

CENTRAL COALFIELDS LIMITED

MINISTRY OF COAL

**COMMITTEE ON PUBLIC UNDERTAKINGS
(2021-22)**

ELEVENTH REPORT

(SEVENTEENTH LOK SABHA)



**LOK SABHA SECRETARIAT
NEW DELHI**

**ELEVENTH REPORT
COMMITTEE ON PUBLIC UNDERTAKINGS
(2021-22)**

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CENTRAL COALFIELDS LIMITED

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**[Action Taken by the Government on the Observations/Recommendations contained in
the Second Report of the Committee on Public Undertakings on Central Coalfields
Limited (CCL)]**

Presented to Lok Sabha on 04 February, 2022

Laid in Rajya Sabha on 04 February, 2022



**LOK SABHA SECRETARIAT
NEW DELHI**

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COMPOSITION OF THE COMMITTEE ON PUBLIC UNDERTAKINGS
(2021-22)

Shri Santosh Kumar Gangwar - *Chairperson*

MEMBERS

Lok Sabha

2. Shri Lavu Sri Krishna Devarayalu
3. Dr. Heena Vijaykumar Gavit
4. Shri Chandra Prakash Joshi
5. Smt. Kanimozhi Karunanidhi
6. Smt. Poonamben Hematbhai Maadam
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21. Shri K.C. Ramamurthy
22. Shri M. Shanmugam

SECRETARIAT

1. Shri R.C. Tiwari - *Additional Secretary*
2. Shri Srinivasulu Gunda - *Director*
3. Shri G.C. Prasad - *Additional Director*
4. Shri Aritra Das - *Committee Officer*

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2021-22) having been authorized by the Committee to submit the Report on their behalf, present this Eleventh Report on Action Taken by the Government on the Observations/Recommendations contained in the Second Report of the Committee on Public Undertakings (17th Lok Sabha) on 'Central Coalfields Limited (CCL)'.

2. The Second Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 29 January, 2021. The Action Taken Replies to all the 33 Recommendations contained in the Report were received from the Ministry of Coal on 18 July, 2021.

3. The Committee (2021-22) considered and adopted the draft Report at their sitting held on 21 December, 2021. The Minutes of the Sitting are given in Appendix-I.

4. An analysis of the action taken by the Government on the Observations/ Recommendations contained in the Second Report (17th Lok Sabha) is given in Appendix II.

New Delhi;
24 January, 2022
4 Magha, 1943 (S)

SANTOSH KUMAR GANGWAR
Chairperson
Committee on Public Undertakings

4. The Committee will now deal with the Action Taken by the Government on some of the Observations/Recommendations in succeeding paragraphs.

Recommendation (Sl. No. 2.1)

5. The Committee in their Second Report, had recommended the following with regard to filling up of the vacancies on the Board of CCL:-

"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 not 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."

6. The Ministry, in their action taken reply, have stated as follows:-

"As on date the Board of Central Coalfields Limited (CCL) consists of 5 sanctioned posts of Independent Directors out of which 4 posts are filled. Out of the 4 Independent Directors on the Board of CCL one of the appointee is Mrs. Jajula Gowri, Advocate who has been appointed on 10.07.2019 for a period of 3 years and thus fulfills the criteria for appointing Women Director on the Board of CCL. As regards to the vacant post of Director (Personnel) and Independent Director, the post of Director (Personnel), CCL is vacant since 01.01.2020 vice Shri. R. S. Mahapatro. The said post has been intimated to Public Enterprises Board on 01.01.2020 itself. PESB has also advertised the post on 27.01.2020. However, the selection meeting is yet to be conducted by PESB for the said post. Ministry of Coal has also taken up this matter with newly appointed Chairperson, PESB to conduct the pending selection meetings on priority basis for Coal companies. For the vacant post of Independent Director, Ministry of Coal has been continuously reminding Department of Public Enterprises and Department of Personnel & Training to fill the vacant posts of Independent Director."

7. The Committee had strongly recommended in their original Report for filling up of all the vacancies in the Board of Central Coalfields Ltd.(CCL) immediately. From the reply submitted by the Ministry, the Committee observe that one post of Director (Personnel) in the Board of Central Coalfields Limited (CCL) has been lying vacant

since 01 January 2020. The CCL had intimated the vacancy to the Public Enterprises Selection Board (PESB) on the same day itself. Surprisingly, despite the Ministry of Coal taking up the matter with the Chairperson, PESB, the selection meeting for the post is yet to be conducted even after a gap of more than one and half years. Similarly, despite continuous reminder to Department of Public Enterprises and DoPT, the post of Independent Director is yet to be filled. The Committee do not find any plausible explanation for non-filling up of a crucial post for such a long period especially when the tenure of the Directors is well known in advance. In such a situation, the Ministry of Coal, Department of Public Enterprises, PESB and DoPT should have processed the appointment to the post beforehand so that the new incumbent could have joined immediately after the posts fall vacant. The Committee, therefore strongly desire that all necessary steps be taken immediately by DPE, PSEB and DoPT so that the vacant posts on the Board of CCL, which has been lying vacant for long, be filled up immediately without any further loss of time.

Recommendation (Sl. No. 2.2)

8. With regard to filling up the vacancies of Independent Director on the Board of CCL, the Committee in their Second Report had recommended as follows:-

"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. "

9. The Ministry, in their action taken reply, have stated as follows:-

"As per the audited financial statement of Coal India Limited (CIL) for the financial year 2020-21, Central Coalfields Limited (CCL) is the material subsidiary of CIL and the Section 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 would imply on CCL and one Independent Director from the board of CIL has to be appointed on the board of CCL. However, at present on the board of CIL no Independent Director is present. As such, as and when any Independent Director is appointed on the board of CIL, he/she will also be appointed on the board of CCL to comply with the Section 24 of SEBI(LODR) Regulations, 2015. The issue of appointing Independent Director on the Board of CIL is taken up with DoPT & DPE. "

10. The Committee note that no Independent Director from 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. The CCL in a written reply to the Committee's query during the examination of the subject, had unambiguously stated that since it was not a material subsidiary of CIL, and therefore, no Independent Director was required to be appointed from CIL on the Board of CCL. The Ministry in their action taken reply on the observations/recommendations of the Committee have now informed that as per the audited financial statement of Coal India Ltd.(CIL) for the year 2020-21, the Central Coalfields Ltd.(CCL) is a material subsidiary of CIL and the Section 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 would apply on CCL and one Independent Director from the Board of CIL has to be appointed on the Board of CCL. The Ministry has further stated that at present, there is no Independent Director on the Board of CIL and therefore as and when any Independent Director is appointed on the Board of CIL, he/she will also be appointed on the Board of CCL to comply with Section 24 of SEBI(LODR) Regulations, 2015. The Committee express their displeasure over the casual way in which the information had been furnished to the Committee during examination of the subject. It appears to the Committee that neither the Central Coalfields Ltd. (CCL) nor the Holding Company Coal India Limited (CIL) was even aware of the status of the Company and as a result, no steps were taken for appointment of one independent director in the Board of CCL from the Board of CIL. It is unfortunate that none of them including the Ministry had any clarity on whether CCL was a material subsidiary of CIL before the financial year 2020-21. The Committee, therefore, caution the Ministry of Coal, Coal India Ltd. and CCL to exercise extra care and alertness in future while submitting information to the Parliamentary Committees.

The Committee also recommend for immediate appointment of one Independent Director of CIL in the Board of CCL to fulfill the requirement under Section 24 of SEBI (LODR) Regulations, 2015.

Recommendation (Sl. No. 2.3 and 2.4)

11. The Committee, in para 2.3 of their Second Report had recommended the following with regard to appointment of permanent invitees on the board of CCL:-

"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."

12. The Ministry, in their action taken reply, have stated as follows:-

"The Permanent Invitees on the Board of CCL/Coal Companies are not considered as Directors on these Boards and do not have the voting rights and are not counted for the purpose of quorum in the Board Meeting. Also, there is no provision for any remuneration/incentive to Permanent Invitees for attending meetings of CCL. As regards, to formulation of guidelines specifying the nature of meetings that need to be attended by the 'permanent invitees', Permanent Invitees like other Directors on the Board help the Board to arrive at an appropriate decision on each proposal and they are an integral part of the Board. As such, they can be allowed to attend every Board meeting."

13. With regard to appointment of permanent invitees on the board of CCL, the Committee in para 2.4 of their Second Report had also recommended asunder :-

"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."

14. The Ministry, in their action taken reply, have stated below:-

"For commissioning of new projects and expansion of existing ones and for sustenance of production and dispatch, CCL has to be in close touch with the State Government and Railways. As such, it is desirable to keep Permanent Invitees for keeping 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. "

15. The Committee had recommended for bringing out the guidelines specifying the nature of meetings that need to be attended by the permanent invitees. It was also desired that the remuneration, tenure, powers, responsibilities etc. of the permanent invitees should also be clearly brought out in the guidelines. The Committee, however, observe that the Ministry of Coal has chosen to be silent on the issue of bringing out the desired Guidelines. The Ministry of Coal and CCL have also not clarified whether the provision for 'permanent invitees' in the Board is as per the DPE Guidelines or it is an independent decision of the Company. The Ministry in their reply have explained that the 'permanent invitees' are not considered as Directors and do not have the voting rights and are not counted for the purpose of quorum in the Board Meetings. They are just meant for keeping a close liaison with the State Governments particularly in regard to land acquisition, forest clearance cases, occasional law and

order issues relating to industrial relation problems, railway issues, etc The Committee had however observed in their original recommendation that the 'permanent invitees' have not served the purpose of liaising as the CCL themselves had stated that many of their major projects had been delayed badly for many years for want of environmental & forestry clearances, transfer of ownership, etc. The Committee had emphasized for bringing out Guidelines to develop a mechanism to bring transparency in their functioning and to make effective and gainful utilization of the 'permanent invitees' nominated on the Board of CCL. However, the Ministry while submitting reply, have not touched upon any of these issues and have also not submitted any reason or not framing the requisite Guidelines as had been recommended by this Committee. The Committee are not happy with the lackadaisical approach of the Ministry towards such important recommendations of the Committee. The Committee strongly reiterate their recommendation and desire the Ministry of Coal to bring out at least now the desired Guidelines and submit a comprehensive reply to the Committee at the earliest.

Recommendation (Sl. No. 7.2)

16. The Committee, in their Second Report had observed and recommended the following with regard to performance of washeries :-

"The Committee further note that the CCL is in the process of setting up 2 coking coal Washerries 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."

17. The Ministry, in their action taken reply, have stated as under:-

"An Inter- Ministerial Committee (IMC) has been constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. The Representatives from Ministry of Power, Ministry of Railways, Ministry of Shipping, Ministry of Commerce, Ministry of Steel, Ministry of Micro, Small & Medium Enterprises (MSME), Department for Promotion of Industry & Internal Trade (DPIIT), Central Electricity Authority (CEA), Coal Companies and Ports are members of this IMC. This Committee provides a platform for discussions on a larger forum with the Administrative Ministries so as to guide them to encourage the coal consumers of their respective sector to eliminate imports of coal. Nine meetings of the IMX have been held so far. IMC has also directed for development of an Import Data System by Ministry of Coal to enable the Ministry of Coal to enable the Ministry to track the imports of coal.

In a major push towards increase in consumption of domestic coal, the Annual Contracted Quantity (ACQ) of power plants has been increased upto 100% of the normative requirement, in the cases where the ACQ was reduced to 90% of normative requirement (non-coastal) or where the ACQ was reduced to 70% of normative requirement (coastal power plants). There are 79 non-coastal power plants where there would be increase in ACQ of 10% (around 10.5 MT) and 5 coastal power plants where the increase in ACQ would be 30% (around 9 MT). The increase in ACQ would ensure supply of more domestic coal to the power plants.

In addition to the above, some other measures like increase in trigger level of Fuel Supply Agreement (FSA) from 75% to 80% for those plants which are having trigger level of 755 or increased level of supply, Introduction of Facility of Usance LC (Letter of Credit) payment mechanism to help the consumer avail credit facility from bank, Special Spot auction scheme for the coal importers including the traders, would help in curtailing the imports of coal. Further, the coal offered for short term under the amended provisions of SHAKTI Policy as well as increase in the tenure of the coking coal linkages in the Non-Regulated Sector linkage auction for a period upto 30 years is also expected to have a positive impact towards coal imports substitution."

18. The Committee in their original Report had inter-alia recommended for operationalization and running of coking coal and non-coking coal washeries with maximum capacity to reduce import dependency and for policy intervention 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 while appreciating the multi-pronged approach adopted by the Ministry of Coal and other Ministries/agencies to reduce dependency on imported washed coking coal, find that the reply is silent on the paradoxical situation wherein on one hand the country has been importing huge quantity of washed coking coal and on the other hand there was a slump in indigenous demand for the same. It appears that the desired assessment of the actual demand and actual customers of washed coking coal has not been carried out by the Ministry of Coal. Further, the status of setting up of two (02) coking coal washeries with overall capacity of 07 MTY and three (03) non-coking coal washeries of 08 MTY by the CCL is also not known. The Committee feel that the efforts of the Ministry of Coal and other Ministries/agencies on reducing dependency on imported washed coal would only yield fruitful results if the adequate number of washeries are set-up and made operational in the defined timeframe and realistic assessment of domestic demand and indigenous supply is made for optimal capacity utilisation. The Committee would like the Ministry and CCL to furnish detailed reply on this count.

Recommendation (Sl. No.10.3)

19. The Committee, in their Second Report had recommended the following with regard to cost incurred on HEMM:-

"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."

20. The Ministry, in their action taken reply, have stated as below-

"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, North Urimari and Karo.

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."

21. The Committee in their original report had desired for a detailed note on the comparative cost effectiveness in hiring of HEMMs or other equipments keeping in view the huge expenditure CCL is incurring on hiring of equipments every year and also on the reasons for hiring equipments when CCL's own equipments are lying under utilised to a large extent. The Ministry of Coal in their replies is silent on these issues. The Ministry have also not furnished any detailed comparative data on how hiring of machinery & equipment is more economical when the Company has incurred huge expenditure of Rs. 859 crore during 2018-19. The Committee express their apprehension as to why CCL is resorting to hiring of machinery & equipment at huge cost resulting in adverse impact on their profits. As emphasized in their original recommendation, the Committee desire that CCL to undertake an independent study to assess cost effectiveness in hiring of HEMMs and other equipments even though when the HEMMs are available with the Company and also furnish a detailed indicative comparative chart on the economics of hiring of machines vis-a-vis purchase of machines. The Committee further desire CCL to furnish valid reasons for huge expenditure on hiring of equipment & HEMMs when the same expenditure could be used to purchase new HEMMs that would create permanent assets to CCL.

Recommendation (Sl. No. 20.2)

22. The Committee, in their Second Report had recommended the following with regard to safety issues:-

"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."

23. The Ministry, in their action taken reply, have stated as follows:-

"Budgetary provisions are made for certain critical safety items every year. Procurement is delayed due to non-submission of requisite documents by the bidders which is required for finalization of procurement process and non-justification of the offered price. However, with the introduction of GeM portal, the procurement under Capital head is getting streamlined. We are taking pro-active steps for prudent budgetary allocation and its utilization."

24. The Committee had expressed their serious concern over underutilization of the funds allocated for procurement of safety equipments year after year particularly since 2008-09. Since underutilization of funds on such a critical area have a direct bearing on the safety and security of mining workers, the Committee had desired for an explanatory note on this from the Ministry and CCL. The Committee also recommended for devising a sound budgetary system for gainful utilization of funds in

future. While appreciating the proactive steps taken by the Ministry/CCL for prudent budgetary allocation and its utilization, the Committee observe that the desired explanatory note has not been submitted by the Ministry/CCL. The Committee convey their dissatisfaction over non-furnishing of the desired explanatory note on underutilization of funds earmarked for safety issues for many years in the past. The Committee reinforces the seriousness of the issue as it has direct bearing on the safety & security of the mine workers. The Committee expect the Ministry and the CCL to furnish the desired explanatory note at the earliest to the Committee.

CHAPTER II

OBSERVATIONS / RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Overview

Recommendation (Sl. No. 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 17th October, 1971 and these mines were nationalized 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 two steel plants viz. TISO 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 Kolkata. The formation of CMAL witnessed regrouping of the coal mines into three division's viz. Western, Central and Eastern. The CMAL with its three divisions continued upto 1st 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).

Recommendation (Sl. No. 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 1st 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 opencast 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.

Reply of the Government

The observation of the Committee and suggested measures thereon have been noted for implementation.

[Ministry of Coal, File No: PCA-11028/1/2019-PCA (FTS: 343541) Dated 18th July, 2021]

Board Of Directors

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

Recommendation (SI No. 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 not 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.

Reply of the Government

As on date the Board of Central Coalfields Limited (CCL) consists of 5 sanctioned posts of Independent Directors out of which 4 posts are filled. Out of the 4 Independent Directors on the Board of CCL one of the appointee is Mrs. Jajula Gowri, Advocate who has been appointed on 10.07.2019 for a period of 3 years and thus fulfills the criteria for appointing Women Director on the Board of CCL. As regards to the vacant post of Director (Personnel) and Independent Director, the post of Director (Personnel), CCL is vacant since 01.01.2020 vice Shri. R. S. Mahapatro. The said post has been intimated to Public Enterprises Board on 01.01.2020 itself. PESB has also advertised the post on 27.01.2020. However, the selection meeting is yet to be conducted by PESB for the said post. Ministry of Coal has also taken up this matter with newly appointed Chairperson, PESB to conduct the pending selection meetings on priority basis for Coal companies. For the vacant post of Independent Director, Ministry of Coal has been continuously reminding Department of Public Enterprises and Department of Personnel & Training to fill the vacant posts of Independent Director.

[Ministry of Coal, File No: PCA-11028/1/2019-PCA (FTS: 343541) Dated 18th July, 2021]

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

Recommendation (SI No. 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.

Reply of the Government

As per the audited financial statement of Coal India Limited (CIL) for the financial year 2020-21, Central Coalfields Limited (CCL) is the material subsidiary of CIL and the Section 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 would imply on CCL and one Independent Director from the board of CIL has to be appointed on the board of CCL. However, at present on the board of CIL no Independent Director is present. As such, as and when any Independent Director is appointed on the board of CIL, he/she will also be appointed on the board of CCL to comply with the Section 24 of SEBI(LODR) Regulations, 2015. The issue of appointing Independent Director on the Board of CIL is taken up with DoPT& DPE.

[Ministry of Coal, File No: PCA-11028/1/2019-PCA (FTS: 343541) Dated 18th July, 2021]

Physical Performance of CCL

Recommendation (Sl. No. 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.

Reply of the Government

(i) Upgradation of machinery and equipment

The technologically upgraded requirement is included in the technical specification of the HEMM procured by the company. The technical specifications are framed based on latest Government circulars and statutory requirements viz. DGMS circulars/ notifications and

ISO/BIS standards. This ensures compliance with the latest operational & safety requirements and environmental norms. The technological up-gradation has been made in the areas of access of operators, operators' station/cabin, protective structures, controls & indicators, starting & stopping system, ergonomics, steering system, brake system, visibility, stability, noise reduction, warning devices & safety signs, protective measures & devices for moving parts, electrical and electronic systems, fire protection, etc.

Apart from the above, equipment-wise features are also added in technical specifications viz. proximity alarm device, fatigue sensors etc. Latest international emission norms for Off Highway equipment is adopted in the technical specification. The company has shifted from conventional gravity-based sprinklers to mist type sprinklers to arrest both ground and suspended dust particles. The company remains in touch with the R&D wings of known sources of HEMM manufacturers.

(ii) Use of state of the art technology of global standards in mining operations

Continuous Miner has already been introduced in Churi UGP (0.81 MTY). Piparwar UGP (0.87 MTY) and Parej East UGP (0.51 MTY) have been planned with Continuous Miner. In Patratu A/B/C UGP (5 MTY) longwall technology is proposed. Patratu A/B/C UGP is the largest proposed underground mine of the country with capacity of 5 MTY.

Eco friendly surface miners are being used for coal winning in Ashok OCP (10 MTY), Magadh OCP (51 MTY), Amrapali OCP (25 MTY), North Urimari OCP (7.5MTY) and Karo OCP (3.5MTY). Surface miner will be introduced in Konar OCP (3.5 MTY) and Purnadih OCP (3 MTY) soon. Further, in upcoming opencast mines large size machines and surface miners will be introduced to increase productivity where geo-mining conditions permit.

Coal production from Surface Miner:

Coal Production (MT) (Provisional)			
Year	Total Coal production from Open cast mines	Total Coal production from Surface Miner	% Coal production from Surface Miner with respect to total opencast mines production
2020-21	62.17	31.34	50.41
2019-20	66.19	23.65	35.74
2018-19	68.41	22.24	32.51

(iii) Extensive use of IT enabled services in all divisions

Various IT Initiatives have been taken for improving overall efficiency of the system .The company has done adequate allocation of funds for creating the required IT infrastructure, both hardware and software. Some of the IT enabled services employed by CCL to bring efficiency and transparency in the functioning of the organization are as given below: -

1. MPLS-VPN based WAN services have been employed to connect the data generation points spread across CCL Command areas. Presently 275 points have been connected by MPLS VPN based WAN. These are used for providing access to applications like e-office, Coal Net etc. and also to provide connectivity for real-time data transfer from Weighbridges to CCL HQ Central server.
2. CCTV cameras along with networking for centralized monitoring have been provided at weighbridges, coal stock, etc. All the CCTV Cameras installed and working in CCL are IP based and any future installations shall be of the same type i.e. IP based. The connectivity of the CCTV Cameras with Area HQ is established in some areas and will be implemented in rest of the areas.
3. GPS/GPRS based Vehicle Tracking System and RFID based boom barriers & readers have been employed to track vehicle route, speed and movement of loaded vehicles across coalfield areas and challan generation at Weighbridges.
4. Connectivity up to all data generation points for ERP across CCL command area has been planned, with provision of MPLS-VPN based WAN with site -wise suitable bandwidth. One network, which will act as Secondary Network for ERP on implementation already exists for 275 no. WAN points, and Work Order has been issued for 447 no. WAN points of another network which will be used as Primary Network for ERP. Both these networks will be used for providing connectivity in failover as well as load balancing mode.

(iv) Strengthening the vigilance to root out the corruption:

1. Strengthening of Vigilance department by posting adequate number of officials
2. Suggestions for system improvement, system failure observed during course of investigation by Vigilance Department is being implemented.
3. Surprise checks are being carried out from time to time.
4. Continuous effort is being made for vigilance awareness.

(v) Taking up capacity building measures to increase efficiency of the work force

Employee capacity building is an ongoing and continuous process, which involves learning and development on the part of both the employees and the management. In CCL, learning and development activities are carried out by means of training and development programs being conducted in-house and by sending employees to reputed institutions, out of the company. Training programs including on the job training are being conducted at Central Excavation Training Institute (CETI), Bhurkunda Technical Training institute (BTTI) and at Management Training Center (MTC), HQ, Ranchi under the aegis of HRD dept, CCL.

Executives are also attending development programs at Indian Institute of Coal Management, CIL at Ranchi for upgradation of their managerial skills and leadership abilities.

For technical capacity building various courses such as Vocational Training in mining and other disciplines are being conducted at Group Vocational Training Centers and at BTTI & CETI. Skill development for executives, frontline supervisors and skill up gradation program for non-executives has a place in the curriculum. In addition to the in-house training activities, employees are also attending conferences, training & development programmes outside the Company at various reputed institutes such as ASCI, Hyderabad.

Owing to Covid19 pandemic, the participation of employees in such programmes remained limited but as a part of capacity building measures following activities were conducted observing all the Govt. guidelines and safety measures in regard to Covid19. No. of employees who attended training programmes during 2020-21 is as below:

- Basic training programmes for Heavy Earth Moving Machine Operators) : 100
- Training of employees by Group VTC in 2020-21 : 1959
- Vocational training in mining & others(on the job) : 174
- In-house Development programmes for Executives : 504
- Training programmes Outside company (Webinars) : 143

(vi) Devise the mechanism for optimum utilization of the potentials of human resources

Employees joining the company on compassionate ground as per the wage agreement and those who have joined against land acquisition are being utilized as per their qualification and skills. A pool of such candidates has been created for their placement at right job for better utilization as per requirement of the Company. They are also being encouraged to appear for departmental exams for better career options and to harness & utilize their full potential by taking up appropriate jobs.

Departmental candidates are being given the first opportunity to fill up the vacancies of statutory and other critical designations before resorting to external recruitment so that ability and potential of existing workforce is fully utilized. The skilled employees of such mines/projects where production activities have been discontinued are transferred to projects as per requirement and their skill is being utilized in a optimum manner.

(viii) Introduce suitable incentives and disincentives to motivate and discipline the workforce

CCL management has introduced following incentive schemes to motivate the workforce to enhance the coal production:

Financial Incentives:

- Scheme for improvement of productivity for year 2020-21
- Spot incentive scheme for the period from Dec-2020 to March-2021

Non-financial incentives: Non-financial incentives include - public recognition and awards, professional development opportunities etc. The company has a well-defined Industrial Relations (IR) setup and structural meetings are conducted with the representative of operating Trade Unions. Important decision regarding workers welfare are taken in bipartite forum at Unit/Area and apex – HQ level which motivates employees due to their participation in important management decisions.

Executives are covered under the Conduct Discipline and Appeal Rules (CDA Rules) (1978) of CIL and its subsidiaries and Non-executive employees are governed by Standing Order rules applicable in CCL certified under Industrial Standing Order Act which define the conditions of employment.

[Ministry of Coal, File No: PCA-11028/1/2019-PCA (FTS: 343541) Dated 18th July, 2021]

Financial Performance of CCL

Recommendation (SI. No. 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.

Reply of the Government

As observed by the Committee, CCL has registered a consistent growth in Gross Turnover whereas no similar pattern has been noticed in the growth of Net Worth and profit of the Company. Detail analysis of the fact is produced hereunder:

A) Turnover and Profit of the Company

(Value in Crores)

Financial Year	Revenue from Operations as per Financial Statement	Provision for Coal Quality Variance as per IND AS 115	Other Operating Revenue	Total Revenue from Operations (Gross Turnover)	Levies (Royalty, NMET, MMDR, GST, Clean Energy Cess etc.)	Net Revenue from Operations (Turnover Net of Levies)	Levies as % of Net Revenue from Operations (Turnover Net of Levies)
(1)	(2)	(3)	(4)	(5=2+3+4)	(6)	(7=5-6)	(8)
2014-15	11781	-	278	12059	2331	9728	23.96
2015-16	13659	-	304	13963	3130	10833	28.89
2016-17	14900	-	374	15274	4499	10775	41.76
2017-18*	15729	236	562	16527	4941	11586	42.65
2018-19*	16344	156	951	17451	5115	12336	41.47

***Note: - Provision for Coal quality variance has been adjusted with Sales as per provisions of IND AS 115**

(Value in crores)

Financial Year	Net Revenue from Operations (Turnover Net of Levies)	Total Expenses	Total expenses as % of Turnover Net of Levies	Profit before Tax	Profit Before Tax as % of Turnover Net of Levies
2014-15	9728	7299	75.03	2740	28.17
2015-16	10833	8174	75.45	3119	28.79
2016-17	10775	8963	83.18	2374	22.03
2017-18	11586	10752	92.80	1344	11.60
2018-19	12336	9801	79.45	2692	21.82

As revealed from the above analysis, Gross Turnover includes Levies imposed by Central/State Govt from time to time and it accounts for substantial part of Gross Turnover. Levies as a percentage of Gross Turnover has increased from 23.96% in 2014-15 to 41.47% in 2018-19. Also it has no impact over companies profitability as it is collected from customers and deposited to Central/State Exchequer. Profitability of a company can only be determined based on Turnover Net of Levies.

From the above analysis it is evident that Profit Before Tax as % of Turnover net of Levies has gone down from 28.17% in 2014-15 to 21.82% in 2018-19 and this is mainly due to increase in Employee Benefit Expense which was Rs. 3897 Cr in 2014-15 and increased by 31.60% i.e. upto Rs. 5129 Cr in 2018-19. However zigzag pattern in Profit Before Tax as % of Turnover net of Levies is due to following reasons:

1. In FY 2016-17 there was a provision for pay revision of both Executive and Non-Executive amounting to Rs. 303 Cr.
2. In FY 2017-18 there was a provision for Increase in Gratuity Ceiling from Rs. 10 Lakh to Rs. 20 Lakh amounting to Rs. 900 Cr. and the company had paid Interest of Rs. 102 Cr on borrowings.

B) Turnover and Net Worth of the Company

(Value in crores)

Financial Year	Net Revenue from Operations (Turnover Net of Levies)	Net Worth	Profit after Tax	Dividend and Dividend Distribution Tax
2014-15	9728	5812	1771	427
2015-16	10833	5973	1915	1754
2016-17	10775	3245	1389	4374
2017-18	11586	3479	790	639
2018-19	12336	5143	1704	358
Total				7552

Net worth of the company comprises of Equity Share Capital and Retained Earnings. Dividend and Dividend Distribution Tax is an appropriation of Profit i.e. Profit after Tax as reduced by amount of Dividend and dividend distribution tax will become part of net worth.

CCL has paid Dividend and Dividend Distribution Tax amounting to Rs. 7552 Cr. from FY 2014-15 to FY 2018-19 and due to this, growth shown in turnover is not reflecting in Net Worth of the company. Even net worth shown a zigzag pattern as the company paid an amount of Rs. 4374 Cr as dividend in FY 2016-17 which is much higher than Profit after tax earned by the company. In FY 2016-17 the company paid dividend and Dividend Distribution tax out of accumulated profit resulting in reduction in Net worth from Rs. 5973 Cr in FY 2015-16 to Rs. 3245 Cr in FY 2016-17.

C) Turnover, Net Profit, Production & Output per man shift (OMS)

(Value in crores)

Financial Year	Net Revenue from Operations (Turnover Net of Levies)	Total Expenses	Net Profit (PAT)	Production (MT)	Output per man shift (OMS)
2012-13	8556	6578	1886	48.06	4.42
2013-14	8556	6666	1672	50.02	4.64
2014-15	9728	7299	1771	55.65	5.46
2015-16	10833	8174	1915	61.32	6.51
2016-17	10775	8963	1389	67.05	7.23
2017-18	11586	10752	790	63.41	7.20
2018-19	12336	9801	1704	68.72	8.09

As observed by the committee, during the span of 7 years i.e. from FY 2012-13 to 2018-19 coal production has increased from 48.06 MT to 68.72 MT (42.99% increase) whereas Net Profit (PAT) has been reduced by 9.65%. In this regard this is to submit that along with increase in production, Offtake and OMS, cost of production has also shown a positive growth. Total cost of the company has been increases by 48.99% in the same period and being a labour intensive company the major part of cost component is Employee Benefit Expenses contributing approx. 51% of total cost. Employee benefit Expenses has been increased by Rs. 1606 Cr from 2012-13 to 2018-19.

D) Return on Capital Employed and Contribution to Exchequer

(Value in crores)

Financial Year	Profit Before Tax	Capital Employed (Re-stated)	Return on Capital Employed (%)	Dividend	Dividend Distribution Tax (DDT)	Contribution to Exchequer including DDT
2016-17	2374	4190	56.60	3634	740	7167
2017-18	1344	3345	41.48	531	108	6567
2018-19	2692	5502	48.93	297	61	6512

As observed by the committee, Return on Capital Employed has gone down from 56.60% in 2016-17 to 48.93% in 2018-19. Capital investment in Tori-Shivpur Rail Line Project amounting to Rs. 1117 Cr was made during this period which resulted in increases in Total Capital Employed but return is expected after completion of the project. In the FY 2017-18 there is a dip in Capital Employed due to increase in Current Liability (Advance deposit from Customers for sale of Coal amounting to Rs. 1600 Cr) on reporting date.

As far as dip in Contribution to Exchequer is concerned it is pertinent to mention that in FY 2016-17 there was payment of Dividend Distribution Tax of Rs. 740 Cr against Dividend of Rs. 3634 Cr.

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Need for strengthening of data maintenance system

Recommendation (Sl. No. 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.1389andRs.1915crorefor2017-18,2016-17and 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 2015-16respectively. 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.

Reply of the Government

PBT & PAT

(Value in crores)

Financial Year	Profit Before Tax	Profit Before Tax (Re-stated)	Profit After Tax	Profit After Tax (Re- Stated)
2015-16	3119	3109	1915	1929
2016-17	2374	2371	1389	1387
2017-18	1344	1387	790	808

Ind As was applicable w.e.f. FY 2016-17. As per provisions of Ind AS figures of 2015-16 was restated. Accordingly figures of PBT & PAT of 2015-16 was restated to Rs. 3109 Cr and Rs. 1929 Cr respectively.

Before implementation of Ind AS, Prior period adjustments were required to be disclosed separately in the statement of Profit and loss.

After implementations of Ind As, as per Para 41& 42 of Ind AS 8, prior period items are required to be adjusted retrospectively by restating the earlier prior period presented in the Financial Statements. Accordingly figures of FY 2016-17 & 2017-18 were restated.

[Ministry of Coal File No: PCA-11028/1/2019-PCA (FTS: 343541) Dated 18th July, 2021]

Manpower Management

Recommendation (Sl. No. 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.

Reply of the Government

- (i) The company is committed to increasing mechanisation by introducing high capacity HEMMs, surface miners, continuous miners, CHP and silos for coal loading.
- (ii) Employee capacity building is an ongoing and continuous process, which involves learning and development on the part of both the employees and the management. In CCL, learning and development activities are carried out by means of training and development programs being conducted in-house and by sending employees to reputed institutions, out of the company. Training programs including on the job training are being conducted at Central Excavation Training Institute (CETI), Bhurkunda Technical Training institute (BTTI) and at Management Training Center (MTC), HQ, Ranchi under the aegis of HRD dept, CCL. Executives are also attending development programs at Indian Institute of Coal Management, CIL at Ranchi for upgradation of their managerial skills and leadership abilities. For technical capacity building various courses such as Vocational Training in mining and other disciplines are being conducted at Group Vocational Training Centers and at BTTI & CETI.

Skill Development for executives, frontline supervisors and skill up gradation program for non-executives has a place in the curriculum of MTC, HRD, CCL. In addition to the in-house training activities, employees are also attending conferences, training & development programmes outside the Company in various reputed institutes such as ASCI, Hyderabad.

Due to Covid19 pandemic, this year the participation of employees in such programmes remained limited but as a part of capacity building measures following activities were

conducted observing all the Govt. guidelines and safety measures in regard to Covid19. No. of employees who attended training programmes during 2020-21 is as below:

- Basic training programmes for Heavy Earth Moving Machine Operators) : 100
- Training of employees by Group VTC in 2020-21 : 1959
- Vocational training in mining & others (on the job): 174
- In-house Development programmes for Executives : 504
- Training programmes Outside company (Webinars): 143

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Commissioning/Performance of Washeries

Recommendation (SI No. 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.253.90crore 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 tonne 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 GidiWashery 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.

Reply of the Government

Reasons of low yield of the coking coal washeries

1. Quality of coking coal fed to washeries has gone down due to depletion of reserves of good quality coking coal in mines of the company. The washeries are designed for a coking coal feed having ash of 26-27 %. i.e. processing of raw coal upto W-III grade . The contribution of W-II & W-III grade coal is around 25% of total raw coal feed and rest 75 % is of W-IV grade and above (ash around 35%).Equipment installed are not equipped for handling raw coal of higher grade/ash which is having poor washability characteristics. This has adversely impacted washery performance.
2. All coking coal washeries have outlived their technological life of 18-20 years.

Steps taken for achieving better productivity/optimum utilization:

1. Renovation of Rajrappa Washery amounting to Rs. 40.70 crore (including GST) has been planned which will be executed by the 2nd quarter of F.Y. 2021-22.
2. Comprehensive periodic maintenance of different equipments of Kathara Washery has been planned. Maintenance work in the plant has started .
3. Comprehensive periodic maintenance of Jigs (Main washing equipment) of Kedla Washery has been planned. Maintenance work started.
4. Gidi and Kargali washeries have already been closed due to safety reasons.

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Commissioning/Performance of Washeries

Recommendation (SI. No. 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."

Reply of the Government

An Inter- Ministerial Committee (IMC) has been constituted in the Ministry of Coal on 29.05.2020 for the purpose of coal import substitution. The Representatives from Ministry of Power, Ministry of Railways, Ministry of Shipping, Ministry of Commerce, Ministry of Steel, Ministry of Micro, Small & Medium Enterprises (MSME), Department for Promotion of Industry & Internal Trade (DPIIT), Central Electricity Authority (CEA), Coal Companies and Ports are members of this IMC. This Committee provides a platform for discussions on a larger forum with the Administrative Ministries so as to guide them to encourage the coal consumers of their respective sector to eliminate imports of coal. Nine meetings of the IMX have been held so far. IMC has also directed for development of an Import Data System by

Ministry of Coal to enable the Ministry of Coal to enable the Ministry to track the imports of coal.

In a major push towards increase in consumption of domestic coal, the Annual Contracted Quantity (ACQ) of power plants has been increased upto 100% of the normative requirement, in the cases where the ACQ was reduced to 90% of normative requirement (non-coastal) or where the ACQ was reduced to 70% of normative requirement (coastal power plants). There are 79 non-coastal power plants where there would be increase in ACQ of 10% (around 10.5 MT) and 5 coastal power plants where the increase in ACQ would be 30% (around 9 MT). The increase in ACQ would ensure supply of more domestic coal to the power plants.

In addition to the above, some other measures like increase in trigger level of Fuel Supply Agreement (FSA) from 75% to 80% for those plants which are having trigger level of 755 or increased level of supply, Introduction of Facility of Usance LC (Letter of Credit) payment mechanism to help the consumer avail credit facility from bank, Special Spot auction scheme for the coal importers including the traders, would help in curtailing the imports of coal. Further, the coal offered for short term under the amended provisions of SHAKTI Policy as well as increase in the tenure of the coking coal linkages in the Non-Regulated Sector linkage auction for a period upto 30 years is also expected to have a positive impact towards coal imports substitution."

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Monitoring of High Capacity Projects for Timely Completion

Recommendation (SI No. 8.1)

The Committee note that five new high capacity projects of CCL at Sanghmitra, Chandragupt, Kotre-Basantpur-Pachmo, Patratu ABC and Piparwar Phase-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, Konar 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.

Reply of the Government

The progress of First Mile Connectivity (FMC) projects is regularly reviewed at Ministry level. There are 4 FMC projects of CCL with total capacity of 44.5 MTPA. The Tenders of all the 4 projects have already been awarded and all the 4 projects are scheduled to be commissioned by November, 2023.

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Use of Latest Technology in Coal Production – Longwall Technology

Recommendation (SI No. 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.

Reply of the Government

Possibility of using longwall technology in other underground mines having deep-seated coal deposits with due regards to safety and security concerns is being explored.

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Heavy Earth Moving Machinery (HEMM):

(a) Availability of HEMM

Recommendation (SI No. 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.

Reply of the Government

We have achieved CMPDIL norms of availability in respect of Dumper, Dozer & Drill and marginally below the CMPDIL norms in respect of Shovel. This is mainly due to aging of equipment i.e. EKG & Marion Shovel and Poor Service Support and supply of spares from OEMs. This shortfall of availability in respect of Shovel has been overcome by adopting best maintenance practices i.e. Condition Based Maintenance, Reliability Centered Maintenance and by doing Break Down Analysis of critical failures. This has resulted in significant improvement of Availability in respect of Shovels and we have achieved 79.2 % in 2020-21 as compared to 75.2 % during 2018-19.

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Environmental Concerns

Recommendation (SI No. 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.

Reply of the Government

Central Coalfields Limited (CCL) is 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.

The provisions of Coal India Environment Policy, 2018 which reflect the principles of sustainable development are followed in Central Coalfields Limited (CCL). The steps taken to comply the provisions in CCL are as follows-

1. Integrated project planning-

- Mines /units of CCL are started, expanded and operated as per provisions of Environmental Impact Assessment Notification, 1994 (now superseded by EIA notification, 2006) and EIA,2006. The Environmental Impact assessment and Environment management plan is prepared for sustainable mining / operation which includes measures to mitigate impacts, pollution control, biodiversity conservation, rehabilitation & resettlement of PAPs & mine closure plan. The EIA-EMP are appraised by MoEF&CC before issuance of Environmental Clearance (EC) to coal projects.
- The compliance of the conditions of Environment clearance have been put up in public domain. The six-monthly compliance report for all mines/units having EC is submitted to Regional office, MoEF&CC, Ranchi and Jharkhand State pollution control Board.
- Environment Statement of mines / units of CCL are also submitted to Jharkhand State Pollution Control Board and uploaded in Company's website.
- In compliance of the Forest Conservation Act, 1980, prior Forestry Clearance is also secured from MoEF&CC, in case of projects involving forest land.
- Consent to Establish (CTE) for new and expansion projects and Consent to Operate (CTO) for operating units are also secured from Jharkhand State Pollution Control Board under Air (Prevention & Control of Pollution) Act, 1981 and Water (Prevention & Control of Pollution) Act, 1974.

2. Mitigation of Air pollution-

- **Monitoring of Environmental Quality:** To assess the environmental quality of mines / units environmental monitoring is carried out for all the mines / units of CCL. Environmental monitoring reports are regularly submitted to JSPCB & MoEF&CC. The types of stations monitored are –
 - (a) Ambient Air Quality & Noise level Monitoring Stations – both in Core & Buffer Zone;
 - (b) Water Quality Monitoring Stations – Mine discharge, surface and ground water quality.About 6000 samples of Total Particulate Matter in air, 6000 samples of PM_{2.5} in air, 4200 noise samples, 2200 water samples (Surface water, Effluent water and ground water quality) are analysed every year indifferent mines and units of CCL through NABL accredited laboratory of CMPDIL.
- **Managing air quality in mining area-**
 - a. Introduction of **surface miners** for coal mining instead of shovel dumper system. Surface miners have eliminated the need of drilling, blasting and crushing of coal. Further all mega projects will also deploy environmentally friendly technology of coal winning.
 - b. Drilling is another major source of dust in mines and about 117 no. of drills in CCL are provided with **dust extractors /wet drilling mechanism**.
 - c. All the opencast mines have large capacity mobile sprinklers. About 61 mobile sprinklers of 28 KL capacity are deployed and now CCL has taken an initiative to procure only mist type of sprinklers which are technologically superior to normal sprinklers, about 20 mist type sprinklers of 28 KL capacity have already been deployed.

- d. **Providing dust screens at Railway sidings-** Dust screens along railway sidings are now being erected to protect the receptors from dust.
- e. Managing air quality at consumer end-Two new washeries (New KatharaCoking Coal washery and Basantpur-Tapin Coking Coal Washery) will beset up which will minimize pollution by producing clean coal.
- f. FMC projects have been planned in Magadh, Amrapali, North Urimari and KonarOCPs. Work order for their construction has already been issued.
- g. CCL has installed Particulate Matter (PM10) dust monitors at its 25railway sidings in first phase. Procurement of 14 Continues Ambient AirQuality Monitoring Stations (CAAQMS), road sweeping machines and fogguns will be completed in FY 2021-22.

3. Conservation of natural resources-

- a) **Afforestation in mines** includes reclamation of mined-out area, avenue plantation and block plantation. As on date CCL has planted about **84** lakhs of saplings and the biologically reclaimed area is **2754 Ha**. As per EC conditions the density of plantation should be 2500 plants per ha and is being followed in CCL. As per condition stipulated in EC, monitoring of progress of land reclamation in coal mining projects through Remote Sensing is carried out for the mines having composite capacity of less than 5 million cubic metres once in every three years. The status of land reclamation is monitored every year in case of larger projects having composite capacity of more than 5 million cubic meters.
- b) **Seed Ball Plantation:** Approximate 8 Lakhs Seed balls has been spread over Overburden dumps of mines of CCL including Karo OCO, Konar OCP, Bhurkunda Colliery, PiparwarArea & Selected DhorigoM
After first showers of Monsoons, 1 inch to 3 inch growths can be seen on the seed balls spread over OB Dumps. During the financial year 2020-21 , about 44.1 Lakhs seed balls were spread over 34.6 Ha. on overburden dumps at several mines of CCL.
- c) **Mine Water utilization-** An MOU was signed on 30.10.2017 between CIL and state Govt. of Jharkhand for utilization of 25250 million gallon of mine water by villages situated near mines of Central Coalfields Limited. In Financial year 2020-21, three numbers of NOCs were issued to Drinking Water & Sanitation Department, Govt. Of Jharkhand for implementation of Rural Water supply scheme in Ramgarh, Hazaribagh and Palamu district. It will benefit 90,728 number of populations in 40 villages.
- d) Rain Water harvesting at projects for ground water recharge.
- e) An Eco -Park has been developed over an area of 1.0 Ha of reclaimed land of Piparwar OCP. It is proposed to increase the eco-park known as Chandra Shekhar Vatika over additional 20 Ha of reclaimed land. Foundation stone for expansion was laid on the occasion of Vriksharopan Abhiyan, on 23.07.2020.

4. **Restoration of ecology-** CCL has undertaken reclamation of about 8 ha. of mined out land in Sangam OCP, Braka Sayal Area by development of grassland with about 20 varieties under the guidance of Professor C.R. Babu of Delhi University.

5. Alternate livelihood program through development of Pisciculture-

CCL in association with Birsa Agriculture University, Ranchi and CMPDIL started another project of development of mine voids filled with water for development of fisheries in BarkaSayal Area. It is an example for sustainable closure of mines and for income generation of local villagers.

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Tree Plantation

Recommendation (SI No. 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 2nd 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 life span. 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.

Reply of the Government

As recommended, a study will be carried out in FY 2021-22 to assess the success of tree-plantation scheme by analyzing number of saplings planted and survival after five years.

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Slurry Management

Recommendation (SI No. 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.

Reply of the Government

The washing technology to be incorporated in future washeries has been envisaged as state-of-the-art technology with introduction of large diameter cyclone, teeter bed separator, floatation, filter press and spiral concentrator, etc. at par with international practices with close circuit operation and zero effluent discharge to the surroundings.

[Ministry of Coal, File No: PCA-11028/1/2019-PCA (FTS: 343541) Dated 18th July, 2021]

Thorium Based Power Plants

Recommendation (SI No. 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.

Reply of the Government

Ministry of Coal has already submitted the requisite information to the Committee vide OM No. F.No.11028/1/2019-PCA (Part-I) dated 22nd April, 2020 **(Annexure-I)**. Further, Ministry has also informed the same to Lok Sabha Secretariat (CoPU) while furnishing "Updated information in connection with the examination of the subject 'Central Coalfields Limited (CCL)' vide OM No. 11028/1/2019 –PCA dated 26th August, 2020 **(Annexure- II)**.

The updated reply in this regard, as received from Department of Atomic Energy (DAE) is as follows:

Towards exploring the possibility of harnessing huge thorium deposits in the country, India Gandhi Centre for Atomic Research (IGCAR), a constituent Unit of Department of Atomic Energy (DAE) has commissioned a unique facility KAMINI (Kalpakkam Mini Reactor), a U233 fuelled, 30 kE, light water moderate and cooled, research reactor at Kalpakkam, pioneering the third stage of nuclear programme in the country towards utilizing the vast resources of thorium. It is also a national facility for Neutron Radiography of critical components in the nuclear and strategic sectors, Neutron Shielding and Neutron Activation of materials. The pyro devices in the space programme are routinely tested and cleared for operation. This facility is also utilized for conduction neutron beam experiments.

India has made substantial progress in the Research and Development (R&D) activities with regard to Thorium and its application in Nuclear Energy. India is the world leader in the R&D activities related to Thorium and India Scientists has maximum number of publications related to R&D in Thorium and its applications in Nuclear Energy generation. From Exploration from various sources to nuclear energy generation from Thorium, technologically India is highly competitive as compared to many advanced countries.

India has alternative resources of Thorium in plenty, which are more economical and cost effective as compared to the sources as discussed in the Note. Therefore, the technology demonstrated by Canada for recovery of Thorium from Coal mines may not be cost competitive to alternate resources available.

The thorium is generated from cracking of Monozite in the Monozite Processing Plant by IREL(India) Limited, a Public Sector Undertaking of Department of Atomic Energy. These thorium values are stockpiled in line with safety regulation and guidelines of Atomic

Energy Regulatory Board for future use in the 3rd stage atomic power programme of the Country.

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Resettlement, Rehabilitation and Compensation Issues

Recommendation (SI No. 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.

Reply of the Government

In CCL, well defined R&R Policy exist like CIL R&R Policy & Schedule I, II & III of RFCTLARR Act to address the R&R & Compensation issues in a time bound manner. However, the Schedule time can only be achieved on getting timely submission of application along with relevant documents to the management by the tenants (Copy of the CCL R&R Policy is at Annexure-III).CCL has started an initiative to consult the tenants through its Area/Project Officials forming village committee and also giving notice in writing through postal means to motivate them to submit the required documents in time.

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Resettlement, Rehabilitation and Compensation issues

Recommendation (Sl. No. 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.

Reply of the Government

The recommendation given in 16.2 has been noted for better resettlement of Project Affected People (PAPs). Under CSR initiative, different Skill development programs like Computer Training, Driver training, stitching, etc. are being given to the Project Affected People.

Under R&R Policy, Annuity Scheme approved by CIL in 2020 (**Annexure-IV**) also exists for proper financial planning needs of the PAFs. The land, where coal is no longer extracted, is being utilized for developing the land as R&R Site, Eco Park, Afforestation, etc.

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Samadhan Kendra

Recommendation (Sl. No. 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.

Reply of the Government

Samadhan Cell is a grievance redressal machinery. Samadhan Cell receives grievances of general nature relating to service matter, welfare matter, retiral dues, employment matter, medical related matter etc. where no vigilance angle is involved.

It is pertinent to mention that, Samadhan Cell works for expeditious redressal of grievances in consultation with the department to which the grievance is related with. During, 2018-19, the reduction to 89% grievance redressal was primarily due to the fact that, grievances were related to old records requiring thorough investigation and enquiries. All steps are being taken to strengthen Samadhan Cell to achieve the ambitious target to make CCL a zero-grievance company.

[Ministry of Coal, File No: PCA-11028/1/2019-PCA (FTS: 343541) Dated 18th July, 2021]

Strengthening the IT infrastructure

Recommendation (SI No. 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.

Reply of the Government

Some important IT initiatives taken by the company are as under:

1. ERP Solution-SAP: - Implementation of ERP(SAP) will integrate most of the business processes of CCL and optimize the resources for efficient utilization and improved productivity. Service provider for the phase-II implementation has started their job at CCL in Jan-2021.
ERP Centre for the purpose of development and training has already been established and it is in operation.
Time bound intermediate milestone activities for the purpose of completing Phase-II ERP implementing at CCL by August,2021 has already been finalized.
2. E-Auction: - To expedite the process of auctioning and to make it more transparent, coal is auctioned through e-Auction mode.
3. E-Procurement: - As a part of best and transparent business practice CCL has adopted e-procurement mode for the purpose of procurement of goods and services through central service provider of CIL as well as GeM Portal.
4. E-Payment: - All the salaries of employees and all bills of employees and vendors are being paid by the company through e-Payment mode.
5. E-Grievance Redressal: - CCL has adopted e-filing of grievances and acknowledgement on redressal thereof to embark upon the business process through IT initiatives.
6. E-Invoicing: - Real time data transfer from the weighbridges to centralized CCL HQ server for the purpose of generating GST e-Invoice at CCL HQ server is operational.
7. E-Office: - This e-Office project intends to enhance the business process management of the organization and aims to improve production, productivity, and increase transparency by replacing the old manual process with an electronic file system with tracking details.
8. Coal Net:- In order to improve productivity and efficiency across various business processes, Central Server processing through Wide Area Network (WAN) is in operation in Coal-Net (Existing ERP type application software for business functions related to Marketing & Sales, Finance, Payroll, PIS and Material Management.)
9. Web Applications: -
 - a. Online Complaint System: It is a web based public platform to lodge complaint with Vigilance Department of CCL.

- b. Grievance Redressal System: A web based public platform to submit grievances to Samadhan Cell of CCL.
 - c. BhismaPitamah: Online platform for retired employees of CCL to submit their grievances related to Pension, PF, Gratuity and CIL executive Defined Pension Scheme.
 - d. CPRMSE Web Application: Online platform for retired CCL Employees to check their CRPMSE Bills and CPRMSE Closing Balance.
 - e. Bill Tracking System: Web Portal for vendors to check status and details against their Bill Id.
10. Mobile Applications: -
- a. Bhisma Pitamah Mobile App: Developed for retired employees of CCL to submit their grievances related to Pension, PF, Gratuity and CIL executive Defined Pension Scheme.
 - b. Women Safety App: Mobile Application designed to instantly share GPS location and prompt an automatic phone call to registered phone numbers when in distress.
 - c. Grahak Sadak KoylaVitran App: Mobile Application to help customers keep track of all activities from issuance of Sale Order to physical delivery of coal by road. Developed by CIL for all subsidiaries and CCL Chapter is jointly maintained by M&S and System Department CCL.

[Ministry of Coal, File No: PCA-11028/1/2019-PCA (FTS: 343541) Dated 18th July, 2021]

Safety Issues

Recommendation (Sl. No. 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.

Reply of the Government

In 2018-19, there were 4 Nos. of fatalities and 7 Nos. of serious injuries in a single incident resulting into surge in fatality and serious injury cases.

The following steps have been taking to strengthen the safety parameters:

1. Preparation and implementation of risk assessment-based Safety Management Plans (SMPs).
2. Formulation and compliance of Site-specific Risk Assessment based Standard Operating Procedures (SOPs).
3. Conducting safety audit of mines.
4. Guidelines of Standing Committee meeting, National Safety Conference and CIL Safety Board meeting are followed.
5. Joint consultation with employee representatives as well as regulators (DGMS) are organized on safety matters. Safety matters are discussed in Bipartite Committee and Tripartite Committee meetings at area and company level.
6. To inculcate safety culture and create awareness up to the grass root level, Annual Mines safety week is organized each year in all mines of Central Coalfields Limited: Also, safety drives covering various aspects are conducted throughout the year.
7. Safety talks are given in all mines of CCL at unit level.
8. Introduction of 'LOTO' (Lock Out-Tag Out) system for enhancing electrical safety.
9. To enhance safety awareness, screening & sharing of short safety videos based on accidents/incidents is done. Further, Multi-media Projectors (32 nos.) with screen has been provided to the mines of CCL for screening of safety videos to take lesson on how to avert such accidents.
10. There is Pit Safety Committee in every mine, which meets once in a month to address issues related to safety and health of the workers.

As a result of all these, there is significant reduction in fatality and serious injuries in 2019-20.

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Recommendation (SI No. 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 underutilization 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.

Reply of the Government

Budgetary provisions are made for certain critical safety items every year. Procurement is delayed due to non-submission of requisite documents by the bidders which is required for finalization of procurement process and non-justification of the offered price. However, with the introduction of GeM portal, the procurement under Capital head is getting streamlined. We are taking pro-active steps for prudent budgetary allocation and its utilization.

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CSR Initiatives

Recommendation (SI No. 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.

Reply of the Government

To act in a structured manner, a Standard Operating Procedure for CSR Activities has been approved by the CCL Board in its 478th Meeting held on 19.10.2019. The areas of CCL have been directed to follow the SoP for implementation of the CSR activities. The SoP outlines mechanism for assessment of need, preparation of action plan, implementation, monitoring & reporting, etc. CSR Action plan of CCL is prepared after assessing the local needs of the people/community/villages/PAPs/marginalised sections of the society in rural and remote areas within the command areas of CCL. In addition to action plan of such activities identified by CCL, the company has to provide CSR funding of activities related to Transformation of Aspirational Districts (TADP) programme which are to be planned and implemented by District Administration. The action plan thus prepared targeting development needs of villagers, specially the poor & marginalised people in command area/state is approved for implementation.

In Financial Year 2019-20, the total CSR expenditure was Rs. 52.89 Crore, which is approximately 2.48% of the average net profit of last three years. The total CSR expenditure

during 2020-21 was Rs.52.75 Crore (as per unaudited figure), which is approximately 2.26% of the average net profit of last three years.

The company has undertaken the following works in this regard:

1. Solar powered deep bore wells with water tanks have been installed in villages for availability of safe drinking water.
2. RO water plants have been installed at different command areas of CCL for use of villagers.
3. Activity for provision of piped water supply from mines to nearby village has been approved in Action Plan
4. CCL holds regular medical camps in villages of its command areas. The existing hospitals of CCL have 'Jan Aarogya Kendras' for addressing the medical needs of poor and disadvantaged sections of the society. It is further to mention that since COVID-19 outbreak, four of company's hospitals are functioning as designated Covid Hospitals, as per directives of District Administration.
5. CCL has water treatment plants/facilities in its colonies from which nearby villagers are also benefitted.

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Recommendation (SI No. 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 Kaya kalp 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.

Reply of the Government

A project for installation of 150 Sanitary Napkin Vending Machines and Incinerators in schools of CCL command areas was approved by CCL Board. For sustainability, sanitary pads to be used in these machines are to be arranged through SHGs which shall be identified/formed. As per recommendations of Honorable Members of Committee project on 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. shall be taken up.

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Recommendation (SI No. 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 fulfill 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.

Reply of the Government

The CSR expenditure was incurred on projects to cater requirements of the communities/families living near mines and on projects undertaken within state of Jharkhand as per directives of Centre/State on subjects covered in Schedule VII of Companies Act.

Recommendation of honorable Committee is noted for compliance in future also.

As per directives of CCL Board, suitable directives/instructions were requested from CIL regarding maintenance of toilets constructed/renovated under SVA. Since no directives were received from CIL, CCL could not undertake the maintenance work. As per CIL CSR policy, the asset created from CSR funds is to be handed over to beneficiaries for its subsequent operation, maintenance and use. CCL has handed over the toilets constructed/renovated under SVA to school managing committee/school authorities. As per notification dated 22.01.2021 vide ref. no. CG-DL-E-22012021-224640 of Ministry of Corporate Affairs regarding Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, section 7(4) states that:

QUOTE

The CSR amount may be spent by a company for creation of acquisition of a capital asset, which shall be held by-

- (a) A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- (b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority.

UNQUOTE

Hence, it is expected that work of cleaning the toilets on daily basis, its upkeep and maintenance etc is done by school authorities/local village committees/local bodies with the help of district authorities, as required. Being located far away from command area of Company/State, construction/maintenance of toilets has practical constraints in ensuring maintenance/supervision. It may be appreciated that the responsibility of operation and maintenance of the constructed/renovated toilets should be entrusted to the school management/local body/district administration with funds of respective state government/entities operative in state.

Amounts transferred to State/Central Government entities/implementing agencies is considered as CSR expenditure. However, upon receipt of Utilization Certificate, final expenditure shall be reconciled and unspent amount, if any, returned by implementing agency shall be deposited in the 'Unspent CSR Account' and will be utilized for CSR works only in line with Companies (CSR Policy) Rules, 2021.

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Recommendation (Sl. No. 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.

Reply of the Government

The project name 'Kayakalp Public School', as mentioned in the above recommendation, seems to be a misprint. The subject recommendation relates to 'Sports Academy at Hotwar, Ranchi, Jharkhand'.

NITI Aayog has identified 112 aspirational districts of India for assigning preference by CPSEs in 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 routine CSR. Since the introduction of Transformation of Aspirational District Program (TADP) in 2018, four Ads (Chatra, Latehar, Ranchi, Ramgarh) are assigned to CCL for funding their projects under CSR.

Thus, the expenditure made through company's routine CSR works in its command areas as well as funding of projects of district administration of ADs are all for the benefit of the villagers residing in these aspirational districts. Projects/activities are selected by Company/concerned Aspirational District Administration based on needs of the poor people. The recommendation of Committee shall be followed in future also.

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CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Less utilization of HEMM

Recommendation (Sl. No. 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."

Reply of the Government

In order to improve the utilization of HEMMs, following measures have been taken:

1. Close liaison with State Govt. for early physical possession of land and for early grant of CTO.
2. Monitoring at project level is being done to improve the daily working hours of HEMMs. Reliability centred maintenance have also been started to improve the reliability of HEMMs.
3. Instead of renting out the underutilized equipment to outside companies, we go for transfer of equipment from one projects/areas to another project/areas based on internal assessment of mine capacity and suitability of mines to utilize the equipment optimally. In FY 2018-19, 37 nos. of equipment were transferred from one Mine/Area to other Mines/Areas."

Recycling of rejects

Recommendation (SI No. 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's old 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.

Reply of the Government

Earlier, there was linkage of rejects to nearby IPPs (Independent Power Producers), due to lower ash % with higher GCV value. At present due to deterioration in quality of raw coking coal, the quality of rejects produced has also deteriorated in respect of both ash% & GCV. Due to this reason at present rejects produced by CCL washeries are sold through e-auction mode. The prospective customers are Sponge Iron, Brick, Cokery Industries etc. Rejects sold through e-auction generates employment to local Project affected Persons during lifting and other related miscellaneous works. It is pertinent to mention that Washerries run on close Circuit with zero effluent/waste discharge.

Moreover, it is pertinent to highlight that no ash as such is generated from washeries. At present, rejects are sold through e-Auctions through which consumers of various sectors can procure such rejects. Further for developing any linkage policy to sell/ dispose rejects generated from CCL washeries is a policy matter dealt with by CIL.

Vigilance Initiatives

Recommendation (SI. No. 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.

Reply of the Government

The authenticity of the complaints as received in the previous fiscal year in vigilance department of CCL, have considerably increased owing to the trust that have been gained in the stakeholders with consistent fruitful results. A drastic change has been observed while analyzing the decrease in the complaints categorized in the anonymous and pseudonymous section. The indicative figures are given below :

	2019-20	2020-2021
Number of complaints received during the period 1 st April to 31 st March	405	464
Number of complaints filed being Anonymous/Pseudonymous	92	49
Number of complaints taken up for examination / verification during the period 1st April to 31st March	175	343
Number of complaints forwarded to HODs/GMs for taking needful action	138	69

This decrease in the said categories indicates that the trust quotient has significantly moved upward, as vigilance department continues to fulfil its goals in curbing corruption and keeping a check in overall functioning of various disciplines.

Moreover, the anonymous and pseudonymous complaints are dealt with as per the provisions laid out by CVC in Vigilance Manual 2017, read with CVC circular No 12/09/20 dated 12.9.2020 (**Annexure-V**).

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CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Permanent invitees on the Board of CCL/ Coal Companies

Recommendation (Sl. No. 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."

Reply of the Government

The Permanent Invitees on the Board of CCL/Coal Companies are not considered as Directors on these Boards and do not have the voting rights and are not counted for the purpose of quorum in the Board Meeting. Also, there is no provision for any remuneration/incentive to Permanent Invitees for attending meetings of CCL. As regards, to formulation of guidelines specifying the nature of meetings that need to be attended by the

'permanent invitees', Permanent Invitees like other Directors on the Board help the Board to arrive at an appropriate decision on each proposal and they are an integral part of the Board. As such, they can be allowed to attend every Board meeting."

Permanent invitees on the Board of CCL/ Coal Companies

Recommendation (Sl. No. 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."

Reply of the Government

For commissioning of new projects and expansion of existing ones and for sustenance of production and dispatch, CCL has to be in close touch with the State Government and Railways. As such, it is desirable to keep Permanent Invitees for keeping 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. "

Cost incurred on HEMM

Recommendation (Sl. No. 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."

Reply of the Government

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, North Urimari and Karo.

- 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 tendersystem 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."

CHAPTER V

**OBSERVATIONS/RECOMMENDATIONS TO WHICH THE GOVERNMENT HAVE
FURNISHED INTERIM REPLIES**

-NIL-

**New Delhi;
24 January, 2022
4 Magha, 1943 (S)**

**SANTOSH KUMAR GANGWAR
Chairperson
Committee on Public Undertakings**

F.No.11028/1/2019-PCA (Part-I)
Government of India
Ministry of Coal
(CA Section)

Shastri Bhawan, New Delhi
Dated the 22nd April, 2020

OFFICE MEMORANDUM

Subject: Reply to the Q.12 i.e. "Thorium Based Power Plants" of Additional list of points for obtaining written replies on the subject "Central Coalfields Limited" -reg.

The undersigned is directed to refer to Lok Sabha Secretariat's OM No. 66/1/6/2019 - COPU dated 06th March 2020 and written replies submitted by this Ministry vide OM of even number dated 11.03.2020 on the above mentioned subject wherein it was submitted in respect of Q. 12 that "Ministry of Coal has 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 Department of Atomic Energy".

2. The reply to the Q.12 i.e. "Thorium Based Power Plants" of Additional list of points for obtaining written replies on the subject "Central Coalfields Limited" (50 copies in English), is enclosed as per Annexure for kind perusal and necessary action.

4. Hindi version will follow.

Encl. As above.

sd/-
(Alka Shekhar)
Under Secretary to the Government of India
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Lok Sabha Secretariat
(CoPU), (Smt Memta Kemwal, Director),
Parliament House,
New Delhi-110001.

No. 11028/1/2019-PCA
Government of India
Ministry of Coal
(CA Section)

Shastri Bhawan, New Delhi
Dated the 26 August, 2020

OFFICE MEMORANDUM

Subject: Updated information in connection with the examination of the subject 'Central Coalfields Limited (CCL)' -regarding.

The undersigned is directed to refer to Lok Sabha Secretariat OM No. 66/1/6/2019 dated 05.08.2020 and this Ministry's OM of even number dated 14.08.2020 on above mentioned subject.

2. The Hindi translation of updated replies (date-wise) with updation made in red colour in the annexures are enclosed herewith for further appropriate action. The details are as follows:

Sr. No.	Lok Sabha Secretariat's OM dated	Replies sent to CoPU vide MoC's OM dated	Updated information sent vide MoC's OM dated 14.08.2020	Hindi translation of updated Information sent vide MoC's OM dated 14.08.2020
1.	06.08.2019	19.08.2019	Annexure I	Annexure I- Hindi
2.	15.10.2019 (Additional information)	24.10.2019	Annexure II	Annexure II- Hindi
3.	26.12.2019	10.01.2020	Annexure III	Annexure III- Hindi
4.	17.02.2020	21.02.2020	Annexure IV	Annexure IV- Hindi
5.	03.03.2020	06.03.2020	Annexure V	Annexure V- Hindi
6.	06.03.2020 (Additional List)	11.03.2020	Annexure VI	Annexure VI- Hindi
		Supplementary reply for Point 12. MoC's OM dated 22.04.2020.	No Change.	NA

3. It is informed that Hindi translation of supplementary reply for point no. 12 (sr. no. 6 in table above) is also enclosed herewith at Annexure-VII-Hindi.

4. It is also informed that in reply of point no. 22 of Annexure – III of English sent to CoPU vide MoC's OM dated 14.08.2020; under the heading "**Selection Process**" may be read as "**The cadets of the sports academy have so far won 596 medals including 280 gold medals in different championships.**"

5. This issues with the approval of the Secretary (Coal).

Enclosures: As above (7)
(Annex- I to VII- Hindi)

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Lok Sabha Secretariat
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Parliament House, New Delhi-110001
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REHABILITATION AND RESETTLEMENT
POLICY OF COAL INDIA LIMITED 2012

Preamble :

The location & quality of coal reserves, and their distance from major consumers determines to a great extent the selection of mine sites. For reserves that are close to the surface, opencast mining has proven to be the most efficient mining method. Opencast mines require relatively large area of land. Population growth, particularly in India's eastern region, has made it increasingly difficult for the subsidiary coal companies to acquire the land they need for expanding their operations under the present Resettlement & Rehabilitation Policy, 2008 of Coal India.

The resettlement and rehabilitation policies followed by the subsidiary companies have evolved over time and undergone numerous changes in response to changing circumstances. As and when the Central or State Governments enact amendments to the Land Acquisition Act issue new guidelines and rehabilitation, as per its requirement Coal India reviews and modifies its resettlement & rehabilitation policy taking into account the changing conditions in coal producing areas.

In addition to compensation for land coal companies provide Rehabilitation & Resettlement (R&R) package for project affected persons to compensate for loss of livelihood. Apart from compensation for house site, house, tree, cow shed, cost of shifting etc. employment is also provided to land oustees. In addition to this, efforts are made to rehabilitate them by construction of houses, buildings roads, streets, schools, providing water etc. wherever feasible. However, demand for both more land compensation & better R&R package has been raised by project affected persons and has been highlighted in various Parliamentary Committees. Coal Companies often have to face representations and agitations by these land oustees who obstruct the smooth working of existing mines and come in the way of expansion of new projects.

In the past, subsidiaries found it relatively easy to acquire land, if they were able to offer employment. Partly because of this practice, subsidiaries have built up as largely unskilled labour beyond their needs. This has contributed to the heavy losses and many mines are incurring and has also affected their efficiency and viability. The subsidiaries may still need to hire people in selected locations and continue to give preference to those whose livelihood will be affected by coal mining operations. However, increasingly subsidiaries will need to develop other ways and means to compensate land owners and others adversely affected by their projects and give them the option to choose which method of compensation best suits their needs. Greater emphasis will also need to be given to community requirements like schools, hospitals etc. Only proper resettlement & rehabilitation will elicit the required cooperation of project affected people and make it possible for Coal India to acquire land it needs to fulfill the ever increasing demand of coal for the economic development of the Country.

The purpose of the Resettlement & Rehabilitation Policy 2012 is to revise and provide greater flexibility to the basic principles for the resettlement and rehabilitation of people affected by coal mining projects i.e. Project Affect People (PAPs). It attempts to consolidate the different resettlement and rehabilitation practices that are being followed by subsidiaries as per the different State Land Acquisition Acts and various decisions of the Coal India Board and to modify the Policy of 2008 so as to give the Board of the subsidiary Companies greater flexibility to deal more effectively with resettlement and rehabilitation issues and determine the rehabilitation packages best suited to local needs in line with this policy. The provisions of the National Rehabilitation & Resettlement Policy, 2007 and the Land Acquisition, Rehabilitation & Resettlement Bill, 2007 have also been kept in mind while framing the policy.

While Coal India's basic philosophy for compensating land- losers and other project affected people remains substantially unchanged, the revised policy emphasizes the need to cultivate and maintain good relationships with the people affected by Coal India's projects stating as early as possible. It also underscores that the subsidiaries have responsibility towards the land oustees whose whole livelihood is often taken away. On the other hand, subsidiaries need to project themselves more effectively against unjustified claims, redundant manpower and swelling Wage Bills. To this end, the statement proposes that subsidiaries prepare detailed resettlement and rehabilitation action plans (RAPs) that clearly identify, at an early stage, the entitlements of the people affected by coal projects and enables them to exercise a choice between various options. The concept of Annuity in lieu of compensation / employment is also being introduced to mitigate , if not eliminate the ever dependence of Project Affected Families (PAFs) on CIL for provision of employment.

(1) The revised Resettlement & Rehabilitation Policy, 2012 is based on the deliberations of the inter Ministerial Committee set up vide OM 490191 / 2011 – PRIW -1 dated 01.07.2011 of Ministry of Coal, deliberations of the CMDs meet held on 05.03.2012 at New Delhi and has been approved by the CIL Board in its 279th meeting held on 12th & 13th March, 2012.

(2) Objectives and general principles of Coal India's Resettlement & Rehabilitation Policy- 2012

- A. To re-visit CIL's existing R&R Policy 2008 and evolve a PAP friendly policy by incorporating such provisions of the National Policy and The Draft Land Acquisition, Rehabilitation and Resettlement Bill- 2011 as considered suitable in light of the growing difficulties many subsidiaries face in land acquisition.
- B. To accord the highest priority for avoiding or minimizing disturbances of the local population while taking decisions to open new mines or expand existing ones too (exploring alternative sites and project designs) and to ensure that wherever people are likely to be adversely affected by a project, the subsidiaries will prepare resettlement & rehabilitation action plans for the project.
- C. To ensure a humane, participatory, informed consultative and transparent process for land acquisition for coal mining and allied activities with the least disturbances to the owners of the land and other affected families.
- D. To provide just & fair compensation to the affected families whose land has been acquired or proposed to be acquired or are affected by such acquisition and make

adequate provisions for loss of livelihood of such affected persons including their rehabilitation & resettlements.

- E. To ensure that the cumulative outcome of compulsory acquisition should be that the affected persons become partners in development leading to an improvement in their post acquisition social & economic status and matters connected therewith or incidental thereto.
- F. Through the preparation of resettlement & rehabilitation action plans, subsidiaries will safeguard that project-affected people improve or at least regain their former standard of living and earning capacity after a reasonable transition period. The transition period is to be kept to a minimum. However until all the actions specified in the rehabilitation plan have been completed.
- G. Involuntary resettlement is conceived and executed as a development programme with project-affected people being provided sufficient resources & opportunities to share in a project's benefits. The efforts of subsidiaries are complementary to the Governments scheme in rural development and the concurrence, approvals and support from concerned Government authorities will be sought.
- H. In parallel, subsidiaries will work closely with non-government organizations of proven repute which are legally constituted and recognized & also have the confidence of the project-affected people in the preparation & implementation of rehabilitation plans.
- I. Corporate Social Responsibility (CSR) : Activities shall be intensified in and around the villages where land is being acquired in accordance with the SCR Policy of Coal India.
- J. Actual implementation of R&R package must follow a detailed survey of the project-affected villages to formulate the list of persons / families affected by the project, nature of the affect, the likely loss of income etc. For this purpose, if necessary, the services of a reputed NGO with an impressive record of integrity and performance may be engaged.

3.SCOPE

This Policy may be called 'Rehabilitation & Resettlement Policy of Coal India Limited – 2012 ' It extends to the Coal India Limited and its subsidiary companies in India. It shall come into force from the date of its approval of the CIL Board and its applicable to all cases in which land is taken after the date of approval by the CIL Board. While implementing the policy it is to be ensured that the provisions of the concerned Acts applicable and Rules mentioned there under shall not be violated.

4.Definitions –

(a) “ **affected family** “ means

(i) a family whose primary place of residence or other property or source of livelihood is adversely affected by the acquisition of land (including direct negotiation) for a project or involuntary displacement for any other reasons; or

(ii) any tenure holder, tenant, lessee or owner of other property, who on account of acquisition of land (including plot in the abadi or other property) in the affected area or otherwise, has been involuntarily displaced from such land or other property; or

(iii) any agricultural or non-agricultural labourer, landless person (not having homesteads land, agricultural land, or either homestead or agricultural land) rural artisan, small trader or self-employed person, who has been residing or engaged in any trade, business, occupation or vocation continuously for a period of not less than three years preceding the date of declaration of the affected area, and who has been deprived of earning his livelihood or alienated wholly or substantially from the main source of his trade, business, occupation or vocation because of the acquisition of land in the affected area or being involuntarily displaced for any other reason.

(b) “family” includes a person, his / her spouse, minor sons, dependant daughters, minor brothers, unmarried sisters, father, mother residing with him or her and dependent on him / her for their livelihood; and includes “ nuclear family” consisting of a person, his / her spouse and minor children. Provided that where there are no male dependants, the benefit due to a land loser may devolve on dependent daughter nominated by the land loser.

(c) “ land owner ” includes any person –

- (i) Whose name is recorded as the owner of the land or part thereof in the records of the concerned authority; or
- (ii) Who is entitled to granted Patta rights on the land under any law of the State including assigned lands ; or
- (iii) Who has been declared as such by an order or the court or District Collector.

(d) Displaced person - means and includes any person who is deprived of his homestead on account of acquisition. Provided that the person / family who does not ordinarily reside in the homestead land acquired for the project can be termed “ Displaced “ but he will be eligible for compensation only for homestead and not for livelihood.

(e) Ordinarily resides shall mean residing in the homestead / acquired land for a period more than 6 months every year for at least the preceding 5 years.

5. Socio-economic Survey and preparation of RAP

A baseline socioeconomic survey will be carried out to identify the PAPs who are enlisted to receive benefits in line with Coal India’s Resettlement & Rehabilitation Policy. This survey will be conducted within two months of notification under relevant land acquisition acts by the subsidiaries with the help of reputed independent institutional agencies, who are well versed with the social matrix of the area.

The basic objective of the socio-economic study will be to generate baseline data on the social and economic status of the population who are likely to lose their means of

livelihood or homestead due to the acquisition of the land for the project. The data base will be used to formulate a viable and practical Rehabilitation Action Plan (RAP) for the affected persons in line with their entitlements. Digital Satellite Maps would also be prepared or the project Area freezing the dwelling units and habitations existing at the time of negotiation for Land Acquisition wherever feasible. The RAP will also address the following –

(A) Implementation, Monitoring & Evaluation, Dispute Mechanism

The rehabilitation action plan will address the following :

- i) The project design, including an analysis of alternative designs aimed at avoiding or minimizing resettlement
- ii) Socio-economic survey and activities to ensure restoration of incomes of PAPs in line with Coal India’s Resettlement & Rehabilitation Policy.
- iii) Description of the institutional and other mechanisms for provision of entitlements
- iv) Time Table for the acquisition and preparation of the resettlement site(s)
- v) The cost and budgets for the resettlement and rehabilitation of PAFs
- vi) Project specific arrangements to deal with grievances of PAFs and
- vii) Time tables, benchmarks and arrangements for monitoring the resettlement and rehabilitation effort.

The RAP will be formulated in consultation with PAPs and State Governments.

(B) Environment Impact Assessment (EIA) will be conducted as per any law, rule and regulation of the locality in which the land has been acquired.

6. Eligibility Criteria –

<p>(A) Eligibility Criteria for Economic Rehabilitation Benefits</p> <p>This benefit shall accrue only to Entitled Project Affected Person. Entitled Project Affected Person shall be one from the following categories</p> <ul style="list-style-type: none"> (i) Persons from whom land is acquired including tribal cultivating lands under traditional rights. (ii) Persons whose homestead is acquired. (iii) Sharecroppers, land lessees tenants and day laborers (iv) Tribal dependent on forest produce as certified by the District Forest Officer / Revenue Authorities.
<p>(B) Eligibility criteria for Resettlement benefits</p> <p>1. Only a Displaced family / person shall be eligible for resettlement benefits</p> <p>2. A family/ person shall be termed displaced and hence eligible benefits if such family person has been a permanent resident and ordinarily residing in the project area on the date of publication of notification u/s 9 of CBA (A&D) Act 1957 / u/s 11 of L.A. Act, 1894/or on the date of the land vested with the State / Central Government as the case may be</p> <p style="text-align: center;">and</p> <p>(a) On account of acquisition of his / her homestead land / structure is displaced from such areas</p> <p style="text-align: center;">or</p> <p>(b) He / she is a homestead less or land less family / person who has been / is required to be displaced.</p>

7. Census & Identification of displaced families

1. Within two months of publication of notice u./s 4 (1) of the Land acquisition Act, or u/s 7 (1) of CBA (A&D) Act, 1957 for acquisition of land or the project a census would be undertaken in the manner to be decided by the Collector / Project authority for identification of displaced families and for preparing their socio economic profile and list of eligible persons for the purpose of receiving Rehabilitation & Resettlement Benefits.

2. A photo identify card to each entitled project affected person shall be issued under the signature of the Collector / Project Authority concerned indicating the following particulars.

- a) Name of the village / GP / PS
- b) Name Father's name and address of the head of the family
- c) Category of entitlement
- d) Whether SC / ST / OBC / General
- e) Age, Sex, Educational qualification of the members of the family

8. Types of Compensation and Rehabilitation Entitlement

Option to the land losers regarding Rehabilitation & Resettlement Benefit – The land losers shall have the option for Rehabilitation & Resettlement benefits in accordance with the awards for each affected family in terms of the entitlements passed by the Concerned Collector of the state or as per this Policy with the consent of the concerned collectors.

8.1 Eligibility and compensation

The table below shows the compensation & rehabilitation benefits will be offered by the subsidiaries for each Project Affected Person or family, affected by one of their projects. Evidence to the effect that a person is a legitimate PAP will need to be provided in the form of a written legal document or reference to a record, such as a revenue officer certificate, electoral roll, ration card or school record.

Category of Persons affected by the Project	Compensation & Rehabilitation entitlement option
	Provisions
(i) Persons (including tribals cultivating land under traditional rights) from whom land is acquired.	All land owners with titles will receive monetary compensation for the land acquired from them. The value of the land is determined on the basis of prevailing legal norms. <i>In respect of tribals cultivating land under traditional rights, authentication of land held under traditional rights by State Authorities will be necessary.</i> In addition to above the following shall apply.

Category of Persons affected by the Project	Compensation & Rehabilitation entitlement option
	Provisions
	<p>A).Land compensation-Land compensation shall be paid as per the provisions of the concerned Act or State Government notification. Where no notification of the State Government is available the concerned subsidiary Board may decide on the rate of compensation keeping in view the compensation provided by the neighboring states. Authentication of land held under traditional rights by state authorities will be necessary.</p> <p>In addition to above Solatium will be paid as per provisions of the concerned Act / as imposed by the concerned State Government.</p> <p>Escalation of land compensation- Escalation will be paid as per provisions of the concerned Act / as imposed by the concerned State Government or Escalation art the rate of 12% per annum for a maximum period of three years.</p> <p>(B) Employment provisions: Apart from payment of the land compensation employment may be given in the following manner</p> <p>1)The maximum total number of employments that may be provided to the land losers would be limited to the total numberof acres of land acquired divided by two. However, employments will be released in proportion to the land possessed.</p> <p>2)For every two acres of land one employment can be considered.</p> <p>3) 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 oustees in the descending order of land lost subject to the cut off equivalent to the total number of permissible employments or any other method with the approval of the respective Board of the subsidiary.</p> <p>4)The land loser must be a domiciled resident / Mool Niwasi and the certificate to this effect shall be issued by the concerned State Authority.</p> <p>5)The modalities for offering employment shall be such as may be approved by the Board of Subsidiary companies as per the unique conditions of the subsidiary provided that:</p> <p>a) The initial employment shall be given with pay of Category-1 pay scale of NCWA with training period of 6 months.</p> <p>b) In the seniority list, the seniority of the appointee shouldbe reflected in appropriate manner in order to keep the senior most as senior.</p> <p>c) The land loser trainees shall be posted as per requirement, including underground duties.</p>

Category of Persons affected by the Project	Compensation & Rehabilitation entitlement option
	Provisions
	<p>(C) Lumpsum Monetary Compensation</p> <p>1. 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.</p> <p>2. Land losers who are offered employment as per principle specified in point No.(8 (i) B)above will have the option either to opt for employment or to forego employment and opt for monetary compensation 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 the employment thus surrendered shall not be available for offer to any person and will stand lapsed from the total sanctioned number of employments as specified in point No.(8 (i) B1).</p> <p>3. The land losers who have clubbed their land in Package Deal can claim employment for only one land loser of the clubbed two acres of land and remaining land losers of the package cannot claim either employment or lump sum monetary compensation in lieu of the land contributed by them.</p> <p>4. Annuity- All land losers who are entitled to get lump sum monetary compensation may opt for payment of compensation amount in the form of annuity made payable to the land losers monthly, annually or at such intervals (not less than one year) as may be opted for by him. The annuity be paid for a maximum period extending to 60 years of age or the life of the project for which the land has been acquired, whichever is earlier.</p> <p>Note:<i>A person receiving a job forgoes all claims to above compensation and a person receiving above compensation forgoes all claims to employments.</i></p>
(ii) Person whose homestead is acquired	<p>I. Compensation for homestead shall be paid as the standard valuation method of the LA Act of the concerned state Government.</p> <p>II. One time lump sum payment of Rs. 3,00,000/- (three lakhs) shall be paid in lieu of alternate House site. Assistance in designing shifting allowance for construction of cattle shed. Monetary compensation for construction of work shed etc. . The compensation shall be paid to displaced persons only after vacation and demolition of the homestead / work shed etc.</p> <p>III. Subsistence allowance : Each affected displaced family will get subsistence allowance at the rate of 25 days (minimum agricultural wage) per month for one year.</p>

Category of Persons affected by the Project	Compensation & Rehabilitation entitlement option
	Provisions
(iii) Sharecroppers land lessees, tenants and day labourers	<p>The subsidiary will assist PAP to take up non farm self employment through petty contracts or formation of co-operatives if such co-operatives will not be entitled for awarding work as per manual for lack of experience the said co-operative will be facilitated by awarding small jobs to acquire experience after relaxation of the Subsidiary Boards. Manual pertaining to experience after getting report of the timely completion/ quality / of the awarded jobs from the concerned Department or contractors.</p> <p>Contractors will also be persuaded to give job to eligible PAPs on a prudential basis, where feasible as per terms of contract.</p>
(iv) Landless tribals. Tribal dependent on forest produce.	<p>The subsidiary will assist PAP to establish non farm self employment through the provision of infrastructure petty contracts or formation of co-operatives and encourage provisions of jobs with contractors. Contractors will be persuaded to give jobs to eligible PAPs on preferential basis where feasible.</p> <ul style="list-style-type: none"> - In addition the subsidiaries will shift the tribal community as a unit and provide facilities to meet the specific needs of the tribal community that will allow them to maintain their unique cultural identity. - Tribal affected family will be given one time financial assistance of 500 days of MAW for loss of customary right or usages of forest produce. Loss of customary rights needs to be authenticated by the district authority. - Tribal affected families resettled out of the district shall be given 25% higher rehabilitation and resettlement benefit.

9. Resettlement & Rehabilitation Committee – A committee will be constituted at project level under the chairmanship of the Collector to be called the Rehabilitation and Resettlement Committee with the following objectives to monitor and review the progress of implementation of the Rehabilitation and Resettlement scheme and to carry out post implementation social audits in consultation with the village panchayat in rural areas and municipality in urban areas in the manner will be decided by the concerned State Government.

- I. To approve the list of land losers and other PAPs;
- II. To approve the list of persons eligible to be offered employment as per R&R Policy.
- III. To approve the detailed Rehabilitation Plan for the project in consultation with the displaced persons and Gram Sabhas.
- IV. To expedite issue of domicile certificates and other necessary documentation required for State Authorities.

- V. To monitor and review the progress of the Rehabilitation Scheme grant of benefits and handing over of possession of land in a smooth manner.
- VI. To facilitate the land acquisition process in any other manner as may be required including resolution of disputes.
- VII. To carry out post implementation social audit in consultation with the authorities.

10. Community facilities – The subsidiary will provide at the resettlement site a school, road with street light, pucca drain, pond, dug well and or tube well for drinking water supply, community center, place of worship, dispensary, grazing land for cattle and play ground. Similar infrastructural facility, if necessary will be extended to the host locality. The community facilities & services would be available to all residents of the area, including PAPs and the host population.

The approach for operation of community facilities would be flexible and all efforts will be made to involve the State & local self Government / Panchayat for operating the facilities. To achieve this subsidiaries will pursue with these agencies to ensure the same. The planning of the community facilities and their construction should be undertaken in consultation with the affected community.

11. Corporate Social Responsibilities – This should be as per Company's Corporate Social Responsibility (CSR) Policy.

12. Monitoring and Evaluation Mechanism –

This RAP will be monitored and evaluated periodically after the completion of the land acquisition process.

- I. The resettlement and rehabilitation activities are the responsibility of a separate group both at the project and corporate level, which will be constituted for planning, implementation, monitoring and evaluation of the Rehabilitation Action plan. At the corporate level the group will be headed by a senior manager, whereas at the project an executive of the rank of manager will head the group. The project group should have at least one member with social science qualification / experience and skills.
- II. The project will closely interact with the State authorities during the implementation of the RAP. Although the subsidiaries will develop the plots and infrastructural facilities in the resettlement colony & actively implement the RAP assistance of State Authorities will be taken for administrative services such as allotment of land, implementation will be planned, monitored and corrective measures will be incorporated in the RAP, if needed. In addition to the State Government the PAPs the village leaders including the Pradhans and NGOS will be consulted and associated with the implementation of the RAP.
- III. The resettlement and rehabilitation cell at the corporate level will evaluate the implementation of the RAPP after its completion.

13. Flexibility to the Subsidiary Companies – The subsidiary companies boards have been authorized to approve necessary modifications in the R&R Policy with reference to unique conditions at the concerned subsidiaries as the policy is not exhaustive.



ANNEXURE IV

Coal India Limited

A Maharatna Company



Annuity Scheme, CIL, 2020

(In Lieu of Direct Employment or One-Time Monetary Compensation
Against Land)



2 September, 2020



Foreword

Land is a major resource for any mining project. One of the major challenges of the coal industry is land acquisition and its physical possession. As a natural corollary, rehabilitation and resettlement of villages pose its own challenge.

Coal India Limited and its subsidiary companies spread across eight states of the country, amidst the challenges, are meeting the energy requirement of the country with admirable tenacity.

Coal India believes in mining with a human face and over the years has gained and garnered the confidence and goodwill of the project affected persons (PAPs) with its philosophy of inclusive growth and progressive rehabilitation policies.

Coal India is a socially responsible and responsive company. The company is conscious of the need to protect the regular source of income the small landowners earn out of the land they part with for coal mining operations.

'CIL's Annuity Scheme 2020' is an attempt to strike a judicious balance between meeting the organisation's business goals and ensuring a sustainable source of income to PAPs.

Pramod Agrawal

विनय दयाल
निदेशक (तकनीकी)
Binay Dayal
Director(Technical)



कोल इंडिया लिमिटेड
Coal India Limited

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2nd September, 2020



Foreword

With an objective to ensure energy security and curb import bills of the nation, CIL has envisaged to produce 1 Billion Tonne of coal by FY 2024 with participation of all stakeholders.

Land being key resource to coal mining, has vital role to play in meeting above objectives. Taking physical possession of tenancy land is one of the most challenging aspect in operationalization of any coal mining project across the subsidiaries of CIL.


Since inception, Coal India is working on basic philosophy of providing fair compensation to the affected families and making adequate provisions for safeguarding their sustainable income. For small landholding affected families, greater emphasis need to be given for their sustainable income.

Considering the paramount importance of these aspects, concept of alternative option like annuity was also emerged during the Chintan Shivir organised by Ministry of Coal on 17th & 18th February 2020 at Kevadia (Gujarat).

CIL's Annuity Scheme 2020 against land is an endeavor to afford a consistent source of earnings to its PAPs while taking care of organizational priorities at the same time.

I take this opportunity to appreciate the efforts put in by Shri A N Goswami, Chief Manager (Mining), Project Monitoring Division, CIL in framing this Scheme.

Binay Dayal

	<p style="text-align: center;">Coal India Limited A MAHARATNA COMPANY Coal Bhawan, 3rd Floor, Core - 2 New Town, Rajarhat, Kolkata- 700 156. PHONE: 033-2324-6526, FAX:033-2324-6510 Email – mviswanathan2.cii@coalindia.in WEBSITE:www.coalindia.in CIN – L23109WB1973GOI028844</p>
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Ref No.CIL:XI(D):04112:2020: 25582

Dated 2nd Sept.'2020

To
GM (PMD),
Coal India Limited,
3rd Floor, New Town,
Rajarhat, Kolkata - 700 156.

Sub: Minutes of 409th CIL Board Meeting held on 25th August'2020.

Dear Sir,

Reproduced below is the relevant extracts from the minutes of 409th meeting of Board of Directors of Coal India Limited held on 25th Aug.'2020 at Kolkata with regard to the following item:

"ITEM NO.409.4 (B)

Sub: CIL Annuity Scheme, 2020 in lieu of direct employment or one-time monetary compensation against land.

4.2 Director (Technical) apprised the Board that CIL Subsidiaries were providing employment against land acquired for coal mining projects as per CIL R&R Policy and prevalent State Laws. In order to maintain the profitability of the projects, Subsidiaries are opting for outsourcing of projects which result in reduction in employment opportunity in projects for unskilled workers. Therefore, the scope for providing employment to unskilled project affected persons against land acquired had reduced. To address this issue, it was suggested in a review meeting held on 16th March'20 to explore a suitable alternative mode of land acquisition or to formulate an alternative to employment like annuity. Annuity is an alternative method in lieu of providing employment or one-time monetary compensation in lieu of employment as well as maintaining sustainable cash flow to affected families. This also reduces the overall cost to the company by way of reduction in wage cost. He further apprised the salient features of the scheme as under :-

- a) The Annuity Scheme shall be implemented as an option in lieu of employment claim by the eligible affected family against land acquisition and annuity to be provided as per RFCTLARR Act 2013 to all the affected families. All such entitled Affected Family shall opt for annuity and forgo the job benefit or one-time monetary compensation in lieu of employment against acquired land by entering into an agreement with project authority.
- b) For land owner, Annuity will be at the rate of Rs 150/- per decimal of land lost in lieu of employment to a minimum of Rs. 2000/- per month subject to a maximum of Rs

M/K

30000/- per month for the period of thirty years or life of project whichever is higher with 1 % incremental growth on every year on total annuity or Annual indexation to the Consumer Price Index for Agricultural Labourers over Rs.2000/- whichever is higher.

Or,

An affected family whose land or other immovable property has been acquired & possessed by the company and become eligible for employment as per respective State Policy and opt for annuity in lieu of employment or one-time monetary compensation will get Rs 30000/- per month for the period of Thirty years or life of project whichever is higher with incremental growth as mentioned above.

- c) An affected family may be a non-title holder whose primary source of livelihood was dependant on the land acquired for more than three years prior to the date of acquisition will get Rs 2000/ - per month upto life of the project or 20 years whichever is higher with appropriate indexation to the Consumer Price Index for Agricultural Labourers. and
- d) Subsidiary Board may be authorised to modify the increment provision of Annuity in view of financial viability and prevailing unique condition of the project provided such modification is not in conflict with prevailing Central/State Law or rules.

This was discussed in CMDs Meet held on 10th July'2020, they had agreed to the scheme and suggested minor modification. After incorporating the modification, the same is placed to the Board for its consideration.

To a another query, D(T) clarified that this is an enabling provision in lieu of providing employment against land acquisition and depending on the observations/suggestion to be received, if required, the scheme would be modified in future.

In view of the above, Board accorded its approval to CIL Annuity Scheme, 2020 in lieu of direct employment or one-time monetary compensation against land as brought out in the agenda note.”

This is for your information and to take necessary action please.

Yours faithfully,

Mk
2/9/20

(M.Viswanathan)
Company Secretary

Annuity Scheme of CIL, 2020

A.Circumstantial:

Keeping in view the need for more efficient and cost competitive the coal companies are moving towards outsourcing mode instead of departmental mode of operation. This would result in reduction in employment opportunity in the company. Further, in most of the cases of land acquisition, the demand for employment exceeds the employment opportunity available in the mine/ project. As such, the possibilities of providing employment to the land oustees are becoming difficult for the company.

Annuity may be a responsive alternate method in lieu of providing employment as well as maintaining sustainable resource of livelihood to the affected families.

B.Scope:

This annuity scheme shall be implemented in lieu of employment claim by the eligible affected family against land acquisition. All such entitled Affected Family shall opt for annuity and forgo the job benefit or one time monetary compensation in lieu of employment against acquired land by entering into an agreement with project authority.

C.Legal obligation about Annuity:

As per Second Schedule {See Sections 31(1), 38(1) & 105(3)} of the Right To Fair Compensation And Transparency In Land Acquisition, Rehabilitation And Resettlement Act, 2013 (RFCTLARR Act 2013);

Quote :

“The appropriate Government shall ensure that the affected families are provided with the following options:

(a) where jobs are created through the project, after providing suitable training and skill development in the required field, make provision for employment at a rate not lower than the minimum wages provided for in any other law for the time being in force, to at least one

Annuity Scheme of CIL, 2020

member per affected family in the project or arrange for a job in such other project as may be required; or

(b) onetime payment of five lakhs rupees per affected family; or

(c) Annuity policies that shall pay not less than two thousand rupees per month per family for twenty years, with appropriate indexation to the CPI for Agricultural Labourers’.”

Unquote

Therefore, annuity is a legally tenable alternative option in lieu of employment against acquired land.

D.Entitlements for Annuity;

The following category of beneficiaries may opt for Annuity in lieu of Job/ Employment or one time monetary compensation:

- I.All land owner whose land is acquired will be eligible for compensation for land as specified in the First schedule of RFCTLARR Act, 2013 or, determined as per the clarification given by MoC vide letter No. 43020/25/2015-PRIW-I dt.04-08-2017 and Letter No.43020/25/2015-PRIW-I dt. 30-03-2018 respectively or, Negotiated Land Value in case of Direct purchase of land whichever is applicable.
- II.An affected family whose land or other immovable property has been acquired & possessed by the company and eligible for employment as per respective State Policy.
- III.An affected family, may be a non-title holder, whose primary source of livelihood was dependent on the land acquired for more than three years prior to the date of acquisition and stand affected by the acquisition of land, as certified by the State Government authorities.
- IV. The Scheduled Tribes and other traditional forest dwellers who have lost any of their forest rights recognized under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 due to acquisition of land as authenticated by the District Authority of the concerned State Government.

Annuity Scheme of CIL, 2020

E.Benefits to be provided:

Category	Annuity
<p>I.All land owner whose land is acquired will be eligible for compensation for land as specified in the First schedule of RFCTLARR Act, 2013 or, determined as per the clarification given by MoC vide letter No. 43020/25/2015-PRIW-I dt.04-08-2017 and Letter No.43020/25/2015-PRIW-I dt. 30-03-2018 respectively or, Negotiated Land Value in case of Direct purchase of land whichever is applicable.</p> <p style="text-align: center;">Or,</p> <p>II.An affected family whose land or other immovable property has been acquired & possessed by the company and eligible for employment as per respective State Policy.</p>	<p>Land compensation as per First Schedule of RFCTLARR Act 2013 in case of land acquired under CBA (A&D) Act or, determined as per the clarification given by MoC vide letter No. 43020/25/2015-PRIW-I dt.04-08-2017 and Letter No.43020/25/2015-PRIW-I dt. 30-03-2018 respectively or, Negotiated Land Value in case of Direct purchase of land whichever is applicable.</p> <p style="text-align: center;">Plus (+)</p> <div style="border-left: 2px solid black; border-right: 2px solid black; padding: 10px; margin: 10px 0;"> <p>Annuity at the rate of Rs 150/- per decimal of land lost in lieu of Employment subject to minimum Rs. 2000/- per month and maximum of Rs 30000/- per month for the period of Thirty years or life of project whichever is higher with 1 % incremental growth on every year on total annuity or Annual indexation to the Consumer Price Index for Agricultural Labourers over Rs.2000.00/- whichever is higher.</p> <p style="text-align: center;">Or,</p> </div> <div style="border-left: 2px solid black; border-right: 2px solid black; padding: 10px; margin: 10px 0;"> <p>An affected family whose land or other immovable property has been acquired & possessed by the company and become eligible for employment as per respective State Policy and opt for annuity in lieu of employment or one time monetary compensation will get Rs 30000/- per month for the period of Thirty years or life of project whichever is higher with incremental growth as mentioned above.</p> </div> <p>In case of death of land owner the annuity may be paid to his/her successor/ nominee for the rest period or equally distributed amongst all the successors. Modalities of distribution of annuity amount in case of death of land owner may be determined by the respective Subsidiary Board.</p>

Annuity Scheme of CIL, 2020

Category	Annuity
<p>III. An affected family may be a non-title holder, whose primary source of livelihood was dependent on the land acquired for more than three years prior to the date of acquisition i.e. date of notification u/s 9 (1) of CBA (A&D) Act 1957 and stand affected by the acquisition of land, as certified by the State Government authorities.</p> <p>IV. The Scheduled Tribes and other traditional forest dwellers who have lost any of their forest rights recognized under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 due to acquisition of land as authenticated by the District Authority of the concerned State Government.</p>	<p>Not less than Rs 2000/- per month upto life of the project or 20 years whichever is higher with appropriate indexation to the Consumer Price Index for Agricultural Labourers.</p>

Note:

All above entitled Affected Family shall have to opt for annuity and forgo the benefit of job/ employment by entering into an agreement with project authority.

Annuity Scheme of CIL, 2020

Additional Benefits:

Respective Subsidiary Board may consider the following additional benefits to the Affected Families who opt annuity in lieu of employment keeping in view the financial viability of the project:

- a) Imparting skilled development training or cost of such training.
- b) Group insurance benefits.
- c) Group Mediclaim benefits.
- d) Special additional incentive to those who opt for and give possession of their land
(including home stead land) within one month from the announcement of project
specific annuity scheme under this Scheme.

Flexibility:

Subsidiary Board is authorized to modify the increment provision of Annuity in view of financial viability and prevailing unique condition of the project, provided such modification is not in conflict with prevailing Central/State Law or rules.

In case of any circular/guideline issued by Central/State Government regarding annuity in lieu of employment or one time monetary compensation the same would be effective from the date of issue and it will have an overwriting effect on the Annuity Scheme.

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केन्द्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION



सतर्कता भवन, जी.पी.ओ. कॉम्प्लेक्स,
ब्लॉक-ए, आई.एन.ए., नई दिल्ली-110023
Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023

सं./No..... 98/DSP/09/461535

दिनांक / Dated: 24th Sept., 2020

Circular No. 12/09/20

Sub: Action on anonymous/pseudonymous complaints.

**Ref. (i) DoPT's OM No.104/76/2011-AVD.I dated 18/10/2013 &
18/06/2014.**

(ii) Commission's Circular No.07/11/2014 dated 25/11/2014.

Attention is invited to the DoPT's OM and the Commission's Circular mentioned above wherein it was prescribed that 'no action would be taken on anonymous/pseudonymous complaints' by Ministries/Departments/Organisations and such complaints should be filed.

2. The Commission has observed instances wherein some Departments/Organisations are taking cognizance of anonymous complaints, despite strict guidelines issued by DoPT and the CVC. Such non-compliance/violation of guidelines by the concerned authorities would be viewed seriously.

3. All CVOs/Administrative Authorities should ensure strict compliance to the above instructions.

(J. Vinod Kumar)
Director

To:

All Secretaries of Ministries / Departments of GoI /CMDs/Chief Executives/Heads/CEOs of CPSEs / PSBs / PSICs / FIs / Autonomous Organisations, etc.

All Chief Vigilance Officers of Ministries/Departments/CPSEs/PSBs/PSICs/FIs/ Autonomous Organisations, etc.

APPENDIX-I

MINUTES OF THE NINETEENTH SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2021-2022)

The Committee sat on Tuesday, the 21st December, 2021 from 1500 hrs. to 1515 hrs. in Room No '147', 3rd Floor, Parliament House, New Delhi.

PRESENT

Shri Santosh Kumar Gangwar - Chairperson

MEMBERS

LOK SABHA

2. Shri Lavu Sri Krishna Devarayalu
3. Dr. Heena Vijaykumar Gavit
4. Shri Chandra Prakash Joshi
5. Smt. Kanimozhi Karunanidhi
6. Shri Janardan Mishra
7. Shri Arvind Kumar Sharma
8. Shri Sushil Kumar Singh
9. Shri Ramdas Chandrabhanji Tadas

RAJYA SABHA

10. Shri K.C. Ramamurthy
11. Shri M. Shanmugam

SECRETARIAT

1. Shri R.C. Tiwari - Additional Secretary
2. Shri G.C. Prasad - Additional Director

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the following four draft Action Taken Reports:-

- (i) Action Taken by the Government on the Observations/Recommendations

- of the Committee contained in the First Report of the Committee on Public Undertakings (17th Lok Sabha) on Airports Authority of India.
- (ii) Action Taken by the Government on the Observations/Recommendations of the Committee contained in the Second Report of the Committee on Public Undertakings (17th Lok Sabha) on Central Coalfields Limited (CCL).
 - (iii) Action Taken by the Government on the Observations/Recommendations of the Committee contained in the Third Report of the Committee on Public Undertakings (17th Lok Sabha) on Food Corporation of India.
 - (iv) Action Taken by the Government on the Observations/Recommendations of the Committee contained in the Eighth Report of the Committee on (17th Lok Sabha) on National Thermal Power Corporation (NTPC) Limited.

3. The Committee then considered and adopted the aforesaid reports one by one without any modifications. The Committee then authorized the Chairperson to finalize the aforesaid Draft Reports on the basis of factual verification by Ministries/Departments concerned and present the same to Parliament.

The Committee then adjourned.

APPENDIX II

(Vide para 3 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE OBSERVATIONS/ RECOMMENDATIONS CONTAINED IN THE SECOND REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS ON CENTRAL COALFIELDS LIMITED.

I	Total number of recommendations	33
II	Observations/Recommendations that have been accepted by the Government	27
	[Para SI.Nos.1.1,1.2, 2.1, 2.2, 3.1,4.1,5.1,6.1,7.1,7.2, 8.1,9.1,10.1,11.1,12.1,13.1,15.1, 16.1, 16.2,18.1,19.1,20.1, 20.2, 21.1,21.2,21.3 & 21.4]	81.82
	Percentage to total:	
III	Observations/Recommendation which the Committee do not desire to pursue in view of Government's replies	
	[Para SI.No.10.2, 14.1&17.1]	3
	Percentage to total:	9.09
IV	Observation/Recommendation in respect of which replies of the Government had not been accepted by the Committee	
	[Para SI Nos. SI.Nos.2.3, 2.4 and 10.3]	3
	Percentage to total:	9.09
V	Observations/Recommendations in respect of which Government have furnished interim replies	Nil
	Percentage to total:	Nil