore if it is fitted with all the environmental safeguards like FGD and de-nitrification etc. But the capacity factor does not work in the right in the monsoon. It is more than 20 per cent whereas thermal power projects can work at 100 per cent. So, even accounting for the lower price of a solar project which is 3.5 and that is 7.5, solar projects are doubly as expensive. So, keeping in mind India's poor per capita electricity consumption which is about 1100 per capita per year, whereas the global average is 3000, industry has to go very far to achieve the levels of prosperity and well-being. Keeping that in view, if we were to lay all the eggs in the basket of solar, we would be making a big mistake and this is something which we are talking to the Ministry of Power that there is some kind of an investor disinterest in the coal based power plants which has to be set right because otherwise in the coming time when India does see rise in prosperity and industrialization with 'Make in India' and other campaigns, the power projects will just not be there. So, we do not see any threat and that was the conclusion that we achieved in the Kewaria site."

**CHAPTER - II**  
**BOARD OF DIRECTORS**

**A. Composition**

2.1 Presently the sanctioned strength of the Board of CCL is 12 ( 5-Functional Directors, 2-Government Directors and 5-Non-Official Directors). One post of Director (Personnel) amongst the Functional Director and one post of Non-Official Director is vacant. Apart from sanctioned positions of the 12 Directors on Board, there are two 'permanent invitees' on the Board of CCL; one the Chief Operations Manager of the Eastern Railway and the other, the Principal Secretary (Mines and Geology) of the Government of Jharkhand.

**B. Permanent invitees on the Board of CCL**

2.2. When asked to clarify if the appointment of the two '*permanent invitees*' on the Board is as per Department of Public Enterprises (DPE) Guidelines on Corporate Governance which is the nodal Department regarding finalizing the composition of the Board of CPSUs, the Ministry of Coal in a written note submitted as under:-

"A Meeting of the Inter-Ministerial Committee (IMC) was held to consider the proposal of Ministry of Coal for grant of Navratna status to Coal India Limited (CIL). The IMC in its meeting dated 22.01.2008 requested to take steps to restructure the Board of Directors of CIL for limiting the Government Official Director's position to two and make others as Permanent Invitees. As such, with the approval of the then Minister of Coal it was decided to reconstitute the Board of all Coal PSEs by limiting the number of Government Director to two and to make the rest of them as Permanent Invitees.

As per guidelines laid down by Department of Public Enterprises vide their OM dated 16.03.1992, only Functional Director, Govt. Official Directors and Non-official Independent Director are to be part of the Board of Directors in Public Sector Enterprises. The Permanent Invitees on various boards of Coal Companies are not considered as Directors on these Boards and as such, do not have the voting rights and are not counted for the purpose of quorum in the board meetings."

2.3. When asked the rationale of appointing '*permanent invitees*' on the Board especially when two Government Directors already exist on the Board of CCL, the Ministry of Coal clarified as under:-

“Permanent Invitee is not considered as Director on the Board of the Company. As CCL has to keep a close liaison with the State Governments particularly in regard to land acquisition, forest-clearance cases, occasional law and order issues relating to industrial relations problems etc, railway issues it was desirable to have representatives of State Government and Eastern Railway on the Board of CCL to take help on various issues related to State Government and Railways in order to achieve the maximum growth of the Company.”

2.4. When asked if the appointment of the ‘permanent invitees’ was done as per DPE Guidelines on Corporate Governance, the Company responded as under:-

“There is no specific provision in DPE guidelines regarding appointment of 'Permanent Invitees' on Board. All appointments of members of the Board including permanent invitees has been made by MoC in accordance with letter No. 21/35/2005-ASO(iv) dated 6th June 2008 issued by Ministry of Coal in respect of re -constitution of the CCL Board of Directors.”

2.5. When asked to state the terms of reference of the appointment of the ‘permanent invitees’, CCL in their written response stated that their appointment was made as per the aforesaid Ministry of Coal letter dated 6<sup>th</sup> June 2008.

2.6 Para 6.1 of DPE Guidelines on Corporate Governance for CPSEs issued in the year 2010 provides as under:

"At least one Independent Director on the Board of Directors of the holding Company shall be a Director on the Board of Directors of a subsidiary Company"

2.7. When queried whether any Independent Director on the Board of the Holding Company i.e. Coal India Limited (CIL) is a Director on the Board of the subsidiary i.e. CCL which is a mandatory requirement as per the DPE Guidelines on Corporate Governance, the Ministry of Coal submitted as under:

“As per Regulation 24 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 “At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India”. A Material Subsidiary is a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth, respectively, of the Company and its subsidiary in the immediately preceding accounting year.

CCL is not a material subsidiary of CIL, as such no independent director has been appointed from CIL on the board of CCL.”

2.8. As per the Annual Report (2018-19) of CCL, it is not a listed Company. As indicated therein, it falls under the Sub-Category 'Government Company, Company limited by Shares, Company having Share Capital.'

**C. Secretarial Audit Observation**

2.9. In the Secretarial Audit Report dated 16<sup>th</sup> July 2019 appended in the Annual Report 2018-19, it has been observed that, as per the provisions of 'The Companies Act 2013', the Company required to appoint a Women Director. The Audit Report mentions that as per records, the attendance of the 'permanent invitees' was very less.' In response to the Secretarial Auditor's observations, the Management of CCL clarified that 'all the Directors in Government Company are appointed by Ministry of Coal. However, a letter from Ministry of Coal, Government of India has been received vide no. 21/33/2018-BA (Part II) (ii) dated 10<sup>th</sup> July, communicating the approval of the President for appointment of 3 Non-Official Part-time Director on the Board of CCL for a period of 3 years w.e.f. the date of notification of their appointment. Further, notice and agenda paper were sent to all the Board Members including permanent invitees.'

2.10. Section 149 (1) (a) of Chapter XI of the Companies Act, 2013 relating to appointments and qualifications of Director, provides as under:

" Every company shall have a Board of Directors consisting of individuals as directors in the case of a private company, and one director in the case of a One Person Company; and

[(b) a maximum of fifteen directors:

[Provided that a company may appoint more than fifteen directors after passing a special resolution:]

[Provided further that such class or classes of companies as may be prescribed, shall have at least one women director.]"

2.11. However, despite the Secretariat Audit observations given in Form MR-3 appended with the Annual Reports of the Company pertaining to the past 5 years, i.e., 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19, no 'Woman Director' has been appointed on the Board of CCL.

**CHAPTER - III**  
**PERFORMANCE OF THE COMPANY**

**A. Physical Performance**

**(a) Performance on Key Indicators**

3.1 The company has covered significant distance since its formation in production, productivity, profitability and environmental protection. The Comparative performance of the company between the year of its formation 1975-76 and the financial year 2018-19 is as under :

SL NO	PARAMETER	2018-19	1975-76
1	Coal Production (MT)	68.7	22.72
2	Surface Miner Production (MT)	22.2	NIL
3	Dispatch (MT)	68.4	21.15
4	Overburden Removal (Mm3)	100.5	NA
5	Gross Sales (Rs Crs)	16344	137
6	Productivity ( Output Per manshift – T )	8.09	0.94
7	Cost Per Ton (Rs)	1125	58.4
8	Sale Price Per Ton (Rs)	1498	61.5
9	Employee Benefit Expense ( RsCrs)	5129	68.3

(RLOP, Pg 3)

3.2 The data on the performance of the Company in terms of Coal production, Offtake, Manpower, Gross turnover, Net Worth, Profit Before Tax, Profit After Tax, etc. since 2009-10 to 2018-19 is as given as below:-

Year	Physical performance				Financial performance			
	Average Manpower	Coal production (MT)	Offtake (MT)	productivity **	Gross Turnover (in Crore)	Net worth (in crore)	Profit Before Tax (in Crore)	Profit After Tax (in Crore)
2018-19	40000	68.7	68.5	8.09	16344	5142.72	2692	1704
2017-18	41466	63.4	67.5	7.19	15729	3816.04	1344	790*
2016-17	42919	67.0	60.9	7.23	14533	3237.1	2374	1389
2015-16	44346	61.3	59.6	6.51	13659	6212.1	3119	1915
2014-15	45849	55.6	55.3	5.46	11781	5812.38	2740	1771
2013-14	47406	50.0	52.1	4.64	10493	4502.49	2526	1672
2012-13	49076	48.0	52.9	4.42	10580	4008.08	2684	1886
2011-12	51156	48.0	48.0	4.19	9005	3437.38	1970	1320
2010-11	53171	48.0	46.4	3.88	7083	-	1860	1247
2009-10	55305	47.0	43.9	3.66	6292	-	1533	966

\* Decline in profit mainly because of revision of gratuity to be paid to employees.

\*\*Output Per Manshift (OMS)

3.3 Regarding the low profits and production during 2017-18, it has been explained in a written note that CCL has been achieving the coal production target every year since 2014-15 except 2017-18. In the year 2017-18 production had to be restricted to 63.4 MT owing to evacuation constraint. In the fiscal 2019-20, the company was behind the target mainly due to inordinate delay in land certification, settlement of disputes particularly for claim over Govt. land by district authorities, delay in grant of forestry clearance, environmental clearance, consent to operate (CTO), poor law & order problem in CCL command area etc.'

3.4 Referring to the difficult period that CCL was undergoing during the period of four years *i.e.* 2009-10 to 2012-13 which resulted in almost stagnant production during these years, CCL submitted as under :

"During the period 2009-10 to 2012-13, the company's coal production was stagnating around 48 MT. The company was holding inventory (coal stock) of about 16 MT (about 33 % of annual production) for years together and because of its age, coal stocks had indications of spontaneous heating at many places. Many ongoing projects had acute shortage of land as land owners were not giving physical possession of their land to CCL. The employees were demotivated and demoralized."

3.5 With regard to the measures taken in view of the stagnation in coal production during 2009-10 to 2012-13 and higher inventory levels, the Company informed that it -

"introduced 'Kayakalp Model of Governance'(KKMG) in 2012, with a view to improve the overall company's performance. Explaining the objectives and rationale for KKMG model, CCL submitted as under:

"Kayakalp Model of Governance (KKMG) came into existence in CCL in the year 2012. CCL was facing challenges related to land possession, lack of motivation among employees and lack of sense of belongingness for the company among stakeholders. KKMG was formulated to sort out these issues.

KKMG is based on five principles:

- Bold, ethical, transparent and philanthropic approach of CEO
- Succession Planning
- Strict Discipline
- Technology and Innovation
- Democratic planning and Autocratic control

There are several Kayakalp Schemes which translate these principles into ground realities and result in TEAM BUILDING which leads to INCREASED PRODUCTIVITY and takes care of the three Ps : PEOPLE, PLANET, PROFIT.."

3.6 Referring to the positive impact of KKMG on the operations and performance of the company, CCL has further submitted as under :

“After adopting KKMG CCL witnessed a turnaround. The same company with the same set of employees registered a growth of 11.3 % in 2014-15 , 10.2% in 2015-16,9.3% in 2016-17 and 8.4% in 2018-19. Coal production increased from 50.02 MT in 2013-14 to 68.7 MT in 2018-19, a jump of 37%.Offtake increased from 52.12 MT in 2013-14 to68.4 MT in 2018-19, a jump of 31%.The capital expenditure has increased from Rs 321.3 crores in 2009-10 to Rs 1377.3 crores in 2018-19, a jump of about 329 %. The CSR expenditure for the period 2014-19 is about Rs 371 crores . Profitability of the company enable us to launch pioneering CSR projects like Sports Academy, CCL Ke Lal and CCL Ki Ladli, ITI etc.”

3.7 In reply to a question, the Company furnished that comparative statement of data on production of coal from various sources and productivity of CCL in 2017-18 and 2018-19 as under :

Particulars	2017-18	2018-19	% Growth over last year
<b>Production</b>			
From OC (MT)	63.00	68.407	8.582
From UG (MT)	0.405	0.315	-22.222
<b>Total (MT)</b>	<b>63.405</b>	<b>68.722</b>	<b>8.385</b>
OBR(MM)	95.622	100.490	5.090
Washed Coal (Coking) (MT)	1.115	0.805	-27.802
Washed Coal (Non-Coking) (MT)	6.076	6.631	09.134
<b>Productivity (OMS-Te)</b>			
OC	9.372	9.740	
UG	0.194	0.214	
OVERALL	7.195	8.093	

**(b). Off-take of coal**

3.8 With regard to the data on off take of coal *i.e.* amount of coal supplied from the coal pit heads, CCL in a written reply submitted that off-take of coal increased from 52.12 MT in 2013-14 to 68.4 MT in 2018-19 *i.e.* a jump of 31%. The Annual Report (2018-19) of the company states that the total off-take of raw coal during 2018-19 stood at 68.446 Million Tones. The mode-wise details of off-take between 2018-19 and 2017-18 are as under:

(Fig in Million tonnes)

Mode	2018-19	2017-18	Growth over last year
Rail	30.544	32.740	-6.71%
Road	28.709	25.362	13.20%
Feed to Washery	9.193	9.408	-2.28%
Colliery Consumption	0.003	0.003	-12.00%
Total Off-take	68.446	67.5100	1.39%

(AR-2018-19, Pg-19)

**(c). Coal Dispatch**

3.9 The data on coal dispatch by CCL since 2013-14 is as under:

(Fig in MT)

Sector	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual
Power	38.770	39.692	43.010	45.55	49.589	51.000	60.145
Steel(Incl. Steel CPP)	2.755	3.478	2.793	2.639	0.148	0.350	1.448
Fertilizers	0.277	0.234	0.239	0.221	68.844	68.700	0.450
Others*	10.487	12.360	13.855	12.165	17.080	14.611	14.957
Total	52.289	55.764	59.897	60.575	68.844	68.677	77.00

\*Others include e-auction, erstwhile Non Core Consumers, Sponge Iron and State Agencies.

(P.113, AR 18-19)

**(d). Steps taken to increase production and offtake**

3.10. The Company in a written note informed that the following initiatives were taken to increase coal production and offtake during the last 5 years:-

- i) Commissioning of Greenfield coal mining projects
- ii) Expansion of existing projects
- iii) Commissioning of railway sidings
- iv) Pioneering CSR projects like Sports Academy, CCL Ke Lal & CCL Ki Ladli, Industrial Training Institutes etc to motivate and inspire the project affected persons
- v) e-Initiatives: (a) e Procurement with reverse bidding (b) e-Tender with reverse bidding (c) e-Payment (d) e-Bill tracking (e) e-Vehicle Tracking System (f) e-Vigilance Clearance (g). e-Grievance redressal (h) e-Property Return (i) e-Coalnet (j). e-PMS (Performance Management System)
- vi) Prompt grievance redressal of stakeholders
- vii) Company Joint Consultative Committee (JCC) meetings on last Saturday of every month

**(e). Utilization of Profit for Company's Growth**

3.11 CCL in a written note submitted to the Committee, informed that increased profit has helped them to increase the contribution to the state exchequer considerably from Rs 1466 crores in 2009-10 to Rs 6512 crores in 2018-19. Moreover, commissioning of Greenfield projects has resulted in employment generation and has given fillip to "Make in India" initiative. It has been also submitted that profitability has helped to increase CSR expenditure for the period between 2014 and 2019 to about Rs 371 crores. The Committee have been informed that the capital expenditure has increased from Rs 321.3 crores in 2009-10 to Rs 1377.3 crores in 2018-19 i.e. a 329% jump registered by the company. Detailing further about the utilization of profits for the betterment of the company, the CCL have attributed the commissioning of long-delayed Greenfield projects to the profits made by the company. As cited under, a list of such projects has also been given for the information of the Committee.

SL No	Project	Capacity (MTY)	Original date of commissioning	Actual date of commissioning
1	Magadh OC	51/70	April,2006	May,2015
2	Amrapali OC	25/35	April,2006	July,2014
3	Konar OC	3.5	April,2006	January,2014
4	N.Urimari OC (Q1)	3	April,2005	October,2013
5	Purnadih OC (Q1)	3	July,2008	August,2013
6	Sawang C UG	015	April,2011	December,2014
7	Pipawar Railway line	24	March,1998	July,2017
8	Tori-Shivpur Rail line	48	2006	September,2018

**(f) Strength and Weaknesses of the Company**

3.12 As per the Annual report for the year 2018-19, CCL identified inter alia the following weaknesses :

"Most of the mines in CCL are old with antiquated equipment. The company has opened a few mines in the recent past. State of the art technology is being used in only few mines. The Application of Information technology in the mines is very low . This makes the system prone to corruption and inefficiency"

3.13 CCL informed its strength and weaknesses as under:

Strength of the company:

- i) High production and Huge production potential (Huge reserve in CCL command area)
- ii) Infrastructure availability
- iii) Availability of Skilled manpower
- iv) Very low employment attrition rate
- v) Mini-Ratna Category Company with a high financial autonomy

Weakness of the company:

- i) Old mines with obsolete technology
- ii) Trade unionism
- iii) Application of information technology is very low
- iv) Poor work culture

**B. Financial Performance**

3.14 The financial performance of the Company since 2009-10 onwards had been as under :

Year	Financial performance			
	Gross Turnover (in Crore)	Net worth (in crore)	Profit Before Tax (in Crore)	Profit After Tax (in Crore)
2018-19	16344	5142.72	2692	1704
2017-18	15729	3816.04	1344	790*
2016-17	14533	3237.1	2374	1389
2015-16	13659	6212.1	3119	1915
2014-15	11781	5812.38	2740	1771
2013-14	10493	4502.49	2526	1672
2012-13	10580	4008.08	2684	1886
2011-12	9005	3437.38	1970	1320
2010-11	7083	-	1860	1247
2009-10	6292	-	1533	966

3.15. When asked to clarify the reasons for dip in profits after tax (PAT) during 2017-18, the Company stated that 'the dip in profit of Rs. 807.78 Crore in 2017-18 mainly occurred due to increase in the employee cost in 2017-18 on account of provision made for the gratuity with an impact of Rs.900.33 Crore due to change in the maximum gratuity amount payable from Rs.10 lakh to Rs. 20 lakh w.e.f. 29.03.2018.

**(a) Return on Capital Employed**

3.16. The Profit Before Tax (PBT) and Capital employed by CCL, the return on Capital Employed (%) during the last three years had been as under :- (Rs. in Crore)

Parameter	2016-17	2017-18	2018-19
Capital Employed	4189.57	3345.2	5502.12
Profit Before Tax (PBT)	2371.3	1387.49	2692.2
Return on Capital Employed (%)	56.60%	41.48%	48.93%
Contribution to the exchequer	7167.11	6566.97	6512.02

**(b) Future investments of the Company**

3.17. In the background note, CCL expressed its future vision of producing 110 MT of coal by 2024-25 besides emphasizing the crucial aspects of coal quality and environment sustainability through commissioning of new washeries, establishment of silos, coal handling plants (CHP), conveyer systems, railway sidings, etc. and development of surface and continuous miners, eco parks etc. When asked how much fund has been provisioned by CCL to meet these ambitious goals by 2024-25, the Company stated as below:-

“CCL has planned a capital investment of Rs.6800.00 crores for achieving its ambitious target. The investment will improve coal quality and ensure environmental sustainability. Some of the major heads for capital investment are - activities under first mile connectivity, railway sidings and washery projects, CHP-Silo and HEMM.”

**(c) FDI in Coal Sector**

3.18. When asked to respond on the decision of the Union Cabinet approving 100% Foreign Direct Investment (FDI) under the automatic route in mining, processing and sale of coal in India, the Company responded as below:-

“Government has reviewed the Foreign Direct Investment (FDI) policy in the coal mining on 18.09.2019 allowing 100% FDI under automatic route for sale of coal, coal mining activities including associated processing infrastructure subject to the provisions of Coal Mines (Special) Provisions Act, 2015 and the Mines and Mineral (Development and Regulation) Act, 1957 as amended from time to time and other relevant Acts on the subject. Associated Processing Infrastructure includes coal washery, coal handling and separation (magnetic and non-magnetic). For sale of coal, allowing 100% FDI for coal mining activities including associated processing infrastructure is expected to attract international players and create efficient and competitive coal market.”

3.19. When asked whether such a decision will help power sector that are often crippled by fuel shortages, to get better power supply of coal in our country; CCL responded as below:

“Coal supply to the Power Sector has always been accorded priority and Coal India Limited (CIL) has supplied about 80% of annual production to the Power Sector. As per Central Electricity Authority (CEA) report dated **04.03.2020**, Power Plants have 37.967 Million Tonnes (MT) coal stock, which is sufficient for consumption of 21 days, out of which 36.916 MT is from domestic sources.

At the same time, CIL pithead stock itself is more than 46 MT. Evidently there is no dearth of coal for the thermal power plants. CIL has also planned to increase its production to the level of 1 billion tonne in the near future (2023-24) to meet the growing demand of various sectors of the country including Power Sector. Decision of FDI in coal sector will further help in increasing the availability of domestic coal in the country and lessen coal import by the Power Plants which would save valuable foreign exchange.”

3.20. When asked to comment on how the decision about 100% FDI in the power sector would help the Company, CCL responded as under:-

‘Big mining firms will enter India and bring in state-of-the-art technology. This will induce competition in the coal production sector. The public sector companies will have to improve their production, productivity and coal quality to compete with the mega mining companies.’

3.21. On the issue of impact of FDI on coal sector, the Secretary, Ministry of Coal, during the course of oral evidence submitted as under:-

"So, when we say how would the FDI impact the Coal India, what we notice is that the moment India is importing 22 per cent of its coal requirement, last year out of a total consumption of 965 million tonnes, we imported about 235 million tonnes. Keeping in mind an average 5-6 per cent annual growth rate in the coal demand and the fact that the Government has given direction Coal India Ltd. to raise its production, it had a target of 660 million tonnes for this year to achieve one billion tonne of production by 2023-24, we assume that by the time these commercial blocks come into operation, they take a minimum of 5-6 years, Coal India will be very well entrenched in the market. So, Coal India, with all its depreciated assets and old land holdings which already have a lot of potential of coal, we do not see any threat to Coal India from the FEI. We also see an opportunity that since the FDI and private mining will be allowed to sell coal in the open market at open, market prices, Coal India will also be able to move away from its present administered pricing regime."

**CHAPTER - IV**  
**MANPOWER MANAGEMENT**

**A. Manpower & HR Policy**

4.1. As per the Annual Report (2018-19) of CCL, the manpower strength of the Company in 2012 was 51,156. The manpower strength dipped to 41,467 in 2017-18. During 2018-19, the Company's manpower strength was 36,519. CCL in a written note against a specific query informed the Committee about the details of manpower of the company as on 01.12.2019. The details are as given below:

SI No	Category	No. of Employees
1	Executive	2296
2	Monthly Rated	9432
3	Daily Rated	26033
4	Piece Rated	996
Total		38757

4.2 The CCL have also informed through a written reply to the Committee that various sub-committees have been constituted by CCL Board which assist the Board in fair, ethical and transparent governance. One such committee is Human Resource Committee which is responsible for reviewing, monitoring, and making recommendations to the Board in respect of all matters/proposals related to HR management like Manpower budget, HR policies etc. At present there are 6 members in HR Committee of which three are independent Directors, one is official part-time Director and two are Functional Directors. This committee is chaired by an Independent Director.

**B. Manpower in Greenfield Projects**

4.3 Since, the mines under Greenfield Projects are more mechanized and capital-intensive than the conventional mines, the Committee sought a reply from CCL in this regard. The CCL stated in its written reply that two types of employment are generated in Greenfield Projects. These are as under:

- (i) Direct employment:-
- For every two acres of land acquired/possessed, one employment is provided to the tenant as per the guidelines/ R&R policy of CIL.
  - As per need of the project, statutory/skilled manpower are recruited/ deployed.
  - Employment generated by contractors for various skilled/semi-skilled/unskilled jobs.
- (ii) Indirect employment:- Employment generated by local service providers for catering services, vehicle repair & maintenance services etc.

4.4 Also, citing instances on provision of manpower in Greenfield Projects with specific reference to Magadh and Amrapali mines, CCL have stated that as on 31.1.2020,1570 persons have been engaged as the contractual workers by the outsourcing companies working in these two mines and 340 local people were also given employments as compensations against land acquired for development of open cast mines. 1017 departmental employees are also deployed.

### **C. Co-relation between Manpower & Profitability**

4.5 As the Committee also enquired about the co-relation between staff-strength and profit of the company, the Committee was informed through a written reply by the CCL that employee cost in CCL is almost a fixed cost. Reduction in manpower does not proportionately decrease the employee cost due to normal increase in Basic & DA and connected allowances as well as increase in salary and wages under NCWA etc. In this regard, the Committee was provided with the relevant data as indicated in the table given below:

Financial year	Average Manpower	Profit after tax (Rs. Cr.)	Employee Cost (Rs. Cr.)
2018-19	40000	1704	5129
2017-18	41466	790	5490
2016-17	42919	1389	4402
2015-16	44346	1915	3945
2014-15	45849	1771	3897
2013-14	47406	1672	3509
2012-13	49076	1886	3522
2011-12	51156	1320	3397
2010-11	53171	1247	2518
2009-10	53305	966	2329

4.6 With regard to the utilization of manpower of ten underground mines that were closed by CCL due to reserve depletion, safety issues and un-viability of those mines, the Committee has been informed that manpower in these ten UG mine was 4081, of which bulk of the manpower has been transferred to other Projects/Area for gainful utilization .

4.7 As one of its objectives stated in the background note, CCL mentioned about providing adequate number of skilled manpower to run the operations in the company and to impart technical and managerial training for up gradation of skills for such manpower as well as to improve the quality of life of employees. In reply to an Unstarred Question No 5203 on 24/07/2019 on 'Skill Development in Coal Sector', the Minister of Parliamentary Affairs, Coal and Mines, inter-alia, furnished the following information to Lok Sabha:-

" A Pilot Project has been launched in all Subsidiaries of CIL on 15th July,2016 for training in various Trades, in which 10 days training is given to selected candidates followed by 1 day of assessment and certification.

The project is being regulated by Skill Council for Mining Sector(SCMS) through Training Partners. Overall coordination is handled by NSDC and CIL along with its Subsidiary Single Point of Contacts (SPOC's). During the year 2018-19, a total of 1,12,647 employees of CIL and its subsidiaries have been trained, out of which 19,240 were executives and 93,407 non-executives. These training programs include in-house training, training in other reputed institutes outside the company and training abroad. Apart from its own employees, CIL also organizes basic and refresher skill development trainings for the contractors' workers working in its command area. 45,261 contractors' workers were imparted skill development trainings in Vocational Training Institutes of subsidiaries of CIL during 2018-19 as per requirement of the Mines Vocational Training Rules."

## CHAPTER - V

### HIGH CAPACITY PROJECTS AND COAL WASHERIES

#### **A. Details of high-capacity projects**

5.1 As per information furnished by CCL, the following five (5) high capacity projects of CCL are in pipeline:

<b>High Capacity upcoming Open Cast (OC) mines</b>					
Sl. no.	Mine	Capacity (MTY)	Location	Expected year of completion	Hindrance
1	Sanghmitra	20	Latehar&Chatra/ Jharkhand	2024-25	Environment Clearance, Forestry Clearance, Transfer of ownership of 2215 Ha of land
2	Chandragupta	15	Hazaribagh/Jharkhand	2025-26	Environment Clearance, Forestry Clearance, Transfer of ownership of 1495 Ha. of land.
3	Kotre-Basantpur-Pachmo	5	Rambagh&Bokaro/ Jharkhand	2026-27	Environment Clearance, Forestry Clearance, Transfer of ownership of 1220 Ha. of land.
<b>High Capacity upcoming Underground (UG) Mines</b>					
4	Patratu ABC	5	Ramgarh/ Jharkhand	2028-29	Environment Clearance, Forestry Clearance, Transfer of ownership of 1220 Ha. of land.
5	Piparwar Phase I	0.87	Chatra/ Jharkhand	2028-29	Environment Clearance &Forestry Clearance,

5.2. When asked whether these high-capacity mines are different in nature, technology and production capacity from the other Greenfield projects; CCL in a written note stated that:-

'the opencast mines cited above are similar to the large opencast mines of CCL like Magadh and Amrapali. Chandragupta OCP (15.0 MTY) & Sanghmitra OCP(20.0MTY) will have surface miners for coal mining. However Patratu ABC underground mine will be a longwall mine. This will be the first mine with longwall technology in the company and will also be one of the biggest mine of the country. CCL will produce 45.87 MT of coal each year from the above mentioned projects when the projects reach their peak production capacity. Total sanctioned capital of these five projects is about Rs.9325 Crore (provisional). The projects will be funded from the internal resources of the Company'

5.3 As informed by CCL, Greenfield projects already commissioned by them have served the following purposes (i) increase in production and productivity of the Company, (ii) Employment generation, and; (iii) increase in contribution to State exchequer. CCL has envisioned the commissioning of Greenfield high capacity projects with the state-of-art technology as one of its strategies to become more efficient, productive and competitive in relation of challenges before it.

## **B. Monitoring mechanism for High Capacity Projects**

5.4. As per information furnished by CCL, many Green field projects taken up in the past were delayed due to various reasons. Greenfield projects such as N.Urimari that had to be commissioned in April 2005 was commissioned in October 2013 after a delay of more than 8 years. Similarly, Greenfield projects viz. Magadh, Amrapali, Konal that were to be commissioned in April 2006 could be commissioned in 2014/2015. Piprapawar Railway line that was to be commissioned in March 1998 was commissioned in July 2017 and Tori-Shivpur Railwayline that was to be commissioned in 2006 was commissioned in September 2018. When asked about the monitoring mechanism in place to ensure that huge projects such as the 5 high-capacity projects are not delayed like the earlier ones, the Ministry of Coal in a written note submitted that the following mechanism has been put in place for timely completion of the high-capacity projects:-

- i) A project monitoring team has been established to monitor the activities related to commissioning and completion of all projects.
- ii) All critical projects are monitored by Mine Data Management System (MDMS) portal of Coal India / MoC.
- iii) Critical activities of projects are monitored fortnightly in the Think Tank meeting by FDs. Help required for timely completion is provided in apro-active manner.
- iv) Every area has Staff Officer (Project& Planning) who is responsible for the implementation of projects. In the headquarter Director Technical (Project & Planning) assisted by General Manager (Project & Planning) oversees and coordinates the activities of Staff Officer (Project& Planning).
- v) Master control network of ongoing projects is being made for expediting project implementation.
- vi) The status of ongoing projects is reviewed in every meeting of CCL Board.
- vii) The status of critical projects is also reviewed in GMs coordination meeting chaired by CMD, CCL.
- viii) Ongoing projects costing more than Rs 150 crores or more than 3 MTY capacity are reviewed every quarter by Secretary, Coal.
- ix) Project implementation is also reviewed by Project Monitoring Group of DPIIT and also by Ministry of Statistics and Programme Implementation (MOSPI).
- x) Critical projects are also reviewed by Coal India and by Additional Secretary, MoC periodically.

5.5. The Committee was further informed that CCL plans to take the following measures in future to obtain speedy environmental clearance and accelerating land certifications for Greenfield projects as it involves negotiations with multiple organisations of Central & State Governments as well as local bodies:

- a. Generation of Baseline Environmental Quality Data by CMPDI in advance for projects requiring Environmental Clearances.
- b. Follow up with Jharkhand State Pollution Control Board for expediting conduct of Public Hearing without delay.
- c. Follow up with MOEF&CC for issue of TOR and Environmental Clearances.
- d. For projects where immediate expansion is required to meet the target of coal, application for Environmental clearance is made under Clause 7(ii) of Environmental Impact assessment notification 2006.

### **C. Coal Washeries**

5.6 The CCL is also in the business of washing of Coking as well as Non-Coking Coal. There are four Coking Coal Washeries and three Washeries for washing/ beneficiation of Non-Coking Coal. CCL Washeries have contributed Rs. 253.909 Crore towards overall profit in the year 2018-19.

### **D. Performance of washeries during 2018-19:**

5.7 About the performance of washeries, the CCL informed to the Committee as under:

- ❖ Raw coal consumption in non-coking coal washeries has increased to 67.69 lakh tonne in 2018-19 as against 62.83 lakh tonne in 2017-18.
- ❖ Washed coal production in non-coking washeries has increased to 66.31 lakh tonne in 2018-19 as against 60.76 lakh tonne in 2017-18.
- ❖ Yield of washed coal in respect of Non coking coal washeries has increased to 97.96% in FY 2018-19 as against 96.71% last year.
- ❖ Yield % of washed coal power in coking coal washeries has enhanced to 45.69% in 2018-19 as against 39.09% in 2017-18.
- ❖ Coking coal washeries have dispatched 8.073 lakh tonnes washed coking coal to steel plants against a production of 8.047 lakh tonnes.
- ❖ Non coking coal washeries have dispatched 66.369 lakh tonnes washed coal to power plants against the production of 66.311 lakh tonne in FY 2018-19.
- ❖ Coking coal washeries have dispatched 11.556 lakh tonne washed coal to power plants against production of 11.077 lakh tonne in FY 2018-19.
- ❖ Kargali Washery has been re-started in April 2018 as non-coking washery in 2018-19 which was stopped from 2016-17 to 2017-18.

## **E. Performance of Coking Coal Washeries**

- 5.8. ❖ As per information, the Production Figure of Washed Medium Coking Coal (WMCC) during 2018-19 stands at 8.047 lakh tonne as against 11.153 lakh tonne production in 2017-18 . The Washed medium coking coal production during April 2018 to July 2018 was less due to no demand by Potential customers.
- ❖ Coking Coal Washeries have contributed a loss of `122.828 Cr during FY 2018-19 due to change in price.
- ❖ Washery wise production and yield for 2018-19 vis-à-vis the last year is given below:

<b>Washery</b>	<b>Production (lakh tonnes)</b>		<b>Yield Percentage</b>
	<b>2018-19</b>	<b>2017-18</b>	<b>2018-19</b>
Kathara	0.681	0.451	20.411
Sawang	0.885	0.901	23.464
Rajrappa	3.314	5.668	38.897
Kedla	3.167	4.133	36.755
Total	8.047	11.153	33.192
<b>Total</b>	<b>11.153</b>	<b>11.390</b>	<b>35.693%</b>

## **F. Performance of Non-Coking Coal Washeries**

- 5.9. ❖ As per information, the washed Non-Coking Coal production during 2018-19 stands at 66.311 lakh tonne.
- ❖ Non-Coking Coal Washeries have contributed a profit of `376.737 Crore during 2018-19.
- ❖ Washery wise production and yield for 2018-19 vis-à-vis the last year is given below:-

<b>Washery</b>	<b>Production (lakh tonnes)</b>		<b>Yield Percentage</b>
	<b>2018-19</b>	<b>2017-18</b>	<b>2018-19</b>
Piparwar	64.308	59.897	99.413
Gidi	0.881	0.866	50.807
Kargali	1.122	(stopped)	88.393
<b>Total</b>	<b>66.311</b>	<b>60.763</b>	<b>97.961</b>

## **G. Achievements on Setting up of New Washeries:**

5.10 The Committee gathered the information from the Annual Report of the Company for the year 2018-19 and found the following:

- i) NIT Documents were prepared by Washery Construction Department for setting up of 2 Coking Coal Washeries Viz. 3.0 MTY New Kathara, 4.0MTY

- Basantpur-Tapin Washery and 3 Non- Coking Coal Washeries/ CPP viz., 4.0 MTY Ashok, 2.0 MTY Konar & 2.0 MTY Karo Washery on Build-Own-Operate Concept.
- ii) Tenders for Setting up of 2 Coking Coal Washeries, and 3 Non-Coking Coal Washeries/ CPP on Build-Own-Operate Concept were published in August 2018.
  - iii) Letter of Intent (LoI) issued to successful bidders for 3.0 MTY New Kathara, 4.0 MTY Basantpur-Tapin Coking Coal Washeries and 4.0 MTY Ashok Non-Coking Coal Washery / CPP on 05/3/2019 after approval of CCL Board.

5.11. The Committee was informed that after construction of the new coking coal washeries (as well as replacement of the existing old coking coal washeries) CCL have planned to produce washed coking coal with 14-15% ash content. This will reduce import of coking coal required for steel production. This will result in savings of precious foreign exchange. India imported about 52 MT coking coal in the Financial Year 2018-19. Indigenous washed coking coal is blended with imported coking coal by steel manufacturers. As such domestic production of washed coking coal will reduce import and save forex depending upon the firm commitment for washed coking coal by the steel manufacturer of the country.

#### **H. Funding structure for setting up of washeries and role of CCL**

5.12. In response to a question about the funding structure and role of CCL in construction of washeries, the Committee was informed by CCL in response to a questionnaire submitted that the proposed new washeries have been planned to be set up under Build, Own, Operate (BOO) concept in which the capital for setting up washeries will be borne by the successful bidder/washery operator. It has been also stated that CCL is not investing any capital for setting up of new washeries. Adding further, CCL submitted that though new washeries are planned to be set up under BOO concept, CCL will be the owner of the raw coal as well as the washery products such as washed coal, middling, slurry, and rejects and CCL will sell and dispatch it as per the company policy. In this regard, the Committee have been further informed that the responsibilities of CCL will be as follows:

- Obtaining Environmental and Forestry clearances for the setting up of washery.
- Since the ownership of raw coal and the entire generated products after washing lies with CCL, the scope of supply of desired quality raw coal in time and dispatch of washery products to the respective consumers lies with CCL.

- Indenting of railway rakes for loading of washed and washed power coal to the consumers.
- Disposal of rejects and Slurry (left quantity after fine coal treatment) through CCL's policy.
- For operation and maintenance of the plant by BOO operator for a period of 18 years, CCL will pay washing charges per ton of raw coal feed into the washery.
- Conducting washability test of raw coal on monthly basis jointly with BOO operator. Overall supervision of the entire project will be done by CCL in order to ensure stipulated parameters such quantity, quality and statutory compliances as per extant rules for smooth and effective running of the washery.

5.13. When asked about the advantages of constructing the washeries on BOO model, the Ministry of Coal highlighted the following advantages:-

- In BOO mode capital cost will be borne by the BOO operator. Only washing charge per tonne of raw coal feed is to be paid to the BOO operator by CCL.
- Quality assurance of the products with maintaining the 95% organic efficiency and provision of penalty for not meeting the quality and quantity of products.
- Flexibility of technology in order to meet the requirement of steel sectors depending on the need: If CCL requests washery operator for further decrease in ash% of washed /clean coal, the washery operator(WO) will try to comply with the requirement of CCL in this regard and corresponding yield will be recalculated based on the washability curve of raw coal feed at that time.
- Handing over of land & plant by Washery Operator to CCL:- After expiry of contract i.e. after 18 years of commercial operation or thereafter extended period on mutually agreed terms and conditions, WO will hand over the land including buildings, structures and machinery to CCL without any monetary claim before the expiry of the validity of security deposit. The Washery Operator shall also handover various information/ document regarding the plant viz. engineering data, drawings, manuals and also those relating to different approvals in this regard
- Both operation and maintenance of washery will be carried out by the BOO operator
- Chances of timely completion of the Project : Since the 100% financing of the project shall be borne by the BOO operator and the freedom of selection of technology(wet), type & design of the plant including operation and maintenance of the plant solely lies with the BOO operator, the chance of timely completion of the project(18 months) is very high.
- To ensure better utilization of the resources as well as improved efficiency of the plant.

5.14. On the issue of construction of washeries, CMD, CCL, during the course of oral evidence, stated as under:

"मैं कोकिंग कोल् की वाशरीज के बारे में कहना चाहता हूँ, हम किसी भी फैक्ट्री में प्रोडक्शन करते हैं, आउटपुट डिमांड के हिसाब रेगुलेट करते हैं। हमने शुरू में ही कहा था कि क्योकिंग कोल् का ऐश परसेंटेज बहुत ज्यादा है। ब्लास्ट फर्निश में जो लगता है, उसके लिये लौ ऐश क्योकिंग कोल् चाहिए। ऐसे ऐश का कोयला नहीं है, इसलिए इम्पोर्ट तो करना पड़ेगा। हम अपने क्योकिंग कोल् की कितना वाश करें, so that they can blend it and use it in blast furnaces in steel plants. इसके लिए मिनिस्ट्री ऑफ़ स्टील और कोल् में कहे मीटिंग्स हुए हैं, अभी मिनिस्ट्री ऑफ़ कोल् ने मिनिस्ट्री ऑफ़ स्टील को प्रोजेक्शन दिया है, हम उसके अनुरूप वाशरीज बनाने के लिए तैयार हैं और बता भी रहे हैं। We will meet the demand."

**CHAPTER – VI**  
**USE OF LATEST TECHNOLOGY**

**A. Technology initiatives**

6.1 As per information furnished by CCL to the Committee, the Company is taking the help of latest technology to fulfil its objectives. Some of the initiatives being taken or proposed to be taken in this area are as under:-

(a) **Technology**

- Green Energy hub
- Elimination of first mile road transport for miners
- Surface Miners
- Continuous Miners

(b) **Green initiatives**

- Seed Ball Plantation for stabilizing Overburden dumps : About 8 lakh seed balls spread over OB dumps in financial year 2019-20 till date.
- Installation of Online PM10 Analyzer at all Railway Sidings:- 25 numbers likely to be installed by January 2020.
- Installation of Continuous Ambient Air Quality Monitoring Stations (CAAQMS) by January 2020.

(c) **e-initiatives**

- RFID based Vehicle Tracking System
- e Procurement with reverse bidding
- CCTV at weighbridges, coal stock, etc.
- e-Grievance Redressal
- e Bill tracking
- e Payment

**B. Use of technology for mineral conservation**

6.2. CCL has informed that their Company has adopted state-of-the-art technology for mineral conservation viz.

“ (a)Adoption of surface miners in opencast mines: Surface miners are eco friendly equipment that eliminate blasting and provides (-) 100 mm crushed coal. It also enables selective mining and mining of thin seams up to 0.1 m thick. Owing to their eco friendly nature surface miners have been adopted in a big way in CCL. Production from surface miners has increased from 8.6 MT in 2012-13 to 22.2 MT in 2018-19. In 2012-13, surface miners contributed 18% of the opencast production, which increased to 33 % of the opencast production in 2018-19. We also have an ambitious plan for its deployment in future.

(b)Adoption of continuous miners and longwall mining: Continuous Miner technology at Churi-Benti mine ( 0.81 MTY) in CCL is first of its kind in India to extract coal from seam up to 5.0 m of height. Earlier CMs were able to extract up to 4.6 m height only. Continuous miner is also to be introduced in Piparwar UG Ph-I (0.87 MTY) and Parej East UG (0.51 MTY). Patratu ABC UG mine has been identified for introduction of Longwall mining with a capacity of 5MTY .

(c) Introduction of Rapid Loading System through CHP/SILO in mines having capacities more than 4MTY like Magadh OCP, Amrapali OCP, North Urimari OCP have been planned to be commissioned by FY 2023-24.

(d)Commissioning of railway sidings: In recent years long delayed railway sidings – Tori- Shivpursiding and Pipwar railway sidings have been commissioned. New sidings to come up in the next few years are Magadh railway siding, Amrapali railway siding and North Urimari railway sidings.

### **C. Longwall technology**

6.3. Longwall mining is the removal of coal from one long continuous face rather than removal from a number of short faces as occurs in conventional underground mining i.e. Bord & Pillar method of mining. In longwall mining, very long rectangular blocks of coal are defined during the development stage of the mine and then extracted in a single continuous operation by an automated cutting head moving parallel to the coal face known as Shearer. When the coal is cut, the working area is protected by a movable, powered roof support system. As the face progresses, the immediate roof above the coal is allowed to collapse behind the line of supports or stowed with sand or other stowing material.

6.4. CCL in a written note submitted to the Committee informed that one of the proposed high capacity mine project viz. Patratu ABC is an underground mine with longwall technology that will be the largest underground mine with capacity of 5 MTs. When enquired as to whether it is viable to have a long hall technology mine with capacity of only 5 MTs especially when there are open cast mines with larger capacities, CCL clarified as under:-

“The opencast mining method is economical for coal deposit lying upto a certain depth only. The underground mining method is the only way for extraction of deep seated coal reserves. Further for extraction of deep seated coal reserve by underground mining, longwall technology is the most

productive technology till date across the globe. As the depth of coal reserve at Patratu ABC UG is varying from 215m to 554m so longwall technology is the only method to extract this coal reserve more efficiently with higher capacity. This is the reason of proposing the underground mining with longwall technology in this mine.”

6.5. When asked to elaborate the advantages of having longwall technology mines over the open cast mines, the Company responded as under:-

”It is a fact that opencast mining is more productive and economically more cost effective in comparison to underground longwall mining for coal reserves which can be extracted by both methods. It is also preferable for extraction of coal reserve by opencast mining upto a depth which is economically viable. But the deep seated coal reserve cannot be extracted by opencast mining economically due to high stripping ratio, which could be extracted by underground mining economically only.”

6.6. Advantages of longwall technology over open cast mining have been stated to be as under:

- i) Extra land for overburden dumping is not required
- ii) Quick access to coal through incline, so quick return on investment.
- iii) Eco friendly - disturbance to land, flora and fauna is minimum.”

#### **D. Heavy Earth Moving Machinery (HEMM)**

6.7. On a query whether Heavy Earth Moving Machinery (HEMM) deployed in surface mining are eco-friendly and reduce pollution, the CCL in a written note submitted to the Committee stated that 'HEMMs deployed in surface mining are environmentally BS complied and drilling equipment are having in-built dust suppression system which reduces pollution in surface mining. Apart from the above, Water Sprinkler with MIST system are also being deployed for dust suppression in mines as well as in surrounding areas. Eco friendly surface miners are being used in a big way in the high capacity mines for coal mining. Surface miners eliminate drilling and blasting and provide crushed/sized coal. In 2018-19, surface miners contributed about 32% of the entire opencast coal production of the company.

6.8. When asked to elaborate further on surface mining and the use of HEMM, the Company stated that over 99% of the coal production in CCL comes from opencast mines. All mines of the company are run by qualified professionals, who ensure compliance with

statutes. All opencast mines have shovel dumper combination for removal of overburden. Surface miners have been introduced for coal mining in Piparwar, Ashok, Magadh, Amrapali and North Urimari mine. The Committee was further informed as under:

i. Surface mining in CCL is done by heavy earth moving machineries (HEMM) owned by CCL or machines hired by CCL as per the stipulations of the project report prepared by CMPDIL as a normal practice.

ii. In small patches with limited life where departmental machines cannot be deployed economically, outsourcing agency are deployed based on open tender system transparently as per provisions of Contract Management Manual of Coal India, with the approval of Competent Authority.

iii. As the life of departmental equipment is quite long ( shovel – 6-12 years, dumpers – 6-9 years) such machines are deployed preferably only in those patches which are techno economically viable.

iv. Overburden (OB ) is backfilled in de-coaled area and in case on non availability of de-coaled area it is dumped as far as possible on non coal bearing area.

v. For coal extraction, eco friendly surface miners are deployed, however, if geo-mining conditions do not permit, then shovel dumper combination is deployed.

vi. Emphasis is on planning and commissioning of mega sized projects.

vii. It is ensured that the project complies with the conditionalities of Environment Management Plan and Mine Closure Plan.

(a) **Cost of Heavy Earth Moving Machineries**

6.9. When asked how many HEMM deployed in surface mining are owned by CCL and what is the cost of one HEMM, the Company furnished the details of the HEMM deployed and owned by CCL and cost of one HEMM as under:-

HEMM	Capacity	Numbers	Approximate cost of one HEMM (in lakhs)
Shovel	10 CuM	11	2000
	4-6.5 CuM	40	980
	1.75 – 4 CuM	69	190
Dumper	100 T/85 T	106	425
	60T / 50T	278	225
	35 T	43	100
Dover	850 HP	3	925
	460 HP (Wheel Dozer)	17	500
	410 HP	99	380
	320 HP	103	235
Drill	250 MM	29	355
	160 MM	101	295
Pay Loader	10 CUM	2	700
	6.4 CUM	21	365
Grader	280 HP	42	225
Water Tanker	28 KL	69	185
<b>TOTAL</b>		<b>1041</b>	

**(b) Utilization capacity of HEMMs**

6.10. As per the information given in Annual Report 2018-19, the percentage availability and percentage utilization of the HEMMs during the last 2 years had been as under:-

HEMM	% Availability			% Utilisation		
	Norms	Actual		Norms	Actual	
		2018-19	2017-18		2018-19	2017-18
Shovel	80	75.2	79.9	58	40.9	40.4
Dumper	67	72.9	77.2	50	35.4	36.1
Dozer	70	73	67.1	45	20.8	21.2
Drill	78	83.3	83.7	40	28.2	28.3

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6.11. When asked about the reasons for HEMM such as Dozer and Drill remaining under-utilized, the Company responded through a written reply as under:-

“Main reasons for under utilization of Dozer & Drill are land constraint and issues of EC / CTO in some of the mines. It may please be noted that utilization of dozer is requirement based which depends on mine/face conditions.”

6.12. When asked whether any independent comparative study was undertaken to assess what is more economical between hiring of HEMMs or owning them, the Company informed as under:-

“Hiring of plant and equipment cost in CCL in 2018-19 was Rs 859 crores. No independent study has been undertaken to assess what is more economical between hiring of HEMM or owning them by the Company.”

6.13 On the issue of difficulties faced by CIL and coal subsidiaries in relation to deployment of HEMMs in relation to implementation of 'Make-in-India' initiatives, the Secretary, Ministry of Coal, submitted as below:

"Finally, on any difficulties that we might face in complying with the Government circulars on the coal subsidiaries, we see none but sometimes we feel a little problem in implementation of Make In India campaign specially in the heavy earth moving machinery and equipment because they need trucks and trippers of 200 tonne plus capacity which India does not make. Even in the 150 tonne equipment need to be gradually introduced into India but even when they are introduced, sometimes, the quality of the product which is made in India and the ones which come from multinationals, it leaves much to be desired. So, we would like to get in touch with the DIPP and convince them that we actually need to improve our efficiency so that the coal that we use is made in India. Sometimes, if we are not able to introduce them to achieve the top efficiency level which international mines have, by and large, we are in sync with most of the policies and with that, if you allow me, I would request the CMD, Coal India to supplement what I have said."

**CHAPTER – VII**  
**ENVIRONMENTAL CONCERNS**

**A. Environment Sustainability**

7.1 The Ministry of Coal in a written note stated that emphasis on afforestation, protection of environment and control of pollution is one of the major objectives of Central Coalfields Limited (CCL). When asked to elaborate the measures being taken by the Ministry of Coal and CCL for protection of environment in and around coal mines, the Ministry in a written note explained that 'the coal companies under Ministry of Coal are committed to promote sustainable development by protecting the environment through integrated project planning, mitigation of pollution, conservation of natural resources, restoration of ecology, proper disposal of waste, addressing climate change and inclusive growth. In order to minimize the adverse effect of coal mining on environment, Ministry of Environment, Forest and Climate Change (MoEFCC) has notified the Environment Impact Assessment (EIA) Notification, 2006, as amended from time to time, under the Environment (Protection) Act, 1986 which deals with the process to grant Environmental Clearance.

7.2 While according environmental clearance for a coal project, Ministry of Environment Forest & Climate Change (MoEF&CC) examines the EIA/EMP report for the project which contains detailed provisions for protecting the environment. Further the EAC/SEAC stipulates all necessary conditions in the Environment Clearance for safe-guarding the environment and also provides mitigation measures to protect the environment. In addition, all mining projects obtain Consent To Establish (CTE) and Consent To Operate (CTO) from State Pollution Control Boards (SPCB), which stipulate various terms and conditions for protection of environment. The stipulated conditions of environmental clearance and consents are necessarily complied by the mining projects and a compliance report along with environmental monitoring reports is submitted to Ministry of Environment Forest & Climate Change (MoEF&CC) and State Pollution Control Boards (SPCBs) at regular intervals.

7.3 In compliance of the Forest Conservation Act, 1980, prior Forestry Clearance is also secured from MoEF&CC in case of projects involving forest land.

7.4. Ministry of Coal (MoC) also monitors the status of compliance of Environment Clearance conditions and environmental monitoring reports of mining companies through review meetings at regular intervals. Ministry of Coal has also launched Star Rating System of mines to incentivise the mine operators towards self-regulation on environment care and protection. Ministry of Coal has constituted a special cell by the name '*Sustainable Development Cell*' to facilitate, guide and mentor the coal companies in adopting best environmental practices with an aim to attain environmental sustainability in mining operations. MoC organizes workshops at regular interval involving environmental regulators, mine operators and other stakeholders for dissemination of knowledge and experience sharing with regard to best environmental practices being pursued elsewhere. Further, provisions of Coal India Environment Policy, 2018 which reflects the principles of sustainable development has been adopted and followed by all subsidiaries of CIL including Central Coalfields Limited (CCL).

7.5. The protective steps taken by CCL for protection of environment in mining areas are as follows-

- (i) Compliance to statutory norms
- (ii) Mitigation of Air pollution :
  - (a) Monitoring of Environmental Quality,
  - (b) Managing air quality in mining area
- (iii) Water pollution Control measures
- (iv) Noise pollution Control measures
- (v) Conservation of natural resources

## **B. Tree Plantations**

7.6 Under the Seed Ball Plantation by CCL in financial year 2019-20 - Approximate 8 lakhs seed balls have been spread on overburden dumps of mines of CCL.

When asked to give a statement on the number of plantations in CCL done during the last five years, the Company furnished the following information:-

<b>Year</b>	<b>No. of Plants</b>
2015 Monsoon	55025
2016 Monsoon	70065
2017 Monsoon	202957
2018 Monsoon	128025
2019	112500

7.7. When asked to clarify whether clean environment initiatives like large scale tree plantation drive, bio-reclamation of degraded mine areas, remote sensing survey for land use etc. are done for abatement of pollution around the mines by CCL, the Company clarified that such activities are out sourced to agencies as given below:-

Sl.No.	Activities	Agency Carrying out the activity	Methodology of outsourcing
1	Plantation / Bio-reclamation	State Forest Department	MoU between CCL & State Forest Department
2	Remote sensing survey	CMPDI	As per work order of CIL
3	Routine Environment Monitoring	CMPDI	As per work order given to CMPDI by CCL

### **Expenditure incurred on Plantation, Remote Sensing and Environment monitoring**

7.8. When asked to furnish the information about the expenditure incurred on each of the above mentioned activities during the last 3 years, the Company in a written note submitted as under:-

(Rs. in lakhs)

Sl.No	Expenditure on work	2017-18	2018-19	2019-20	Total
1	Plantation / Bio-reclamation	307.52	173.31	60.02	540.85
2	Remote sensing survey	190.75	190.75	190.75	572.25
3	Routine Environment Monitoring	19	20	24	63
TOTAL					1176.1

7.9. When asked to clarify if there was any mechanism in CCL/Ministry of Coal to ensure the survival of the plants, the Ministry of Coal in their written replies submitted as under:-

“Plantation work by CCL is carried out through State Forest Department, Govt. of Jharkhand. It includes plantation and its maintenance for 2 years after which the afforested site is handed over to CCL.

First maintenance work includes protection, two cycles of weeding and hoeing, plant raising with materials for casualty replacement, repair of fencing, addition of fertilizer and miscellaneous work and extension work. Second year maintenance work include protection, one weeding, hoeing repair of fencing, fertilizer and miscellaneous work and extension work.

Forest department hands over the plantation with desired percentage of survival of saplings, as per MoU, to CCL. After successful completion of 2nd year maintenance, State forest department hands over the plantation work with 60% and more survival percentage to CCL for further upkeep of the plantation.”

**C. Initiatives on reduction of emissions of Green House Gasses**

7.10. When asked about the initiatives taken to reduce emission of Green house gases for environment sustainability, CCL in their written reply submitted that the following steps have been taken/planned for environmental sustainability:

- “(a) Commissioning of Washeries.
- (b) Green Energy Hub: All projects with capacity more than 10 MTY will have washery, reject based power plant and green curtain along mine periphery.
- (c) Pit Head Power Plant.
- (d) Clean Coal Technology: Coal to methanol plant has been planned.
- (e) Solar Initiatives.
- (f) Eco parks in all areas.
- (g) Increased use of surface miners, belt conveyors, railway sidings etc.
- (h) Eco restoration with income generation.
- (i) Large scale plantation.
- (j) Reclamation – biological, technical”

7.11 When also asked during briefing about using better technology and better management in terms of carbon capture, reply of CCL was as under:

"What we understand and what is the general perception of the term carbon capture is different from the technique of carbon capture. This is a fact. Carbon dioxide is formed when coal is burnt. If this carbon is captured and sequestered, it helps in controlling global warming. This has been done in one or two countries in the world. For example, in one power plant in Canada, they use this technology to capture the carbon content from emissions and sequester it."

7.12 Also, in response to Lok Sabha Unstarred Question No 4374 in respect of pollutions in Jharia and Dhanbad area, respiratory and other health related problems in coal producing areas of Jharkhand and also the manner in which the Government proposed to reduce the pollution levels in such areas, Minister of State in the Ministry of Environment, Forest & Climate Change replied on 20/03/20 as under:

" Under the National Clear Air Programme (NCAP) launched by the Government, 102 non-attainment cities have been identified, including Dhanbad, based on ambient air quality. Jharkhand State Pollution Control Board SPCB has prepared a specific Action Plan for improving air quality in Dhanbad and is also conducting a study through National Environment Engineering Research Institute (NEERI), Nagpur to identify sources of

pollution. Further, under NCAP and amount of Rs.10,00,00,000 has been allocated to Dhanbad city for various components that inter-alia includes Installation and commissioning of Continuous Ambient Air Quality Monitoring Stations (CAAQMS), Creating green buffer zone along the roads, Mechanical street sweeper, Water sprinkler, Mobile Enforcement unit, Public awareness and capacity building activities etc.

#### **D. Thorium Based Power Plants**

7.13. The country has large deposits of thorium. The Committee enquired during evidence whether the Government have any proposal for taking up of thorium based power plant projects in future. The Ministry of Coal in their reply stated that they have no information on thorium based power plants. However, an OM has been sent to Department of Atomic Energy for seeking information. The same would be sent to the Committee as soon as it is received from the Department of Atomic Energy". Thereafter, no response was received from either the Ministry of Coal or the Department of Atomic Energy on the issue.

#### **E. Slurry Management**

7.14. The Committee desired to know about the measures taken by CCL for effective recovery of slurry as being done in some of the developed countries. The Company stated that fine coal circuit consisting of filter press, floatation cell bank and teeter bed separator have been planned for effective recovery from slurry. The recovered fine washed coking coal will be blended with the washed coking coal produced by main circuit. After assessing the effectiveness of these modern fine coal circuits, these technologies may be incorporated in other future coking coal washeries.

7.15. When asked to comment on news reports where in Jharkhand water from washeries was discharged in river due to which water was getting polluted, CMD, CCL during the course of evidence on 13.11.2019 clarified that

"I don't think that there was any such news in the last two years. Normally during rainy season, sometimes due to heavy rain, at some places slurry ponds which are built with limited capacity overflow"

7.16. When asked why CCL is not using suction technology at slurry ponds which is a very simple technology fitted with vacuum and is very common in other countries, CMD, CCL during the evidence stated that

“We will work it out. We will do it.”

#### **F. Recycle of rejects**

7.17. The Committee was informed that the 'Rejects' and ashes' are produced in washeries and the 'Rejects' are now e-auctioned to local small-time businesses engaged in brick trade in the absence of any linkage policy. When asked how much tonnes of 'rejects' and 'ashes' does CCL produce in a month and how much of them do CCL sell through the process of e-auctioning, the Company stated in a written reply as under:

“In 2018-19 washeries of CCL produced 0.3 lakh tons on rejects and 0.28 lakh tons of slurry every month. Ashes are not produced from coal washeries. In 2018-19 the company sold by e-auction 5.97 lakh tons of rejects and 2.8 lakh tons of slurry”.

7.18. When asked about the steps being considered by CCL to form linkages with the industries especially construction industries for the productive usage of 'rejects' and 'ashes' generated by the washeries, the Company stated as under:

"as per guidelines of CIL, CCL sell washery rejects through e-auction wherein any industry can participate and procure rejects. Earlier rejects were being sold through road mode. However, for last two years, rejects have also been offered through rail mode as well so that industries users located at distant places can also procure such rejects from CCL as per policy in vogue, linkages of rejects are not being granted at present.”

7.19 During the course of briefing, CCL was asked whether 'Ashes' could be used in making bricks. In this regard, the CMD, CCL stated as under:

"पावर प्लांट्स में जो फ्लाइं एश और वेट एश होते हैं , that is again a very good initiative taken by the Government of India that जो भी फ्लाइं एश होते हैं, उससे हम ब्रिक्स बनाते हैं, बहुत जगहों पर तो इसे कंपल्सरी कोर दिए गया है। मिट्टी से जो ब्रिक्स बनते थे। आज की तारीख में काफी हद तक बंद हैं और उलटिमेटली उसको बंद करना है। That will also help us."

**CHAPTER – VIII**  
**RESETTLEMENT, REHABILITATION AND COMPENSATION ISSUES**

**A. Resettlement and Rehabilitation Policy, 2012**

8.1 As per information furnished by CCL to the Committee by CCL, the liberalized redrafted “Resettlement and Rehabilitation Policy, 2012” of Coal India Limited which is meant for all CIL subsidiaries including CCL is based on the deliberations of the Inter-Ministerial Committee set up on 1.7.2011 of Ministry of Coal, deliberations of the CMDs meeting held on 5.3.2012 and which has been approved by the CIL Board in its 279<sup>th</sup> meeting held on 12<sup>th</sup>& 13<sup>th</sup> March, 2012. The said Policy of 2012 had been finalized and approved by the Coal India Limited Board. It has been further informed that with the promulgation of "The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCTLARR)", different State Governments have been enabled to frame Rules thereunder. The provisions under RFCTLARR Act, 2013 supersede the R&R Policy of CIL 2012. Apropos the issue of RFCTLARR (Removal of difficulties) Order, 2015, the compensation, R&R benefits and infrastructure facilities for the tenancy land acquired under CBA (A&D) Act, 1957 are to be provided as per the provisions of the Schedule I, II and III of RFCTLARR Act, 2013. Further Ministry of Coal has also provided suitable clarification about applicability of different provisions of the said Act for the land acquired under CBA (A&D) Act, 1957. CIL and its subsidiaries are required to adhere to existing provisions of law and the respective State Governments' Policy, if any.

8.2. CCL informed that it has no land acquisition policy of its own. The land is acquired either under land Acquisition Act or Coal Bearing Areas (A&D) Act, 1957.

8.3. In the Annual Report 2018-19 of the Company, it was stated that 1326.18 acres of land has been acquired under various sections of Land Acquisition Act. On being asked about the total amount of compensation accrued and paid so far, CCL in the initial stages informed the Committee as under:

"Once the land certification process will be completed, the land compensation award will be approved by the Competent Authority and will be disbursed to the interested persons at the rate applicable as per the rules."

8.4 However, during evidence of the representatives of the CCL and the Ministry of Coal, CCL and the Ministry furnished the information desired by the Committee. The rate of compensation to be given to the affected people, number of persons affected due to the project, parameters in deciding the quantum of compensation, delays if any in disbursement of compensations, etc. as informed by the Company in the 1326 acres of land acquired by CCL is given below:-

(i) **Rate of compensation**

Consequent upon applicability of RFCTLARR Act, 2013 on all acquisition made under CBA (A&D) Act, 1957 w.e.f. 01/09/2015 the land compensation will be paid as per First Schedule of RFCTLARR Act, 2013. The Competent Authority for determining the market value of land compensation is Collector. As of now the market value of land compensation is still awaited in many districts of Jharkhand .

However, where prior to 01/09/2015 determination of land compensation has already been done under CBA (A&D) Act, 1957 , CCL is making payment of land compensation to the affected family at the rate of INR 9,02,900/- per acre on flat rate basis for all categories of land as per the approval of the 393rd Meeting (No. 1 of 2013) of CCL Board held on 02/02/2013.

(ii) **The number of people affected and the number of people entitle for compensation**

The authentication of 1326.18 acres land by the district authorities is not yet completed. As such, the total number of Project Affected Persons (PAPs) who are entitled to get compensation against 1326.18 acres is not yet finalized. The land compensation award is approved subject to authentication of land by the concerned State Authorities and the land authentication is under process. Once, the land authentication process will be completed, the land compensation award will be approved by the Competent Authority and will be disbursed to the interested persons.

iii) **Delays in any in disbursement of compensation**

The land compensation award is approved subject to authentication of land of 1326.18 acres by the concerned State Authorities and the land authentication is

under process. Hence there is no question of any delay in disbursement of compensation.

**iv) Parameter for deciding the quantum of compensation**

For those people who have constructed houses/ civil structure on the land acquired by CCL under CBA (A&D), Act 1957 are paid the value of those houses/civil structures calculated as per the latest Jharkhand Schedule of Rates i.e. JHSOR 2018 after considering depreciation @ 1.66% p.a. from the date of construction of houses/civil structures.

Also, each PAF (Project Affected Family) is provided with an option of choosing between an amount of Rs. 3,00,000.00 (Three Lakhs only) as lump-sum payment or 0.05 acres of land for the purpose of Rehabilitation & Resettlement.'

8.5. When asked as to how many matters are sub-judice before various courts about the 1326.18 acres of land acquired by CCL, the Company informed that as the acquisitions are still ongoing, "as per records no matter is pending before any court for dispute between CCL and PAPs."

**B. Provision of employment to the affected families**

8.6. When asked to elaborate on the provision of employment to the affected families, CCL explained in a written reply as below:-

'CCL has provided employment to 100 people in the year 2018-19 against the land acquired prior to 2018-19. It is further clarified that employment given to 100 people was not given against 1326.18 acres of land (which is still under process of possession). In case where the land is less than 02 acres for Project Affected Persons they have an option under CIL R&R Policy, 2012 to club their land to complete 02 acres of land under Package Deal to claim employment in CCL. Thus, nobody is deprived from employment for having less than 02 acres of land. In regard to public hearing with participation of villagers it is further clarified that public hearing is done, firstly, during acquisition of land for inviting objections from the public under Sec 8 of CBA (A&D) Act, 1957 and secondly, for obtaining Forestry Clearance from the concerned Gram Sabha. The public hearing is not done for offering employment against acquired land.'

8.7. When asked to elaborate the manner in which CCL coordinates with respective State Governments in acquiring land and also the role of the state government in payment of compensation, the Company responded in a written submission as under:-

"CCL has specific Department for land acquisition and taking possession i.e. Land Possession and Revenue Department. This department, along with officials of Area concerned do liaison works with the respective officials of the State Govt. for acquiring land. The State Govt. provide the details of the persons who has got right/ tile and interest over the land acquired which facilitates CCL for payment of compensation/ R&R benefits to the rightful interested persons. Further, consequent upon applicability of RFCTLAAR ACT, 2013 w.e.f. 01/09/2015 the Collector has been declared as Competent Authority for determination and notification of the market value of the land acquired which is a prime factor for assessing the compensation to be paid."

8.8. When asked to clarify the procedure followed by CCL in giving compensation to the affected people who own land less than two acres, the Ministry of Coal in their written replies explained as below:-

"As per CIL R&R Policy, the subsidiaries of CIL may give an option to the land losers having less than two acres of land to club together their land to the extent of two acres and nominate one of the land losers among the groups or their dependent for employment under package deal or employment under descending order system by preparing the list of eligible land ousters in the descending order of land lost subject to the cut off equivalent to the total number of permissible employments.

All the land losers who are not eligible for employment as above shall be entitled to receive compensation in lieu of employment at the rate of Rs. 5,00,000/- (Five Lakhs) for each acre of land on pro-rata basis with minimum of Rs. 50,000/- (Fifty Thousand) provided that employment thus surrendered shall not be available for offer to any other person and will stand lapsed from the total sanctioned number of employment.

Land losers who are offered employment will have the option either to opt for employment or to forego employment and opt for monetary compensation at pro-rata basis."

**C. Details of the people/ families provided compensation**

8.9. When asked to furnish a detailed statement on the (i) total number of people/families given compensation, (ii) the number of people/ families given compensation who owned land of two acres or more, (iii) number of people/ families provided compensation who owned less than two acres of land; the Ministry of Coal furnished the following statement:-

Sl. No.	Financial Year	2017-18		2018-19		2019-20 (till 29 February, 2020)	
		No. of persons	Compensation amount released (Rs. in Crore)	No. of Persons	Compensation amount released (Rs. in crores)	No. of Persons	Compensation amount released (Rs. in crores)
(i)	Total number of families given compensation	1933	6.07	1282	6.77	422	2.95
(ii)	Number of people/families given compensation who owned land of two acres or more	1267	4.58	888	5.08	231	1.71
(iii)	Number of people/families provided compensation who owned less than two acres of land	666	1.49	394	1.69	191	1.24

**CHAPTER – IX**  
**VIGILANCE INITIATIVES**

**A. Role of Vigilance Department**

9.1 The Committee was informed in a written note that as per the Vigilance Manual of CVC, 3-pronged role is played by CCL Vigilance.

- **Punitive Vigilance**: Based upon the complaints, source information or suo- motu taking cognizance of any matter, investigation is made and vigilance angle is ascertained. In case of any irregularity or deviation from the laid down rules of the company involving vigilance angle, punitive action is taken. During the year, 2019, punitive action has been taken against 22 executives and 12 non-executives.
- **Preventive Vigilance**: As a result of investigation, if any systemic failure is observed, system improvement measures are taken. Apart from various standard operating procedures, in 2019, 8 system improvement measures were taken.
- **Surveillance and Detection**: Based upon the source information or periodically, surprise checks are made. Sometimes, joint surprise checks are made in association with CBI also. During the year, 2019, 10 surprise checks were made.

**B. Vigilance Structure & Functional Set-up**

9.2. As regards the vigilance structure in CCL, the Committee has been informed that the Vigilance Department in CCL is headed by a full time Chief Vigilance Officer (CVO) and at present there are 21 executives and 21 non executives in the Vigilance Department. The executives working in Vigilance Department are taken from different disciplines of CCL. The Company also engages itself over a range of activities such as the following:

- A core group of investigating officers carries out intensive examination of contracts on the line of CTE inspection of the CVC.
- Vigilance department scrutinizes property returns by requisitioning the property return files of the identified executives
- An Empowered Committee, headed by GM (Vigilance) is mandated to examine and make recommendations on the reports received from various field authorities to whom some complaints have been marked for investigation and report.

## **C. Whistle Blower Policy & Code of Conduct**

9.3. CCL informed that the following mechanisms have been put in place in the company to ensure a fair, ethical and transparent governance system prevails within the organization.

(a) Whistle Blower Policy: The whistle blower policy of CIL & its subsidiaries was approved by the Board of Directors, CIL, in its 272nd meeting held on 12/08/2011. The policy provides an opportunity to employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct.

(b) Code of Conduct :The Code of Conduct & Ethics for all Board Members and Senior Management Personnel of CCL was approved by the Board of Directors, CCL, in its 348th meeting held on 02/07/2008. The purpose of this code is to enhance ethical decision making and transparency within the process in managing the affairs of the Company.

The code of conduct outlines the following three guidelines for Board members and Senior Management of CCL

1. Part I General Moral Imperatives
2. Part II Specific Professional Responsibilities
3. Part III Specific Additional Provisions for Board Members and Senior Management

The affirmation to the code of conduct is taken from all the Board Members and Senior Management of the company every year.

(c) Action Taken Report- Action taken report on decisions taken by CCL Board in each meeting is placed in the subsequent Board meetings.

(d) Internal Audit Department-There is an Internal Audit Department to ensure transparency and fairness in the working of the company. The department adds value to an organization's operations by a systematic and disciplined approach for evaluation and improvement of the effectiveness of risk management, control and governance processes based on analysis and assessments of data and business processes.

The Internal Audit Dept. appraises the Board periodically on system and performance of the company.

(e) Auditors of the Company

(i): Statutory Auditors of the Company has been appointed by CA&G every year who give a true and fair view of the state of the company's affairs in its Audit Report and quarterly review report as per the Companies Act, Accounting Standards and other governing Acts/rules.

(ii) CAG Auditor: It is an independent auditor auditing the receipts and expenditures of the organization.

(f) Internal Auditors/ System Auditors

Apart from the above institutional arrangement to promote transparency and accountability, Standard Operating Procedures (SOPs) for various critical functions have been developed. A total of 40 no of SOPs have been developed for 27 departments of CCL, to make all the critical processes of the company transparent. In all the SOPs individual responsibility has been clearly defined at each step in such critical functional areas so as to remove any ambiguity about the role and responsibility of officials. All the SOPs have been approved by the concerned competent authority.

The SOPs are under implementation in the field. Review on implementation status of these SOPs is done by the concerned HoDs & Area GMs.'

#### **D. Performance of Vigilance Department**

9.4. As per the information given in Annual Report 2018-19, the total number of complaints received and action taken thereon, cases under Regular Investigation (RI cases), Number of cases taken up for disciplinary action (RDA cases), Departmental Inquiry initiated, etc are as under:-

(i) Total number of complaints received and action taken thereon:-

<b>Complaints</b>	<b>2018-19</b>
Number of complaints received during the period 1 <sup>st</sup> April 2018 to 31 <sup>st</sup> march 2019	405
Number of complaints filed being Anonymour/ Pseudonymous/filed	92
Number of complaints taken up for examination / verification during the period 1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	175
Number of complaints forwarded to HODs/GMs for taking needful action	138

(ii) Cases under Regular Investigation (RI cases)

<b>Investigation cases</b>	<b>2018-19</b>
Pending cases ason 1 <sup>st</sup> April 2018	14
Cases taken up for investigation during the period 1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	6
Number of investigations completed during the period 1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019	17
Cases pending on 31 <sup>st</sup> March 2019	3

(iii) Number of cases taken up for disciplinary action (RDA cases)

<b>Number of cases taken up for disciplinary action (RDA cases)</b>	<b>2018-19</b>	
	<b>Cases</b>	<b>Number of persons</b>
Major	15	40
Minor	3	8

(iv) Departmental Inquiry

Number of Departmental Inquiries completed	2018-19	
	Cases	Number of persons
	20	28

(v) Number of cases in which penalty imposed

Number of cases in which penalty imposed	2018-19	
	Cases	Number of persons
Major	18	32
Minor	13	21

9.5. When asked to give details on number of employees against whom actions have been taken during the period of last five years for varied cases of corruptions and other irregularities in CCL, the Company submitted to the Committee the following information:-

Year	Executives		Non Executives
	Major	Minor	
2015	18	19	4
2016	06	15	3
2017	07	32	5
2018	21	25	6
2019	11	11	12
Total	63	102	30

**E. Grievance Redressal System -Samadhan Kendra**

9.6. The Committee was informed that apart from the vigilance mechanism, CCL has a system called 'Samadhan Kendra' to redress the grievances of employees and stakeholders of the Company. When asked to elaborate how the Samadhan Kendra functions, the Company stated that

"Complaints received in 'Samadhan Kendra' are registered in the samadhan register having a serial no. & date and a receipt of the complaint is given to them indicating the probable date of resolution keeping in view the nature of their grievances. First, all grievances are sent to Vigilance Department for their scrutiny. Once the grievances are returned from the Vigilance department, a letter is sent to the concerned Department for their comments requesting them to redress the grievance within a specified time period mentioned therein. On non-receipt of reply, the concerned department are reminded over phone as well as in writing. Once,

the reply is received from the concerned Department, the same is informed to the complainant in writing or over their mobile phone. In case the reply is found to be unsatisfactory, the case is sent again to concerned Department to review the reply submitted."

9.7 The Committee was further informed that Samadhan Kendra had been established in CCL, HQ on 27.04.2012. CCL is the pioneer in having a single window grievance redress system. The performance of Samadhan Kendra has been as under:

<b>Year</b>	<b>Grievance Received</b>	<b>Grievance disposed</b>	<b>Redress percentage</b>
2012-13	348	348	100.00%
2013-14	344	336	98.00%
2014-15	306	290	95.00%
2015-16	368	332	90.00%
2016-17	595	310	86.00%
2017-18	262	234	89.00%
2018-19	307	273	89.00%

9.8. The CCL in a written note submitted to the Committee mentioned that complainants have been encouraged to file their complaints and grievances in order to maintain transparency and fairness in various processes of the management. The complainants have various means as detailed below through which they can file their grievances:

- i) Samadhan Kendras (Offline: letter receipt in the department)
- ii) CCL's website (Online: [www.centralcoalfields.in](http://www.centralcoalfields.in)),
- iii) Toll free number (18003456501),
- iv) Email id - [samadhancclhq@gmail.com](mailto:samadhancclhq@gmail.com)
- v) Seedha Samwaad
- vi) Whatsapp no. - 7250141999
- vii) CPGRAM online portal

## CHAPTER –X

### SAFETY ISSUES

#### **A. Performance under safety during 2014-2020**

10.1 In its background note submitted to the Committee, it has been mentioned that one of the objectives of CCL is to maintain high standards of safety and strive for accident free mining of coal (BGN p.2)

10.2. The representatives of CCL appearing before the Committee on 13 November, 2019, in their PPT on the functioning of CCL, submitted the following data on safety performance:

Safety parameters	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Fatality	6	1.00	5	4	10	0
Serious injury	7	8.00	6	6	16	3
Fatality rate/MT	0.11	0.02	0.07	0.06	0.15	0
Serious injury rate/MT	0.13	0.13	0.09	0.09	0.23	0.13
Fatality rate per 3 lakh manshift	0.18	0.03	0.16	0.14	0.38	0.00
Serious injury rate per 3 lakh manshift	0.22	0.25	0.20	0.21	0.60	0.23

10.3. On the issue of safety of Miners, CCL in a written reply to a query on the safety on the Miners submitted as follows:

“We are concerned with the safety of our men and machine. Mine safety is achieved by identification of hazards and subsequently its mitigation by adopting four step process which includes engineering control, administrative control, substitution and elimination. The following steps have been taking to ensure safe mine operation:

- i) Personal protective equipment is provided to every worker
- ii) Dust suppression arrangements are provided with the help of water sprinklers, Mist type water sprinklers and Fixed type water sprinklers in mine, haul roads, crushers, railway sidings etc.
- iii) Wet drilling / dust extractor arrangement is provided in the drilling machines deployed in the mines to arrest dust emission.
- iv) Regular Environmental monitoring is done.
- v) Vocational training is imparted to workers before they are deployed in the mines.
- vi) Initial medical examination is done before workmen are deployed in mines and periodical medical examination is done once every five years
- vii) In case of injury, workmen are given first aid at the pit office and if necessary, they are sent to various regional hospitals or central hospital

depending on the severity of injury. The expense of their treatment is borne by the company.

- viii) Potable drinking water arrangement is made available in the mine as well as in colonies.
- ix) Sufficient lighting is provided in all the mines for working during dark hours.
- x) Facilities of canteen, rest shelters, toilets have been provided in all mines.
- xi) There is Pit Safety Committee in every mine, which meets at least once in a month to address issues related to health and safety of the workers. Safety is discussed in Bipartite Committee and in Tripartite Committee meetings.
- xii) Following drives are undertaken to enhance safety in mines :
  - Drives on Monsoon preparation for opencast & underground
  - Safety drive in excavation workshop .
  - Fire fighting preparedness and equipping the HEMMs with fire extinguisher.
  - Safety audit of all the mines
  - Substation safety drive etc”

**B. Budget provision on safety from 2008-2019**

10.4. The data on the budgetary provisions for procuring and maintaining safety equipment for miners and also for training of officials on mine safety and their utilization since 2008-09 as furnished by CCL is as follows:

(Rs. in lakh)

YEAR	Capital			Revenue	
	Budget	Expenditure	Utilization (%)	Budget	Expenditure
2008-09	790	174	22.02	1857	1612
2009-10	919	23	02.50	1686	392
2010-11	723	1177	162.79	2060	304
2011-12	975	550	56.41	1629	1563
2012-13	833	473	56.78	1790	1676
2013-14	1150	161	13.99	2129	469
2014-15	1163	879	75.58	2271	1982
2015-16	1107	530	47.87	1328	1310
2016-17	600	264	43.99	1664	1659
2017-18	1000	534	53.40	1687	1624
2018-19	935	39	04.17	829	786

10.5. In a written reply to the query as to why there has been substantial under utilization of funds meant for purchasing mine safety equipment and other related expenditure both on capital and revenue accounts since 2008-09, CCL submitted as under:

- “1. Every year advance safety budget is made as per requirement of new equipment and new technology. At present 3 D Laser Scanner, Man riding Haulage, LED Cap lamps etc are under procurement.
2. An action plan for procurement is made and this action plan is monitored. If the equipment is available in GeM portal it is being procured from GeM Portal. If it is not available on GeM Portal, an open tender is floated. One Material Manager is deputed especially for procurement of Safety items.”

**C. Compensation paid in accident cases**

10.6. With regard to data on number of accidents/incidents that occurred during the last 10 years in the mines of CCL and the quantum of compensation paid to the victims and their families CCL submitted the information as given below:

Year	No. of fatalities	Total Compensation paid
2010	9	Rs. 55.59 Lakhs + job to the entitled person
2011	6	Rs. 73.50 Lakhs + job to the entitled person
2012	6	Rs. 55.89 Lakhs + job to the entitled person
2013	9	Rs. 85.95 Lakhs + job to the entitled person
2014	5	Rs. 48.49 Lakhs + job to the entitled person
2015	2	Rs. 22.42 Lakhs + job to the entitled person
2016	4	Rs. 25.23 Lakhs + job to the entitled person
2017	6	Rs. 54.99 Lakhs + job to the entitled person
2018	8	Rs. 94.79 Lakhs + job to the entitled person
2019	2	Rs. 22.87 Lakhs + job to the entitled person

10.7. On being enquired as to the (i) policy of compensation to victims mine accidents/incidents (ii) how the assessment of compensation to be given to the victim or their families , and; (iii) guidelines, if any, on the subject, CCL submitted as follows:

“The Central Coalfields Limited is governed by the agreement between the Management of Coal India Limited and the members of JBCCI. The agreement is known as National Coal Wage Agreement (NCWA) which includes the Chapter of Social Security of the employees.

Following benefits are provided in the social security chapter of NCWA-X to workmen:

- a. The employees covered by this agreement shall be entitled to the benefits admissible under The Employee’s Compensation Act 1923. Compensation is calculated as per section 3 of the act which stipulates that if a personal injury is caused to a workman by accident arising out of and in the course of his employment his employer shall be liable to pay compensation in accordance with the provision of the act.

b. The benefits under the Employee's Compensation Act will not be affected adversely on account of the revision of wages by this agreement.

c. An employee who is disabled due to accident arising out of and during the course of employment will get full basic wages and dearness allowance from the date of accident till he/she is declared fit by the Company's Medical Officer. The disabled employee will have to remain under the treatment of the Coal Company's Medical Officer or in a hospital approved/ referred by the coal company to be entitled to the benefit.

d. The compensation shall be paid on the basis of the last ages drawn immediately before the employee met with the accident.

e. It is further agreed that the payment of wages made to employees during the period of temporary disablement due to accident arising out of and in course of employment will not be deducted from the lump sum amount payable towards compensation for any permanent partial or total disablement resulting there from.

f. An Ex-gratia amount of Rs. 90,000/- will be paid in addition to the compensation under the Employee's Compensation Act in case of death or permanent total disablement. It will be effective from 01.10.2017.

g. An amount of Rs Five Lakhs shall be paid to the next of kin of an employee in case of a fatal mine accident. The amount of Rs. 5 Lakhs was enhanced to Rs.15 Lakhs vide CIL Circular's No. CIL/C-5B/JBCCI-X/Ex-Gratia/504 dated 14.11.2019."

#### **D. Safety Committees**

10.8. In the background note, CCL stated that they are concerned with the safety of its men and machines, pointing out inert alia the existence of 'Pit safety Committee' in every mine that meets in every two months gap, where in safety measures are discussed in bipartite and tripartite Committee meetings. It was informed that the following Safety Committees are in existence in CCL :

- i) Pit Safety Committee (PSC)
- ii) Tripartite Safety Committee
- iii) Bipartite Safety Committee

**Functions of Pit Safety Committee :**

- a) To discuss remedial measures against the unsafe conditions and practices in the mine as pointed out in the reports of Workmen's Inspector or otherwise brought to the notice of the committee and make appropriate recommendations.
- b) To consider, before commencement of operations in any new district of mine or commissioning of new electrical or mechanical installation or introduction of new mining technique, the proposed safety and health measures including related codes of practice and to make appropriate recommendations.
- c) To discuss the report of inquiry into accident and make appropriate recommendations.
- d) To formulate and implement appropriate safety campaign based on analysis of accidents.
- e) To meet at least once in 30 days to consider the matter placed before it and any other matter that may be raised by the members and make such recommendations as it may deem fit.
- f) To serve as a forum for communication on safety and occupational health matters.

ii) **Functions of Tripartite Safety Committee:**

- a) To discuss accidents / incidences / dangerous occurrences of mines, corrective measures taken and various activities undertaken by Internal Safety Organisation of the company to enhance safety awareness among work persons, suggestions of DGMS officials regarding various safety issues and make appropriate recommendations.
- b) To discuss the Action Taken Report on the minutes of the last tripartite meeting, safety issues raised by the trade union leaders, implementation of XI th Safety Conference and its implementation and make appropriate recommendations.

iii) **Functions of Bipartite Safety Committee :**

- a) To discuss accidents / incidences / dangerous occurrences of mines, corrective measures taken and various activities undertaken by Internal Safety Organization of the company to enhance safety awareness among work persons.
- b) To discuss the enquiry report of accidents / incidents / dangerous occurrence and review implementation of recommendation of the enquiry report.
- c) To discuss Safety Management Plan (SMP) and Safe Operating procedure (SOP) and make appropriate recommendations.

- d) To discuss status of compliance of DGMS violations, provision of certain amenities viz drinking water, rest shelter, blasting shelter, canteens, general lighting standard of the mine and make appropriate recommendations.”

**E. Measures taken to ensure safety in mine operation**

10.9. With regard to ensuring safety of the workers in mines, Ministry of Coal, submitted that mine safety is achieved by identification of hazards and subsequently its mitigation by adopting four step process, which includes engineering control, administrative control, substitution and elimination. The Ministry further informed that the following steps have been taken to ensure safe mine operations:

- (i) Personal protective equipment is provided to every worker
- (ii) Dust suppression arrangements are provided with the help of water sprinklers, Mist type water sprinklers and Fixed type water sprinklers in mine, haul roads, crushers, railway sidings etc.
- (iii) Wet drilling arrangement is provided in all the drilling machines deployed in the mines to arrest dust emission.
- (iv) Regular Environmental monitoring is done.
- (v) Vocational training is imparted to workers before they are deployed in the mines.
- (vi) Initial medical examination is done before workmen are deployed in mines and periodical medical examination is done once every five years.
- (vii) In case of injury, workmen are given first aid at the pit office and if necessary, they are sent to various regional hospitals or central hospital depending on the severity of injury. The expense of their treatment is borne by the company.
- (viii) In case of a fatal accident, compensation as per Workman's compensation Act, ex-gratia of Rs. 15 lakhs and employment is given to the next of kin of the victim.
- (ix) Potable drinking water arrangement is made available in the mine as well as in colonies..
- (x) Sufficient lighting is provided in all the mines for working during dark hours.
- (xi) Facilities of canteen, rest shelters, toilets have been provided in all mines .
- (xii) There is Pit Safety Committee in every mine, which meets at least once in a month to address issues related to health and safety of the workers . Safety is discussed in Bipartite Committee and in Tripartite Committee meetings.
- (xiii) Following drives are undertaken to enhance safety in mines :
  - Drives on Monsoon preparation for opencast & underground
  - Safety drive in excavation workshop .

- Fire fighting preparedness and equipping the HEMMs with fire extinguisher.
- Safety audit of all the mines
- Substation safety drive etc”

10.10 While replying to Unstarred Question No. 3931 on guidelines for safety and security in coal mines with regard to the guidelines prescribed by the Govt. for safety and security in coal mines, safety audit in CIL and its subsidiaries, injuries occurred in relation to coal metric tonne rate, safety standard etc, Minister of Parliamentary Affairs, Coal and Mines informed to Lok Sabha on 18/03/2020 as under:

"Safety, welfare and health of workers employed in mines are the concern of the Central Government (Entry 55-Union List-Article 246). The objective is regulated by the Mines Act, 1952 and the Rules and Regulations framed thereunder. Directorate General of Mines Safety (DGMS) under the Ministry of Labour and Employment, Government of India administers this Act in the mining sector. The relevant Regulations/ Rules relating to safety of Coal mines are as below:

- a. Mines Act, 1952
- b. Coal Mines Regulations, 2017
- c. Mines Rules, 1955
- d. Mines Vocational Training Rules, 1966
- e. Mines Rescue Rules, 1985

Also, keeping in line with the mandate under the Mines Act, 1952, the Officers of DGMS undertake sample inspections of mines and based on the contraventions observed during the inspection action as provided under law is taken. Further, Ministry of Coal has not issued any guidelines in respect of security of Coal Mines of CIL and its subsidiaries. However, Coal companies are availing services of different security agencies like Departmental Security, Directorate General of Resettlement (DGR) sponsored Security, Home Guards, Central Industrial Security Force (CISF) and State Industrial Security Force (SISF). Safety Audit has been conducted for all the operating mines of Coal India Limited (CIL) and its subsidiaries for the year 2019-20. Brief details of safety audit of mines are as under:

1. Safety Audit of mine is carried out through inter-area teams of the respective subsidiary.
2. All teams are multi-disciplinary.
3. Audit methodology consists of inspection of mine, examination of all relevant documents, scrutiny of Safety Management Plans (SMP) and report of previous safety audit.
4. Objective is to assess status of mine safety and to identify deficiencies therein, if any, to review various systems adopted and followed for mine safety as well as to suggest / recommend the areas of improvement.

Deficiencies, if exists, are identified during the said Safety Audit. Deficiencies are mine-specific and varies in each mine. Appropriate corrective actions, as deemed fit, are taken to rectify mine-specific deficiencies."

10.11 It was further mentioned in the reply that:

" Directorate General of Mines Safety (DGMS) has taken following steps to improve safety standard of coal mine in the country:

- i) Sample inspection of Mines and action is taken as per law based on the observations during the inspections.
- ii) Enquiry into Accidents, Dangerous Occurrences etc. and action is taken as per law based on the findings of the enquiry.
- iii) Amendment of safety laws.
- v) Issue of guidelines for safer operations in identified thrust areas through circulars and issue of technical instructions to DGMS officers for their guidance.
- vi) Introduction of Risk Assessment Techniques and preparation of safety management plan aimed at elimination of risks and to ensure safety of workmen.
- vii) Introduction of standard operating procedures to avoid unsafe practices in mines."

10.12 In addition to above, the following steps to improve safety standard of coal mines are also being taken by coal companies:

1. Preparation and implementation of risk assessment based Safety Management Plans (SMPs).
2. Preparation and implementation of Principal Hazards Management Plans (PHMPs) along with Trigger Action Response Plan (TARP).
3. Formulation and compliance of Site-specific Risk Assessment based Standard Operating Procedures (SOPs).
4. Conducting safety audit of mines.
5. Online Centralized Safety Monitoring System "CIL Safety Information System (CSIS)" has been developed for monitoring different safety parameters."

**CHAPTER – XI**  
**CSR INITIATIVES**

**A. CSR Expenditure**

11.1 CCL informed that they have taken CSR initiatives in several thematic areas such as infrastructure, education, drinking water, sanitation, skill development, health, environment & SD, sports etc. The CSR expenditure of the Company from 2014-15 to 2018-19 was as under:-

Financial year	Profit Before tax (PBT) (Rs in crore)	CSR Expenditure (Rs in Crore)	CSR Expenditure as % of Profit Before Tax	Profit After tax PAT (Rs. in Crore)	CSR Expenditure as a % of Profit After Tax
2018-19	2692	41	1.57%	1704	2.4%
2017-18	1344	38	2.8%	790	4.8%
2016-17	2374	30	1.3%	1389	2.2%
2015-16	3119	213	6.8%	1915	11.1%
2014-15	2740	49	1.8%	1771	2.8%

11.2. When asked whether quantum of CSR allocations in CCL is as per CSR Guidelines and whether the unspent balances on CSR are carried forward over to the next financial year, the Company responded as under.

"Yes, CSR allocations in CCL is as per CSR guidelines of Companies Act/ CIL CSR Policy, adopted by CCL. Clause no. V related to allocation of fund states that "for subsidiaries of CIL, fund for CSR should be allocated based on 2% of average net profit of the company for the three immediate preceding financial years or Rs. 2.00 per tonne of coal production of previous year whichever is higher".

xxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Thee unspent balances of CSR are carried forward over the next financial year and the CSR allocation of 2% is in addition to the carry forward balance."

**B. CSR Activity-wise Expenditure**

11.3. When asked to give the CSR activity-wise expenditure of the last 5 years, the Company submitted as under:-

SI No.	Thematic Area	CSR Expenditure ( Rs. crores )				
		2014-15	2015-16	2016-17	2017-18	2018-19
1	Infrastructure	8.26	2.85	1.18	2.43	
2	Education	2.89	5.30	1.34	2.56	
3	Drinking Water	6.90	2.34	1.90	2.15	
4	Sanitation	26.36	172.11	7.21	21.93	
5	Skill Dev	0.36	0.56	0.33	0.47	
6	Health	0.52	0.43	0.59	1.29	
7	Environment &SD	2.95	1.60	0.93	1.73	
8	Sports	0.57	27.09	16.23	4.79	
9	Others	0.06	0.51	0.58	0.55	
	<b>Total</b>	<b>48.87</b>	<b>212.79</b>	<b>30.29</b>	<b>37.90</b>	

11.4. It may be seen that the Company has spent most of the CSR funds on sanitation especially during 2015-16. When asked as to whether it would not have been prudent and desirable to spend on schemes which have not drawn much attention of the Government, the Company submitted as under:-

"The Ministry of Human Resource Development (MHRD) launched Swachh Vidyalaya Abhiyan in 2014 under Swachh Bharat Mission with an objective to provide separate toilets for boys and girls in all government schools within a period of one year. List of toilets to be constructed / renovated under Swachh Vidyalaya Abhiyan was provided to CCL by MHRD for construction/ renovation of toilets in government schools of Jharkhand, Odisha, Chhattisgarh and Uttar Pradesh. Hence, a major portion of CSR expenditure, in FY 2014-15 and 2015-16 was on sanitation. CSR funds of CCL are utilized in a focused manner towards national priorities by adopting a theme-based approach every year as per Ministry guidelines /other guidelines issued from time to time."

11.5. As per the CSR Guidelines, the Board is empowered to chalk-out the action plan, select & finalize CSR activities. It was also informed that before the finalization of CSR Action Plan for any particular area, village meetings and group discussions are conducted with different stake holders including village representatives keeping in mind the theme communicated by the Central Government.

11.6. When asked as to whether CCL should not devise and chalk out its own CSR Action Plan keeping in view the local needs of the people and marginalized sections of the society in remote areas where Governmental intervention is minimal, the Company submitted as under:-

"CSR Action plan of CCL is prepared after assessing the local needs of the /community/villages/Project Affected People/marginalized sections of the society in rural and remote rural areas within the command areas of CCL.

In addition to action plan of such activities identified by CCL, the company provides CSR funding of activities related to Aspirational Districts Transformation Programme which are to be planned and implemented by District Administration.

It is to mention that as per directive of DPE, Government of India, OM dt. 10.12.2018, CSR expenditure on theme selected by Government (Health & Nutrition, Education for 2019-20) should be 60% of CSR expenditure of company and aspirational districts should be assigned priority. CCL operates in 8 districts all of which are among 112 Aspirational District of India. Compliance of these guidelines by company is monitored by Govt./Statutory Auditors.

Therefore local needs of the people and marginalised sections of the society in remote areas are taken care of and the Govt. directives are also complied."

**C. Pioneering and landmark CSR initiatives/schemes**

11.7. When asked to elaborate on some of their landmark and pioneering CSR initiatives, the Company furnished the following information:-

**i) Sports Academy- CCL & State Govt. initiative/schemes :**

Sports Academy, a CCL & State Govt. was set up in 2016. Presently 339 boys and girls are being imparted training in ten sports namely athletics, taekwondo, wrestling, football ,archery, weightlifting, shooting , boxing, swimming and cycling in the Mega Sports Complex, Khelgaon. About 94 % of the sports cadets belong to SC, ST and OBC. The Sports Academy has state-of-the-art infrastructure and well qualified coaches. The day to day management of the sports academy is done by CCL officials.

Selection Process: In 2018 about 1.89 lakhs children participated in the trial of which 170 were selected in a transparent manner. In 2019, 3.24 lakh children participated in the selection trials. Huge participation shows popularity of the Academy and level of training provided to the cadets after selection. The cadets of sports academy have so far won 405 medals including 182 gold medals in different championships.

CCL was honoured by National Commission for Scheduled Tribes with NCST Leadership Award 2019 in recognition of its significant contribution and exemplary services towards scheduled tribes. Sri Gopal Singh, CMD, CCL received the award from Sri Venkaiah Naidu, Hon'ble Vice President of India.

**ii) CCL Ke Lal & CCI Ki Laadli**

It is a flagship CSR program which aims at preparing students from weaker section of society for IIT-JEE and other engineering entrance exams. Students from across Jharkhand, particularly those living in CCL command area are provided free coaching for IIT by executives of CCL who themselves are IITians. Formal education for class XI and XII is provided in one of the best schools of Ranchi - DAV Gandhinagar. They are also provided with free boarding and lodging facilities in Ranchi. Inspired by the huge success, it was replicated for girls in the year 2016 under the name CCL Ki Ladli as CCL's contribution towards Hon'ble PM's BetiBachao, BetiPadhao. In 2017 coaching under CCL Ke Lal & CCL Ki Laadli was also started through video conferencing based live interactive smart classes in mining areas. Total number of seats was increased to 388. The interactive smart classes were inaugurated by in Sep'2017. So far 79 students have passed out under this scheme and all of them have been selected in various engineering colleges .Touching new heights of success in 2018, 12 students of CCL Ke Lal & CCL Ki Laadli, of 2016-18 batch qualified in JEE (MAIN) last year and 3 were finally selected in JEE (Advanced).

iii) **ITI BHURKUNDA**

ITI was established by CCL at Bhurkunda in 2014 as part of CSR initiative. Training is provided in electrician trade . There are 20 seats in each batch. Wards of Project Affected Families are selected and are provided free education along with hostel facilities within the institute campus. So far 3 batches comprising 54 students have passed out. Almost all of them were offered jobs .

Batch-wise details of students of ITI Bhurkunda are as under:

<b>SL NO</b>	<b>SESSION</b>	<b>NO OF STUDENTS</b>
1.	2017-19	20
2.	2018-20	19

iv) Mine Water Management :MOU has been signed with Govt. of Jharkhand for supply of drinking water to nearby villages from abandoned mine voids of CCL. 88 mine voids having 25 billion gallons of water have been identified for this purpose. CCL already supplies water to 74 villages for drinking and irrigation.

v) BPL Hospital, Medical Camps, CSR Dispensaries :Regular free medical camps are being organized in villages. BPL Hospital has been set up in Ranchi. Total beneficiaries in the last five years was about 7 lakhs (3311 camps).

vi) Kayakalp Public School :English medium schools have been started by CCL at Bukru and Dhori, exclusively for kids belonging to poorest of the poor families. These students are being provided with dress, bags, mid day meal and transportation - all free of cost. Third Kayakalp Public School will be opened shortly in Magadh and Amrapali area. CCL plans to set up such school in every area

11.8. When asked how many students are presently studying under the 'kayakalp' school scheme, the CMD, CCL during the course of evidence on 13.11.2019 submitted as under:-

"presently there are about 35 children. The problem that we are facing now is that we will bring 700 students from other states. If we charge fee from the students from other states within the same campus where some of the students are not charged any fee, this may arise complex amongst students since they come at a very young age."

## **D. CSR and Community Development**

11.9 The Committee have been told that CSR activities undertaken by CCL are for the entire community including the tribal society and they have led to inclusive and equitable social development. Further, CCL have informed the Committee through their replies that NITI Aayog has identified 112 aspirational districts of India for giving preference for undertaking CSR activities. CCL operates in 8 districts of Jharkhand (Ranchi, Hazaribagh, Chatra, Latehar, Ramgarh, Bokaro, Giridih, Palamu), all of which are among 112 Aspirational Districts (ADs) of India. CCL has been undertaking CSR activities in 8 ADs since 2014-15 as a part of its normal CSR. Since introduction of TADP (The Aspirational District Program) in 2018, the set of TADP projects/activities proposed in 2019-20 have been planned and implemented by the 6 aspirational districts including five ADs (Hazaribagh, Chatra, Latehar, Ranchi, Ramgarh) assigned to CCL. First set of such TADP planned and to be implemented by the respective aspirational districts with funds from CCL under CSR is as under:

<b>SI No.</b>	<b>Thematic Area</b>	<b>Projects</b>
1	Chartra	1. Setting up library in schools 2. Improving quality of education , learning outcomes, teacher capacity building in partnership with Earnest and young 3. Digital classrooms in 20 schools 4. Tele health service center( telemedicine )
2	Latehar	1. Developing school as play and Learning space. 2. Pre Delivery waiting rooms for ensuring more Institutional Delivery
3	Ramgarh	1. Powering of Health Sub Centres through solar power 2. Upgradation of 150 Aanganwadis into Model Anganwadi Centres
4	Hazaribagh	1. Upgradation of 61 Aanganwadis into Model Anganwadi Centres. 2. Roti Makers in 16 Residential Government Schools
5	Ranchi	Upgradation of 150 Aanganwadis into Model Anganwadi Centres
6	Bokaro	Upgradation of 100 Aanganwadis into Model Anganwadi Centres

11.10. To detail more on community developments activities, CCL in their responses also pointed out that each area of the company has adopted four villages in their command areas; making altogether sixty villages to come under the scheme. CSR activities (other than organizing medical camps) like skill development training in different traits, provision of drinking water through wells and deep boring, support to school infrastructure, football tournaments for promotion of sports etc. are undertaken based on requirements. Few instances of benefits provided by CCL to the villagers in these adopted villages in the last three years (FY 2016-19) are as follows:

SI No.	Name of the area	Name of the village	Name of the activity
1	Barkasayal	Pontanga	Construction of one deep bore well and computer training to villages
2	Dhori	Angwali	Construction of five community toilets and three solar street lights
3	Pipwar	Benti	Construction of one ghat. Drilling and installation of two deep boring holes with submersible pumps
		Mangardaha	Construction of one deep boring with submersible pump
4	Magadh-Amrapali	Binglat	Construction of one tube-well with boring. Construction of one well and renovation and beautification of 02 ponds
		Honhe	Construction of one tube-well with boring and one well and beautification of two ponds.

#### E. Unspent balance of CSR funds

11.11. The Auditor in his Secretarial Audit Report (attached in Form No. MR-3) 2018-19 has observed that 'The Company was required to spend Rs. 45.78 crore for CSR activities during the year. However, the actual CSR expenditure booked in the financial year is Rs.41.14 crore. The total amount of Rs. 4.04 crore remained unspent towards the CSR activities during the year.' In response, the Company submitted the reasons for the unspent CSR fund are as follows :

- a. Utilization Certificates are not being received from Govt. agencies in spite of regular persuasions. This is reflecting as advance in the books of accounts.
- b. CSR Projects sanctioned earlier but which, for one or other reason could not be implemented. Hence, fund is reflected as an unspent amount. Major reasons being land problems, non-availability of NOC and hindrance by stakeholders etc.
- c. Projects are of ongoing nature which may continue to next FY and expenditure is likely to be booked in subsequent years. The allocated fund is reflected as unspent in absence of final payment/utilization certificate.

F. **Future CSR Plans of the Company**

11.12. The Company has informed that they would be taking-up the following CSR projects in future:-

- i) The company has entered into MoU With Rites and South Eastern Railways to 200 free to use – prefab toilets. Each toilet block will have 3 male toilet units, 3 female toilet units and 1 toilet unit for differently abled. The project cost is Rs 48.44 crores.
- ii) For sports promotion there are plans to open 3 Sports Centre under the Khelo India Initiative in the command area.
- iii) Provision of mobile healthcare units in remote project affected villages has been planned.
- iv) Installation of sanitary napkin vending machines with incinerator and supply of sanitary pads in 150 schools of CCL Areas / Headquarter.
- v) Supply of treated water from existing/abandoned mines of CCL to nearby villages.
- vi) Providing educational material (school bag, lunch box, water bottle) to 21,600 students studying up to class V in schools with the command area of CCL. Estimated project cost is Rs. 108.00 lakhs.

## PART - II

### OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

#### 1. *Overview*

1.1 The Committee observe that a major event in the history of Indian Coal industry was the nationalization of the erstwhile privately owned coal mines in two phases. In the first phase, the management of coking coal mines was taken over by the Government of India on 17<sup>th</sup> October, 1971 and these mines were nationalised from 5<sup>th</sup> January, 1972. In the second phase of nationalization, the management of non-coking coal mines in the country, except the captive coal mines of two steel plants viz. TISO and IISCO, was taken over by the Government on 31<sup>st</sup> January, 1973. These mines were subsequently nationalized with effect from 1<sup>st</sup> May, 1973 and another state-owned company, Coal Mines Authority Ltd. (CMAL) came into being with headquarters at Kolkata. The formation of CMAL witnessed regrouping of the coal mines into three divisions viz. Western, Central and Eastern. The CMAL with its three divisions continued upto 1<sup>st</sup> November, 1975 when it was renamed as Coal India Limited (CIL) following the decision of the Government of India to restructure the Coal industry. The Central Division of CMAL came to be known as Central Coalfields Limited (CCL).

1.2 The Central Coalfields Limited (CCL) is thus functioning as a subsidiary of the Coal India Limited (CIL) which came into existence in the present form on 1<sup>st</sup> November, 1975. It is presently a Category-I Mini Ratna Company with net worth of Rs. 5142.72 Crore and a profit of Rs. 1704 Crore. The mining operations of the CCL is spread over 8 districts of Jharkhand State covering an area of 2600 sq.km. It has total 42 operating mines (36 open cast and 06 underground) and 06 Washeries (04 Coking Coal and 02 Non-Coking Coal). The CCL has 05 regional workshops and 01 central

workshop. The Committee are happy to note that along with maximizing the coal production, one of the major objectives of the Company is to discharge their corporate obligations for betterment of socio-economic conditions of the society at large and the communities inhabited around the coalfields in particular and also to improve the quality of life of its employees. As has been informed to the Committee, the Company envisages to commission new washeries, establish silos, Coal Handling Plants (CHPs), conveyor system, railway sidings and to launch many CSR and welfare projects for the people in near future. The Committee hope that the Company will achieve its physical and financial targets in all these areas within the stipulated time and wish them to make quantum jump in their production and profits in coming years. During course of examination of the Central Coalfields Ltd.(CCL), the Committee touched upon many important aspects related to its physical and financial performance, commissioning of its high-capacity projects, setting up of new coal washeries, application of latest technology in various areas of operation, environmental concerns, re-settlement, rehabilitation & compensation issues, CSR initiatives, safety measures for miners, etc. on which the Committee have given their observations/recommendations in succeeding paragraphs. The Committee hope that the observations/recommendations and suggestions as given in this Report will be implemented in true spirit.

## *2. Board Of Directors*

Filling up the vacancies on the Board and the post of 'Woman Director'

**2.1** The Committee observe that out of the 12 sanctioned posts in the Company's Board of Directors, one post of Director (Personnel) amongst the Functional Directors and one post in the category of non-official Director is vacant. The Committee further note that the Company's Board is not represented by any 'Woman Director' which is not in consonance with the provisions of the Companies Act, 2013. This is despite the fact that the

**Secretarial Auditor of the Company has been continuously making this observations in their reports for the last many years. The Committee thus do no find any logical reason for not appointing Women Director on the Board of Directors of CCL. The Committee would therefore like to be apprised of the precise reasons for not appointing the Woman Director in the Board despite the explicit provision for the same in the Companies Act, 2013 and its reiteration by the auditors for the last many years. The Committee further strongly recommend that all the vacancies on the Board be filled up immediately and the provisions of the Companies Act relating to appointment of 'Woman Director' be complied with without any further delay.**

Appointment of an Independent Director of CIL on the Board of CCL

**2.2 The Committee observe that no Independent Director from the Board of the Holding Company i.e. Coal India Limited (CIL) is a Director in the Subsidiary Company i.e. CCL which is a mandatory requirement as per the DPE Guidelines on Corporate Governance. In response to a query as to why no independent Director of the holding company i.e. CIL is on the Board of CCL, the Company informed that as per regulation 24 of SEBI, (Listing Obligation and Disclosure Requirement) Regulations 2015, at least one independent director on the Board of Directors of the listed entity shall be a director on the board of directors of unlisted material subsidiary incorporated in India. The regulation defines material subsidiary as one whose income or net worth exceeds ten percent of the consolidated income or net worth respectively of the company and its subsidiary in the immediately preceding accounting year. The management of CCL in their reply submitted that since CCL is not a material subsidiary of CIL, as such no independent Director has been appointed from CIL (Holding Company) on the board of CCL. It appears there is a contradiction in this regard between DPE Guidelines and regulation 24 of SEBI (Listing and Disclosure Requirements), Regulations, 2015. The Committee therefore desire the Ministry of Coal to**

clarify the applicability or otherwise of DPE guidelines in this regard. The Committee would also like to be informed as to whether the SEBI (Listing Obligation and Disclosure Requirement) Regulations) 2015 have superseded on this issue the DPE guidelines framed for PSUs ; and also the about the applicability of SEBI regulations on companies not listed in the stock exchange.

Appointment of 'Permanent Invitees' on the Board of CCL - Need for clarity on the role, responsibility and their effectiveness.

**2.3** The Committee note that there are two 'permanent invitees' on the Board of CCL, one the Chief Operations Manager of the Eastern Railway and the other one Principal Secretary (Mines and Geology) of the Government of Jharkhand. The Secretarial Auditor has observed that the attendance of the 'permanent invitees' in the Board meetings has been poor. From the submission of the Ministry of Coal on this point, it appears that the 'permanent invitees' are to simply function as 'liaison Officers' with the State Governments particularly with regard to land acquisition, forest-clearance cases, occasional law and order issues relating to industrial relations problems, etc. If this is so, the Committee do not understand why the 'permanent invitees' need to attend all the Board meetings where the agenda of the meetings could be 'confidential' or on subjects such as commercial strategies, business operations etc., in which presence of 'permanent invitees' may not be necessarily required. The Committee would like to be apprised as to whether the provision for 'permanent invitees' in the Board is as per the DPE Guidelines or this is independent decision of the Company. Further, taking into account the fact that presence of "permanent invitees" may not be necessary in all meetings of the Board, the Committee recommend for bringing out the guidelines specifying the nature of meetings that need to be attended by the 'permanent invitees'. The remuneration if any

to be paid to them, their tenure, their powers, responsibilities, their terms of reference, etc. should also be clearly brought out in the Guidelines.

2.4 The Committee are also apprehensive about whether the 'permanent invitees' have served the purpose of liaising especially when the CCL themselves have stated that many of their major projects have been delayed badly for many years for want of environmental & forestry clearances, transfer of ownership, etc. For instance, the projects viz. Magadh OC, Amrapali OC, Konar OC which should have been commissioned in 2006 were actually commissioned in 2014/2015 with delay of eight/nine years. Similarly, commissioning of the projects - Chadragupta OCP, Sanghamitra OCP, Kotre Basantpur Panchmo OCP, etc, are experiencing delays primarily for want of environmental and forestry clearances. The Committee are thus concerned as to how far the 'permanent invitees' have been effective in mitigating problems arising due to hurdles in getting clearances, land acquisitions, industrial relations, law & order, resettlement, etc. The Committee, therefore, are of the considered view that the role of 'permanent invitees' needs to be much more effective to have meaningful impact on expediting various statutory clearances and resolving local problems and therefore recommend that Ministry should develop an appropriate mechanism for effective and the gainful utilization of the Permanent Appointees who are nominated in the Board.

### 3. *Physical Performance of CCL*

3.1 The Committee's analysis of the comparative data on performance of the Company from the year of its formation in 1975-76 with the financial year 2018-19 shows that during the last 45 years of the operation of the Company, the Coal production which stood at 22.72 Million Tons (MTs) in 1975-76 has registered a mere three fold increase i.e. to 68.7 MT in 2018-19. Similarly,

dispatch which was at 21.15 MTs in 1975-76 has also increased just by about three times i.e. to 68.4 MTs in 2018-19. However, the productivity in terms of Output per Manshift (OMS) has gone up more than eight times, sale price per ton has gone up by more than 24 times i.e from Rs. 61.5 per ton to Rs. 1498 per ton in 2018-19. The analysis of the data further reveals that the Company took about 35 years to double the production from 22.72 MTs in 1975-76 to 47 MTs in 2009-10. In the next three years thereafter till 2012-13 production stagnated at 47/48 MTs. Thereafter, it witnessed continuous increase reportedly due to introduction of Kayakalp Model of Governance (KKMG) in the year 2012-13. Since the year 2013-14, the Company has shown continuous improvement in production, dispatch, productivity, sales and profits except in the year 2017-18 where decline in profit was reportedly due to evacuation constraints. The Committee observe that during its operation in the last 45 years although the productivity has gone up by more than eight times, the CCL has been able to increase its production by a mere three times which is a clear indication that the increase in production is not proportionate to the increase in productivity. The Company has unambiguously admitted that (i) most of the mines in CCL are old with antiquated equipment and it had opened few mines in the recent past (ii) state of the art technology is being used in only few Mines (ii) the application of Information technology in the mines is very low which makes the system prone to corruption and inefficiency; and (iii) on an average employee work for 4 hours in a eight hour shift. The Committee while appreciating the management's frank assessment of the Company's above mentioned constraints which are hampering the company to become more productive and profitable, are however perturbed to note that effective measures have not been taken to timely address these issues even after the problem areas were clearly identified by the CCL. Even the KKMG seems to have not enough measures to counter the abovementioned weaknesses. The Committee therefore recommend the CCL to take immediate steps for (i)

upgradation of their machinery and equipments (ii) use of state of the art technology of global standards in their mining operations (iii)extensive use of IT enabled services in all divisions (iv) strengthening the vigilance to root out the corruption (v) taking up capacity building measures to increase efficiency of the work force (vi) devise the mechanism for optimum utilization of the potentials of human resources: and to (vii)introduce suitable incentives and disincentives to motivate and discipline the workforce. The Committee would like to know the concrete action taken by CCL in this regard.

#### 4. *Financial Performance of CCL*

4.1 The Committee observe that the CCL has registered a consistent growth in their gross turnover which increased from Rs.11781 crore in the year 2014-15 to Rs.13659 crore in the year 2015-16, Rs.14533 crore in 2016-17, Rs.15729 crore in 2017-18 and Rs.16344 crore in 2018-19. The Committee's analysis however reveals that no similar pattern has been noticed in the growth of the net worth and profit of the company. Both these key indicators have rather shown a zigzag pattern of their growth during these years. The net worth of the Company declined from the level of Rs.5812.38 crore in the year 2014-15 to Rs.5142.72 crore in the year 2018-19. The Committee's analysis of the data submitted by the Company reveals that when the coal production was 48 MT during 2012-13, the net profit of the Company was Rs.1886 crore but surprisingly, when the coal production increased by 43% in the year 2018-19 to the level of 68.7 MT, the profit of the Company dipped down to Rs.1704 crore registering a decline of 9.6% compared with the figure of the year 2012-13. The Committee further observe that the coal production, coal offtake, productivity in terms of output per man shift and gross turnover of the Company have shown consistent growth during the last 10 years but again the similar pattern of growth in the profitability of the Company is missing as the figures on key parameters of business operations of the

Company indicate that in the year 2009-10, the Gross Turnover was Rs.6292 crore which has reached to the level of Rs.16344 crore in the year 2018-19, the net worth of the Company was Rs.3437.38 crore in 2011-12 which has increased to the level of Rs.5142.72 crore in the year 2018-19. Similarly, the output per man shift(OMS) which was 3.66 in the year 2009-10 has gone upto the level of 8.09 in the year 2018-19 but the return on capital employed has come down from 56.60% in the year 2016-17 to 48.93% in the year 2018-19 and contribution to the exchequer has also gone down from the level of Rs. 7167.11 crore in 2016-17 to 6512.02 crore in the year 2018-19.. The Committee are thus unable to comprehend as to how the Company could not achieve the similar consistent growth in their 'net profit' and 'return on capital employed' during this period when the other key indicators of the performance have shown consistent increasing trend. The Committee therefore desire the CCL to undertake a study to find out the precise reasons for such inconsistent pattern of their net earnings and profitability particularly during the last many years with a view to take necessary measures not only for achieving higher growth in their earnings from their business operations but also to increase their profitability ratio proportionate to the growth in the gross turnover of the Company.

5. *Need for strengthening of data maintenance system*

5.1 The Committee observe that there is variation in the data submitted before them in two separate documents in respect of the Profits Before Tax (PBT) and the Profit After Tax (PAT). As per the data given in the preliminary material, PBT was shown as Rs. 1344, Rs.2374 and Rs. 3119 crore for the years 2017-18, 2016-17 and 2015-16 respectively. However, the data presented before the Committee during discussion on 13.11. 2019, PBT was shown as Rs.1387, Rs 2371 & Rs. 3103 crore for the years 2017-18, 2016-17 and 2015-16 respectively. Similarly, the data on PAT submitted to the Committee was shown as Rs. 790, Rs.1389 and Rs. 1915 crore for 2017-18,

2016-17 and 2015-16 respectively but the data submitted before the Committee during discussion on 13 Nov. 2019, the PAT was shown as Rs. 808, Rs.1387 and Rs. 1923 crore for 2017-18, 2016-17 and 2015-16 respectively. The Committee are concerned to observe the variation in data submitted by CCL to the Committee on two different occasions. The Committee are of the firm opinion that such instances make the credentials of the data maintenance system of the company doubtful. The Committee, therefore, direct the Ministry/CCL to submit an explanatory note along with the reasons for furnishing to the Committee the different sets of data on PAT & PBT on two different occasions and also to take the corrective measures to avoid such reoccurrence in future.

#### 6. *Manpower Management*

6.1 The Committee are happy to note that despite reduction in their manpower strength from the level of 53,305 in the year 2009-10 to the level of 40,000 in the year 2018-19, the CCL have successfully managed to increase the Coal production from the level of 47 MT in the year 2009-10 to the level of 68.7 MT in the year 2018-19. The Committee are also glad to find out that the output per man shift which was 3.66 in 2009-10 has gone up to the level of 8.09 in the year 2018-19 and the reason attributed to this achievement is stated to be the adoption of more mechanized and capital intensive processes in the green field projects. The Committee's analysis further reveals that apart from the manpower engaged on direct recruitment, employment is also given to the tenants whose lands are acquired and some works are also outsourced. The Committee also observe that with a view to provide adequate number of skilled manpower to run the operations of the Company, technical and managerial training for upgradation of skills is provided and in this regard a pilot project has been launched in all subsidiaries of CIL on 15 July, 2016 for imparting training in various trades. The Committee while appreciating the initiatives taken by the management of CCL for successfully increasing the output per man shift, coal production

and gross turnover despite reduction in the manpower, would desire the CCL (i) to explore the possibility of introducing more mechanized processes in different areas of its operations so as to further reduce the dependability on the manual processes; and (ii) to launch effective capacity building measures so as to achieve the better and enhanced output of the human resources by their optimum utilization.

## *7. Commissioning/Performance of Washeries*

**7.1** The Committee note that CCL has four Coking Coal Washeries and three Non-Coking Coal Washeries. The Washeries of CL have contributed Rs.253.90 crore towards overall profit of the Company during the year 2018-19. The Committee further note that the production figure of Washed Medium Coking Coal (WMCC) during 2018-19 was 8.04 lakh tone as compared to 11.15 lakh tone production in the year 2017-18. The washed medium coking coal production during April, 2018 to July, 2018 was less due to no demand by potential customers. The washed non-Coking coal production during 2018-19 was 66.31 lakh tone as compared to 60.76 lakh tone production in 2017-18. Out of the three Non-Coking Coal Washeries, one Washery viz. Kargali Washery was shut down during 2016-17 and 2017-18 and it restarted in April, 2018. During 2018-19, the Kargali Washery produced 1.12 lakh tone of Non-Coking Coal. The Committee note that out of the remaining two Non-Coking Coal Washeries, the Gidi Washery produced less than 1 lakh tone of Washed Non-Coking Coal and CCL is entirely dependent on its one major Non-Coking Coal Washery i.e. the Piparwar Washery that produced 64.30 lakh tone of washed Non-Coking Coal during 2018-19. Interestingly, it is evident from the figures that most of the profits of CCL earned through Washeries was from the lone Piparwar Non-Coking Coal Washery. This is substantiated by the fact that the Non-Coking Coal Washeries (mostly Piparwar) contributed a profit of Rs.376.73 crore and the four Coking coal Washeries contributed a loss of Rs.122.82 crore resulting in net profit of Rs.253.91 crore to CCL from

its Washeries during the year 2018-19. The yield percentage of Coking coal Washeries was 35.69% while the same of Non-Coking Coal Washeries was 97.96%. The Committee would therefore recommend the CCL to investigate into the reasons for such a low yield of the Coking Coal Washeries and to take necessary corrective measures immediately for optimum utilization of the installed capacity of the Coking coal Washeries not only to achieve better yields from these washeries but also to ensure adequate indigenous availability of the better quality Coal which will in turn reduce our import dependency on this count to a maximum extent.

7.2 The Committee further note that the CCL is in the process of setting up 2 coking coal Washeries with a capacity of 7 Million Tons per Year (MTY) and 3 Non coking coal washeries with a capacity of 8 MTY on Build Own and Operate (BOO) concept. The Committee have been informed that after construction of the new coking coal washeries as well as after replacement of the existing old coking coal washeries, CCL have planned to produce washed coking coal with 14-15% ash content which is used in steel production. Since the domestic production of the required quality of Coal falls short of demand coming from steel sector, the coking coal with 14-15% ash content is being imported. The imported quantity of coal was to the tune of 52 MTs in 2018-19. However, after taking into account the fact that coking coal washeries had contributed a loss of Rs.122.82 crore during 2018-19 and also that there was no demand of the washed medium coking coal during April, 2018 to July, 2018, the Committee are unable to comprehend as to how it so happened that on one side the country has been importing huge quantity of washed coking coal and on the other side there was slump in the indigenous demand for the same. The Committee therefore desire the CCL to thoroughly analyse this paradoxical situation and make a realistic assessment of the actual demand and potential customers of washed Coking Coal so that installed capacity of the coal washeries are optimally utilized and the investment in the setting up of new coal washeries yield better

returns. The Committee are of the view that these projects assume greater significance in reducing the import dependency on the desired quality of coal and therefore recommend that these coking coal and non-coking coal washeries needs to be operationalized and run with their maximum capacity utilization at the earliest. The Committee are of the opinion the domestic production of the coal by indigenous coal companies and their use in thermal power generation by power companies not only create abundant job opportunities, make substantial contribution to GDP but also play a major role in nation building . The Committee therefore feel that a policy intervention is needed for regulating the import of coal in such way that our coal reserves are optimally harnessed and the domestic production of coal do not adversely suffer and at the same time the cost of the thermal power as well as of the products of steel sector do not escalate because of the use of the imported coal. The Committee hope that the Government will take initiatives in this regard very soon.

## **8 *Monitoring of High Capacity Projects for Timely Completion***

**8.1** The Committee note that five new high capacity projects of CCL at Sanghmitra, Chandragupt, Kotre-Basantpur-Pachmo, Patratu ABC and Piparwar Phasse-I are in pipeline. The Committee however observe that many Greenfield projects taken up in the past had been delayed due to various reasons. Greenfield projects such as N.Urimari that had to be commissioned in April, 2005 was commissioned in October, 2013 after a delay of more than 8 years. Similarly, Greenfield projects namely Magadh, Amrapali, Konal that were to be commissioned in April, 2006 could be commissioned in 2014/2015 after a delay of almost 9 years. On being enquired about the monitoring mechanism for these new high capacity projects, the Committee have been informed that monitoring mechanism has been put in place which inter-alia includes (i) monitoring of the activities related to commissioning and completion of the projects by a project

monitoring team (ii) review of the status of the ongoing projects in every meeting of the CCL Board (iii) quarterly review of the projects costing more than Rs. 150 crore or more than 3MTY capacity by the Secretary, Coal and (iv) review of project implementation by the project monitoring group of the Department for Promotion of Industry and Internal trade(DPIIT) and also by the Ministry of Statistics and Programme Implementation(MoSPI). The Committee are happy to note that multi-dimensional monitoring mechanism has now been put in place to constantly review the progress of the projects at various levels and express their hope that this system will yield the desired results. The Committee, nevertheless while taking note of the inordinate delay in execution of High Capacity Projects of the CCL in the past, strongly recommend that effective steps be taken to put in place a well-defined mechanism to ensure that all statutory/regulatory clearances on issues such as environmental, forest, land acquisition etc. are obtained well in time and in case of any unforeseen problems that may arise in process of implementation/execution of these projects leading to delay in completion of the projects, the problematic issues need be taken up immediately at the highest levels in the hierarchy so as to get timely resolution of the problems and unwarranted delay.

#### *9. Use of Latest Technology in Coal Production – Longwall Technology*

**9.1** The Committee note the various state-of-art technologies such as adoption of surface miners in open cast mines, continuous miners and longwall mining, introduction of rapid loading system through Coal Handling Plants (CHP)/Silo in mines, commissioning of railway sidings, etc which have helped CCL in increasing their production, mineral conservation and maintaining an eco-friendly environment. The Committee observe from the documents submitted before them that the Longwall Technology is the most productive technology as on date across the globe. Although the opencast mining method is economical for coal deposits lying upto a certain depth, the

Longwall Technology is helpful in extraction of deep seated coal reserve more effectively with higher capacity. Further, the technology ensures that no extra land for overburden is required and it gives quick access to coal through incline promising quick return on investment besides ensuring minimum disturbance to land and flora & fauna of the area. The Committee was informed that CCL is going to deploy Longwall Technology in one of its proposed high capacity underground mine project at Patratu ABC. Given the advantages of Longwall Technology over open cast mining, the Committee recommend that the Company may also explore the possibility of using Longwall Technology in other underground mines as well after taking of course utmost care of safety and security concerns.

10. *Heavy Earth Moving Machinery (HEMM) :*

(a) Availability of HEMM

10.1 The Committee's analysis reveal that over 99 % of coal production of CCL comes from open cast mining and surface mining contributes 32% of the entire open cast coal production of the company in the year 201-19. The Committee observe that Heavy Earth Moving Machinery (HEMM) such as shovels, dumpers, dozers, and drills deployed in open cast mining are eco friendly and pollution reducing equipments. For instance, drilling machines have an inbuilt dust suppression system which reduces pollution in open cast mining. The data furnished by CCL about the availability of Heavy Earth Moving Machinery (HEMM) such as Shovels, Dumpers, Dozers and Drill shows that more or less they are made available as per the norms set by the Company. For instance, against the norm of 80%, 78%, 70% & 67% availability for shovels, Drills, Dozers and Dumpers, the actual availability of these machines in terms of percentages stood at 75.2%, 83.3%, 73% and 72.9% respectively, which is more than the prescribed norms in almost all categories except in respect of shovels where there was a small shortfall.

(b) Less utilization of HEMM

**10.2** The Committee however further observe that despite the availability of these machinery almost as per the norms, their actual utilization was far short of prescribed norms in the year 2018-19. For instance, against the utilization norms of 58%, 50%, 45% & 40% for Shovels, dumpers, dozers and Drills respectively, the actual utilization was only 40.9%, 35.4%, 20.8% and 28.2 % in 2018-19. The actual utilization of dozers was less than 50 % of the norms and in case of other equipment, it was between 60-70% only of the utilization norms. The Committee observe that though availability of HEMM is more or less as per the norms, their utilization desires a lot to be improved. The Committee would like to be apprised of the specific reasons for such low utilization of HEMM with the year-wise availability and utilization of HEMM during the last 5 years period and also the impact of such low utilization of HEMM on the production of the company. The Committee recommend that necessary measures need to taken by CCL to step up the utilization rates of various equipments of HEMM. The Committee also recommend that the machinery owned by the CCL, if not needed by them during a particular period of time in a year, may be rented out to other users so that not only the machinery remains in use but also the CCL earns some revenue from it.

(c) Cost incurred on HEMM

**10.3** The Committee's analysis of the data submitted to them by CCL reveals that the Company spent Rs. 859 crore on hiring of plant and equipments during 2018-19. The Company informed that no independent study was undertaken to assess the comparative cost effectiveness in hiring of HEMMs or owning these equipments. Keeping in view that such huge expenditure of Rs. 859 crore was incurred in one year on hiring plant and equipments, especially when the CCL owned equipments are not being utilised to the full extent in some cases as is evident that the utilization of all

**HEMM had been much less than 50 % of the norms prescribed during the year 2018-19, the Committee recommend that detailed note be furnished to the Committee explaining inter alia the reasons for hiring equipments when the CCL owned equipments were lying unutilized to a large extent and also on the comparative effectiveness of hiring vs. owning of HEMM and other related issues.**

## **11. *Environmental Concerns***

**11.1 The Committee observe that mining activities by its very nature leave substantial impact on environment, human lives, flora and fauna in and around the mining areas. The Committee note the various measures taken by the Ministry of Coal and CCL in protecting the environment in and around the mines through integrated project planning, mitigation of pollution, conservation of natural resources, restoration of ecology, proper disposal of waste, etc. The Committee expect that these measures will continue in a more integrated and structured manner so as to address the environmental concerns in effective manner.**

## **12. *Tree Plantation***

**12.1 The Committee observe that 202957, 128025 and 112500 saplings were planted during 2017, 2018 and 2019 respectively. The Company informed that the plantation activities are outsourced to the State Forestry Department and the routine sensing survey and environment monitoring is done by Central Mine Planning and Design Institute(CMPDI). As informed to the Committee, the State Forestry Department hands over the plantation work with 60% and more survival percentage for further upkeep of the plantation after 2<sup>nd</sup> year of maintenance. The Committee's analysis reveals that the CCL had spent about Rs.11.76 crore on the plantation work during the last three years and the CCL does not seem to have any mechanism to ensure that the maximum number of saplings planted do actually survive and live their full**

**lifespan. The Committee are of the strong opinion that unless the Company ensures the survival of the plants handed over to them after 2 years of maintenance period, the tree plantation initiatives would not bring the desired results. The Committee recommend that a study be conducted in the historical perspective to assess the success of tree-plantation scheme by analyzing the data related to the number of saplings planted and the number of them actually survived after a certain period say five to ten years and the Company, based on the findings of such study, should device a structured maintenance system to ensure survival of greater number of planted saplings.**

### **13. *Slurry Management***

**13.1 The Committee have been apprised that fine coal circuit consisting of filter press, floatation cell bank and teeter bed separator has been planned for effective recovery from slurry. The recovered fine washed coal will be blended with the washed coking coal produced by main circuit. After assessing the effectiveness of these modern fine coal circuits, these technologies may be incorporated in other future coking coal washeries. While welcoming these future initiatives to be taken by CCL, the Committee desire that slurry be managed through the simple suction technology with pipes/pumps fitted with vacuum to draw out slurry as done in many developed countries.**

### **14. *Recycling of rejects***

**14.1 The Committee note that the ‘rejects’ and ‘ashes’ produced in washeries are e-auctioned to local small-time businesses engaged in brick trade in the absence of any linkage policy. The Committee observe that the washeries of the CCL produced 0.3 lakh tons of rejects and 0.28 lakh tons of slurry every month and the Company sold 5.97 lakh tons of rejects and 2.8**

lakh tons of slurry through e-auction during the same period. The Committee recommend that a linkage policy be developed and also a study be conducted on how much quantity of ash and rejects the Company is generating every month and how much is in demand for consumption with a view to find suitable markets and potential buyers for the ash and rejects generated by the Company.

15. *Thorium Based Power Plants*

15.1 The Committee observe that during course of the examination of the subject, it was desired from the Ministry of Coal/CCL to apprise the Committee about the thorium-based power plants. It has been mentioned that the information has been sought from the Department of Atomic Energy. The Committee observe that thorium is expected to play a significant role in the future energy supply all over the world and Canada has been working on it in a big way for the last so many years. The Committee therefore desire that it is high time for the country to explore the possibility of harnessing the huge thorium deposits in the country for commercial exploitation and for this purpose the Canadian technology may be of great help. The Committee while desiring the Ministry to expedite the collection of the information from the Department of Atomic Energy and to submit the same to the Committee at the earliest, would also like to be apprised of the steps proposed to be taken by the Government on the exploration of huge thorium deposits in the country for commercial use..

16. *Resettlement, Rehabilitation and Compensation Issues*

16.1 The Committee observe that CCL has no land acquisition policy of its own. Land for CCL is acquired under Land Acquisition Act or Coal Bearing Areas (A&D) Act, 1957. As per the information furnished to the Committee, 1326.18 acres of land was acquired by CCL during 2018-19. However, the authentication of the said land by the district authorities has not yet been

completed. As a result, the total number of Project Affected Persons (PAPs) who are entitled to get compensation against the 1326.18 acres of land acquired has not yet been finalised. During the year 2017-18, CCL had disbursed compensation to 1933 affected persons/families. Similarly, in the year 2018-19, compensation to 1282 affected persons/ families had been given. The Committee are aware of the hard reality that people/families uprooted from their land where they had lived and earned livelihood for many years have to undergo through painful physical, financial and emotional process unless and until they are properly rehabilitated. As such, there is a dire need for a time-bound rehabilitation and compensation for such people. The Committee therefore recommend that a well defined policy be brought out so that the rehabilitation and compensation issues related to affected people are addressed in a time bound manner.

16.2 The Committee further observe that often compensation and rehabilitation is delayed for many reasons as has happened in the case of compensation to families for 1326 acres of land which had been acquired in the year 2018. The Committee are of the view that rehabilitation of people should precede taking over of land. The Committee therefore recommend that CCL and Government should coordinate with various Ministries like the Ministry of Urban Development for getting quality home under Pradhan Mantri Awas Yojna, the Ministry of Social Justice and Empowerment and the Ministry of Tribal Affairs for convergence of various welfare schemes of the Government so that their resettlement takes place in real sense and the affected people are properly rehabilitated. The Skill development programmes may also organized to impart technical skill to the affected people which will facilitate them to seek gainful employment. Taking into account the living conditions of the affected people, the Committee are of strong opinion that a proper financial planning needs to done and better guidance also needs to be given to the affected people so that they gainfully

utilize their compensation amounts for providing qualitative support to their families, better education to their children, starting new ventures for their daily earnings and creating better source of their earnings. The Committee also desire that all mines where coal is no longer extracted should be developed as city centres or townships which could be home for the PAPs and further the Company may take initiatives for setting-up Bio fuel plants, converging many Government welfare schemes in their area, undertaking CSR activities and generating employment for the displaced persons.

## 17. *Vigilance Initiatives*

17.1 The Committee observe that various vigilance initiatives have been taken up by CCL in maintaining transparency and fairness in various processes of operations and management of the company. The Committee are however surprised to find that despite these initiatives, the number of complaints received every year has been increasing. Although, during the last five years, CCL has imposed 63 major and 102 minor penalties on its executives and 30 penalties on its non-executives, still during 2018-19 alone, about 405 complaints were received. The Committee further observe that out of the 405 complaints, a large number of complaints i.e about 92 complaints received were anonymous/pseudonymous and had been filed. Out of the remaining 267 complaints, 138 complaints had been forwarded to HODs/GMs for taking needful action and 175 complaints were yet to be processed. The Committee are of the firm opinion that Vigilance is an important tool of management that ensures orderly conduct of affairs by the employees of the organisation and guarantees that all transactions are carried out as per procedures laid down thus minimising the scope of corruption, malpractice/ misuse of authority and funds. The Committee also believe that when large number of anonymous/pseudonymous complaints are received, it either reflects the declining faith in the vigilance system of the organisation or on the officials dealing with it as one of the major reasons for lodging

anonymous complaints could be either the fear of the complainant of facing the adverse consequences thereof or the complainant being a genuine whistle blower having threat to his life and family if identity is disclosed. Nevertheless, the Committee desire that the contents and charges made in the anonymous complaints too should be thoroughly verified and if found immaterial, only then it should be filed as per the guidelines laid down by the Central Vigilance Commission.

18. *Samadhan Kendra*

18.1 The Committee note that CCL also has a system called 'Samadhan Kendra' that was setup in 2012 to redress the grievances of employees and stakeholders of the Company. However, there is no clarity on the nature and distinction between the complaints received by the Vigilance Department in normal course under the Whistle Blower Policy and through the Samadhan Kendra. The Committee find that there is a difference between the number of complaints received by the vigilance department and those by the Samadhan Kendra. The number of complaints received by Samadhan Kendra during 2018-19 were 307 while during the same year the Vigilance Department had received 405 complaints. The Committee would therefore like to know whether the complaints received at both the places were identical and same or these were altogether different. In case, the complaints received at two different places are not the same, the total figure of the complaints will be significantly higher which needs serious introspection of the functioning of the officials/departments. The Committee further note that the percentage of complaints redressed by the Samadhan Kendra has reduced from 100 % in 2012-13 to 89% in 2018-19. The Committee would also like to know the reasons for reduction in redressal rate in 2018-19. The Committee also desire that the functioning of the 'Samadhan Kendra' should be strengthened further so that ambitious target to make CCL a zero grievance company is achieved in near future.

## 19. *Strengthening the IT infrastructure*

**19.1** The Committee are of the view that IT enabled services bring efficiency and transparency in the functioning of the organization besides enhanced output of the workforce. The Committee therefore strongly recommend that CCL should make adequate allocation of funds for creating the required IT infrastructure, both hardware and software, with a view to have desired growth in its performance in terms of production, sales, productivity and profits and also effective monitoring of the functioning of the workforce. The Committee would also urge that global practices in this regard need to be studied for use of upgraded and latest IT techniques in the mining activities and in other functional areas of the CCL.

## 20. *Safety Issues*

**20.1** The Committee observe that one of the objectives of the CCL is maintain high standards of the safety and strive for accident free mining of coal. As informed to the Committee, the mine safety is achieved by identification of hazards subsequently its mitigation by adopting four steps which includes engineering control, administrative control, substitution and elimination. It has also stated that three Safety Committees such as (i) Pit Safety Committee (ii) Tripartite Safety Committee and (iii) Bipartite safety Committee have been constituted and various other safety measures are also taken. The Committee however observe that the performance of CCL in respect of various safety parameters such as fatalities, serious injuries, fatality rate/MT, serious injury rate/MT, fatality rate per 3 lakh man shift and serious injury rate per 3 lakh man shift has been far from satisfactory in the year 2018-19 as the incidents on these counts which had declined in 2017-18 has seen huge surge in 2018-19. For instance, the fatality and serious injury cases have gone upto double digits *i.e.* to 10 and 16 respectively in the year 2018-19 as against cases in single digit in the preceding four years. The

Committee would like to be apprised of the specific reasons for spurt in fatality and serious injury cases in 2018-19 and also the measures taken by the CCL to strengthen the safety parameters so as to save the precious life of their work force.

**20.2** The Committee express serious concern at the fact that CCL could not fully utilize budgetary provisions meant for procuring and maintaining safety equipment resulting in surrendering of the funds since 2008-09 except 2010-11. The capital expenditure has not gone beyond 76% since 2008-09 except in 2010-11 when it spent 162 % of the budgetary allocation for the purpose. In the remaining years since 2008-09, the expenditure incurred for purchasing and maintaining safety equipment ranged from as low as 2.50 % in 2009-10, 4.17% in 2018-19, 13.99% in 2013-14 and 75.58% in 2014-15. Despite substantial underutilization of allocated amounts in the previous years, higher allocations had continued to be made in the subsequent years only to be left underutilized. The Committee express their serious concern that underutilization of funds not only indicate faulty budgetary presumptions but also reflect that management has shown scant regard for the safety of the mine workers. The reply furnished by the CCL is conspicuously silent and also evasive as to the specific reasons for substantial under utilization of the funds allocated for safety equipment since the year 2008-09. The Committee take a serious note of the casual approach of the CCL on this critical issue which has a direct bearing on the safety and security of the mine workers and also on the performance of mines. The Committee are thus constrained to conclude that had the allocated funds been fully utilized for procurement of the safety equipments, the fatality and serious injury cases could have been very well minimized substantially if not avoided fully. The Committee therefore desire an explanatory note from the Ministry and CCL on this issue. The Committee further recommend that the CCL should devise a sound budgetary system so as to ensure that the funds allocated for such a critical area are gainfully utilized and the desired results are achieved.

## 21. *CSR Initiatives*

**21.1** The Committee observe that as per CSR guidelines, CCL was under obligation to spend 2% of its profit on CSR activities. The Committee are glad to note that the CSR expenditure of Rs. 213 crores during 2015-16 was the highest constituting 6.8% of the Profit Before Tax(PBT) of that year. However, in the succeeding years, the expenditure was much below the basic minimum allocation of 2% of the PBT as prescribed in CSR Guidelines as is evident from the fact that the Company spent only 1.8 % on CSR during 2014-15, 1.3% during 2016-17 and 1.57 % during 2018-19. The Committee note that the major expenditure of its Rs.172.11 crore during 2015-16 was on sanitation. The Committee find from the reply of the Company that the huge expenditure on sanitation was made in the year 2015-16 on the instructions of the Ministry of Human Resource Development for construction of toilets in government schools under the Swachh Vidyalaya Abhiyan. The Committee observe that the Board was competent to decide on the nature of CSR activity to be carried out by them but it appears that no action plan is formulated in advance and no consultations are held with the stakeholders or the intended beneficiaries before taking up the CSR works and as a result thereof, the funds under CSR remain unspent year after year and the potential beneficiaries were deprived of the benefits they could have got had the funds been fully utilized. The Committee therefore recommend that well defined mechanism be put in place to undertake CSR activities in a more structured manner with full utilization of the funds earmarked for CSR with the orientation that the needy and poor people are benefitted to the maximum extent. The Committee also desire that under the CSR schemes, the CCL should take up works like prevention of contamination of water with the use of latest technology, establishing water treatment plants for supply of pure drinking water, providing piped water supply and medical facilities to the poor families residing in the nearby areas.

**21.2** The Committee however appreciate the achievements of the CCL in some of the activities undertaken with the funding from CSR. The Committee are glad to note that a tribal girl who was trained at the Sports Academy of CCL had won gold medal in Eurasian Athletic meet and other cadets of the Academy had won 405 medals including 182 gold medals in different championships. The Company's another CSR initiative under "CCL ke Lal" and "CCL ke Laadli" wherein many students from the weaker sections of the society finally making it to the IITs and Engineering Colleges is also laudable. The Kayakalp Public School at Burku and Dhori especially for providing free education and facilities to the children belonging to the poorest of the poor families is also commendable. express their hope that the future plans of the Company (i) to open 3 sports centre under Khelo India initiative (ii) to install sanitary napkin vending machines with incinerator (iii) to supply sanitary pads in 150 schools of CCL areas, and (iv) to supply treated water from existing/ abandoned mines of CCL to nearby villages, etc. will also be successful with the desired results. The Committee, however, desire that with a view to generate local employment and also to promote local entrepreneurship, the CCL should launch a flagship programme by extending financial help and other skill trainings to the locals for making bio-degradable sanitary pads with the use of locally available raw materials like banana leaves and bamboo leaves etc. The Committee would like to be apprised of the precise action taken by the CCL in this regard.

**21.3** The Committee after taking into account the nature of operations of the Company and its impact on the inhabitants in the surrounding areas, desire that the company should proactively take up CSR projects for the benefit of the people and their families living in nearby areas of the operational mines of the Company. The Committee therefore recommend that CCL not only to spend CSR fund to fulfil the minimum obligations as laid

down in the Companies Act, 2013 for CSR activities but also take up more and more CSR activities on their own keeping in view the requirements of the communities/families living near by the mines especially the poor and from the marginalised sections of the society. The Committee also desire that the maintenance of the physical assets should be taken care of regularly. For instance, physical assets like toilets constructed in schools must be maintained properly to ensure that they are in usable condition for time to come. It is in this context that the Committee would like the CCL to apprise them of the measures taken for maintenance of the toilets constructed by them under Swachh Bharat Abhiyan. The Committee desire the Company to take note of and comply with the observations made by the Secretarial Audit on booking of CSR expenditure on actual basis instead of committed basis.

21.4 The Committee observe that the Kayakalp Public School which is providing free facilities for the education of children of the poorest of the poor families is to draw about 700 more students from other States who are also needed to be provided with the free facilities. The Committee therefore recommend that the holding company i.e. Coal India Limited(CIL) should explore the possibility of pooling of its own CSR funds with those of its subsidiaries to meet the CSR expenditure on this account. If the CIL is unable to draw enough CSR funds, the Government may encourage other CPSUs to pool their CSR funds so that expenditure on education and making available other facilities to children of poor families could be adequately met. The Committee desire the Company to ensure that the benefits of their CSR activities should also reach the remotest areas especially for the families in the aspirational districts and to the intended poorest of the poor people/families.

New Delhi  
7 January, 2021  
17 Pausha, 1942(S)

**MEENAKASHI LEKHI**  
Chairperson  
Committee on Public Undertakings

## APPENDIX I

### MINUTES OF THE SIXTH SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2020)

The Committee sat on Wednesday, the 13<sup>th</sup> November 2019 from 1450 hrs to 1630 hrs in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

#### PRESENT

Smt. Meenakashi Lekhi - Chairperson

#### MEMBERS

##### Lok Sabha

2. Shri Kunwar Danish Ali
3. Dr. Heena Vijaykumar Gavit
4. Shri Raghu Ramakrishna Raju Kanumuru
5. Smt. Poonamben Hematbhai Maadam
6. Shri Janardan Mishra
7. Prof. Saugata Roy
8. Shri Ramdas Chandrabhanji Tadas

##### Rajya Sabha

9. Mohd. Ali Khan
10. Shri Mahesh Poddar

#### SECRETARIAT

1. Smt. Mamta Kemwal - Director
2. Shri G.C. Prasad - Additional Director

#### Representatives Of The Central Coalfields Limited

1. Shri Gopal Singh - CMD
2. Shri V.K. Srivastava - Director Technical (Operations)
3. Shri R.S. Mahapatra - Director (Personnel)

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee and representatives of the Central Coalfields Ltd (CCL) to the sitting convened to have a briefing on the subject Comprehensive examination of 'Central Coalfields Limited'. She then drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of evidence tendered before the Parliamentary Committees.

3. The CMD, CCL and other senior officers first introduced themselves to the Committee and then gave a power point presentation on the subject highlighting the background of the Company, operational Coalfields under its command area, physical parameters including production profile, raw coal stock, employment generation, safety performance, future production plan and ongoing projects, special achievements of the Company, commissioning of Greenfields projects to reduce pollution, environmental sustainability, corporate social responsibility, etc. The representatives of CCL and Members of the Committee also deliberated upon the history of division of CCL and the reasons for unequal distribution of manpower and assets during the separation of Singrauli and Mahanadi coalfields, diverse usage of coking and non-coking coals, quality of coal found in Indian mines vis-à-vis content of ashes, roles played by coal washeries in reducing ashes in coals, development of washeries and slurry ponds, pre-empting any occurrence of over spilling of such ponds in rainy season through timely interventions, recycling of reject ashes, preference of surface mining over conventional drilling/blasting technique in view of prevailing environment concerns, engagement of outsourced labourers in different activities related to mining and other activities in CCL.

4. Thereafter, the Chairperson sought information on captive mining by CCL, linkage through fuel supply agreement, new-age techniques in mining, like liquefaction of coal, carbon capture technology, etc. She desired CCL to put more emphasis on R&D activities to add values to rejected ashes generated in washeries, particularly with regard to material that could be used by construction industries, recycling of water used in washeries, need for approved policy documents on surface mining, new techniques being adopted by the company for lessening the ill-effects exerted on environment by conventional drilling and blasting mining. The CCL was advised to emulate the strategies of the developed countries in this regard. Furthermore, the Chairperson sought observations of CCL officials in relation to changes initiated in recent labour laws.

5. Members, thereafter, raised several queries over the need for reduction of coal import, urgent need to establish new washeries with new technology to the extent possible, higher number of contractual/outsourced staff amongst total employment generated by CCL, slurry management, newspaper reports on pollution of rivers and riverbeds from the discharge of coal washeries in the State of Jharkhand, casualties in mines, operationalization of Greenfield projects previously long-stuck halfway due to several external pressures outside the control of the company like problems in land acquisition, local opposition to the projects, etc. and; CSR initiatives taken-up by the Company.

6. The representatives of the CCL clarified some issues on which information was readily available with them. In respect of points for which information was not readily available, the Chairperson directed that written replies may be furnished to the Committee Secretariat within 15 days.

*The Committee then adjourned.*

*(A verbatim record of the proceedings has been kept separately).*

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## APPENDIX II

### MINUTES OF THE TENTH SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2020)

The Committee sat on Monday, 17<sup>th</sup> February 2020 from 1605 Hrs. to 1630 Hrs. in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

#### PRESENT

Smt. Meenakashi Lekhi - Chairperson

#### MEMBERS

##### Lok Sabha

2. Shri Kunwar Danish Ali
3. Dr. Heena Vijaykumar Gavit
4. Shri Janardan Mishra
5. Prof. Saugata Roy
6. Shri Ravneet Singh
7. Shri Sushil Kumar Singh

##### Rajya Sabha

8. Shri Prasanna Acharya
9. Mohd. Ali Khan

#### SECRETARIAT

1. Shri R.C. Tiwari - Joint Secretary
2. Smt. Mamta Kemwal - Director
3. Shri Khakhai Zou - Additional Director
4. Shri G.C. Prasad - Additional Director

#### Representatives Of The Central Coalfields Ltd (CCL)

1. Shri V.K.Srivastava - Director (Technical/Operations)
2. Shri Alok Kumar Singh - Chief Manager (Mines)

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee and representatives of the 'Central Coalfields Ltd (CCL)' to the sitting convened to take oral evidence in connection with the examination of the subject 'Central Coalfields Ltd (CCL)'. She then drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of evidence tendered before the Parliamentary Committees.

3. The Director (Technical/Operations), 'Central Coalfields Ltd (CCL)' and other senior officers first introduced themselves to the Committee. Hon'ble Chairperson then raised specific issues such as slurry management, management of washeries and infrastructure modernization in CCL under Build, Own, Operate (BOO) model, fatalities suffered by miners etc. The representatives of CCL responded to her queries citing instances, *inter-alia*, touching upon the issues on closing down of an very old washery, renovation of few others, usage of 'Rejects' for different productive activities, re-cycling of water and measures taken to forestall human fatalities in CCL.

4. Thereafter, the Chairperson and Members sought clarifications on diverse points, involving issues concerning actions taken against corrupt permanent and non-permanent employees in CCL, new projects in pipeline, nature, technology and production capacity of such proposals vis-à-vis the Greenfield projects, implementation status of various e-initiatives in CCL, 'Kayakalp' model of governance, environment clearances and acceleration of land certifications for Greenfield projects etc. They also sought information on compensation given to project-affected persons, captive mining, automation in industries, old and new washeries, standard-set thereof, capital outlay involved, etc.

5. Members sought further clarifications on issues relating to work study, recruitment in CCL, alleged violation of policy with regard to provision of employment in CCL to project affected persons, training of tribal people, etc.

6. The representatives of Central Coalfields Ltd. clarified some issues on which information was readily available with them. In respect to points on which information was not readily available, the Chairperson urged the representatives to submit written replies to the Secretariat within a week.

*The Committee then adjourned.  
(A verbatim record of the proceedings has been kept separately).*

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## APPENDIX III

### MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2020)

The Committee sat on Monday, 2<sup>nd</sup> March 2020 from 1635 Hrs. to 1800 Hrs. in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

#### PRESENT

Smt. Meenakashi Lekhi - Chairperson

#### MEMBERS

##### Lok Sabha

2. Shri Kunwar Danish Ali
3. Shri Chandra Prakash Joshi
4. Shri Raghu Ramakrishna Raju Kanumuru
5. Smt. Poonamben Hematbhai Maadam
6. Shri Arjunlal Meena
7. Shri Janardan Mishra
8. Dr. Arvind Kumar Sharma
9. Shri Ravneet Singh
10. Shri Sushil Kumar Singh
11. Shri Ramdas Chandrabhanji Tadas

##### Rajya Sabha

12. Shri Prasanna Acharya
13. Mohd. Ali Khan
14. Shri Om Prakash Mathur
15. Shri Mahesh Poddar

#### SECRETARIAT

1. Shri R.C. Tiwari - Joint Secretary
2. Smt. Mamta Kemwal - Director
3. Shri Khakhai Zou - Additional Director
4. Shri G.C. Prasad - Additional Director

## Representatives Of The Ministry Of Coal

1. Shri Anil Kumar Jain - Secretary, Ministry of Coal
2. Shri Pramod Kumar Agrawal - Chairman and Managing Director, CIL
3. Shri Gopal Singh - Chairman and Managing Director, CCL

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee and the representatives of the Ministry of Coal to the sitting convened to take evidence of the representatives of the Ministry of Coal on the subject 'Central Coalfields Ltd (CCL)'. She then drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of evidence tendered before the Parliamentary Committees.

3. The Secretary, Ministry of Coal, and other senior officers first introduced themselves to the Committee. Hon'ble Chairperson then raised specific issues such as DPE guidelines on nomination of state Govt. officials to the board, delay in commissioning of high capacity mines, viability of adopting longwall technology, steps taken to ensure compliance and monitoring of CSR activities, possibility of integrating CSR initiatives with 'DISHA' committees, feasibility of thorium-based power generation in India, better management of litigations by PSUs, view on 100% FDI in coal sector, etc. The representatives of Ministry of Coal responded to the queries citing instances and also explained several issues, namely, construction of washeries, settlement of land disputes, non-availability of land records with district land authorities to settle compensation, shortage of high-capacity standard trucks and trippers, reasons for relatively low profit margin of CCL vis-a-vis other coal subsidiaries, etc. Representatives of Ministry of Coal also provided the Committee, with a broad overview of the coal sector; and CCL in particular in relation to profitability, coal reserve, renewable energy, stripping ratio, gradation of coal, oversight and monitoring mechanism, wages and health of miners, role of CIL, clarification on longwall technology, etc.

4. Thereafter, Members sought clarifications on diverse points, involving issues such as the persisting menace of coal theft, contentious issue of coal royalty between state governments and coal subsidiaries, poor condition of contractual employees/workers, drawbacks in R&R policy, plantation anomalies, pending court cases, balance-sheet issues, non-provision in balance-sheet for probable future liabilities, etc. They also

sought information on compensation given to tribal people, resistance from village communities, cutting-down on high overhead costs, VRS in CCL, and the issue of only very few number of employments given to project-affected-people on the pretext of 2-acre clause.

5. The representatives of Ministry of Coal clarified some issues on which information was readily available with them. In respect to points on which information was not readily available, the Chairperson directed the officers of the Ministry of Coal to submit written replies to the Secretariat within a week.

*The Committee then adjourned.*

*(A verbatim record of the proceedings has been kept separately).*

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## **APPENDIX IV**

### **MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2020)**

The Committee sat on Thursday, the 7<sup>th</sup> January, 2021 from 1210 Hrs. to 1310 Hrs. in Committee Room '3', Ground Floor, Block A, Parliament House Annexe Extension (New Building), New Delhi.

#### **PRESENT**

**Smt. Meenakashi Lekhi - Chairperson**

#### **MEMBERS**

##### **Lok Sabha**

2. Shri Arjunlal Meena
3. Shri Janardan Mishra
4. Prof. Saugata Roy
5. Dr. Arvind Kumar Sharma
6. Shri Sushil Kumar Singh
7. Shri Uday Pratap Singh
8. Shri Ramdas Chandrabhanji Tadas

##### **Rajya Sabha**

9. Shri Prasanna Acharya
10. Shri Birendra Prasad Baishya
11. Shri Surendra Singh Nagar

#### **SECRETARIAT**

- |                           |                     |
|---------------------------|---------------------|
| 1. Shri R.C.Tiwari        | Joint Secretary     |
| 2. Shri Srinivasulu Gunda | Director            |
| 3. Shri G.C. Prasad       | Additional Director |

**REPRESENTATIVES OF THE NATIONAL THERMAL POWER CORPORATION  
LIMITED (NTPC)**

1.	Shri Gurdeep Singh	-	CMD
2.	Shri Anil Kumar Gautam	-	Director (Finance)
3.	Shri Ramesh Babu V	-	Director (Operations)
4.	Shri Dilip Kr. Patel	-	Director (HR)
5.	Shri Chandan Kr. Mondol	-	Director (O)
6.	Shri Ujjwal K. Bhattacharya	-	Director (Projects)

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee and apprised them about the agenda for the sitting. As a first agenda item, the Chairperson proposed for consideration and adoption of the draft reports on the following subjects:-

- (i) Airports Authority of India (AAI)
- (ii) Central Coalfields Limited (CCL)
- (iii) Food Corporation of India (FCI)
- (iv) Hindustan Antibiotics Limited (HAL)
- (v) NBCC (India) Limited

(vi) Action taken by the Government on the Observations/Recommendations contained in the Twenty-second Report (16th LS) of the Committee on Public Undertakings on "Financing of Renewable Energy Projects by Indian Renewable Energy Development Agency Limited (based on Performance Audit Report No.12 of 2015)".

(vii) Action taken by the Government on the Observations/Recommendations contained in the Twenty-fourth Report (16th LS) of the Committee on Public Undertakings on "Review of Loss Making CPSUs".

3. The Committee then considered the aforesaid draft reports and adopted it without any changes/modifications. The Committee thereafter authorized the Chairperson to finalize the report on the basis of factual verification by the concerned Ministry/Department and consider for presenting the reports to Hon'ble Speaker since Parliament is not in session.

***(The representatives of NTPC were then called in)***

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6. \*\*\*\* \*\*\*\* \*\*\*\*
7. \*\*\*\* \*\*\*\* \*\*\*\*

***The Committee then adjourned.***

***(A verbatim record of the proceedings has been kept separately).***

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