

STANDING COMMITTEE ON  
COAL AND STEEL (2013-2014)  
FIFTEENTH LOK SABHA

---

**MINISTRY OF COAL**

**"REVIEW OF PERFORMANCE OF COAL MINES PROVIDENT FUND  
ORGANISATION(CMPFO)"**

**[Action Taken by the Government on the Observations/  
Recommendations contained in the Thirtieth Report of the  
Standing Committee on Coal and Steel (Fifteenth Lok Sabha)]**



**FORTY-FIRST REPORT**

**LOK SABHA SECRETARIAT  
NEW DELHI  
DECEMBER, 2013/AGRAHAYANA, 1935(Saka)**

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COAL AND STEEL (2013-2014)**

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Standing Committee on Coal and Steel (Fifteenth Lok Sabha)]**

**Presented to Lok Sabha on 17.12.2013**

**Laid in Rajya Sabha on 17.12.2013**



**LOK SABHA SECRETARIAT  
NEW DELHI  
December, 2013/Agrahayana 1935 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL(2013-14)**

**Shri Kalyan Banerjee - Chairman**

**Name of the Member**

**Lok Sabha**

2. Shri Hansraj Gangaram Ahir
3. Shri Sanjay Bhoi
4. Shri Bansa Gopal Choudhary
5. Smt. Jyoti Dhurve
6. Shri Ganeshrao Nagorao Dudhgaonkar
7. Shri Sabbam Hari
8. Shri Vishwa Mohan Kumar
9. Shri Yashbant N.S. Laguri
10. Shri Pakauri Lal
11. Shri Babu Lal Marandi
12. Shri Govind Prasad Mishra
13. Shri Rajaram Pal
14. Kumari Saroj Pandey
15. Shri Gajendra Singh Rajukhedi
16. Shri K.R.G. Reddy
17. Shri Pashupati Nath Singh
18. Smt. Rajesh Nandini Singh
19. Shri Uday Pratap Singh
20. Shri K. Shivkumar alias J.K. Ritheesh
21. Shri O

**Sabha**

22. Shri
- 23.
- 24.
- 25.
26. Shri
- 27.
28. Shri
29. Shri
30. Shri
- 31.

## SECRETARIAT

- |    |                         |   |                     |
|----|-------------------------|---|---------------------|
| 1. | Shri Shiv Singh         | - | Director            |
| 2. | Shri Arvind Sharma      | - | Additional Director |
| 3. | Smt. Vandana P. Guleria | - | Sr. Comm. Assistant |

## **INTRODUCTION**

I, the Chairman, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Forty-First Report (Fifteenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Thirtieth Report of the Standing Committee on Coal and Steel (Fifteenth Lok Sabha) on the subject, "Review of Performance of Coal Mines Provident Fund Organisation (CMPFO)" pertaining to the Ministry of Coal.

2. The Thirtieth Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 23<sup>rd</sup> April, 2013. Replies of the Government to all the observations/recommendations contained in the Report were received on 20<sup>th</sup> September, 2013.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 10.12.2013.

4. An analysis on the Action Taken by the Government on the observations/recommendation contained in the Thirtieth Report (Fifteenth Lok Sabha) of the Committee is given at **Annexure-V.**

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Chapter-I of the Report.

**NEW DELHI;  
16 December, 2013  
25 Agrahayana, 1935(Saka)**

**KALYAN BANERJEE  
Chairman  
Standing Committee on Coal and Steel**

## **REPORT**

### **CHAPTER – I**

This Report of the Standing Committee on Coal and Steel deals with Action Taken by the Government on the Observations/Recommendations contained in the Thirtieth Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel on "Review of Performance of Coal Mines Provident Fund Organisation (CMPFO)" relating to the Ministry of Coal which was presented to Lok Sabha on 23.04.2013 and laid in Rajya Sabha on 25.04.2013.

2. The Action Taken replies have been received from the Ministry of Coal in respect of all the 15 Observations/Recommendations contained in the Report on 20<sup>th</sup> September, 2013. These have been categorised as follows:

- (i) Observations/Recommendations that have been accepted by the Government:  
Sl. Nos.3, 4, 10, 11, 12, 13 and 15

Total – 7  
(Chapter II)

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:  
Sl. No. 14

Total – 01  
(Chapter III)

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:  
Sl. Nos. 1, 2, 6 and 8

Total – 04  
(Chapter IV)

- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:

Sl. No. 5, 7 and 9

Total – 03  
(Chapter V)



**3. The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. In case, where it is not possible for the Ministry to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that further Action Taken notes on the Observations/Recommendations contained in Chapter-I and final Action Taken Replies to the Recommendations contained in Chapter-V of this Report be furnished to them at an early date.**

4. The Committee will now deal with the Action Taken by the Ministry on some of their observations/recommendations made in the Thirtieth Report.

### **IMPLEMENTATION OF SCHEMES**

#### **Recommendation Serial No. 1**

5. The Committee noted that as per the provisions of the Coal Mines Provident and Miscellaneous Provision Act, 1948, the employees engaged by public and private sector Coal Mining Companies are to be covered under the Coal Mines Provident Fund Scheme, 1948 and Coal Mines Pension Scheme, 1998 and Coal Mines Deposit Linked Insurance Scheme, 1976 and Coal Mines Provident Fund Organisation(CMPFO) was responsible for administering these schemes through a tripartite Board of Trustees consisting of Government representatives, employers' representatives and employees representatives. The Provident Fund Inspectors of CMPFO working under the control of jurisdictional regional Commissioners inspect the colliery office regularly and submit their inspection report every month to Commissioner, Headquarter. The Committee were, however, constrained to observe that inspections by Provident Fund Inspectors were carried out only in Collieries of Subsidiaries companies of Coal India Ltd. Moreover, the report on coverage of company-wise contract labourers (as on 31.03.2012) showed that only 34004 contract labourers of Coal India Ltd. and its subsidiary

companies were covered by CMPFO. In view of the foregoing, the Committee were inclined to observe that private/captive coal mine workers had not been covered by CMPFO thus compromising the social security of such workers. The Committee would like the Ministry of Coal/CMPFO to ensure that all workers in private/ captive coal mines were covered under all the 3 schemes of social security by CMPFO, and they would like to be apprised of the data available with all the Regional Offices of CMPFO where private/captive coal mine workers had been covered by them and the reasons for not covering private mine workers.

6. The Ministry of Coal in their action taken reply have informed the Committee as under:-

"The CMPFO is making sincere efforts to ensure that the issue of coverage of private/captive coal mine workers is taken up with the concerned Coal Companies.

The Ministry of Coal has also been monitoring and reviewing the progress in this regard by way of issuing instructions to CMPFO. The number of contract workers covered under CMPFO is at Annexure-1. The Regional Commissioners have been directed to follow up with the coal companies for enrolment of contractor's workers including workers employed in captive coal blocks. The CMPF Inspectors have also been advised to inspect the records of coal companies in this regard.

In addition to the above progress is being reviewed in meetings of Board of Trustees. In the 158<sup>th</sup> Meeting of the Board of Trustees, the Chairman has given the following directions :

- (a) All Regional Commissioners should initiate special drive to cover eligible contractors' workers under CMPFO especially in respect of the private coal blocks which have gone into production;
- (b) A region-wise statement showing new members covered under CMPFO during the period should be placed in the next BOT meeting
- (c) The Commissioner should review the progress on monthly basis and present the consolidated position in the next BOT .
- (d) The Commissioner, CMPFO should use statutory powers to invoke the provisions of CMPF and Miscellaneous Provision Act, 1948
- (e) In addition with regard to membership of coal workers under EPFO, the BOT directed that to verify the claims of contractors regarding membership of EPFO, a joint survey with EPFO be carried out on units of SCCL at Godavari khani, WCL at Nagpur, SECL at Bilaspur and CCL under the jurisdiction of CMPF

Regional Office, Ranchi-III. Joint Commissioner, CMPFO may coordinate with EPFO to submit the findings in the next BOT meeting. FA, EPFO may be contacted for any assistance in this regard.

It will be the endeavour of the Ministry of Coal and CMPFO to maximize the coverage especially in respect of captive coal mines in the private sector."

**7. As regards covering all the workers whether working in private or captive coal mines under CMPFO, the Committee had sought the data available with all regional offices of CMPFO regarding the number of private/captive coal mine workers covered by them alongwith the reasons for not covering private mine workers. The Committee are, however, disappointed to note that despite passage of 3 months, the Ministry of Coal have not provided the desired information of private/captive coal mine workers covered under CMPFO. The Ministry in their reply have merely stated that it will be their endeavour to maximize coverage in respect of captive coal mines in private sector. The Committee are concerned to note the callous attitude of the Ministry/CMPFO in covering the private/captive coal mine workers and strongly feel that some serious efforts are needed on the part of the Ministry/CMPFO instead of making false promises. The Committee would also like the Ministry/CMPFO to make the concerned officers responsible for their failure to cover all the private/captive coal mines under CMPFO. The Committee, therefore, reiterate their earlier recommendation and desire that data from each Regional Office should be collated to find the exact number of contract and captive mine workers covered by CMPFO and the same be provided to the Committee within 3 months. The Committee would also like to be apprised of the reasons for not covering private mine workers so far by CMPFO.**

### **COMPOSITION OF BOARD OF TRUSTEES**

#### **Recommendation Serial No. 2**

8. The Committee were given to understand that Members of Parliament were earlier nominated as the Member of Board of Trustees of CMPFO and Ms. Mabel Rebello (now ex-MP) was nominated as the Member of the Board of Trustees on 22.2.2005 for a period of three years. The

Committee were, however, surprised to note that no name of any MP had been included in the Board of Trustees of the organisation which was constituted on 13<sup>th</sup> October, 2009. The Committee would like to be apprised of the reasons for the non inclusion of any MP in the Board of Trustees. The Committee would also like the Ministry to include the name of MPs from the Coal producing States in the Board of Trustees when it was constituted next time.

9. The Ministry of Coal in their action taken reply have informed the Committee as under:-

"Section 3-A of the Coal Mines Provident Fund & Miscellaneous Provisions Act, 1948 provides for constitution of a Board of Trustees consisting of the following persons:

- (a) A chairman appointed by the Central Government;
- (b) The Coal Mines Provident Fund Commissioner, ex-officio;
- (c) Three persons appointed by the Central Government;
- (d) Not more than six persons representing Government of such States as the Central Government may specify [appointed by the Central Government]
- (e) Six persons representing employers, appointed by the Central Government after consultation with such organisations of employers as may be recognised by the Central Government in this behalf, and of whom at least one shall be a person who is not a member of any such organisation;
- (f) six persons representing employees, appointed by the Central Government after consultation with such organisations of employees as may be recognised by the Central Government in this behalf, and of whom at least one shall be an employee himself and at least one shall be a person who is not a member of any such organisation.

All these aspects will be considered whilst re-constituting the Board of Trustees."

**10. The Committee while observing that a Member of Parliament was nominated on Board of Trustees of CMPFO on 22.02.2005 for a period of 3 years and had desired to know the reasons for not including an M.P. in the Board of Trustees of CMPFO constituted on 13<sup>th</sup> October 2009. The Committee have been apprised that besides the Chairman & ex-officio Coal Mines Provident Fund commissioner, others three persons can be appointed by Central government as Members of Board of Trustees. The Committee feel that as Members of Parliament are people's representatives and are generally the first to be approached by the general public**

**whenever they have any grievances and therefore can also help the Board of Trustees to arrive at just and right decisions and frame policies which are people friendly. The Committee, therefore, again desire that the Ministry should consider them to be made Members of Board of Trustees.**

### **INSPECTIONS BY PROVIDENT FUND INSPECTORS**

#### **Recommendation Serial No. 3**

11. The Committee noted that one of the major functions of the CMPFO was to ensure regular inspection of the mines for the purpose of upkeep of records, deposit of contribution and credit of interests thereon, coverage of newly opened mines and contract workers, recovery of damage in respect of defaulting coal companies etc. The Committee were, however, dismayed to note that this major function of CMPFO had not been attended to by the organisation in letter and spirit. The Committee found that during the financial years 2010-11, 2011-12, 2012-13 (upto November, 2012), only 71 inspections have been carried out by Provident Fund Inspectors out of a total of 901 coal mines and registered units covered by CMPFO. Although, the Secretary, Ministry of Coal during the course of evidence, was candid enough in admitting dissatisfaction over the inspections carried out by the inspecting officers, the Committee could not but deplore the way the CMPFO had failed to discharge its legal duties in not getting all the mines inspected. The Committee would like the Ministry to furnish the precise reasons for this colossal failure of CMPFO in discharging its duties. Taking note of important functions of the organisation like keeping credit interest, coverage of workers in newly opened mines which ensure the social security to mine workers and their hard earned money, the Committee were not satisfied with such a low number of inspections carried out by Provident Fund Inspectors. The Committee, therefore, strongly recommended that the Ministry of Coal/CMPFO should ensure that PFIs visit all the 901 coal mines on a regular basis as required under section 10(2) of Coal Mines Provident Fund and Miscellaneous Provisions Act by drawing up a time bound

inspection schedule for inspection of mines and they be apprised of the action taken by the Government in this regard.

12. The Ministry of Coal in their action taken reply have informed the Committee as under:-

"In order to ensure that inspection of coal mines is carried out more frequently, even with limited available Provident Fund Inspectors, the Ministry of Coal followed up the matter with CMPFO vigorously. A total of 251 inspections have been conducted in the last one and half years as compared to 71 inspections as observed by the Committee in the report.

The Regional Offices of the CMPFO have been advised to continue inspection of all the coal mines regularly. In addition, the concerned Director in the Ministry looking after CMPFO has also been directed to do inspection of the field offices of CMPFO."

**13. Dissatisfied with the pace and status of inspection of 901 coal mines, the Committee had desired that CMPFO should accord utmost priority for the same. The Committee feel that only 251 inspections carried out by CMPFO during last one and a half years is very less as the large workforce is left unchecked by CMPFO. The Committee are of the opinion that it is during inspections that many shortcomings/deficiencies are detected in the working system and inspections also give the management a platform/opportunity to interact with the workforce and get acquainted with their problems. While deprecating the present lower rate of inspection by CMPFO in the 901 coal mines during the last 18 months, the Committee strongly feel that with appointment of more PF Inspectors, regular and time bound inspections will be carried out. The Committee, therefore, desire that the necessary steps be taken by the Ministry in this regard and they be apprised of the same.**

### **INVESTMENT OF FUNDS**

#### **Recommendation Serial No.6**

14. The Committee noted that CMPFO has invested Rs. 29363.95 crore in ICICI Securities Primary Dealership Ltd. It had also invested

Rs.16522.5 crore in the Special Deposit Scheme of the Ministry of Finance, which does not seem appropriate. The Committee had failed to understand why these funds were not invested in public sector banks. The Committee were further dismayed to note that there was no monitoring mechanism in Ministry of Coal and Board of Trustees(BOT) to protect the interest of Coal Mines workers and the then Commissioner, CMPFO had acted beyond his delegated powers by extending the tenure of Fund Managers without taking approval of BOT. Thus, the Commissioner had neglected the most important duty assigned to him and the investment decisions were left to the wisdom of the portfolio manager. While deprecating the unusual powers exercised by the then Commissioner, the Committee fail to understand as to why these irregularities were not brought to the notice of the Ministry by BOT which was headed by Secretary, Ministry of Coal and why appropriate action was not taken against the Commissioner. The Committee felt that besides taking strict departmental action against all those who were responsible for flouting rules and procedures, the matter should have been referred to a Central Investigating Agency in the first instance. At the same time, the Committee also desired that in future, the Ministry of Coal should take adequate safeguards to secure the safety of certificates/instruments of investments which are vested with the Fund Managers.

15. The Ministry of Coal in their action taken reply have informed the Committee as under:-

"Departmental inquiry by CVC in the matter of irregular investment of funds against the ex-Coal Mines Provident Fund Commissioner is in progress. However, at present the funds are being invested as per norms set by the Government of India, Ministry of Finance and it is monitored by an Investment Sub-Committee of BOT on a quarterly basis. The Sub-Committee monitors the performance of Fund Managers quarterly as per the benchmark for minimum performance fixed by the Committee.

State Bank of India, PM&CS, Mumbai is the portfolio manager for all the corpus/ funds of CMPFO. The following steps/ checks are in place to ensure the safety of all the securities/ instruments vested with Fund Manager;

(i) All Central/ State Government securities are in DEMAT form and are held with RBI.

(ii) All Corporate Bonds are in DEMAT form and are in DEMAT account of CMPFO held with Depository Participant.

(iii) Investment Bank Fixed Deposits, in physical form are kept in fire proof safe.

(iv) All the above holdings are being audited and reconciled by the external auditor on monthly basis."

**16. Taking note of the departmental enquiry by CVC in the matter of irregular investment of funds against the ex-Coal Mines Provident Fund Commissioner, the Committee in their earlier recommendation had also pointed out as to why these irregularities which had been going on for some time were not brought to the notice of the Ministry by the Board of Trustees which is headed by the Secretary, Ministry of Coal. The Committee find that the reply of the Ministry is silent about the role of Board of Trustees headed by Secretary, Ministry of Coal and feel that the then Secretary, Ministry of Coal cannot be absolved of all the blame as it is highly unlikely that he was unaware of all these irregularities being conducted by the then Commissioner. The Committee are rather sceptical whether full justice would be done in this case unless besides the ex-Coal Mines Provident Fund Commissioner, all the Members and Chairman of Board of Trustees be also brought to book for negligence in the matter. The Committee expect that suitable action should be taken by the Ministry against all the then Board of Trustees and they be apprised accordingly.**

### **VACANCIES IN CMPFO**

#### **Recommendation Serial No.8**

17. The Committee had been given to understand that as on 10.10.2012, out of total sanctioned posts of 1574, the actual strength of CMPFO was only 926 which shows that 41.17% of the total posts were lying vacant in the organisation. The Committee further observed that 34.79% posts were vacant in Group 'A' services and 70.14% in Group 'B'. Further, Provident Fund Inspectors, a Group 'B' service who were responsible to inspect all the Coal Mines and Units, against a sanctioned strength of 30 only 5 are in position. The Committee were constrained to note that though UPSC and Department of Personnel and Training, Government of India (Staff Selection Commission) were approached to fill



up the vacancies in Coal Mines Provident Fund Organisation, the Ministry of Coal/CMPFO were informed by these departments/organizations in 2008 and 2011 to take appropriate action to recruit staff as these were autonomous/statutory bodies, but no action had been taken by them so far. The Committee also took a serious note of the fact that an Enquiry Committee had pointed out that the Commissioner had not made serious efforts to fill up the vacant posts and thus failed as the head of the organisation. What was further surprising to the Committee was that though they were apprised of the same by the Ministry of Coal in June, 2011, no steps were taken by them to strengthen manpower in the organisation for its smooth functioning. The Ministry of Coal had now apprised the Committee that an amendment is required in the Coal Mines Provident Fund and Miscellaneous Provisions Fund Act as suggested by the UPSC for recruitment of Group 'A' services. Further, Indian Institute of Banking Services is reported to have been approached to fill up vacancies in Group 'C' & 'D' services. In view of the foregoing, the Committee cannot but deplore the lackadaisical approach of the Government/CMPFO in making proper recruitments in the organisation and strongly recommend that the Government should immediately bring the desired amendment on the lines of amendment in Employee Provident Fund Organisation (EPFO) Act as mentioned by the Secretary(Coal) during his deposition before the Committee on 26.11.2012 so as to safeguard the interests of 4.34 lakh coal mine workers benefitted from various schemes of CMPFO. The Committee would also like to be apprised of the present status of recruitment to Group 'C' & 'D' posts which was likely to be done through Indian Institute of Banking Services. They desired that the option of getting them recruited through the Staff Selection Commission on a regular basis may also be explored.

18. The Ministry of Coal in their action taken reply have informed the Committee as under:-

"The process of recruitment of LDC's and PFI's is underway. CMPFO has requested Institute of Banking Personnel Selection to hold examinations for selection to the posts of Provident Fund Inspector and Lower Division Clerk.

The Board of Trustees in its 157<sup>th</sup> Meeting has approved in principle the proposal for recruitment of Group A officers through the Union Public Service Commission. CMPFO has been directed to initiate the process for amendment of Recruitment Rules and the Coal Mines Provident Fund and Miscellaneous Provisions Act which is a mandatory requirement for this purpose."

**19. While taking a serious view of the fact that so many posts at various levels (34.79% vacancies in group A services and 70.14% vacancies in group B) are lying vacant in the organization, the Committee had recommended that an amendment on the lines of amendment in the Employee Provident Fund Organization (EPFO) Act be brought in immediately and vacancies be filled to safeguard**

**the interests of coal mine workers. The Committee are surprised to note that even though the Board of Trustees has approved the proposal for recruitment of group 'A' officers through UPSC, CMPFO is yet to initiate the process for amendment of Recruitment Rules and the Coal Mines Provident Fund and Miscellaneous Provisions Act which is a mandatory requirement for this purpose. The Committee are unhappy with inordinate delay in the recruitment of posts at different level. The Committee are of the strong view that CMPFO will be handicapped in the absence of adequate staff for implementing various social security schemes meant for all the coal mine workers. The Committee, therefore, reiterate their earlier recommendation and desire that the matter of recruitment should be taken up by Ministry of Coal/CMPFO on priority basis and necessary steps be taken in this regard including amendment to Recruitment Rules and the Coal Mines Provident Fund and Miscellaneous Provisions Act. They may be apprised about the action taken in this regard.**

### **UNCLAIMED MONEY**

#### **Recommendation Serial No. 13**

20. The Committee noted that the labourers/workers benefitted by CMPFO were mainly illiterate and many times were not aware of the rights and benefits entitled to them. Hence, they were at a disadvantage due to these factors and the hard earned money due to them remains unclaimed. The reasons reported to the Committee for unclaimed money lying with CMPFO were mainly absence of nominee, forfeiture from Member Account, non-refundable contribution from Rewa Kobra & Talcher, Bonus forfeited, Unclaimed Bonus, Special Reserve Fund Account, Interest on Reserve Account, Reserve Account Late Fee and Miscellaneous Reserve. These amounts were received from coal companies before their nationalization. In view of the foregoing, the Committee would like the Ministry of Coal/CMPFO to enquire as to how much of the money was lying unclaimed with all the Regional Offices and apprise them of the same. The Committee recommended the CMPFO to identify the workers/families whose claims were pending and settle the same without any further delay. The Committee also recommended that the workers/pensioners of coal industry should be made aware of their rights and entitlements by conducting an awareness programme by holding regular camps, issuing circulars, putting advertisements in vernacular newspapers and through booklets in local dialects, etc. by the colliery incharges. The Committee also desired that the employees engaged in personnel department of coal

companies should have direct interaction with employees/labourers and they should be made responsible to ensure that labourers furnish the required documents and complete the required formalities beforehand to enable hassle free settlement of claims.

21. The Ministry of Coal in their action taken reply have informed the Committee as under:-

"As per the Annual Accounts of FY 2011-12 approximately Rs. 10811/- crores are lying in Suspense Account. A Chartered Accountant Firm namely M/s Sarkar Gurumurthy and Associates, Kolkata has been engaged to identify the amount of Suspense Account lying with various Regional Offices of CMPFO. The employer of a coal employee maintains the residential address of its employees and it has to forward the claims of the employees for payment of unclaimed amounts. As such the coal companies are being directed to launch a publicity campaign to collect claims of all those employees or from the family members of the deceased employees who have yet not preferred their claim for payment of their unclaimed Provident Fund accumulations. The jurisdictional Regional Offices of the CMPFO are also being informed to keep their non-effective ledger accounts ready for prompt disposal of claims on receipt from the coal companies."

**22. The Committee have been repeatedly conveying their concern about the unclaimed money lying with CMPFO as it is felt that no worker should be deprived of his hard earned money. Keeping that in mind, the Committee had desired to know how much money is lying unclaimed with the Regional Offices of CMPFO. The Committee are, however, dismayed to note that as per annual accounts of financial year 2011-12 approximately Rs. 10811/- crore are lying in Suspense Account 'A'. The Committee have also been informed that a Chartered Account Firm namely M/s Sarkar Gurumurthy and Associates, Kolkata has been engaged to identify the amount of suspense account lying with various regional offices of CMPFO. The Committee would like to be apprised of time by when this firm will complete the assigned task. While emphasising that the Ministry/CMPFO should ensure prompt disposal of refund claims, the Committee also like that continuous and sustained campaign should be conducted by the Ministry/CMPFO so that the unclaimed money lying with them finds its rightful takers.**

## **CHAPTER –II**

### **OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **INSPECTIONS BY PROVIDENT FUND INSPECTORS**

##### **Recommendation Serial No. 3**

The Committee note that one of the major functions of the CMPFO is to ensure regular inspection of the mines for the purpose of upkeep of records, deposit of contribution and credit of interests thereon, coverage of newly opened mines and contract workers, recovery of damage in respect of defaulting coal companies etc. The Committee are, however, dismayed to note that this major function of CMPFO has not been attended to by the organisation in letter and spirit. The Committee find that during the financial years 2010-11, 2011-12, 2012-13 (upto November, 2012), only 71 inspections have been carried out by Provident Fund Inspectors out of a total of 901 coal mines and registered units covered by CMPFO. Although, the Secretary, Ministry of Coal during the course of evidence, was candid enough in admitting dissatisfaction over the inspections carried out by the inspecting officers, the Committee cannot but deplore the way the CMPFO has failed to discharge its legal duties in not getting all the mines inspected. The Committee would like the Ministry to furnish the precise reasons for this colossal failure of CMPFO in discharging its duties. Taking note of important functions of the organisation like keeping credit interest, coverage of workers in newly opened mines which ensure the social security to mine workers and their hard earned money, the Committee are not satisfied with such a low number of inspections carried out by Provident Fund Inspectors. The Committee, therefore, strongly recommend that the Ministry of Coal/CMPFO should ensure that PFIs visit all the 901 coal mines on a regular basis as required under section 10(2) of Coal Mines Provident Fund and Miscellaneous Provisions Act by drawing up a time bound inspection schedule for inspection of mines and they be apprised of the action taken by the Government in this regard.

##### **Action Taken**

In order to ensure that inspection of coal mines is carried out more frequently, even with limited available Provident Fund Inspectors, the Ministry of Coal followed up the matter with CMPFO vigorously. A total of 251 inspections have been conducted in the last one and half years as compared to 71 inspections as observed by the Committee in the report.

The Regional Offices of the CMPFO have been advised to continue inspection of all the coal mines regularly. In addition, the concerned Director in the Ministry looking after CMPFO has also been directed to do inspection of the field offices of CMPFO.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated  
20<sup>th</sup> September, 2013]

##### **Comments of the Committee**

(Please see para 13 of Chapter I of the Report)

## **COAL MINES DEPOSITS LINKED INSURANCE SCHEME**

### **Recommendation Serial No. 4**

The Committee find that as per the Coal Mines Deposit Linked Insurance Scheme, in the event of death of an employee in harness who was a member of Coal Mines Provident Fund, his nominee is entitled to receive in addition to the Provident Fund an amount equal to the average balance in the account of the deceased during the preceding 3 years subject to a maximum of Rs. 10,000/-. The Committee have been given to understand that this amount was fixed during the year 1976 when the scheme was initiated. The Committee are surprised to note that the Ministry of Coal/CMPFO did not feel the need to revise and raise the limit fixed 37 years back although the cost of living has increased manifolds. The Committee have been informed that an Actuary has already been appointed to review the present sealing of Rs. 10,000/- for Coal Mines Deposits Linked Insurance Scheme and some mechanism is being developed to suitably enhance the existing corpus fund to increase the benefit to the insured. The Committee are of the view that this is one of the area, among others, neglected by CMPFO. The Committee observe that the paltry sum of Rs 10,000/- is hardly sufficient enough to support the deceased worker's family to meet the ever growing cost of living and therefore, strongly recommend that an early decision be taken in the matter and the benefit to mine workers should suitably be enhanced under the scheme.

### **Action Taken**

The workers of Coal India Limited and its subsidiaries were exempted from the operation of this Scheme with effect from 1.1.1979. The executive cadre employees of Coal India Limited were also exempted from operation of the said Scheme with effect from 24.3.2009 as they have their own beneficial life cover Scheme. As such there is no contribution from CIL and its subsidiaries at present. However, in view of the observations of the Standing Committee, the matter is being revisited.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

## **SETTLEMENT OF PENDING CASES**

### **Recommendation Serial No. 10**

The Ministry have informed the Committee that 1959 cases of provident fund, 2560 cases of provident fund advance and 2366 cases of Coal Mines Pension Scheme are pending for settlement in different Regional Offices as on September, 2012. These pending cases are invariably high particularly in Regional Offices at Dhanbad (I)(II)(III), Godawary Khani, Kolkata, Singrauli, Jabalpur, etc. The number of pending cases of Coal Mines Pension Scheme are also high in Kothagudem, Nagpur, Ranchi, etc. The Committee are concerned to note that though there is a provision for holding Coordination Committee meetings by Regional Commissioners of CMPFO and colliery management regularly to settle pending cases, there were a total of 6885 cases pending regarding

settlement of provident fund, advances and pension cases. The Committee are also dismayed to note that there is no proper monitoring mechanism put in place in the Ministry of Coal to ensure settlement of these cases in a time bound manner though the Board of Trustees is also represented by the Ministry of Coal. The Committee, therefore, recommend that the Ministry of Coal should take necessary steps and come out with a 'Citizen's Charter' to ensure settlement of all claims of Coal Mines workers by CMPFO within a given time frame.

### **Action Taken**

The Secretary Ministry of Coal/ Chairman, Board of Trustees CMPF has specific direction on settlement of pending claims in the CMPFO within a given timeline. The pendency position in respect of PF refund Pension claims etc. is also being reviewed by Board of Trustees in its meetings. CMPFO has been advised to analyse the reasons of pendency and take appropriate action to reduce the pendency of various claims. In addition to this, Director, Ministry of Coal had visited six regional offices where the pendency was high, to review the status and issued necessary directions for implementing corrective measures.

As a result of aforementioned efforts, the number of pending cases of PF refund and Pension claims has come down which is evident from data given in Annexure – II alongwith a comparative histogram showing a decreasing trend in the last three quarters.

In 158<sup>th</sup> Meeting of BOT held on 18.7.2013 CMPFO has been directed to streamline the functioning of regional offices. It has also been directed to examine that the Joint Commissioner, CMPFO should inspect all regional offices as per the schedule laid down to monitor the progress in respect of all issues and a comprehensive report of all such inspection should be submitted to the BOT.

Apart from the mission Biswas wherein CMPFO is required to settle all pension and PF cases within one month of retirement of the employee, a Citizen's Charter has been drafted for Coal Mines Provident fund Organisation (Copy enclosed in Annexure III).

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

## **REDRESSAL OF GRIEVANCES**

### **Recommendation Serial No. 11**

The Committee note that redressal of grievances is one of the major areas of concern to be addressed by CMPFO. It has been informed to the Committee that grievances are examined by regional commissioners and communicated to petitioners by mail. The Committee note that though grievance redressal counters are reported to be functional at all regional centres, their performance is hardly upto mark as during the year 2010-11 against 713 number of grievance cases related to provident fund received, 507 cases were resolved leaving the balance of 206. Again, with regard to pension disbursement, out of 699

cases, only 254 cases were resolved leaving a balance of 445 cases unresolved. The Committee note that during the year 2012-13 (upto September, 2012) 96 provident fund related grievances were received and though action has been initiated in all cases(upto November, 2012), only 15 grievances were reported to have been redressed. Further, out of 224 number of pension related grievances received during the year 2012-13, only 99 number of cases have been resolved. The Committee also observe that disbursement of pension is being done through 14 nationalized banks and they have to collect life certificate once every November. The Committee feel that due to non adherence of this rule by some banks and due to non introduction of Core Banking Solutions (CBS), pensioners in far flung areas are suffering delay in receipt of pension. Although this aspect is being resolved by the banks, the Committee desire that the Organization could also play a proactive role in the matter by acting as a facilitator. The Committee further note that CMPFO have implemented the Centralized Public Grievance Redress and Monitoring System (CPGRAMS) of Department of Administrative Reforms and Public Grievances from January, 2011. During the period between 01.04.2012 to 30.09.2012, out of 41 grievance cases received, 33 were resolved. The Committee feel that the system is at an early stage and less number of cases received may be due to lack of awareness among the workers regarding the facility. As the mechanism is at nascent stage, the Committee recommend that it needs to be publicized more so that more people become aware of this and avail of the facility.

### **Action Taken**

The redressal of grievances has been one of the key priorities. There are only 26 grievance cases relating to settlement of pension and 43 PF grievances as compared to earlier figures of 206 and 445 respectively.

As desired by the Committee, necessary action is being taken to publicize the CPGRAMS (Centralised Public Grievance Redress and Monitoring System) launched by the Department of Administrative Reforms and Public Grievances through newspaper advertisements, notices on the Notice Boards of Regional Offices of CMPFO and colliery/units of Coal Companies etc. so that employees and their family members use the system for redressal of their grievances.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

## **COMPUTERIZATION PROGRAMME IN CMPFO**

### **Recommendation Serial No. 12**

The Committee are unhappy to note that every Commissioner of CMPFO had tried to install new computer programme in the organisation and imposed the same on the Field Offices for its implementation, instead of streamlining the established existing system by incurring heavy expenditure at different periods. The Committee observe that CMPFO's

computerization programme is now in a mess and there is no monitoring system and therefore on-line claim settlement has been developed. As regards, floating tenders for computerization work is concerned, the Committee are perturbed to note that while selecting M/s SAP India Private Limited in 2005, limited tender inquiries have been floated which were against the prescribed norms and no tenders were floated in 2007, while selecting M/s Soft Info, Dhanbad. What has surprised the Committee more is that the Commissioner, CMPFO has taken these decisions on his own without the approval of Board of Trustees (BOT). While strongly disapproving the functioning of the Commissioner, the Committee are of the view that Ministry of Coal cannot absolve itself of the responsibility to check all the wrong done in the organisation and recommend that the Report of the Enquiry Committee be examined by the Ministry and responsibility fixed on serving/retired officials for the mess created and the Committee be apprised of the action taken by the Government within three months.

### **Action Taken**

At present OSS system is operational for online settlement of PF, Advances, Pension claims etc. CMPFO has its own website [www.cmpfo.gov.in](http://www.cmpfo.gov.in) wherein the members can log in and see their ledger card, pending cases etc. Due to shortage of computer trained personnel, uploading of members particulars has not been completed. This will be taken by CMPFO in due course.

Again as per decision taken in the 157<sup>th</sup> meeting of the BOT, CMPF held on 22.02.2013 at Kolkata, a committee has been constituted comprising GM (systems, CIL), Joint Commissioner, CMPFO and a representative from NIC, Ministry of Coal. The Committee headed by Director, PRIW-III, Ministry of Coal has been examining this issue and is trying to zero down on viable options.

The Ministry of Coal has already handed over all the documents including the Inquiry Report to the Cadre Controlling Authority of (Department of Economic Affairs) of the concerned officer. Daily hearing have been held and the Inquiry Officer is expected to submit his findings/report to the cadre controlling authority soon.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

### **UNCLAIMED MONEY**

#### **Recommendation Serial No.13**

The Committee note that the labourers/workers benefitted by CMPFO are mainly illiterate and many times are not aware of the rights and benefits entitled to them. Hence, they are at a disadvantage due to these factors and the hard earned money due to them remains unclaimed. The reasons reported to the Committee for unclaimed money lying with CMPFO are mainly absence of nominee, forfeiture from Member Account,



non-refundable contribution from Rewa Kobra & Talcher, Bonus forfeited, Unclaimed Bonus, Special Reserve Fund Account, Interest on Reserve Account, Reserve Account Late Fee and Miscellaneous Reserve. These amounts were received from coal companies before their nationalization. In view of the foregoing, the Committee would like the Ministry of Coal/CMPFO to enquire as to how much of the money is lying unclaimed with all the Regional Offices and apprise them of the same. The Committee recommend the CMPFO to identify the workers/families whose claims are pending and settle the same without any further delay. The Committee also recommend that the workers/pensioners of coal industry should be made aware of their rights and entitlements by conducting an awareness programme by holding regular camps, issuing circulars, putting advertisements in vernacular newspapers and through booklets in local dialects, etc. by the colliery incharges. The Committee also desire that the employees engaged in personnel department of coal companies should have direct interaction with employees/labourers and they should be made responsible to ensure that labourers furnish the required documents and complete the required formalities beforehand to enable hassle free settlement of claims.

### **Action Taken**

As per the Annual Accounts of FY 2011-12 approximately Rs. 10811/- crores are lying in Suspense Account. A Chartered Accountant Firm namely M/s Sarkar Gurumurthy and Associates, Kolkata has been engaged to identify the amount of Suspense Account lying with various Regional Offices of CMPFO. The employer of a coal employee maintains the residential address of its employees and it has to forward the claims of the employees for payment of unclaimed amounts. As such the coal companies are being directed to launch a publicity campaign to collect claims of all those employees or from the family members of the deceased employees who have yet not preferred their claim for payment of their unclaimed Provident Fund accumulations. The jurisdictional Regional Offices of the CMPFO are also being informed to keep their non-effective ledger accounts ready for prompt disposal of claims on receipt from the coal companies.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

### **Comments of the Committee**

(Please see para 22 of Chapter I of the Report)

## **GENERAL**

### **Recommendation Serial No. 15**

The Committee find that functioning of the office of CMPFO is not satisfactory at all. In every stage, their callous approach is established. For every delayed payment of workers under the Act, severe steps should be taken against the erring officer and interest should be paid to the workers. In every State, where the coal mines are operating, a tribunal should be constituted for redressing the grievances of workers and such tribunal should be established nearer to coal mines. For that reason,

necessary amendment should be made in the Act. It is unfortunate that the Ministry had not applied their mind in respect of the failure of the office of CMPFO to discharge their duty until the Standing Committee has taken up this matter. In future, the Ministry must take assessment of work of the office of CMPFO in regular interval and depute one officer to oversee the inspection report of the Inspecting Team. The Committee recommend that the Ministry should refer the cases immediately to vigilance department in respect of financial irregularity, as pointed out earlier.

### **Action Taken**

Grievances are redressed by the concerned Regional Commissioner as he is the nominated Grievance Officer for his respective region. A Grievance Cell has been set up in the Headquarters of CMPFO to attend to all such grievances which have not been redressed in the regional offices.

Pursuant to decision taken in the 156<sup>th</sup> meeting, Director(PRIW), Ministry of Coal, visited Regional offices I, II and III Ranchi and Regional I, II and III, Dhanbad to review the pendency in respect of PF and Pension claim settlement. Besides review of pendency, updating of all statutory records, functioning of their offices, coverage of contractors' workers, and inspection of collieries by Regional offices was also discussed. The concerned Regional Commissioners were instructed to (a) reconcile and follow up with coal companies to cover all the eligible workers in CMPFO Schemes including contractors' worker, private coal companies and captive coal blocks, (b) monitor the functioning of their offices in an objective and effective manner on regular basis, (c) ask coal companies to forward the claims along with a check list confirming that all the particulars and the information provided for the claims is correct, (d) update all statutory records like individual ledger cards, pension ledger folio, passbooks etc within 2-3 months and (e) Ensure compliance of CMPF Schemes through regular/ physical monitoring by Regional Commissioners/ Assistant Commissioners.

In the 158<sup>th</sup> Meeting of BOT held on 18.7.2013 the Chairman directed that in order to streamline the functioning of regional offices, Joint commissioner should inspect all the regional offices as per laid down schedule to monitor the progress in respect of all issues and a comprehensive report of such inspections should be submitted to BOT.

Ministry of Coal through the Board of Trustees will continue to take further action to streamline the functioning of the CMPFO as desired by the Committee.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated  
20<sup>th</sup> September, 2013]

## **CHAPTER – III**

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

#### **SHIFTING OF REGIONAL OFFICE AT JABALPUR**

##### **Recommendation Serial No. 14**

The Committee note that at present 24 Regional Offices of the CMPFO, a social security organisation, are situated in coal producing States in the country. The Committee have been given to understand that some of these Regional Offices including the one situated at Jabalpur are far from the mining areas namely Hasdeo, Bistrampur, Baikunthpur, Sohagpur, Johila, Chirimiri, Jamuna – Kotma and Bhatgaon of South Eastern Coalfields Ltd. located in the districts of Anuppur, Korea, Chirimiri, Sohagpur, Shahdol, Narsinghpur, Umaria and Surguja in the States of Madhya Pradesh and Chhattisgarh and thus resulting in hardship to the coal mine workers seeking advances for education, marriage, home building, etc. The Committee feel that the very purpose of establishing these Regional Offices was to create social security measures accessible to the workers near the mining areas and to build a high level of confidence among the workers of coal mines. The Committee have been informed that the Board of Trustees of CMPFO in their 157th meeting of BOT held on 22<sup>nd</sup> February, 2013 have decided to shift some areas from Regional Office, Jabalpur to Bilaspur. The areas which will be shifted to Bilaspur will be decided by CMPF Commissioner in consultation with the Director (Personnel), SECL and one of the union representatives (BOT Member)." In view of the foregoing, the Committee recommend that CMPFO should consider the re-organisation of all the Regional Offices to cover the mining areas. They also desire that branch Offices should be established to cover 2-3 mining areas to cater to the workers employed in mines located in areas far away from the present Regional Offices. The Committee would like to be apprised of the action taken by the Ministry in the matter.

##### **Action Taken**

The issue of organisation of coal mining areas within the jurisdiction of Jabalpur and Bilaspur Regional Office of CMPFO was discussed in the 156<sup>th</sup> meeting of the BOT, CMPF held on 20.07.2012 and it was decided that the CMPF Commissioner, D(P), SECL and the Union Representative of the Area in BOT, would examine the matter. Accordingly a meeting was fixed on 21.06.2013 at Coal Controller's Office, Kolkata to deliberate on the matter. Three areas namely Chirimiri, Jamuna & Kotma and Baikunthpur have been agreed for shifting from Jabalpur to Bilaspur area and the necessary Office Order has been issued on 22.06.13.

As far as opening of branch offices for every two-three coal mining areas is concerned, the same is not feasible due to shortage of manpower and funds and other technical aspects that go into creation of a sub-Regional Office.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

## **CHAPTER – IV**

### **RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE**

#### **IMPLEMENTATION OF SCHEMES**

##### **Recommendation Serial No. 1**

The Committee note that as per the provisions of the Coal Mines Provident and Miscellaneous Provision Act, 1948, the employees engaged by public and private sector Coal Mining Companies are to be covered under the Coal Mines Provident Fund Scheme, 1948 and Coal Mines Pension Scheme, 1998 and Coal Mines Deposit Linked Insurance Scheme, 1976 and Coal Mines Provident Fund Organisation(CMPFO) is responsible for administering these schemes through a tripartite Board of Trustees consisting of Government representatives, employers' representatives and employees representatives. The Provident Fund Inspectors of CMPFO working under the control of jurisdictional regional Commissioners inspect the colliery office regularly and submit their inspection report every month to Commissioner, Headquarter. The Committee are, however, constrained to observe that inspections by Provident Fund Inspectors were carried out only in Collieries of Subsidiaries companies of Coal India Ltd. Moreover, the report on coverage of company-wise contract labourers (as on 31.03.2012) shows that only 34004 contract labourers of Coal India Ltd. and its subsidiary companies were covered by CMPFO. In view of the foregoing, the Committee are inclined to observe that private/captive coal mine workers have not been covered by CMPFO thus compromising the social security of such workers. The Committee would like the Ministry of Coal/CMPFO to ensure that all workers in private/ captive coal mines are covered under all the 3 schemes of social security by CMPFO, and they would like to be apprised of the data available with all the Regional Offices of CMPFO where private/captive coal mine workers have been covered by them and the reasons for not covering private mine workers.

##### **Action Taken**

The CMPFO is making sincere efforts to ensure that the issue of coverage of private/captive coal mine workers is taken up with the concerned Coal Companies.

The Ministry of Coal has also been monitoring and reviewing the progress in this regard by way of issuing instructions to CMPFO. The number of contract workers covered under CMPFO is at Annexure-1. The Regional Commissioners have been directed to follow up with the coal companies for enrolment of contractor's workers including workers employed in captive coal blocks. The CMPF Inspectors have also been advised to inspect the records of coal companies in this regard.

In addition to the above progress is being reviewed in meetings of Board of Trustees. In the 158<sup>th</sup> Meeting of the Board of Trustees, the Chairman has given the following directions :

- (a) All Regional Commissioners should initiate special drive to cover eligible contractors' workers under CMPFO especially in respect of the private coal blocks which have gone into production;
- (b) A region-wise statement showing new members covered under CMPFO during the period should be placed in the next BOT meeting
- (c) The Commissioner should review the progress on monthly basis and present the consolidated position in the next BOT .
- (d) The Commissioner, CMPFO should use statutory powers to invoke the provisions of CMPF and Miscellaneous Provision Act, 1948
- (e) In addition with regard to membership of coal workers under EPFO, the BOT directed that to verify the claims of contractors regarding membership of EPFO, a joint survey with EPFO be carried out on units of SCCL at Godavarikhani, WCL at Nagpur, SECL at Bilaspur and CCL under the jurisdiction of CMPF Regional Office, Ranchi-III. Joint Commissioner, CMPFO may coordinate with EPFO to submit the findings in the next BOT meeting. FA, EPFO may be contacted for any assistance in this regard.

It will be the endeavour of the Ministry of Coal and CMPFO to maximize the coverage especially in respect of captive coal mines in the private sector.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

### **Comments of the Committee**

(Please see para 7 of Chapter I of the Report)

### **Recommendation Serial No. 2**

The Committee were given to understand that Members of Parliament were earlier nominated as the Member of Board of Trustees of CMPFO and Ms. Mabel Rebello (now ex-MP) was nominated as the Member of the Board of Trustees on 22.2.2005 for a period of three years. The Committee are, however, surprised to note that no name of any MP has been included in the Board of Trustees of the organisation which was constituted on 13th October, 2009. The Committee would like to be apprised of the reasons for the non inclusion of any MP in the Board of Trustees. The Committee would also like the Ministry to include the name of MPs from the Coal producing States in the Board of Trustees when it is constituted next time.

### **Action Taken**

Section 3-A of the Coal Mines Provident Fund & Miscellaneous Provisions Act, 1948 provides for constitution of a Board of Trustees consisting of the following persons:

- (a) A chairman appointed by the Central Government;
- (b) The Coal Mines Provident Fund Commissioner, ex-officio;
- (c) Three persons appointed by the Central Government;
- (d) Not more than six persons representing Government of such States as the Central Government may specify [appointed by the Central Government]
- (e) Six persons representing employers, appointed by the Central Government after consultation with such organisations of employers as may be recognised by the Central Government in this behalf, and of whom at least one shall be a person who is not a member of any such organisation;
- (f) six persons representing employees, appointed by the Central Government after consultation with such organisations of employees as may be recognised by the Central Government in this behalf, and of whom at least one shall be an employee himself and at least one shall be a person who is not a member of any such organisation.

All these aspects will be considered whilst re-constituting the Board of Trustees.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

### **Comments of the Committee**

(Please see para 10 of Chapter I of the Report)

## **INVESTMENT OF FUNDS**

### **Recommendation Serial No. 6**

The Committee note that CMPFO has invested Rs. 29363.95 crore in ICICI Securities Primary Dealership Ltd. It has also invested Rs.16522.5 crore in the Special Deposit Scheme of the Ministry of Finance, which does not seem appropriate. The Committee have failed to understand why these funds were not invested in public sector banks. The Committee are further dismayed to note that there is no monitoring mechanism in Ministry of Coal and Board of Trustees(BOT) to protect the interest of Coal Mines workers and the then Commissioner, CMPFO had acted beyond his delegated powers by extending the tenure of Fund Managers without taking approval of BOT. Thus, the Commissioner has neglected the most important duty assigned to him and the investment decisions are left to the wisdom of the portfolio manager. While deprecating the unusual powers exercised by the then Commissioner, the Committee fail to understand as to why these irregularities were not brought to the notice of the Ministry by BOT which is headed by Secretary, Ministry of Coal and why appropriate action was not taken against the Commissioner. The Committee feel that besides taking strict

departmental action against all those who were responsible for flouting rules and procedures, the matter should have been referred to a Central Investigating Agency in the first instance. At the same time, the Committee also desire that in future, the Ministry of Coal should take adequate safeguards to secure the safety of certificates/instruments of investments which are vested with the Fund Managers.

### **Action Taken**

Departmental inquiry by CVC in the matter of irregular investment of funds against the ex-Coal Mines Provident Fund Commissioner is in progress. However, at present the funds are being invested as per norms set by the Government of India, Ministry of Finance and it is monitored by an Investment Sub-Committee of BOT on a quarterly basis. The Sub-Committee monitors the performance of Fund Managers quarterly as per the benchmark for minimum performance fixed by the Committee.

State Bank of India, PM&CS, Mumbai is the portfolio manager for all the corpus/ funds of CMPFO. The following steps/ checks are in place to ensure the safety of all the securities/ instruments vested with Fund Manager;

(i) All Central/ State Government securities are in DEMAT form and are held with RBI.

(ii) All Corporate Bonds are in DEMAT form and are in DEMAT account of CMPFO held with Depository Participant.

(iii) Investment Bank Fixed Deposits, in physical form are kept in fire proof safe.

(iv) All the above holdings are being audited and reconciled by the external auditor on monthly basis.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

### **Comments of the Committee**

(Please see para 16 of Chapter I of the Report)

## **VACANCIES IN CMPFO**

### **Recommendation Serial No. 8**

The Committee have been given to understand that as on 10.10.2012, out of total sanctioned posts of 1574, the actual strength of CMPFO is only 926 which shows that 41.17% of the total posts are lying vacant in the organisation. The Committee further observe that 34.79% posts are vacant in Group 'A' services and 70.14% in Group 'B'. Further, Provident Fund Inspectors, a Group 'B' service who are responsible to inspect all the Coal Mines and Units, against a sanctioned strength of 30 only 5 are in position. The Committee are constrained to note that though UPSC and Department of Personnel and Training, Government of India (Staff Selection Commission) were approached to fill up the vacancies in

Coal Mines Provident Fund Organisation, the Ministry of Coal/CMPFO were informed by these departments/organizations in 2008 and 2011 to take appropriate action to recruit staff as these are autonomous/statutory bodies, but no action has been taken by them so far. The Committee also take a serious note of the fact that an Enquiry Committee has pointed out that the Commissioner has not made serious efforts to fill up the vacant posts and thus failed as the head of the organisation. What is further surprising to the Committee is that though they were apprised of the same by the Ministry of Coal in June, 2011, no steps were taken by them to strengthen manpower in the organisation for its smooth functioning. The Ministry of Coal has now apprised the Committee that an amendment is required in the Coal Mines Provident Fund and Miscellaneous Provisions Fund Act as suggested by the UPSC for recruitment of Group 'A' services. Further, Indian Institute of Banking Services is reported to have been approached to fill up vacancies in Group 'C' & 'D' services. In view of the foregoing, the Committee cannot but deplore the lackadaisical approach of the Government/CMPFO in making proper recruitments in the organisation and strongly recommend that the Government should immediately bring the desired amendment on the lines of amendment in Employee Provident Fund Organisation (EPFO) Act as mentioned by the Secretary(Coal) during his deposition before the Committee on 26.11.2012 so as to safeguard the interests of 4.34 lakh coal mine workers benefitted from various schemes of CMPFO. The Committee would also like to be apprised of the present status of recruitment to Group 'C' & 'D' posts which was likely to be done through Indian Institute of Banking Services. They desire that the option of getting them recruited through the Staff Selection Commission on a regular basis may also be explored.

### **Action Taken**

The process of recruitment of LDC's and PFI's is underway. CMPFO has requested Institute of Banking Personnel Selection to hold examinations for selection to the posts of Provident Fund Inspector and Lower Division Clerk.

The Board of Trustees in its 157<sup>th</sup> Meeting has approved in principle the proposal for recruitment of Group A officers through the Union Public Service Commission. CMPFO has been directed to initiate the process for amendment of Recruitment Rules and the Coal Mines Provident Fund and Miscellaneous Provisions Act which is a mandatory requirement for this purpose.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

### **Comments of the Committee**

(Please see para 19 of Chapter I of the Report)



## **CHAPTER – V**

### **OBSERVATIONS/RECOMMENDATION IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

#### **COAL MINES PENSION SCHEME, 1998**

##### **Recommendation Serial No. 5**

The Committee note that according to the Coal Mines Pension Rules, 1998, there is a provision for valuation and review of pension fund for which CMPFO shall be responsible. The valuation of the pension fund should take place every third year by an Actuary and the report of the Actuary has to be placed by Commissioner before the CMPFO Board for enhancement and review of family pension. The Committee are, however, surprised to observe that since introduction of Coal Mines Pension Scheme in 1998, the pension amount has not been revised even once since its introduction though the same is reported to have been reviewed at least about 5 times during the period without any result. The Committee note with regret that although it is a contributory pension scheme based on investments and returns thereto to be extended as 3rd benefit to the employees working in coal mines, the Government have not taken any action in spite of salary structure of workers having undergone several revisions during this period. As the matter is long pending and has not received due attention during all these years, the Committee strongly recommend that the Ministry of Coal/CMPFO should accord top priority to review the scheme and necessary steps be taken to enhance the pension of coal mines workers.

##### **Action Taken**

Pension under this Scheme is a return on contributions by the employees, employers' share thereupon and contribution from the Central Government. Actual calculations done by this Organisation as mentioned in its in-house report placed before the 151<sup>st</sup> meeting of the Board of Trustees show that the return by way of pension to the members of this Scheme exceeds the contributions made by these members. Moreover, the actuarial reports show huge deficits to the Pension Fund, which do not allow any enhancement of pension under the Scheme. Under the prevailing circumstances, augmenting the Pension Fund would require stepping up the contributions to augment the pension fund and even to sustain the existing outflow.

The draft report of the actuary was submitted to the Board of Trustees, CMPF. An Expert Committee was constituted by the Board to examine the report. The committee has also discussed it with CIL actuary and the details are reproduced below:

i) Remodeling/Structuring of CMPS '98 Scheme through an Actuary.

ii) To request CIL to send the proposal to Technical Committee of JBCCI for framing of a model to fund the liability of estimated Rs. 18,416 cr.

iii) Following exercise is required for sovereign guarantee to pensioners of CMPS '98:

- a) To remodel/restructure CMPS '98 in totality.
- b) To examine terms of reference and long term and short term reworking of contribution
- c) An expert in the field of actuarial evaluation is to be engaged for the assessment annually.
- d) Upper ceiling/ lower ceiling of monthly pension may be fixed as per provisions of EPF Scheme.

Accordingly proposal submitted by CIL actuary was submitted to the 157<sup>th</sup> BOT. Director(P&IR) ,CIL informed that further studies by its actuary is going on and in due course will be discussed in the JBCCI meeting.

In the 158<sup>th</sup> Meeting of Board of Trustees held on 18<sup>th</sup> July, 2013, the Chairman said that decision with regard to the revision could only be taken after sound actuarial evaluation and requested Dir (P & IR) to have the necessary consultation completed before the next BOT for its consideration.

Chairman also directed that, in the interim period a group of officers with JS(FA), Ministry of Coal and FA/EPFO, EA/Ministry of Coal, Jt. Commissioner CMPFO could separately examine the report of the actuary and offer its recommendations within the next three months. This would be an independent input for formulating the views as early as possible.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated 20<sup>th</sup> September, 2013]

### **Recommendation Serial No. 7**

The Committee would also like to be apprised of the deficit of Rs. 1946.67 crore in the Pension Fund Corpus as on 31.03.2005 as pointed by the Actuary appointed for valuation of the Pension Fund, impact of outflow on the health of the Fund & Scheme, suggestions for improvement of Pension Scheme and the overall health of the Fund, as the database for the actuarial research is reportedly being collected from the related coal companies i.e. from both the private and public sector for undertaking the said valuation work.

### **Action Taken**

Data for actuarial evaluation were collected from Coal Companies and made available to the Actuary, Shri Liyaquat Khan, who submitted his draft actuarial report in 2012 which was placed before the Board of Trustees, Coal Mines Provident Fund, in its 156<sup>th</sup> meeting on 20.07.2012. An expert committee was formed to examine the report. The Committee after deliberations on the issue submitted its recommendations which are given in reply to observations/ recommendations at Observation No. 5 above.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated  
20<sup>th</sup> September, 2013]

### **Recommendation Serial No. 9**

The Committee also note that there exists vacancy even at the highest level i.e. at the level of the Commissioner and the organization has been managing with an officiating Commissioner for a long time. While observing that the vacancy at the highest level for a long time can cause bottlenecks in smooth functioning of the organization besides lowering the morale of the workers of the organisation, the Committee desire that the process to fill vacancy be completed without any further delay.

### **Action Taken**

A Search-cum-Selection Committee has been formed for filling up the post of Commissioner, CMPFO at the earliest. A Commissioner, CMPFO will be appointed as soon as a suitable candidate is identified by the Committee.

[Ministry of Coal, O.M. No. 20/530/6/2013-PRIW-III dated  
20<sup>th</sup> September, 2013]

**NEW DELHI;**  
— **December, 2013**  
— **Agrahayana, 1935 (Saka)**

**KALYAN BANERJEE**  
**Chairman**  
**Standing Committee on Coal and Steel**

**ANNEXURE- II**

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 10 DECEMBER, 2013 IN COMMITTEE ROOM 'E', PARLIAMENT HOUSE ANNEXE, NEW DELHI.**

The Committee sat from 1530 hrs. to 1600 hrs.

**PRESENT**

**Shri Kalyan Banerjee - Chairman**

**LOK SABHA**

2. Shri Hansraj G. Ahir
3. Shri Ganeshrao Nagorao Dudhgaonkar
4. Shri Vishwa Mohan Kumar
5. Shri Yashbant N.S. Laguri
6. Shri Pakauri Lal
7. Shri K.R.G. Reddy
8. Shri Pashupati Nath Singh

**RAJYA SABHA**

9. Shri Ali Anwar Ansari
10. Shri T. Rathinavel
11. Shri Sanjay Raut

**SECRETARIAT**

1. Shri Arvind Sharma - Deputy Secretary
2. At the outset, Chairman welcomed the Members to the sitting of the Committee.
3. The Committee thereafter took up for consideration the following Draft Action Taken Reports:-

- |      |    |    |    |    |
|------|----|----|----|----|
| (i)  | ** | ** | ** | ** |
| (ii) | ** | ** | ** | ** |

- (vi) Draft Action Taken Report on "Review of Performance of Coal Mines Provident Fund Organization (CMPFO)" relating to the Ministry of Coal

***The Committee then adjourned.***

\*\*Do not pertain to this Report.

**ANNEXURE- V**  
**(Vide Para IV of Introduction)**

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE THIRTIETH REPORT  
OF THE STANDING COMMITTEE ON COAL AND STEEL**

I.	Total No. of Recommendations made	15
II.	Recommendations that have been accepted by the Government ( <i>vide</i> recommendation at Sl. Nos. 3, 4, 10, 11, 12, 13 and 15)	07
	Percentage of total	46.66%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies( <i>vide</i> Recommendation at Sl. No. 14)	01
	Percentage of total	06.66%
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee ( <i>vide</i> recommendation at Sl. Nos. 1, 2,6 and 8)	04
	Percentage of total	26.66%
V.	Recommendations in respect of which final replies of the Government are still awaited ( <i>vide</i> recommendation at Sl. Nos. 5, 7 and 9)	03
	Percentage of total	20%

