



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

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



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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



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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

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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.

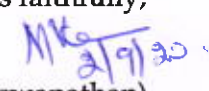
This was discussed in CMDs Meet held on 10th July'2020, they had agreed to the scheme and suggested minor modification. After incorporating the modification, the same is placed to the Board for its consideration.

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,


(M.Viswanathan)
Company Secretary

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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

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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.

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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: 1px solid black; border-right: 1px solid black; padding: 5px;"> <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> </div> <p style="text-align: center;">Or,</p> <div style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;"> <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>

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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>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>
<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>	

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.

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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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