CHAPTER-3

PROFILE OF SINGARENI COLLIERIES COMPANY LIMITED
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INTRODUCTION

A remarkable little adventure gave birth to the giant corporate entity that is today's Singareni Collieries. Way back, in 1870, pilgrims on their way to Bhadrachalam, Sri Rama temple (near Singareni village) lit fire to prepare their meal. One of the supporting stones of their makeshift stove caught fire, and the incident was immediately reported to the local Government. This led to an extensive survey by Dr. William King of the Geological Survey of India who discovered coal near the village of Yellandu in Khammam District and one of the important coal seams bore his name. The Hyderabad (Deccan) Company Limited incorporated in England acquired mining rights in 1886 to extract the coal and the first commercial operation commenced at Yellendu in Andhra Pradesh in 1889. The present company was incorporated on 23rd December 1920 under the Hyderabad Companies Act as a public limited company with the name "The Singareni Collieries Company Limited" (SCCL). It acquired all the assets and liabilities of the Hyderabad (Deccan) Company Limited. Later, the State of Hyderabad purchased majority shares of the company in 1945. It is to be noted that from 1945 to 1949, the Hyderabad Construction Company Limited acted as Managing Agent. However, in 1949, this function was entrusted to Industrial Trust Fund by the then Government of Hyderabad. The controlling interest of the company devolved on the Government of Andhra Pradesh in 1956 pursuant to the reorganization of states. Consequently, SCCL became a Government company under the Companies Act in 1956. Thus, Singareni Collieries Company Limited is a
public sector company under the control of Andhra Pradesh State Government (51% share capital) and the Government of India (49% share capital).

The Government undertook large scale expansion of SCCL during the five year plans. In 1960, the Government of India started its participation in the equity of the company and also started extending loan assistance. Thus it has been jointly owned by the Government of Andhra Pradesh and Government of India since March 1960. In 1974, the Government of India transferred its share capital to the Coal Mines Authority Limited. Further, the manner of extending financial assistance for expansion of SCCL by the Government of Andhra Pradesh and Government of India during 5th plan period was agreed upon in the "Four Party Agreement" executed in 1974. Subsequently, the Government of India decided to control the equity directly in SCCL. Accordingly, an agreement was concluded in 1977. The SCCL, the Government of Andhra Pradesh, the Government of India, and Coal India Limited were parties to the agreement. These two agreements are popularly called quadripartite agreements. For financial and other assistance during VI, VII, VIII IX & X plan periods, separate agreements were executed in 1985, 1989, 1994, 2002 and 2004 between the Government of India, Government of Andhra Pradesh and SCCL. These agreements are called tripartite agreements.

The company's accredited function is to explore and exploit the coal deposits in the Godavari valley coal field, which is the only repository of coal in South India. The mining activities of the company spread over to four
districts of Andhra Pradesh namely, Adilabad, Karimnagar, Khammam and Warangal. The company extracted coal to the extent of 721 million tones only up to 2004-05. However, the reports of Geographical Survey of India indicate that the coal reserves in Godavari field area are a whopping 16,997 million tones and the inventory covers up to a depth of 1200 meters, which includes reserves confirmed, indicated as well as inferred.

MISSION

- To retain the strategic role of a premier coal producing company in the country and excel in a competitive business environment.

- To strive for self-reliance by optimum utilization of existing resources and earn adequate returns on capital employed.

- To exploit the available mining blocks with maximum conservation and utmost safety by adopting suitable technologies and practices and constantly upgrading them against international benchmarks.

- To supply reliable and qualitative coal in adequate quantities and strive to satisfy customers needs by constantly sharing their experience and customizing the products.

AWARDS

The high level performance of Singareni Collieries Company Limited has been a benchmark for many other companies. Winning awards at national
level has been a routine for this organization. The company received meritorious awards from various national and international organizations of repute. In this regard the various awards won by SCCL for the period from 2001-02 to 2005-06 have been presented hereunder.

AWARDS WON BY SCCL

• "Best Management Award" for 2001-02 by the Government of Andhra Pradesh.

• "Best Overall Performance Award" for 2002-03 by the Federation of Andhra Pradesh Chamber of Commerce and Industry (FAPCCI)

• "Best Workers Welfare Activity Award" for 2003-04 by the Federation of Andhra Pradesh Chamber of Commerce and Industry (FAPCCI).

• Three of the fourteen “National Safety Awards” (Mines) instituted by the Director General of Mines, Safety, Government of India in 2004.

• The “Second Best Corporate Film Award” for 2005 by Public Relations Society of India, Hyderabad for Shramika Bandham, a telefilm.

• “National Fly Ash Utilization Award” for the year 2005 jointly instituted by the Ministry of Environment and Forests, Power and Science and Technology, Government of India.
"Golden Peacock Environment Management Award" for the year 2005 from the Institute of Directors, New Delhi

"Environmental Excellence Award for 2005-06 from Green Tech Foundation in 2005-06

Environmental Excellence Award for 2005-06 from Society for Research and Initiatives for Sustainable Technologies and Institutions (SRISTI), New Delhi.

Besides the above, it received the Indira Gandhi Vrikshamitra Award-2004 for the outstanding contribution made in the field of afforestization and waste land development in 2007 in New Delhi.

TECHNOLOGY

Historically, technology has been a critical factor in the success of SCCL. For instance, the increased productivity and decreased cost of SCCL can be largely attributed to the phase-wise mechanization and also the adaptation of state-of-the-art technologies. SCCL pioneered mechanization of coal mines in India by adopting coal drilling machines way back in 1937. In 1950, shuttle cars, gathering arm loaders, conveyors and coal ploughing equipment were introduced. Later in a path breaking move to replace arduous manual labour, road headers, road haul dumpers and side dump loaders were gradually brought in. A combination of modern machines in open cast mining like walking drag lines, shovels and high capacity dumpers were introduced in 1975. Further, In-pit crushing and conveyor technology for over burden
removal and coal extraction was commissioned for the first time in Ramagundam open cast mine with German assistance in 1994.

In 2002, Surface Miner Technology, which not only facilitates cost reduction but also contributes to eco-friendly mining was introduced for the first time. Long Wall technology in underground mining in 1983 and also Blasting Gallery (BG) technology in 1989 were the other notable introductions. Today, with 4 Long wall panels and 5 Blasting Gallery panels working in the company, mechanization of underground mines has taken place with state-of-the-art technologies like continuous miner and punch long wall. Already, the mechanization of underground mining has seen the commissioning of 104 Side Discharge Loaders and 37 Load Haul Dumpers that have enhanced safety and productivity for the last four years. Other innovations in underground mines are 35 man-riding systems (Chairlift and railcar) that have improved transportation inside the mines.

INFORMATION TECHNOLOGY

The company constituted In-house Software Development Group (SDG) comprising trained personnel from various disciplines so as develop department-wise applications. It also designed and developed Intranet system through which it makes the files available to staff. Further, through Intranet, it has been hosting online discussions and publishing information that can be kept within the organization. It also introduced Underground Mine Management Systems (UGMMS) for the first time in the coal industry due to which all the mine activities such as attendance, stores, shift-wise productivity...
are all computerized. Besides this, it also introduced opencast Mine Management System (OCMMS) besides providing video conferencing facilities. All the same, it computerized the payrolls of all the employees. Even the inventory management is carried out online through Internet. In short, due to the use of information technology, the company could bring down not only the transaction costs to consumers but also provided the much needed transparency in coal sales. Above all, the company proposes to introduce Satellite based communication system for the heavy earth moving machinery.

MANAGEMENT

Chairman & Managing Director heads the organization. He is assisted by six functional directors, two directors nominated by the Government of Andhra Pradesh and three more directors nominated by Government of India. The functional directors include Director (Operations); Director (Personnel Administration & Welfare); Director (Finance); Executive Director (Marketing & Movement); Director (Electrical & Mechanical); Director (Planning & Projects). The directors nominated by Government of Andhra Pradesh are special chief secretary (Energy department) and principal secretary (Finance department) while the directors nominated by Government of India are Joint Secretary (Ministry of Coal) Chairman cum Managing Director (Mahanadi coal fields Limited) and Director Ministry of Coal. Chart-3.1 presents the structure of Management in SCCL.
Chart-3.1
Structure of Management

All the directors such as functional directors, directors nominated by the Government of Andhra Pradesh and directors nominated by the Government of India perform various functions. In this regard, a brief discussion is made here under about the functions of each of the directors.

A) Director (operations)

He is in charge of mines located at Ramagundam-II, III and IV areas of Ramagundam region and Yellandu, Manuguru and Kothagudem areas of Kothagudem region. He looks into various areas such as quality
management, research and development and civil engineering works. In fact, he looks into almost all the operations except the activities related to welfare.

B) Director (Personnel Administration & Welfare)


C) Director (Finance)

He is in charge of finance and accounts, audit and secretarial departments.

D) Executive Director (Marketing & Movement and Public Relations)

The executive director is the head of the marketing and movement. He also acts as in charge to public relations department.

E) Director (Electrical & Mechanical)

He is in charge of all activities relating to electrical & mechanical engineering, materials procurement, and inventory management.

F) Director (planning & projects)

He is in charge of mines located in Bellampalli, Mandamarri, Srirampur areas and Indaramkhani and chennur group of mines of Bellampalli region and Ramagundam-I and Bhoopalapalli areas of Ramagundam region. He
looks into activities like corporate planning & projects, safety, Information Technology and forestry departments.

ORGANIZATION STRUCTURE

The SCCL is a monolithic organization with its administrative office located at Kothagudem in Khammam District, Andhra Pradesh. For the purpose of administrative convenience, it set up three-tier structure such as Organization Structure at Corporate Level, Organization Structure at Area level and organization structure at Mine (Unit) level. Chart-3.2 depicts the organization structure at corporate level.

Chairman & Managing Director is the executive head of the company. He is appointed by the Government of Andhra Pradesh from among the senior officers of Indian Administrative service. He is the administrative head of the company and responsible for its overall performance. In discharging his functions, he is assisted by various functional directors such as Director (operations), Director (Personnel Administration & Welfare), Director (Finance), Executive Director (Marketing & Movement), Director (Electrical & Mechanical) and Director (Planning & Projects).
ORGANIZATION STRUCTURE AT AREA LEVEL

SCCL, for production as well as administrative convenience divided itself into eleven Areas such as Yellandu, Kothagudem, Manuguru, Ramagundam-I, Ramagundam-II, Ramagundam-III, Ramagundam-IV, Mandamarri, Bellampalli, Srirampur and Bhoopalapalli. Each Area is under the administrative control of General Manager or Chief General Manager. For instance, Yellandu, Ramagundam-III, Mandamarri, Bellampalli, Srirampur and Bhoopalapalli areas are under the control of General Managers while the other areas such as Kothagudem, Manuguru, Ramagundam-I, Ramagundam-II and Ramagundam-IV are under the control of Chief General Managers concerned. These managers are responsible for the achievement of production targets, maintenance of industrial relations, provision of welfare facilities and safety in mines. Chart-3.3 presents the organizational structure of SCCL at Area level.
ORGANIZATION STRUCTURE AT MINE LEVEL

Colliery Manager heads the mines. He reports to the General Manager of the Area concerned through Additional General Manager or Deputy General Manager. The colliery manager discharges various functions in accordance with the Mines Act. The colliery manager is assisted by various officers such as safety officer, deputy superintendent, executive engineers, welfare officer, office superintendent, pit assistants etc. Chart-3.4 is indicative of the organization structure at mine level.
SCCL in order to carry on its operations effectively and efficiently has created various departments such as coal exploration department, coal mine planning department, coal mine survey department, industrial engineering department, marketing department, civil engineering department, personnel department etc. In this regard, the functions of different departments have been elaborated hereunder.

COAL EXPLORATION DEPARTMENT

The coal exploration department has been carrying out successful exploration for the last 116 years. The department has highly qualified, academically brilliant and strong interdisciplinary experts. It comprises 39 geologists, 15 drilling engineers, 8 geo-physicists, and 4 hydro-geologists. The strength of the exploration department lies in the preparation of geological reports in Minex, Geo-engineering and Geo physical logging with the latest logger. The department offers various services to entrepreneurs.

- Drilling with and without core
- Preparation of geological reports
- Geo-physical logging and Geo interpretation
- Preparation of hydro-geological tests and reports
- Testing of core samples of rocks for physico-mechanical properties
- Geo-technical mapping.


COAL MINE PLANNING DEPARTMENT

SCCL has an ISO 9001 '2001 accredited project planning department capable of undertaking coal mine planning in detail. It has 50 professionals in the fields of Opencast mining, Underground mining, Mine environmental engineering, Mine mechanical and electrical engineering, Econometrics, Finance, Industrial engineering, Geology and Minex. The coal mine planning department formulates 15 project reports every year besides offering consultancy services for the following works.

- Preparation of technical and conceptual reports for coal blocks
- Preparation of project reports for open cast and underground mines.
- Techno-economic evaluation of mining projects
- Preparation of mine plans
- Preparation of Environmental management plans.
- Project Management and Implementation
- Strategic planning and Implementation

COAL MINE SURVEY DEPARTMENT

The coal mine survey department of SCCL is well known for its skills and cutting edge technologies such as auto set levels and precise levels. At present, all the work of the department is computerized with Auto CAD
software. The company has an army of 195 well experienced surveyors. In addition, the department has already taken up works connected with mines survey for private and government companies. The department offers the following works.

• Mine survey and preparation of mine plans for planning and operation.

• Estimation of volumes and quantities besides undertaking check surveys.

INDUSTRIAL ENGINEERING DEPARTMENT

The company recognized the fact that improvement of productivity, improvement of quality and reduction of cost are the saviors of the coal industry. In view of this, it established industrial engineering department in 1950 to stay competitive and progress further. The IED of SCCL is the oldest in the mining industry. In fact, it is older than the IE professional body, namely Indian Institute of Industrial Engineering. It is a pioneer in scientifically establishing job standards, crew sizes, and job evaluation in coal mining, which helped the company in improving its productivity over years. It also evolved various performance parameters for measurement of productivity. Further, it designed and introduced productivity linked wage incentive plans developed on scientific basis for the first time in the mining industry. Besides this, it played a vital role in the computerization of pay rolls and materials management system. Above all, it provides consultancy services to coal India Limited, APMDC, Power plants etc. The department staffed with over 50 well trained industrial engineers constantly analyzes the performance of the company for overall improvement. The various national rewards received by
the company stand testimony to the same. The department undertakes the following activities.

- Work study and motion study for jobs related to mining
- Preparation of incentive schemes for various jobs
- Study and establishment of work norms.

MARKETING DEPARTMENT

Executive Director heads the marketing department. He also acts as in charge of finance & accounts and public relations departments. He is responsible for marketing the coal of the company. Besides this, he liaisons with Railways for movement of coal to consumers. He also participates in all the meetings of Standing Linkages Committees (SLCs). Further, he associates with SLC for coal linkages to core sector or linked customers such as power plants, major and mini cement plants, defence, railways etc. All the same, he coordinates with Industries Department for the supply of coal to non-core sector or unlinked customers such as paper and textile companies, chemical companies, drugs and pharmaceuticals companies etc. The executive director makes deliberations with customers for the finalization of fuel supply agreements besides formulating various reports such as dispatch report, stock report etc on a daily and monthly basis and submit the same to the Government of Andhra Pradesh and Government of India.
The executive director monitors and follows up in areas regarding customers complaints such as quality and short supply of coal. He also initiates action against customers and transporters for misutilization of coal. Further, he coordinates with Accounts Department so as to know the credit and debit balances of existing customers and ex-customers and also coordinates with the Law Department for taking action against erring customers.

The executive director issues delivery orders for Rail movement and Road dispatches depending on the availability of coal at each dispatch point. He also attends to all the queries as asked by the State and Central Governments during the assembly and parliament sessions. Further, he furnishes all the information pertaining to the marketing of coal to all the government agencies as per their requisition from time to time.

CIVIL ENGINEERING DEPARTMENT

Chief General Manager (Civil) heads the department. The civil engineering department is concerned with civil works right from mine opening to dispatch of coal. The main activities of the department are-Mine Development works, construction of houses, provision of water, and laying of roads and railway sidings. In this regard, a brief discussion is made hereunder about the various activities of civil engineering department.
A) MINE DEVELOPMENT WORKS

The department undertakes mine development works related to open cast mining and underground mining. It lays approach roads besides making arrangements for the provision of water to mines and employee colonies. It also undertakes activities such as open excavation and arching. Further, it provides infrastructure facilities like pit-head coal handling arrangements and filter beds. It also attends to all the day to day activities for the smooth functioning of the production in mines.

B) HOUSING AND AMENITIES

The department takes up activities such as construction of quarters, schools, colleges, hospitals, super bazaars, clubs, community halls etc.

C) WATER SUPPLY SCHEMES

The Civil engineering department ensures perennial supply of water to all the mines, colonies etc. It provides individual taps to all the company quarters. In addition to this, it provided 4,564 community taps in all the mining areas of the company. It is to be noted that the company supplies 259.03 lakh gallons of water per day.

D) RAILWAY SIDINGS

The Civil Engineering department maintains railway sidings for the transport of coal. It also monitors the railway sidings continuously for the
smooth dispatch of coal. SCCL has a total of 101.40 Km railway sidings out of which 36.175 KM are assisted and 65.223 Km are private sidings.

PERSONNEL DEPARTMENT

The Corporate Personnel Department functions under the overall control and guidance of Director, Personnel Administration and Welfare (PA&W) with General Manager (Personnel) as head of the department. The corporate personnel department has different wings namely recruitment cell, Industrial relations wing, personnel management wing, welfare wing and each of these wings is headed by senior officer. The General Manager (Personnel) oversees sand coordinates the functions of each wing. The department plays a key role in streamlining industrial relations, personnel policies and in implementing all the measures being initiated by the management as a part of bringing about reforms in the company in the changed scenario in coal industry. The process involves constant communication with workmen and trade unions with a view to make them agree to the proposed measures. The department makes all efforts for timely implementation of the agreed items in the past settlements so as to avoid usual complaints from the unions regarding the non-implementation of agreed items. It implements all the policies relating to promotions, transfers, up-gradations, punitive actions in a transparent manner so as to create credibility of the management in the perceptions of workmen. Further, it makes constant efforts to improve the existing systems so as to keep pace with the changes by focusing on key result areas like improving discipline among workmen, minimizing flash
strikes, and taking action against chronic absentees who are not contributing
to the growth of the company.

FUNCTIONS OF DIFFERENT WINGS

The personnel department as mentioned earlier consists of various wings
such as recruitment cell, industrial relations wing, personnel management
wing and welfare wing. In this regard, a brief discussion is made hereunder.

A) RECRUITMENT CELL

The recruitment cell fills up regular and backlog vacancies in the executive
and non-executive cadres. It undertakes recruitment and selection process
within the framework of AP rules of reservation as issued by Government of
Andhra Pradesh from time to time. The selection process is being carried on
transparently and the procedures followed are fool-proof and the results are
announced on the same day. Besides the recruitment of personnel, it
analyzes the matters to be put up to Andhra Pradesh Legislature Committee
on welfare of Scheduled castes, Scheduled tribes, backward castes and also
National commission for SC’s and ST’s. It also maintains reservation roster
registers. Further, it takes necessary steps for arranging walk-in-interviews to
fill up medical specialist vacancies. Above all, it undertakes special drive
recruitments for the filling up of SC and ST backlog vacancies.

Recruitment and selection tests require lot of preparatory work, right
from the stage of issue of circular to the stage of offering appointment to the
selected candidates. It is heartening to note that not withstanding the large
number of candidates aspiring for employment in the company, all efforts are being taken to ensure error-free conduct of test without any scope or unfair practices in the evaluation of answer sheets. In fact, the whole process has been computerized minimizing the human intervention to the bare minimum.

**B) INDUSTRIAL RELATIONS WING**

The industrial relations wing plans and evolves strategies to meet the situations arising out of industrial unrest in mines and departments. The wing, which is under the control of General Manager (Personnel) holds discussions with trade unions so as to solve problems through consultation rather than confrontation. The wing performs various functions such as handling strike notices, industrial disputes, court cases, age disputes, and disciplinary actions. It also conducts elections to the trade unions through secret ballot method. Above all, it implements the voluntary retirement (Golden Handshake) scheme from time to time complying with the provisions of labor legislations.

**C) PERSONNEL MANAGEMENT WING**

The personnel management wing deals with the service matters of employees. The major function of the wing is redeployment of surplus workmen from surplus mining areas to deficit mining areas. The wing also undertakes various matters related to placements, promotions in respect of employees who fall in the grade ‘C’ and above cadres. Besides the above, it takes up various activities like processing of resignations, pay anomalies, granting of study leave etc. Above all, it submits various reports to the
D) WELFARE WING

Welfare officer heads the welfare wing. The wing implements all the provisions relating to the welfare of employees. It carries out various functions such as processing the cases of dependants for employment or Monthly Monetary Compensation (MMC), chalking out programs for conducting sports and games in the Areas as per the sports calendar. Further, it chalks out welfare related programs like identification of Special Welfare Amenities Program (SWAP) in the workmen colonies. All the same, it follows up with insurance companies for settlement of claims under Janata Personal Accident Insurance Scheme, Family Benefit-cum Insurance Scheme (FBIS). It also ensures interaction between workmen and officers through the “Communication Cell” and the same is telecast through the local “Siti Cable” to bring about awareness about the activities of the company among the workmen and their families so that there will be positive attitudinal change.

The welfare wing organizes Scouts and Guides through “Singareni Collieries District Association, Khammam” by involving the children studying in company schools and also in other schools in coal field areas. It also undertakes processing of applications of children of employees for sanction of merit scholarships to the extent of Rs. 6,000 per annum for admission of their children in Medicine and Engineering courses through EAMCET.
NUMBER OF MINES IN SCCL

SCCL operates both underground mines and open cast mines. For opencast mines, it uses technology like shovel Dumpers, Draglines, Inpit crushing, while for underground mining, it uses technology ranging from SDL'S & LHD'S to highly mechanized long wall faces. In fact, the company with its expertise in mining can offer all its operational skills and technical know-how with regard to planning, executing, and operating any mine as principal operator for guaranteed production. In this regard, the number of mines operated by SCCL is presented in Table-3.1. The table shows that of the total mines operated by the company for the period from 2000-01 to 2006-07, underground mines are far more than that of opencast mines.

Table – 3.1
Number of mines in SCCL

<table>
<thead>
<tr>
<th>Year</th>
<th>Underground Mines</th>
<th>Opencast Mines</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>56</td>
<td>11</td>
<td>67</td>
</tr>
<tr>
<td>2001-02</td>
<td>55</td>
<td>11</td>
<td>66</td>
</tr>
<tr>
<td>2002-03</td>
<td>55</td>
<td>12</td>
<td>67</td>
</tr>
<tr>
<td>2003-04</td>
<td>54</td>
<td>12</td>
<td>66</td>
</tr>
<tr>
<td>2004-05</td>
<td>53</td>
<td>11</td>
<td>64</td>
</tr>
<tr>
<td>2005-06</td>
<td>47</td>
<td>11</td>
<td>58</td>
</tr>
<tr>
<td>2006-07</td>
<td>46</td>
<td>14</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: www.SCCL.com

CUSTOMERS

SCCL markets its coal mostly in Andhra Pradesh and to some extent in other parts of Southern India. The customers can be broadly classified into
two types such as core sector customers (Linked customers) and non-core sector customers (unlinked customers). The core sector customers include power houses, captive power plants, major and mini cement plants, defence, Railways etc. The non core sector customers on the other hand include companies like paper, textiles, ceramics, refractories, chemicals, bricks, tobacco redrying, drugs & pharmaceuticals etc. SCCL has around 3,150 non-core sector customers. The company charges 5% extra to these customers over and above the charges of core sector companies.

COST CONTROL MEASURES

The company as a part of cost control has undertaken several measures such as manpower rationalization, outsourcing and energy conservation measures. In this regard, the cost-control measures undertaken by the company has been presented hereunder.

A) MANPOWER RATIONALIZATION

Employees are the back bone to any organization. Employee's efforts turn corporate goals into realities. Employees with right skills for right jobs are real assets to an organization. SCCL, the largest public sector undertaking in Andhra Pradesh employed thousands of people. It is to be stated here that majority of the public sector undertakings in India has surplus manpower and it has become a big threat to their survival. As a result, many public sector undertakings in India including SCCL have resorted to manpower rationalization. The company introduced Voluntary Retirement Scheme known as Golden hand shake to its employees during 1999-2000. Further, new
appointments have not been made for quite a long time unless and until, there is a clear vacancy. As a result, the manpower of the company has declined continuously from 109,419 in 1998-99 to 82,224 in 2006-07. Table-3.2 presents the manpower particulars of SCCL for the period from 1998-99 to 2006-07.

Table-3.2

<table>
<thead>
<tr>
<th>Year</th>
<th>Manpower</th>
<th>Percentage of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998-99</td>
<td>1,09,419</td>
<td>-</td>
</tr>
<tr>
<td>1999-00</td>
<td>1,07,817</td>
<td>(-) 1.47</td>
</tr>
<tr>
<td>2000-01</td>
<td>1,05,627</td>
<td>(-) 2.04</td>
</tr>
<tr>
<td>2001-02</td>
<td>99,442</td>
<td>(-) 5.86</td>
</tr>
<tr>
<td>2002-03</td>
<td>97,053</td>
<td>(-) 2.40</td>
</tr>
<tr>
<td>2003-04</td>
<td>93,722</td>
<td>(-) 3.44</td>
</tr>
<tr>
<td>2004-05</td>
<td>91,970</td>
<td>(-) 1.88</td>
</tr>
<tr>
<td>2005-06</td>
<td>86,025</td>
<td>(-) 6.46</td>
</tr>
<tr>
<td>2006-07</td>
<td>82,224</td>
<td>(-) 4.42</td>
</tr>
</tbody>
</table>

Source: SCCL mines.com

B) OUTSOURCING / PUBLIC PRIVATE PARTNERSHIPS

It is a common practice across the globe and also in India that Corporates carry out outsourcing of certain activities as a strategic business initiative. Outsourcing improves service productivity, ensures greater affordable access to specialized expertise on a just in time basis, reduces administrative costs, increases focus on strategic initiatives, helps to drive rapid organizational change, improves cost avoidance through better tax
treatments, reduces expenditure and improves access to specialist expertise. The company employed outsourcing as a strategic initiative

- To improve business focus on core competency

- To gain access to world-class capabilities and technology

- To reduce total cost of operations

- To achieve performance guarantees

- To overcome limited internal resources such as capital and skilled manpower

- To free up capital for core business

- To transfer operating risk to the service provider

- To off-load functions difficult to manage and control.

Initially SCCL resorted to outsourcing for surface coal transport from mines to coal handling plants and also for driving of tunnels/ shaft sinking from surface to reach underground coal seams. Subsequently, it resorted to outsourcing for overburden (OB) removal in 1993. Learning lessons from the success in outsourcing of OB removal operations, the company started off-loading of ancillary services. Some of the services outsourced include:
• Catering and maintenance of guest houses

• Ambulances and light motor vehicles like cars, jeeps etc.

• Sanitation in workmen colonies.

• Loading, unloading and stocking of materials in the stores.

• Distribution of material from stores to various mines and departments.

• Security services in Hyderabad Corporate Office, Guest houses etc.

The major reasons that compelled SCCL to undertake outsourcing of OB removal and ancillary activities are gradual decline in underground hand-section production and also the high costs of OB removal. As such, the company resorted to outsourcing due to which, it made substantial benefits in terms of reduced operational costs and also many other intangible benefits. Table-3.3 presents the total overburden removal including OB removal by the company, OB removal by contractors, and also the savings from OB removal. The table further shows that the company removed more overburden as compared to the overburden removed by the contractors during the study period with the exception of the year 2002-03. It is also noticed that the company made substantial savings in the process of overburden removal.
Table-3.3

Overburden Removal and Savings made for the period from 2001-02 to 2006-07

<table>
<thead>
<tr>
<th>Year</th>
<th>Total OB Removal (In Mcu.m)</th>
<th>OB removal by company HEMM (In Mcu.m)</th>
<th>OB removal by contractor (In Mcu.m)</th>
<th>Savings made (in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>61.06</td>
<td>33.15</td>
<td>27.91</td>
<td>244.63</td>
</tr>
<tr>
<td>2002-03</td>
<td>81.29</td>
<td>35.62</td>
<td>45.67</td>
<td>396.51</td>
</tr>
<tr>
<td>2003-04</td>
<td>72.59</td>
<td>40.48</td>
<td>32.11</td>
<td>208.45</td>
</tr>
<tr>
<td>2004-05</td>
<td>89.66</td>
<td>48.34</td>
<td>41.32</td>
<td>249.90</td>
</tr>
<tr>
<td>2005-06</td>
<td>93.01</td>
<td>48.66</td>
<td>44.35</td>
<td>292.24</td>
</tr>
<tr>
<td>2006-07</td>
<td>103.04</td>
<td>52.20</td>
<td>50.84</td>
<td>217.59</td>
</tr>
</tbody>
</table>

Source: Singareni HRD Bulletin, 2008

C) ENERGY CONSERVATION MEASURES

In SCCL, burgeoning power bill was one of the major areas of concern. The Government Audit during the review of the company's performance remarked that SCCL incurred an avoidable expenditure of Rs 218 crore during the five years ending March 2001 on power consumption. As per the coal industry norms, coal companies have to provide 30 Kwh (units) of power free of cost to each house per month. But the average consumption of power in houses reached an alarming level of about 500 units during the period 1990-1996. Further, illegal tappings of power and power pilferages have become rampant. Adding fuel to the fire, the hike in power tariff by the then APSEB compelled SCCL to initiate reforms to curb drawal of power illegally and also to reduce energy consumption in colonies and mines. In view of this, SCCL has undertaken the following measures.
The company in order to avoid illegal drawal of power, has converted LT lines into HT system. It also installed and commissioned 33,644 number of 3.3 KV/230V, 10KVA pole mounted transformers in the company quarters in a phased manner to eliminate illegal power tappings and low voltage problems. Besides this, it introduced 11W Compact florescent lamps (CFL’s) in place of 60W incandescent lamps in residential quarters, offices and establishments. Further, it installed “Automatic Control Switches” for street lights and yard lights and as such the street lights are automatically switched on and off as per the timings, which helped in avoiding wastage of power. Above all, the company introduced metering system to know the actual consumption of energy at mines by fixing energy meters at strategic locations on 3.3 KV feeders. All these measures yielded rich dividends to the company in terms of reduced power consumption and the resultant benefits.

HUMAN RESOURCES

Singareni Collieries Company Limited is one of the largest public sector undertakings in Andhra Pradesh employing about 82,224 people in different capacities such as engineers, managers, miners, medical, training and canteen staff. These people can be broadly classified into two types such as executives and non-executives. In this regard, the human resources of SCCL during the year 2006-07 have been presented in Table-3.4. The table further shows that non-executives are far more than those of executives. For instance, in SCCL non-executives constitute as high as 95.12% while executives account for a meager of 4.88% only.
### Table-3.4
**Human Resources of SCCL during 2006-07**

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>Manpower cadre-wise</th>
<th>Manpower in number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Executives</td>
<td>4,009</td>
<td>4.88</td>
</tr>
<tr>
<td>2</td>
<td>Non-executives</td>
<td>78,215</td>
<td>95.12</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>82,224</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Compiled from the publications of SCCL

### SHIFT SYSTEM

The SCCL performs its mining operations throughout the year. The company runs three shifts in a day besides the general shift. The first shift operates from 6 AM to 2 PM while the second shift operates from 2 PM to 10 PM. The third shift on the other hand operates from 10 AM to 6 PM. Besides the above, there is a general shift, which runs from 10 AM to 4 PM. Shift rotation takes place once in a week. Employees who work in the 6 AM to 2 PM shift for a week will get rotated to the second shift, and employees who work in the second shift for a week will get rotated to the third shift. In this way shift rotation takes place once in a week uniformly for each employee. The shift timings of the company are presented in Table-3.5.
Table-3.5
Shift timings

<table>
<thead>
<tr>
<th>Name of the shift</th>
<th>Timings of the shift</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st shift</td>
<td>6 AM to 2 PM</td>
</tr>
<tr>
<td>2nd shift</td>
<td>2 PM to 8 PM</td>
</tr>
<tr>
<td>3rd shift</td>
<td>8 PM to 6 AM</td>
</tr>
<tr>
<td>General shift</td>
<td>10 AM to 4 PM</td>
</tr>
</tbody>
</table>

Source: Official Records of SCCL

RECRUITMENT AND SELECTION

People are the most important and valuable resource of any organization. In due consideration to this aspect, SCCL lays maximum emphasis on human resource planning, development and management for optimum utilization and full realization of the employee potential to achieve the goals. The company in order to accomplish the present and future business objectives assesses and reviews the manpower requirements of various sections and departments from time to time by consolidating their requirements. In other words, it collects information about the manpower requirements of various sections and departments and then it takes appropriate action for recruitment and selection. In this regard, the recruitment and selection process of executives and non-executives have been outlined hereunder.
RECRUITMENT OF EXECUTIVES AND NON-EXECUTIVES

SCCL applies corporate rules and procedures in the recruitment and selection process. Wide publicity is given through open advertisements in different media. The advertisement specifies the service conditions and compensation packages. The recruitment process for executives and non-executives in SCCL is transparent and fair. For instance, SCCL after receiving applications from potential candidates call them for a written test, which carries 85 marks. Potential candidates who successfully pass through the written examination are called for interview, which carries 15 marks. The total number of marks for the entire recruitment of executives is 100. It is to be noted that the written examination for executives and non-executives in terms of marks is more or less the same with little variation. The variation is that the qualifying marks in the written examination for executives are 40% while for non-executives it is 30% only. The selected candidates are properly placed in appropriate sections and departments.

TRAINING AND DEVELOPMENT

The company undertakes a number of training and development programs for its employees. In this regard, a brief discussion is made about the various training and development programs undertaken by the company.

STATUTORY TRAINING

The company provides statutory training at all Mining Vocational Training Centres (MVTC'S) in compliance with MVTC rules, 1966. Each
MVTC manager has to maintain the training record and prepare the list of employees as per the due dates of training. The names of employees are communicated to each colliery manager/HOD by 10th January each year. The list contains tentative schedule of training for each designation, mine-wise and department-wise. All the colliery managers have to depute employees as per the given schedules. If employees seek changes in schedules, they should inform their respective MVTC managers by 31st January. In case, if the manager of MVTC finds it difficult to change, it will be referred to the Area Safety Officer, whose decision will be final. It is to be noted that the refresher training should not get commenced beyond the due date. However, it can be relaxed in case of an employee who is superannuating within 3 months of the due date. After the successful completion of training, the MVTC manager issues statutory training certificates to the trainee employees.

INDUCTION TRAINING PROGRAMS FOR EXECUTIVE TRAINEES

The induction training program will be conducted for all trainees before deputing them to Areas for "On the Job training". The induction training program is aimed at acquainting the employees about the rules, regulations and procedures of the company. The induction training program runs for six months as it provides exposure to the executive trainees about the entire company. Further, it provides basic knowledge to all the trainees, which will enable them to perform higher functions at a later stage. To make the induction training program effective, it has been divided into six modules. In this regard, the content of each module has been discussed here under. The first module provides basic exposure to employees about the various facets of
the coal industry while the second module makes employees to familiarize
with all the departments in the company at corporate level.

The third module is an advanced course in the relevant functional area.
In this phase, trainees are given small assignments and they are required to
give system improvement under the guidance of a middle level executive at
corporate level. In the fourth module, trainees will be exposed to all Area
Level Departments and they are familiarized with the same. In the fifth phase,
employees will be deputed to unit level offices of the respective disciplines so
that they will get experience in the same. In the sixth or final phase, trainees
will have to formulate a report each and then they have to make a
presentation at both Area level and Corporate level. After that the trainees will
be deputed to the respective place of postings and will continue the training
period on the job.

INDUSTRIAL TRAINING FOR OTHER TECHNICAL AND NON-TECHNICAL
STAFF

The company imparts training to technical and non-technical staff such
as Mining graduates, Junior executive trainees and welfare officer trainees. In
this regard, a brief discussion is made hereunder.

MINING GRADUATE TRAINEES

The mining graduate trainees are given one year training out of which
induction training program accounts for 6 months while on the job training
program accounts for 6 months. The company conducts assessment list at
the end of each phase of training program. During the first six months, detailed training will be given to employees. Then they will be rotated to mines and departments to acquaint themselves with the different technologies and functions of the company. The methodology for conducting tests for placing them in regular executive grade is as follows. The trainees have to score a minimum of 60% in the written examination, viva voce and training reports separately. Mining graduate trainees are required to obtain "First Aid and Gas Testing Certificates" during the training period. On successful completion of one year training, and after execution of a bond to serve the company for a period of 3 years, they will be drafted to regular executive-II grade as graduate Mining Engineers. In case, if employees want to leave the job during the bond period, they have to pay an amount of Rs 27,000 or total stipend paid including allowances, whichever is less. Mining graduates require two year practical experience for obtaining II class Mine Manager's certificate of competency which is a statutory obligation. These trainees will be given 3 month time, after completing two years of training to submit the certificate. If they fail to submit the certificates within 27 months from the commencement of training their services will be terminated.

JUNIOR EXECUTIVE TRAINEES (E&M)

Junior executive trainees will be given one year training, which consists of two phases of six months each. The first phase consists of induction training program while the second phase consists of on the job training. The company conducts assessment tests at the end of each phase of training program. During the first six months, training will be imparted in the six
modules as mentioned earlier. Further, they will be rotated to mines and departments to acquaint themselves with the different technologies and functions of the company. They will go “hands on training” at TTC, Manuguru on HEMM. They will also be given training in underground mechanized mines in areas such as installation, shifting, overhaul operations, maintenance and repair of mining machinery. They are required to submit monthly training reports for claiming their stipend. They have to sign a bond to serve the organization at least for three years after completion of training. If they want to leave the job during the bond period, they have to pay an amount of Rs 27,000 or total stipend paid including allowances whichever it less. The methodology for conducting tests for placing them in regular executive cadre at the end of the training is as follows. The junior executive trainees will have to sure a minimum of 50% marks in written examination, vivo-voce and monthly reports separately. On successful completion of one year training, junior executive trainees will be drafted as E-2 grade as Assistant engineers.

WELFARE OFFICER TRAINEES

Welfare officer trainees will be given training for two years, which consists of four phases of six months each. The first phase consists of six months induction training. The company also conducts assessment test at the end of each phase of training programs from the second phase onwards. It is to be noted that at the end of three phases both written examination and vivo-voce will be conducted. However, in the last phase, only vivo-voce will be conducted. Welfare officer trainees have to score a minimum of 50% marks in the written test, vivo-voce and training reports. The committee for viva-voce
consists of four senior executives such as chief General Manager or General Manager (personnel) one from mining and one more from CGM (HRD). The other member is Deputy personnel manager. In the mining areas either the Deputy personnel manager or the senior personnel officer will guide the trainees to acquaint with company policies, procedures and job requirements during the training period. On successful completion of two year training, the welfare officer trainees will be drafted to Executive-II grade as welfare officers.

TRAINING INSTITUTES OF SCCL

The Corporate training center located in Kothagudem, is under the control of corporate HRD department. The CTC conducts in-house training programs for executives and supervisors including induction programs. It also conducts residential training programs for its various cadres of employees. SCCL has eight Mine Vocational Training Centers (MVTC’S) located at Kothagudem, Yellandu, Manuguru, Ramagundam-I area, Ramagundam-II Area, Mandamarri, Sri Rampur and Bhoopolapalli.

NARGUNDKAR INSTITUTE OF MANAGEMENT

The institute is located in the 8th Incline colony at Godavarikhani. It organizes training programs for all the Areas. It is to be noted that it conducts training programs only for executives and every program has a yoga session. The institute functions as per the program schedule and the budgetary sanctions are provided by the Corporate HRD. The in-charge of NIM is responsible for the following.
• To conduct training programs as per schedule
• To arrange hospitality and other assistance to faculty
• To maintain expenditure details
• To initiate proposals whenever required
• To provide library facilities
• To make dining hall arrangements
• To assist the participants
• To maintain and repair teaching aids
• To provide course material
• To pay honorarium to internal and external faculty.
• To provide feedback reports
• To provide computer facilities
• To allot rooms to the trainees
• To supply snacks, tea, lunch and dinner
• To formulate attendance reports
• To maintain the record of assets
• To provide hospitality to visitors.

HRD BUDGET

The company spends huge amount of money on human resource development. For instance, during 1999-2000, it spent Rs. 3.62 crore on HRD. Since then, the HRD budget has increased continuously year after year and stood at Rs. 16.13 crore during 2007-08. The annual growth rate of the HRD budget fluctuated between a low of 5.24% in 2006-07 and a high of 38.57% in 2007-08. Table-3.6 presents the details of the same.
**Table-3.6**

HRD budget for the period from 1999-2000 to 2007-08
(Rs in crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>HRD budget</th>
<th>Annual growth (Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>3.62</td>
<td>-</td>
</tr>
<tr>
<td>2000-01</td>
<td>4.58</td>
<td>26.52</td>
</tr>
<tr>
<td>2001-02</td>
<td>5.67</td>
<td>23.80</td>
</tr>
<tr>
<td>2002-03</td>
<td>6.82</td>
<td>20.28</td>
</tr>
<tr>
<td>2003-04</td>
<td>7.88</td>
<td>15.54</td>
</tr>
<tr>
<td>2004-05</td>
<td>9.01</td>
<td>14.34</td>
</tr>
<tr>
<td>2005-06</td>
<td>11.06</td>
<td>22.75</td>
</tr>
<tr>
<td>2006-07</td>
<td>11.64</td>
<td>5.24</td>
</tr>
<tr>
<td>2007-08</td>
<td>16.13</td>
<td>38.57</td>
</tr>
</tbody>
</table>

Source: HRD report for the year 2006-07
X plan period (2002-07)

**LEAVE FACILITIES**

SCCL sanctions a number of leaves to its employees keeping in view the various needs of the latter. The different leaves sanctioned by the company to its executives and non-executives have been outlined hereunder.

**CASUAL LEAVES**

The company sanctions 12 casual leaves to its employees in a year. These leaves are granted on a pro-rata basis i.e., one per month. If no casual leave is availed during the first couple of months, employees can avail the casual leaves in the latter months subject to the condition that these leaves do
not exceed six at a time. It is to be noted that casual leaves can not be carried forward to the succeeding year.

SICK LEAVES

Sick leave also known as medical leave will be sanctioned for a period of 15 days in a year. These leaves are granted only on real sickness and also on the production of medically unfit or fit certificates issued by the medical officers of the collieries concerned. In case, if employees do not avail all the sick leaves in a year, the balance of sick leaves will be carried forward to the succeeding year.

HALF PAY LEAVES

All the permanent employees of the organization who put up one year service are eligible to avail 20 half pay leaves in a year. Out of these 20 half pay leaves, ten half pay leaves can be availed between January and June and the remaining ten half pay leaves can be availed between July and December of each year.

STUDY LEAVES

The company sanctions study leaves to employees who have completed 5 years of satisfactory service. These leaves are sanctioned on the condition that employees have to serve the organization for a minimum period of five years after resuming duty on completion of the study.
EARNED LEAVES

SCCL sanctions earned leaves to its employees and the number of earned leaves to be sanctioned depends upon the attendance of the latter. These earned leaves are calculated in terms of actual attendance divided by twenty. It is to be noted that employees can encash the earned leaves.

PRIVILEGE LEAVES

Employees can also avail privilege leaves in SCCL. Generally, employees avail these leaves under emergencies when no other leaves are available to them. These leaves are calculated in terms of actual attendance divided by eleven.

MATERNITY LEAVES

The company sanctions maternity leave to all eligible women employees for a period of 84 days out of which 42 days can be availed before the delivery and the remaining 42 leaves can be availed after the delivery. However, this facility is applicable to those women employees who have less than two children.

COMMUNICATION POLICY IN SCCL

The company in order to create more awareness among the workmen and their family members and also to inculcate a culture of “Singarenism” designed a new communication policy in 2003. In this regard, the company constituted teams, one in each of the mining area and each team include
executives, best workmen, members of Singareni Seva Samithi (SSS), and Singareni Employees Wives Association (SEWA). These teams visit their respective colonies between 9 AM and 12 noon on 1st of every month with appropriate banners and placards so as to inculcate a culture of Singarenism. These teams also conduct Mine Sadassus on 15th and also the last date of every month between 4 PM and 5.30 PM. Managers and executives with workmen participate in the mine sadassus actively. Further, these teams conduct sadassus in the respective departments besides conducting cultural programs in the colonies on 20th of every month for about 1 to 1½ hour starting from 6.30 PM. Further, as a part of communication policy, the company publishes monthly news letters and also a magazine by name, “Singareni Vaarthalu”. In addition to this, it airs various programs among which Singareni Sravanthi is highly famous, which is broadcast through All India Radio. All the same, in the local site channel, its programs “Singareni Tarangalu” are telecast. Above all it conducts weekly press meets.

INTER PERSONAL RELATIONS

Employees of SCCL in Kothagudem mines personally know one another and hence inter personal relations are good. For instance, for the last two years, no conflicts are reported among different cadres of executives and also among different cadres of non-executives and also between executives and non-executives. It shows that good inter personal relations exist in the organization.
CONTRIBUTION TO THE EXCHEQUER

SCCL plays a pivotal role in the growth and development of the nation. In fact, it contributes huge amount of money to the Central Government and State Government in the form of taxes and dividends. In this regard, the contribution made by SCCL to both Central Government and State Government for the period from 2002-03 to 2006-07 has been presented in Table-3.7. The table shows that the total contribution to the exchequer has increased continuously from Rs. 516 crores in 2002-03 to Rs. 790 crores in 2005-06. Subsequently, the total contribution to the exchequer got stabilized at Rs. 790 crores in 2006-07. It is also noticed that the contribution to the exchequer of AP State Government is relatively more than that of the contribution made to the exchequer of Central Government.

Table-3.7
Contribution to the exchequer of Central and State Governments
(Rs in crores)

<table>
<thead>
<tr>
<th>Year</th>
<th>Central government</th>
<th>AP State government</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>56</td>
<td>460</td>
<td>516</td>
</tr>
<tr>
<td>2003-04</td>
<td>235</td>
<td>492</td>
<td>727</td>
</tr>
<tr>
<td>2004-05</td>
<td>264</td>
<td>515</td>
<td>779</td>
</tr>
<tr>
<td>2005-06</td>
<td>232</td>
<td>558</td>
<td>790</td>
</tr>
<tr>
<td>2006-07</td>
<td>205</td>
<td>585</td>
<td>790</td>
</tr>
</tbody>
</table>

Source: Official records of SCCL
EMPLOYEE WELFARE

Employees at lower levels in every organization usually perform relatively monotonous tasks and have fewer opportunities for promotion or change. This is particularly true in developing countries. Hence, organizations in order to maintain their work commitment and motivation provide welfare facilities. Having realized the importance of welfare facilities, SCCL provides statutory, non-statutory and social security welfare facilities to its employees. In this regard, it provided 54 canteens in all the mining areas. These canteens serve tea, snacks and other eatables at subsidized prices. Further, it provided 49,442 quarters in all the mining areas. Besides this, 1,762 quarters are under construction. It also provided 7 Area hospitals, one main hospital at Kothagudem and 40 dispensaries with a bed capacity of 1,008. For critical diseases, engineers, managers, employees and miners are referred to super specialty hospitals in Hyderabad. Besides this, the cooperative credit society lends loans liberally to all its employees. In short, the company is highly employee welfare oriented.

ECOFRIENDLY MEASURES

Coal mining is an inherently environment damaging and degrading activity. Realizing this, SCCL has launched a number of “eco-friendly practices” to mitigate the damage to environment and also to improve the quality of life. In all mining areas, extensive green belts have been developed. Further, monitoring of air and water quality is being done on a regular basis to assess the impact of mining on the environment and corrective steps are being implemented immediately. Opencast mines are being restored to pre-mining
conditions. To encourage plantation and social forestry, free saplings are supplied to all the employees before the onset of monsoon. To reduce air pollution and also to meet other social obligations, the company supplies free LPG to its employees. It is to be worth mentioned that SCCL is perhaps the only PSU to have introduced "environment" as a part of curriculum in all its schools. In another innovative move, it has also introduced "ECO Samman Awards" to motivate employees who contribute to the overall improvement of the environment.