



## INNOVATIVE MANAGEMENT TO SOLVE CRITICAL MINING DISPUTE

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### ABSTRACT

Central Coalfields Limited, A Coal India Subsidiary was facing the closure of Rajhara Colliery because of trade union rivalry for the appointment of wagon loaders for coal despatch. Coal India, accounts for over 80% of India's coal production. Rajhara Colliery, near Daltongunge in India, was producing high-grade coal and coke with large demand. The colliery belonged to MS Bengal Coal Ltd of

Andrew Yule and wagon loading was done by contractual workers. After nationalization, wagon loading was decided to be departmental and the Project Report provision was 256 only. Actually, the contractor used to keep a roster of around 500 wagon loaders, to save demurrage costs on a first come first serve basis. CCL HQ had taken the list of wagon loaders from 3 trade unions operating and common 256 wagon loaders were selected. Appointment letters were issued to them and wagons were supplied by the Railways. The rest of the wagon loaders obstructed physically preventing wagon loading and demurrage charges were levied and the mine closed. The then Chief Minister of Bihar Mr. Bhisma Narayan Singh belonging to the area, wanted quick resolution of the problem.

**KEYWORDS:** Coal property; Contract Labour; Demurrage charges; Confiscation; Stakeholders; Court injunction.

### INTRODUCTION

Rajhara mine located in Daltongunge Coalfield, in Palamu district was started in 1842 by the Bengal Coal Company, making it one of the oldest mines in the country. the block was Part

of Central Coal Fields Limited. The area falls between Latitude  $24^{\circ} 09' 42''$  N to  $24^{\circ} 10' 08''$  N and Longitude  $84^{\circ} 02' 48''$  E to  $84^{\circ} 04' 07''$  E. The nearest railway station Kajri, lies at a distance of about 4 km on the Gomoh-Dehri-On-Sone loop line of the East Central Railway. Road NH-75 connecting Daltonganj with Aurangabad is passing through the eastern part of the block. The mine property of 1.09 sq. km. was transferred to Ram Sharan Das and Brothers in 1969. Subsequently, the mine was nationalized in 1973.



**Figure 1: Operating Rajhara Colliery.**

The Contract Labour (Regulation and Abolition) Act, of 1970 was enacted with the object and intent to abolish contract labour. Rajhara and Hutar collieries were being managed by a Sub Area Manager under North Karanpura Area of Central Coalfields Ltd. Negotiations (Anderson A.M, Beaumont B, 2020) were going on with the unions for regularization of contract wagon loaders, but many conflicting claims were being made. Figure 1 shows Rajhara Colliery in operation.

The principal drainage in the area is provided by the South-Westerly flowing Sadabaha River forming the western boundary of the block which joins the North Koel River in the south. Numerous South to South-westerly flowing nalas and rivulets join the main drainage system to form a dendritic drainage system. Coal Seams & Reserve (Geological resource as considered in the approved mining plan)- Number of Coal Seams-3; Thickness Range (m) Rajhara Top 5.08-8.56, Depth 3.60-40.53, Resource Mt 2.205 Proved 1.985, Grade D-F; Rajhara Middle 0.91-6.65 1.053 0.947; Rajhara Bottom 11.01-20.47 6.62-87.90 19.265

17.339, D-F; Rajhara Bottom 11.01-20.47 6.62-87.90 19.265 17.339 D-F; Total 22.5- 20.27 Mt.

Being in an isolated location, the Rajhara area had large pressure of employment. Even after joining of 256 wagon loaders, when wagons were placed in siding other contractor employees did not allow them to load. The railway was levying demurrage charges, the Sub Area Manager arranged police protection, and yet (Bhagwati P.N 1984) for days together despite negotiation selected wagon loaders were not allowed. The Sub Area Manager then reported to the Dy. Commissioner, Daltongunge, and despatch by truck loading were decided. Even then, the selected workmen were not allowed to load and the situation was aggravated by trade unions. The Sub Area Manager reported to the Director (Technical) at CCL HQ that he was not getting support from the District authorities. The Dy. Commissioner opined that Rajhara has a management problem. The Sub Area Manager was transferred and I was posted there, as Sub Area Manager, despite my hesitation. I was posted as Staff Officer to General Manager Mr. J. P. Singh or Area Manager and Rajhara was already a losing mine.

### **Conflict Resolution**

A series of joint meetings were held with all stakeholders and it was learned that the majority union HMS has filed an injunction in the Supreme Court. Earlier, there was a joint meeting called by the Director (Personnel) with the three trade unions of Rajhara at Ranchi HQ. A joint MOU was drafted and after discussions, INTUC and AITC leaders signed. But, the leader of HMS refused to sign and threatened with dire consequences and walked out. Then, the HMS leader filed an injunction in the Supreme Court, on the basis that the MOU was not signed by the party. As evidence, a copy of the unsigned document (Chatterjee A, Patel S 2022) was produced in the Supreme Court and an injunction was imposed.

CCL HQ was arguing in the case in the Supreme Court that the appointment was as per Project Report provisions. The Dy. Commissioner had posted a police team and despatch by consumer trucks was started. Production was suffering as the coal dumping places were full, and there were chances of fire, as the coal was liable to spontaneous combustion. Day-to-day communication was started with the Director (Personnel) office, CCL HQ. It was decided that if anyone tried to stop despatch, should be arrested and warned (Deshpande VS 1983) that such a person would lose the chance of a future appointment. This decision was made effective and some troublemakers were rounded up.

### **Interim Solution**

Rajhara Colliery has still a reserve of 22.5 Million Tonnes of coal and should continue to produce coal. Further discussions continued with the stakeholders, to resume normal despatch and production for the interest of all. Because of the court injunction, we should decide (Mendelsohn O, 1981) on the status-quo-ante option. The former Contractor agreed to work as per erstwhile terms and rates, till the injunction is court injunction was resolved. General Manager, N. K. Area above Sub Area Manager recommended to DP HQ. The Railways were requested to place wagons in the siding with prior notice to all concerned.

The wagons were placed under police supervision, and selected employed wagon loaders began. Even then, desperate earlier workmen of the contractor stopped wagon loading. The contractor allowed help from some of his ex-workers to load and yet the wagons were not loaded. Police threatened arrest, and all kinds of persuasions continued, (Samaha AM, 2005) and finally, Railways was asked to withdraw wagons to save demurrage charges. FAX messages were sent to the GM and DP, CCL for an early vacation of the Supreme Court injunction. Low ash natural soft coke was a rare product of Rajhara like naturally formed charcoal and was in high demand all over India. Somehow, the consumers who had booked were allowed to be loaded in their own trucks.

### **Legal Battle**

In the Supreme Court, workmen involved were represented through the President of HMS versus employers in relation to the management of Rajhara colliery of m/s Central Coalfields Limited. HMS did not move High Court in Ranchi as they felt the case could be easily vacated by CCL. The Supreme Court lawyer on the documentary evidence of not being a signatory to the MOU accepted it. Provisions of The Industrial Disputes Act, of 1947, and under different sections the hearings of the case were going on in Delhi. CCL's defence arguments were under Section 10(1) of the Contract Labour Regulation & Abolition Act of 1970 prohibiting the employment of contract labour. According to them, their work was being supervised by the loading clerk of the management of Rajhara Colliery and further their attendance in each calendar year was for more than 240 days. The argument was that the employment letters were issued considering such provisions (Sharma, K Pasricha, 2020) and were agreed upon by the other two national unions. The limitation of employment of 256 wagon loaders was as per provisions of the Project Report of Rajhara approved by the Central

Government. If in future if the Project Report was revised then more ex-wagon loaders would be appointed.

The revision of a project report is that the Geological Report by CMPDI (Central Mine Planning and Design Institute) under Coal India has to be done. Then, the draft Project Report will be made by CMPDI and put up in the Company Board of CCL and forwarded to the CIL Board. On the recommendation of the CIL Board, the Ministry of Coal will have to clear it with the associated ministries. The whole process could take several years and the Supreme Court was requested to vacate the injunction so that Rajhara Colliery could resume normal activities.

### **Implementation Problems**

An urgent meeting was called with all stakeholders at Rajhara by the author as Sub Area Manager after the Supreme Court vacation of injunction was informed. There was a general consensus that wagon loading should be resumed by the employed wagon loaders. But it was felt that HMS did not take the judgment of the Supreme Court in the right spirit and they were assured that in the future their grievance will be redressed. Before, the Railways was requested to supply a rake of wagons, the Dy. The Commissioner and Superintendent of Police were approached for protection. Before the wagons were placed in the siding, the Inspector of Police deputed went around Rajhara announcing with a loudspeaker in a jeep that if anyone dared to prevent government work, arrest would be made.

After the rake of wagons was placed in the siding by the Railways, appointed wagon loaders started work. But on the instigation of the Trade Union concerned, the protesters went inside the wagons, stalling the loading of wagons. It was evident that the Railways would levy demurrage charges if the wagons were not loaded. The Inspector of Police with force was ready (Singer J W, 1989) and persuaded the protesters to vacate the wagons for loading. But they refused and the Inspector of Police was provided with a truck, in which the protesters were arrested and loaded for taking them to the local Police Station. The idea was that while the arrested protesters were lodged in the PS, the appointed wagon loaders would be able to complete the wagon loading. On the way to the PS, there was gun firing from the residence of the concerned TU Leader, some innocent old lady onlooker was killed. The Inspector of Police reported the matter as if the firing was directed at the Police party. The Superintendent of Police had taken up with Dy. Commissioner and confiscation with an attachment of

property were decided. The TU leader was arrested from his house and taken into police custody and the media flashed the news.

The appointed Wagon Loaders then safely completed the rake filling by night. Director (Personnel) CCL HQ, Mr. Choubey (Surajpal S, 2020) had clarified to the media that it was legal action taken by the state authorities and neither CCL HQ nor Rajhara administration can interfere. The loaded rake was taken out by the Railways the next morning and peace were regained. Normal production and despatch by rail continued, and Police Station released the arrested protesters. As a confidence-building measure, all stakeholders at Rajhara were assuaged that after CCL HQ approved, further appointments would be implemented. However, I was not personally happy with the situation and sought my transfer and was posted in the Eastern Coalfields. The General Manager, of NK Area, did not want to release me as I had done excellent work. The normal atmosphere and the environment with the better performance achieved, by the time I handed over the charge in April 83.

### **Continued Court Appeals**

The next General Manager to keep the peace had given some casual job of shale picking and wagon picking from the railway siding of Rajhara Colliery. However, the workmen had been terminated from service w.e.f. 11.08.1985 but the dispute was not been made. According to the Management, none of the concerned persons were employees of the management of Rajhara Colliery. However, the Rajhara colliery continued to run and produce coal till 2010. Central Coalfields decided operations to be suspended because of safety concerns. Rajhara was initially an underground mine but after nationalization, it was converted into an opencast mine to recover good quality reserves of coal which otherwise would have been lost.

But the workmen continued to be represented by the President, Hind Mazdoor Kisan Panchayat. Employers in relation to the Management of Rajhara Colliery of M/s CCL Palamau through the Project Officer, Rajhara Colliery of M/s CCL, Palamau. Both the intra-court appeals have been filed against the order dated 11.05.2018 passed in W.P.(L) No.2266 of 2007, whereby and whereunder the learned Single Judge of this Court has quashed and set aside the award dated 16.03.2006 passed in Reference Case No.114/1989 by the Central Government Industrial Tribunal No.1, Dhanbad.

Union of India through its Secretary, Ministry of Labour- Respondents with L.P.A. No.636 of 2018 With I.A.No.9889 of 2019 Their Workmen represented through the President of Hind

Mazdoor Kisan Panchayat. The case of the Sponsoring Union before the Tribunal is that Banwari Ram and 102 persons whose names find a place in the schedule to the term of reference dated 15.09.1989 were working in permanent nature of the job. The case of the Management, on the other hand, is that reference is not maintainable because the Sponsoring Union, namely Hind Mazdoor Kisan Panchayat, is not a recognized Union. According to the Management, none of the concerned persons was an employee of the management of Rajhara Colliery. The workmen have been retrenched from service on or after 11.08.1985. There cannot be any regularisation of the retrenched employee and the case was dismissed. There was a further reference of appeal on 15.09.1989 and again dated 30.05.1990, but dismissed.

### CONCLUSIONS

The positive approach was to develop some more mines to mitigate the local unemployment problem. While working as Sub Area Manager, of Rajhara & Hutar collieries of Daltonganj coalfield I had gone through detailed exploration records of Daltonganj coalfields. Consultations were held with Central Mine Planning & Design Institute (CMPDI), a subsidiary of Coal India officials. Total geological reserves of non-coking coal are 2997.11 million tonnes in Auranga Coalfield, 249.82 million tonnes in the Hutar coalfield, and 143.96 million tonnes in the Daltonganj coalfield. The Auranga Coalfield, spread across 240 km<sup>2</sup>, has coal of inferior quality, which is used mainly in cement kilns and brick kilns. The majority of coal in the Hutar Coalfield, spread across 200 km<sup>2</sup>, is of inferior quality. The coal available near Rajhara from the Daltonganj coalfield, spread over 51 km<sup>2</sup>, is of semi-anthracite type. Elsewhere, it is non-coking coal of inferior variety. The major issue was thin seams of low quality and underground mining was not considered as profitable even now.

But under public pressure, CCL wanted to reopen Rajhara and environmental clearance was issued on 14 February 2019. The mine was reopened in the presence of Member of Parliament and Gopal Singh, CMD, Central Coalfields Limited, on 25 February 2019. Tetariakhar coal project under the jurisdiction of Balumath police station in the district in December 2020. Central Coalfields Limited; Coal India; Rajhara Area, Jharkhand state, India. Coordinates: 23.808077 84.845011 (exact); Operating; Production: 1.17 million tonnes (2020). Reserves: Tetariakhar Coal Mine: 16.44 million tonnes (Proved, 2011). Tetariakhar Coal □ 3,300/ Ton. CCL receives MoEF clearance for Tetariakhar project Ministry of Environment & Forests (MoEF) has given its clearance to Central Coalfields (CCL), for its expansion project of Tetariakhar OCP, located in North Karanpura coal fields in Jharkhand. CCL plans to expand the capacity of its Tetariakhar open-cast coal mine from 0.5 million

tonnes per annum (tpa) to two million tpa (normative), and two and half million tpa (peak). It will expand the mining lease area from 131 ha to 208.47 ha. Tetariakhar Coal Mine is situated east of Balumath, and southwest of Bukru, Railway station, 4½ km. Present price of Rajhara Colliery is Rs. 1465 per tonne.



**Figure 2: Rajhara coal quarry closed.**

The standing committee of coal, mines, and steel of the Lok Sabha has decided in October 2022 to pool all resources to see that Rajhara colliery should live up to the expectations of the people again by reverting to the production of coal here. CCL had taken with CIL that the mines in that region should be auctioned by the Ministry of Coal. The Fairmine Carbons emerged as the highest bidder for the Rajhara North (Central and Eastern) block in Jharkhand, as it made a final offer of 23 percent revenue sharing, the coal ministry said in a statement. FCPL entered into the Coal Mine Development and Production Agreement Dt 11th Jan 2021. The vesting Order (Order No- NA-104/11/2020-NA) from MOC was received on Dt 3<sup>rd</sup> March 2021. As per the approved mining plan, the Extractable reserves is 15.609 MT and the overall grade of coal seams varies between D & E, (in a few cases F grade) in terms of Useful Heat Value (UHV). The Gross Calorific Value (GCV in K Cal/kg) of coal as per the approved mining Plan is 3600 to 4318 in In-Band and 5100 to 5284 in Ex-Band. Therefore, in terms of GCV overall grade of coal seams varies between G10-G13 in In-Band and G7-G8 in Ex-Band. Production from mines in the Daltonganj coalfield was 0.1 MT in 2021-22 and is scheduled to increase to 0.25 MT and 0.17 MT in FY 24 and increase to 0.75

MT by FY 30, respectively. Rajhara Colliery Reserves Explored 22.7 MT (**Source:** CMPDIL, Ministry of Coal).

Explored Mines in Daltonganj Coalfield 1 North Lohari, Explored Reserves 3.6 MT. More nearby mines are likely to be auctioned by the Ministry of Coal. The auction-based regime introduced in 2014 allowed private sector participation, however, it was limited to captive usage in its own end-use plants. Now, the sector has been opened up for commercial coal mining by private players in 2020, and the first ever successful auction of commercial mining was launched by the Hon'ble Prime Minister on 18.06.2020 and concluded with the allocation of 19 coal mines. Commercial coal block auctions are conducted in a two-stage online bidding process, which involves technical screening and submission of competitive initial price offer in the first stage, and a second and final stage where better price offers are intended to be received. The auctions have terms and conditions which are very liberal, to encourage flexibility to operationalize the coal mines, a transparent bidding process, 100% FDI through automatic route is allowed, and reasonable financial terms and revenue sharing model based on the National Coal Index.

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