

**GUIDELINES ON FORMATION AND FUNCTIONING
OF EX-SERVICEMEN COAL LOADING AND
TRANSPORTATION COMPANIES**

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LIST OF ABBREVIATIONS

| S. No. | Abbreviation | Full Form |
|-----------|--------------|-----------------------------------|
| 1 | Appx | Appendix |
| 2 | BOO | Board of Officers |
| 3 | CA | Chartered Accountant |
| 4 | CIL | Coal India Limited |
| 5 | CMC | Contract Management Cell |
| 6 | CMPF | Coal Mines Provident Fund |
| 7 | DGR | Directorate General Resettlement |
| 8 | EPF | Employee's Provident Fund |
| 9 | ESM | Ex-Servicemen |
| 10 | ESM(O) | Ex-Servicemen (Officer) |
| 11 | FD | Fixed Deposit |
| 12 | GPS | Global Positioning System |
| 13 | JCO | Junior Commissioned Officer |
| 14 | JMC | Joint Monitoring Committee |
| 15 | LOI | Letter of Intent |
| 16 | MoU | Memorandum of Understanding |
| 17 | NoK* | Next of Kin |
| 18 | OR | Other Ranks |
| 19 | RC | Registration Certificate |
| 20 | ROC | Registrar of Companies |
| 21 | RTO | Regional Transport Office |
| 22 | SSCO | Short Service Commission Officers |
| 23 | SOP | Standard Operating Procedure |

***NoK** – For the purpose of this Scheme, NoK means:-

- (i) Wife of the ESM.
- (ii) In case wife is deceased, eldest child irrespective of gender.

**GUIDELINES ON FORMATION AND FUNCTIONING OF EX-SERVICEMEN
COAL LOADING AND TRANSPORTATION COMPANIES**

GENERAL

1. **General:** The Coal Loading and Transportation Scheme, herein after called the Scheme, of the Directorate General Resettlement (DGR) is a resettlement and welfare Scheme for Ex-Servicemen (ESM), including disabled ESM, widows and wards of ESM. This is a voluntary Scheme and all ESM and widows/wards who opt to register for this Scheme shall be bound by these guidelines. These guidelines take forward the MoU between the Directorate General of Resettlement (DGR) and Coal India Limited (CIL) executed on 14/10/2025. The ESM Officers, JCOs/OR and other beneficiaries who were registered earlier and are already waitlisted in the previous Coal Scheme that was existing prior to the June 2020 would be considered eligible, if compliant with these guidelines. The following aspects are covered under these guidelines:
 - (a) Part I: Eligibility Criteria
 - (b) Part II: Registration Requirements
 - (c) Part III: Selection Procedure
 - (d) Part IV: Process for formation of ESM Coal Companies
 - (e) Part V: Pre-requisite steps for formation of ESM Coal Companies
 - (f) Part VI: Operational Structure of ESM Coal Company
 - (g) Part VII: Reports and Returns to be submitted by the ESM Coal Company
 - (h) Part VIII: Other Requirements
 - (i) Part IX: Obligation for Employment of Ex-Servicemen
 - (j) Part X: Mode of Payment Requirements
 - (k) Part XI: Monitoring and Evaluation Requirements
 - (l) Part XII: Review Meetings and Dispute Resolution
 - (m) Part XIII: Non-compliance and Termination of Contract
 - (n) Part XIV: Responsibilities of beneficiaries under the Scheme

PART-I
ELIGIBILITY CRITERIA

2. Eligibility of ESM Officers: Only Ex-Servicemen Officers (ESM (Officers)) meeting the following criteria will be considered eligible under the Scheme:

- (a) ESM (Officers) shall be eligible for registration only after his/her retirement/release from service.
- (b) Should be less than 60 years of age for up to Brigadier and equivalent ranks and below 62 years for Major General or equivalent ranks and above at the time of sponsorship of ESM Coal Company by DGR to the CIL Subsidiary.
- (c) Should not be employed or self-employed at the time of selection for conducting Feasibility Study by DGR. The Officer shall be deemed to be employed if his/her latest Form 26 AS/AIS downloaded at DGR during verification before the Feasibility Study indicates income from employment/self-employment.
- (d) In case of Short Service Commissioned Officers, must have completed the terms of engagement of service.
- (e) Should not have been dismissed from service.
- (f) Should not have availed any other Scheme from DGR or any employment under DESW post retirement.
- (g) Should be a Resident Indian as per Income Tax Returns.

3. Fixation of Seniority and Deferment ESM (Officers): Seniority of ESM (Officers) under the Scheme shall be as per the seniority of registration in the Scheme at DGR. The following conditions shall apply regarding seniority and deferment:

- (a) Deferment of 180 days shall be allowed to the Officer at the time of willingness being sought for the Scheme by DGR. The voluntary deferment shall be allowed to the Officer only once after which the applicant shall be struck off the seniority list if he/she is unwilling/unresponsive/ineligible at the time of second offer for selection for the Feasibility Study. In case of voluntary deferment at the first instance, the seniority of the applicant shall be adjusted and placed after the last Officer who has registered on the 180th day from date of his/her request for deferment at the time of seeking willingness.

The deferment application must be submitted via email to official email id **dirsedgr@desw.gov.in** in order to fix date and time of request.

- (b) In case an Officer changes from any other Scheme of DGR to this Scheme, he/she shall only be considered if deferment in the previous Scheme has not been granted. For such applicants, the seniority shall be fixed in this Scheme from the date of sanction accorded by Director General Resettlement for change of Scheme and not from the date of application for change of Scheme.
- (c) In case the Officer is employed/ self-employed at the time of checking of documents prior to the Feasibility Study and has not sought voluntary deferment, his/her seniority shall be relegated by 365 days, i.e. his/her seniority shall be adjusted and placed after the last Officer who has registered on the 365th day from date of his/her relegation. Absence for the documents verification, on the day when called at DGR, prior to the Feasibility Study shall count towards a relegation of seniority by 365 days.
- (d) If the Feasibility Study of the site for which a Coal Subsidiary has sought requisition is not positive, then the ESM(Officers) who conducted that Feasibility Study shall be sponsored for the next requisition in the same Coal Subsidiary at a different site. In case no other requisition is made by that particular Coal Subsidiary within 180 days, the ESM(Officers) concerned shall be sponsored for another subsidiary.

4. Eligibility of JCOs/OR and equivalent ranks for Tipper Ownership: The eligibility conditions for Tipper Ownership shall be as under:

- (a) Should be less than 60 years of age at the time of registration and being sponsored for the Coal Scheme of DGR.
- (b) Should not be employed or self-employed at the time of sponsorship by DGR in the Coal Scheme.
- (c) Should not have been dismissed from service.
- (d) Should not have availed any other welfare Scheme from DGR/DESW.
- (e) **Seniority and Deferment:** Seniority of the JCOs/OR shall be as per the seniority of registration for Tipper Attachment in the Coal Scheme at DGR and shall be subject to following conditions:-

- (i) One voluntary deferment of six months shall be allowed to the JCOs/OR at the time of seeking willingness for the Tipper Attachment by DGR.
- (ii) Second deferment shall not be allowed to the JCOs/OR and seeking the same when the willingness for Tipper attachment is sought shall entail being removed from seniority list, despite being employed/self-employed.
- (iii) If the JCOs/ OR is not present for document verification at DGR, his/her seniority shall be relegated by 365 days in the first instance.
- (iv) If the applicant absents, for the second time, his/her name shall be stuck off the seniority list of Tipper Attachment in the Coal Scheme and he/she shall not be allowed to register again in the Coal Scheme.

5. Eligibility of Widows/ Wards/ Disabled ESM for Attachment with the ESM Coal Company:

- (a) Should be registered under the Scheme with DGR.
- (b) Should be below 65 years of age and should not have remarried in case of a widow.
- (c) In case of Disabled ESM, only personnel with disability as per the PwD Act shall be eligible as a welfare beneficiary.
- (d) Only orphan wards of Armed Forces personnel shall be considered in the category of Wards for this Scheme. Male orphan child upto the age of 25 years and who is unemployed shall be eligible, while a girl orphan child who is unemployed shall be eligible until married. A divorced orphan daughter shall also be eligible until remarriage.
- (e) Benefits under this Scheme can be availed only once.

PART-II

REGISTRATION REQUIREMENTS

- 6. Registration of ESM Officers:** Registration of ESM Officers shall be done online on the DGR website. Eligible ESM(O) shall apply for ESM Coal Loading and

Transportation Scheme to DGR by submitting the required application form for registration online on the DGR website. DGR shall verify the documents uploaded by the ESM(O) and the seniority shall be fixed through a monthly Board of Officers (BOO). Deficiency in required documents as assessed by the BOO shall be intimated by email and the same shall be resubmitted by the applicant through email to DGR at the email specified on the official website. The fixation of seniority and validity of registration shall be as per the details given underneath: -

- (a) The effective date of registration and seniority shall be the date when complete documents along with the application have been uploaded/submitted.
- (b) The validity of registration shall be six years from registration under this Scheme, which can be done only once.

7. Registration of ESM JCOs/OR and Equivalent Ranks for Tipper Ownership:

The ESM JCOs/ OR and equivalent ranks shall register online on the DGR website and seniority roster shall be maintained at DGR. A monthly BOO shall be carried out at DGR to finalize the seniority list of JCOs/ OR for Tipper Ownership.

- (a) Registration under the Scheme can be done only after retirement.
- (b) Seniority of the ESM shall be as per seniority of registration on DGR website according to date and time.
- (c) Deferment if any shall be as per para 4(e) above.

8. Registration of Widows of Armed Forces Personnel/ Wards/ Disabled ESM: The registration of widows/wards of Armed Forces personnel and Disabled ESM shall be carried out online on the DGR website. A monthly BOO shall be carried out at DGR to finalize the seniority list of widows/wards and disabled ESM to be sponsored with ESM Coal Companies.

PART-III

SELECTION PROCEDURE

9. Selection of ESM Officers for becoming Director of ESM Coal Company: On receipt of requisition of ESM Coal Company from the Coal Subsidiary, DGR shall seek willingness from the eligible waitlisted Officers as per seniority through email.

The ESM Officers shall submit their willingness through email along with the required documents whose list and format are attached as **Appx A**. IT Return/ Form 16/ Form 26 AS of the applicants shall be considered for deciding their eligibility for being considered for the Scheme and for the 'Feasibility Study' at the Coal Subsidiary site.

Detailed procedure as under shall be followed:-

- (a) The eligible willing ESM(O) shall be selected in groups of five as per their seniority. The shortlisted ESM(O) shall be called to DGR within a fortnight of submission of the Willingness Certificate as per schedule given by DGR for verification of original documents as per **Appx A**.
- (b) While carrying out physical verification of specified documents, DGR may seek any other document as deemed fit for verification. After inspection of documents all eligible Officers shall be given an 'Authority Letter' for conducting 'Feasibility Study' at the site of the requisitioning Coal Subsidiary. The shortlisted Officers shall make an assessment on ground and submit the Feasibility Study Report to DGR within two weeks of issue of the Authority Letter. The format for the Feasibility Study Report is enclosed as **Appx B**.
- (c) Once the site is found feasible in the report submitted to DGR, the Officers submitting the Feasibility Study shall be given permission by DGR to form a Private Limited Company as Directors of the Company and register it with Registrar of Companies (ROC). Upon incorporation of this Private Limited Company by the ESM(O), these ESM(O) shall deposit their share capital in the current account of the ESM Company formed. If one or more ESM(O) do not deposit their share of capital in the current account of the Company so formed within 15 days of its formation, those ESM(O) shall be removed from the Company by an order of DGR and next eligible ESM(O) as per seniority from the waiting list shall be selected to be Directors in that Company. The new Director(s) shall be offered a period of 15 days to deposit their share capital in the Company's Current Account.
- (d) In case of voluntary resignation/ death of a Director before the ESM Company is sponsored by DGR to the CIL Subsidiary, the next ESM(O) in seniority list shall be offered to be appointed as Director in that specific

Company on directions of DGR by suitable amendments in the Incorporation documents of the Company provided he/she fulfills the mandatory requirements. In case an ESM(O) becomes overage before the Company is sponsored by DGR to the CIL Subsidiary, the next eligible ESM(O) from the waiting list shall be offered to be appointed as Director in the ESM Company.

(e) After an ESM Company has been incorporated and sponsored by DGR to the CIL Subsidiary, in case of death of a Director, the Next of Kin (NoK) may be appointed as the Director after due concurrence of DGR. In case of voluntary resignation of any Director after sponsorship, the responsibility to run the ESM Company shall be on the remaining ESM(O) who are Directors of the Company.

10. **Selection of ESM Tipper Owners:** On receipt of requisition of ESM Coal Company from the Coal Subsidiary, DGR shall seek willingness from the waitlisted JCOs/ OR as per seniority through email and registered post. The Willingness Certificate and the list of documents to be submitted by the JCOs/OR is placed as **Appx C**. The willing ESM JCOs/OR and equivalent ranks shall be called as per their seniority to DGR, for verification of documents after which these ESM shall be sponsored to the respective ESM Coal Company by DGR.
11. **Selection of Widows/Wards/Disabled ESM:** On receipt of requisition of ESM Coal Company from the Coal Subsidiary, DGR shall seek willingness from the waitlisted widows/wards/disabled ESM as per seniority through email and registered post. The Willingness Certificate format and the list of documents to be submitted by widows/wards/disabled ESM are placed as **Appx D**. The willing individuals shall be sponsored by DGR as per seniority for attachment to the Pvt. Ltd. Company formed by the ESM(O) Directors.

PART-IV

PROCESS FOR FORMATION OF ESM COAL COMPANIES

12. **Requisition from CIL Subsidiary:** On receipt of a demand from CIL Subsidiary for ESM Coal Loading and Transportation Company, the DGR shall initiate the process for formation and sponsorship of an ESM Coal Company in accordance with the

eligibility and selection procedures prescribed in these Guidelines. The process for the same is given as under:-

- (a) Requisition for ESM Coal Company shall be forwarded by the Coal Subsidiary to DGR through email. If more than one ESM Company is requisitioned by one or more CIL Subsidiary, each requisition shall have a distinct serial number. The sponsorship of ESM Companies shall be carried out by DGR in the order of serial number as requisitioned by CIL Subsidiaries, which shall be ordered as per the time stamp of receipt.
- (b) On receipt of requisition from the Coal Subsidiary, following actions shall be taken by DGR:
 - (i) Selection of ESM(O) as per selection procedure mentioned at Para 9 above shall be undertaken for the shortlisted Officers. These Officers shall conduct a Feasibility Study at the site of coal subsidiary to assess the profitability of the venture and shall submit their report to DGR within the stipulated time.
 - (ii) Simultaneously, DGR shall initiate the process of selection of ESM Tipper Owners and widows/wards/disabled ESM.
 - (iii) DGR shall issue direction for registration of ESM Coal Company as a Private Limited Company after the Feasibility Study Report has been submitted. The ESM Coal Company shall register as Private Limited Company with Article of Association as per the format given as **Appx E**, failing which the ESM Company shall not be sponsored by DGR. The five eligible ESM(O) who conducted the Feasibility Study, shall be the Directors of the Private Limited Company with equal share holdings. The Name of the Private Ltd Company given by the Directors shall not be same as the name of any previous ESM Coal Company sponsored by DGR. The name shall be approved by DGR.
 - (iv) On registration of the Private Limited Company with the Registrar of Companies, the names of ESM Tipper Owners and widows/wards/disabled ESM shall be sponsored by DGR to this Company.

PART-V

PRE-REQUISITE STEPS FOR FORMATION OF ESM COAL COMPANIES

Step I – Requisition and Initial Shortlisting

13. On receipt of requisition from Coal Subsidiary to sponsor ESM Coal Transport Companies, the eligible Ex-Servicemen shall be selected as per the selection procedure given at Para 9 above. Procedure for any deferment is given at Para 9 above.

Step II – Screening and Selection of ESM(O) for Feasibility Study

14. The selection and shortlisting of Officers for conduct of feasibility will be done by a BOO at DGR as per the selection procedure given at Para 9 above.

Step III – Selection of ESM Tipper Owners and Beneficiaries

15. DGR shall conduct a BOO for selection of ESM Tipper Owners and widows/wards/disabled ESM who shall be attached with the prospective ESM Company as per the procedure given at Para 10 and 11 above.

Step IV – Feasibility Study of Mining Area

16. Conduct of Feasibility Study:

- (a) The selected ESM(O) shall be required to physically visit the Coal Subsidiary to conduct Feasibility Study of the proposed coal loading and transportation work.
- (b) The selected ESM(O) shall submit the Feasibility Study Report to DGR, duly endorsed by the Coal Subsidiary concerned specifying complete details of tonnage of coal transportation, the distance of transportation of coal, the rates applicable, site for camp/workshop, accommodation as well as the economic viability of the proposed work to be allotted by the Coal Subsidiary.
- (c) On approval of the Feasibility Study Report by DGR, the approval to commence the procedure of registration of ESM Company as a Pvt. Ltd. Company with Registrar of Companies under the Companies Act 2013 shall be granted by DGR. The five selected ESM(O) shall be the Directors of the Pvt.

Ltd. Company registered and the Company shall commence its operation with an initial capital of Rs. 1,25,00,000/- (One Crore Twenty Five lakh only) for which all Directors shall invest the equal share of Rs. 25,00,000/- (Twenty Five lakh only).

- (d) The ESM JCOs/OR approved for being Tipper Owners shall deposit the seed money in the ESM Company's Current Account after being sponsored by DGR.
- (e) The one-time investment of Rs. 1,00,000/- (One lakh only) made by the widows/wards/disabled ESM shall be deposited directly in the Current Account of the ESM's Pvt. Ltd. Company through any mode of banking convenient to the beneficiary investor.

Step V – Sponsoring of ESM Company and Commencement of Work

17. On completing all required formalities, for incorporation of the ESM's Pvt. Ltd. Company and deposition of respective share of capital by the ESM(O), the Directors along with the Tipper Owners shall be given a final briefing at DGR within two weeks of completion of incorporation formalities of the Company and its intimation by the Directors to DGR. During the briefing of the Directors and Tipper Owners, the latest instructions on the functioning of the ESM Coal Company shall be explained by DGR, following which the below mentioned activities shall be completed: -

- (a) Sponsorship Letter shall be issued by DGR to CIL subsidiary in favour of ESM's coal transport company.
- (b) The ESM Company shall approach the Coal Subsidiary within seven working days of sponsorship by DGR.
- (c) Letter of Intent (LOI) shall be issued by the Coal Subsidiary within seven working days of the ESM Company approaching them.
- (d) Procurement of Pay Loaders and Tippers shall be commenced by the ESM's Pvt. Ltd. Company after receipt of LOI.
- (e) In case the ESM company fails to approach the designated CIL Subsidiary within the period specified above, the sponsorship of the Company by DGR is liable to be cancelled.

- (f) Work Order shall be issued by the coal subsidiary to the ESM Company in ordinarily within one month of issue of LOI by them.
- (g) Commencement of work by the ESM company shall be ensured within 30 days of issue of work order by the Coal Subsidiary after which an initial report shall be forwarded by the ESM Company to DGR via e-mail as well as in hard copy submitted physically, as per the format attached in **Appx F**.
- (h) In case the ESM Company is unable to commence work in the stipulated time frame, its sponsorship is liable to be cancelled by DGR.

Step VI: Functioning of ESM Coal Companies

- 18.** The Directors of sponsored ESM Company shall approach to the General Manager (Contract Management Cell)/designated Officer of the CIL Subsidiary to which the ESM Company has been sponsored by DGR.
- (a) The General Manager (CMC)/designated Officer of the CIL Subsidiary shall issue the Letter of Intent (LOI) to the ESM company.
 - (b) The award of work within 30 days of the ESM Company approaching the subsidiary shall be ensured by CIL Subsidiary
 - (c) The list of beneficiaries shall be forwarded by DGR to the CIL Subsidiary and changes if any shall also be intimated.
 - (d) The execution of work shall commence within a period of 30 days from the date of Award of Work to the ESM Company.
 - (e) The ESM Coal Company shall execute the Contract with the Subsidiary of CIL for a period of five years initially which shall be extended by another two years on approval of DGR.
 - (f) All actions of the ESM Company in its whole tenure shall be guided by Terms and Conditions of the Contract between the ESM Company and the Subsidiary of CIL and the Guidelines issued by DGR.
 - (g) The sponsored ESM JCOs/OR will procure the tipper, register it with RTO with the assistance of the ESM Coal Company and then enter into an agreement with the said ESM Coal Company. The format of the legal agreement between the

ESM Company and the Tipper Owner is placed as **Appx G**. The format of legal agreement between the ESM Company and widows/wards/disabled ESM is place as **Appx H**.

- (h) The ESM shall open a current bank account of the ESM Coal Company for receipt of the billed amounts against the tipper work.
- (i) A copy of the Registration Certificate, agreement with the Company and the first and last page of the Current Account bank statement, loan disbursement note of the bank/financial institute, if applicable, and the valid Tipper insurance shall be submitted to DGR by the Tipper Owners.
- (j) On the first visit of the representative of the DGR/DRZ the Tipper Owner shall make himself present at the site and produce all documents concerning the vehicle in original for verification.

19. Tenure of ESM Coal Company: The tenure of the ESM Company shall be five years and extendable by another two years, i.e. maximum of seven years from the date of commencement of work. The concerned CIL Subsidiary and ESM Company shall sign the work agreement within 30 days of commencement of work. One copy of the same shall be forwarded by the CIL Subsidiary to the DGR for record. Further extension of tenure beyond seven years shall not be granted.

20. Rates to be Paid by Coal Subsidiary:

- (a) The ESM Companies shall be paid normative rates and escalation rates based on report agreed by DGR and approved by CIL which shall be worked out by a professional consultancy firm engaged by CIL.
- (b) CIL shall finalise the normative rates with concurrence of DGR. The same shall also be ratified by concerned CIL Subsidiaries where ESM Companies are deployed. The Normative Rates approved by CIL shall be final and binding upon all concerned. The customized rates for transportation shall be fixed by the respective CIL Subsidiary after detailed study.

21. Allotment of Work Type: Following work shall be allotted to ESM Company:

- (a) Coal Loading and Transportation
 - (i) From Mine Face to Surface.
 - (ii) From Surface to Surface.
- (b) Wagon Loading.

- (c) Any additional type of work which is viable and is available for award to ESM Company, shall be considered for allotment only after mutual consent between DGR and concerned Coal Subsidiary/CIL.
- 22. Quantum of Work to an ESM Company:** Yearly quantity commensurate to 80% of the fleet capacity shall be provided to the ESM Company, below which the concerned ESM Company may take up the case with DGR and CIL. DGR and CIL shall work out modalities to ensure that the interests of the ESM Companies are safeguarded in conjunction with concerned CIL Subsidiary. A fleet utilization statement shall be submitted by the ESM Company to DGR quarterly.
- 23. Allotment of Work Site:** The Coal Subsidiaries shall ensure that work site is mentioned in the Letter of Intent given to ESM Companies. In exigency, the ESM Company may be relocated to other sites with due consent of DGR provided adequate work is not available. In the event of allotting more than one site, such work sites should be within the same area.
- 24. Prohibition on Sub-contracting:** ESM Company shall not be subcontracted. To ensure the same DGR may carry out surprise checks/ random checks. Same may also be done to ascertain subletting as reported by the Coal Subsidiary or on receipt of specific complaint. In case subcontracting is established, the CIL Subsidiary shall stop future contract of work to such ESM Company.
- 25. Settlement of Bills:**
- (a) Payment of work done would be made only after the execution of a Formal Agreement between Coal Subsidiary and the ESM Company.
- (b) Fortnightly bill of executed work shall be submitted by ESM Company. These bills shall normally be cleared in the following fortnight. In case of any problem, the ESM Company may approach the CMD of the CIL Subsidiary/DGR.
- 26. Clearing of Dues and Closure of Contract:** The closure of contract shall be done within a period of 150 days after completion of the work subject to the condition that the ESM Company has cleared its outstanding dues, if any.
- 27. Land Space and Accommodation:** CIL Subsidiaries shall provide suitable site/space for establishment of temporary garages, workshops, site offices and barrack accommodation for ESM Company, if available. Appropriate accommodation shall be

provided to the Directors of all the ESM Companies and regular employees at suitable rates as decided by the Coal Subsidiary subject to availability.

28. Functional Norms:

- (a) At least one Director of ESM Company shall always be available at worksite.
- (b) The telephone/ mobile numbers, e-mail and correspondence address of Directors and any update therein shall be provided by the ESM Company to CIL Subsidiary and DGR.
- (c) The ESM Company is required to hire a certified Chartered Accountant to audit their accounts. Annual Audit Report in respect of each ESM Company shall be submitted to DGR.
- (d) A detailed monthly account shall be maintained by the ESM Company in respect of each vehicle and same shall be audited annually and details of the same shall be included in audit report of the ESM Company. The ESM Company shall charge up to 10% of total profit earned by the tipper as administrative cost and other services provided.
- (e) The ESM Tipper Owner after having attached the tipper to an ESM Company shall continue with the same company till the company tenure is completed or when the tipper becomes unfit for operations in the coal mines and is to be replaced.
- (f) The Directors of ESM Companies shall directly deal with the Engineer-in-Charge designated by the CIL Subsidiaries for their regular working and shall not do so through power of attorney. All the payments shall be made in the name of ESM Companies and not to any other Agency/Authorised Representative/Power of Attorney Holder.
- (g) If an ESM Company after sponsorship does not report to the designated CIL Subsidiary within the stipulated period or is unable to commence work within the stipulated period, such ESM Company shall be de-sponsored by DGR and dissolved by the order of DGR. The Directors of such ESM Company shall not be eligible to form any other ESM Company and shall not be eligible for any other Scheme of DGR. The ESM Tipper Owners and widows/wards/disabled ESM attached with such ESM Company shall be sponsored to a new ESM Company by DGR.

Step VII: Financial Requirements

29. The financial requirements of ESM Companies shall be as follows:-

- (a) Each ESM Company shall start with an initial Capital of Rs. 1,25,00,000/- (Rs. One Crore Twenty Five lakhs Only), which can be amended from time to time as per evolving environmental realities in coordination between DGR and CIL. Each of the five Directors shall contribute equal amount of Rs. 25,00,000/- (Rs. Twenty Five lakhs Only) as initial investment capital.
- (b) All five Directors shall hold equal shares in the Company with a share of 20% each. In case of death of a Director after sponsorship, the shares shall be transferred to the NoK of the ESM (O).
- (c) The ESM JCOs/OR shall be required to invest one time seed money of Rs. 5,00,000/- (Rs. Five lakhs only). The Directors shall assist the ESM JCOs/OR to secure loan for procurement of Tippers. In case of death of the ESM JCOs/OR after sponsorship, the ownership of the Tipper shall go to the NoK of deceased person.
- (d) The personnel as nominated by DGR to ESM Company against Tipper Attachment Scheme for widows/wards/disabled ESM shall make one time contribution of Rs. 1,00,000/- (One lakh only) to the ESM Company. The ESM Company shall pay a fixed remuneration of Rs. 4,000/- per month to the person attached with them under the Scheme for a period of five years. The initial contribution of Rs. One lakh shall be returned to the individual by the ESM Company one month before completion of tenure of five years attachment of the individuals.

30. Performance Security Deposit: ESM Company shall furnish a security of Rs. 20,00,000/- (Twenty lakhs only) in the form as provided in the Terms and Conditions, fully pledged to the concerned Coal Subsidiary within 90 days of commencement of operations in five equal monthly instalments. The security deposit shall be refunded to the ESM Company within 90 days of the closure of contract after due clearance from DGR and Engineer-in-Charge of the Contract.

PART-VI
OPERATIONAL STRUCTURE OF ESM COMPANY

31. The ESM Company shall operate on the following model for loading and transportation of coal in the Coal Subsidiary as given by DGR:-

- (a) Fleet Strength: The ESM Company shall operate with a maximum vehicle fleet strength of four (4) Pay Loaders and forty (40) Tippers which shall be divided into four groups. One group shall consist of one Pay Loader and ten Tippers. Hence, the maximum fleet strength of one ESM Company shall be Four Groups.

| Tipper Ownership | 1st Group | 2nd Group | 3rd Group | 4th Group |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| ESM Company | 1P + 04T | 1P + 04T | 1P + 04T | 1P + 04T |
| ESM JCOs/ OR | 06 T | 06 T | 06 T | 06 T |
| Attached Widows/ Wards/ Disabled ESM | 15 | 15 | 15 | 15 |

Note : P refers to Pay Loader and T refers to Tipper

- (b) Total number of Beneficiaries:

| Beneficiaries | 2P + 20T | 1P + 10T | 1P + 10T |
|-------------------------------|-----------------|-----------------|-----------------|
| ESM Officers (Directors) | 05 | 00 | 00 |
| ESM Tipper Owners | 12 | 06 | 06 |
| Widows/Wards/ Disabled ESM | 30 | 15 | 15 |
| Total Beneficiaries | 47 | 21 | 21 |
| Grand Total | 89 | | |

- (c) Five ESM (O) shall be the Directors of the ESM Company which shall own one Pay Loader and four Tippers in each Group. The ESM JCOs/ OR shall own six Tippers in each Group. The widows/wards/disabled ESM shall be attached

with the tippers of ESM Company for fixed monthly remuneration in lieu of the one-time capital investment by them.

- (d) Each ESM Company shall commence work with at least two Pay Loaders and twenty Tippers and enhance its fleet to maximum capacity based on requirement projected by the Coal Subsidiary. The number of Groups being operated by the ESM Company shall be reflected in the Reports and Returns to DGR. The ESM Company may commence work with maximum fleet strength ab initio if required by the Coal Subsidiary and the capacity exists with the ESM Company. Under no circumstance the fleet strength shall exceed four Pay Loaders and forty Tippers for one ESM Company.
- (e) Only new Pay Loaders and Tippers with the specifications as given at **Appx I** shall be deployed by the ESM Companies on commencement of work in the Coal Subsidiary. Documentary evidence for procurement and registration of these vehicles and equipment from the manufacturers/authorities shall be produced to DGR/ Subsidiaries of CIL on demand.
- (f) The minimum carrying capacity of Tippers deployed by the ESM Companies shall be 16 tonnes. The CIL Subsidiary may decide on further specifications as per their requirement. All Tippers and Pay Loaders shall have air-conditioned cabins and shall be fitted with GPS based Tracking System compatible with the system in the operating Area, in addition to the statutory safety features.
- (g) The Tipper/ Pay Loader/ Equipment of an ESM Company shall continue with the same company till the company tenure is completed or when the Tipper/ Pay Loader/ Equipment becomes unfit for operations in the coal mines and is to be replaced.
- (h) Fitness of a Tipper/ Pay Loader/ Equipment operating in the mine premises shall be certified by the coal subsidiary as per the terms and conditions of the contract.
- (i) In case of financial contingency, the ESM Owned Tipper can be sold by the ESM only to the ESM Company during the tenure of the ESM Company.

PART-VII
REPORTS AND RETURNS

32. Following Reports and Returns shall be submitted by the ESM Coal Company to DGR:-
- (a) All ESM Companies shall submit a Quarterly Return during each calendar year. Format of the Quarterly Report is attached as **Appx J**. ESM Companies shall also submit a Half Yearly return as on 30 June and 31 December of every year. The format of the Half Yearly Report is attached as **Appx K**. All the Directors shall sign the report on each page. This proforma would also include the monthly payments made to the widows of ESM, wards and disabled ESM beneficiaries and sources of funding of the ESM Companies. The soft copy of the report in excel sheet should be submitted by 20 July for the period ending 30 June and 20 January of the succeeding year for the period ending 31 December.
 - (b) The hard copy of the Half Yearly return is to be submitted to DGR by the ESM Company through the Coal Subsidiary concerned, duly authenticated on the specified pages. The ESM Company shall ensure that hard copy of reports and returns shall be submitted to DGR latest by 15 August and 15 February respectively.
 - (c) In order to ensure and verify the employment status of the Directors of the ESM Company, the Directors shall submit Form 26 AS each year by 30 April to DGR or as and when asked by the DGR. These shall be downloaded in Office of DGR between 01 April and 31 May every year for verification.
 - (d) All ESM Companies shall submit their Annual Audit Reports duly verified by a registered CA on completion of each financial year to be submitted to DGR by 31 October.
 - (e) Non-submission of specified reports or incorrect facts/figures shall result in cancellation of sponsorship/ non-renewal of the contract.
 - (f) Performance Report along with the quantum of work carried out by the respective ESM Companies shall be submitted to DGR by the Coal

Subsidiaries concerned on a bi-annual basis along with the Half Yearly Returns of the ESM Company.

- (g) All statutory obligations shall be ensured by the ESM Companies. Coal Subsidiary being principal employer, shall ensure compliance of statutory obligation and in case of any dispute, the same shall be settled in review meeting as explained in Para 39 and 43 ahead.

PART-VIII
OTHER REQUIREMENTS

- 33.** ESM(O) waitlisted in the Scheme shall be considered as per their seniority, subject to meeting all eligibility criteria as mentioned in Paragraph 2 above. Waitlisted ESM(O) who have crossed the age eligibility limit shall be struck off from the waiting list.
- 34.** The ESM(O) shall submit an affidavit on Rs.100 Stamp paper, duly notarized, to the effect that they are unemployed/ not self-employed at the time of being selected for the Feasibility Study of the designated area in the CIL Subsidiary and have not availed any other benefit from DESW/DGR. Format of the affidavit is placed at **Appx L**. Format of the affidavit to be given by the JCOs/OR and equivalent rank beneficiaries is placed at **Appx M**.
- 35.** Proof of deposition of initial capital of Rs. 1,25,00,000/- (One Crore Twenty Five lakh only) by the ESM(O) directors shall be submitted to DGR prior to sponsorship letter.
- 36.** The ESM(O) shall not be employed/ self-employed in any other capacity while holding the position of Director with the ESM Company. In case it comes to notice, that any ESM(O) is employed/ self-employed elsewhere during the time of being Director of a running ESM Coal Loading and Transportation Company, he/she shall be de-sponsored by DGR immediately and removed as Director from that Company. An affidavit accepting these terms shall be submitted by all ESM(O) at the time of selection for conducting Feasibility Study.

PART-IX

OBLIGATION FOR EMPLOYMENT OF EX-SERVICEMEN

37. Priority shall be given to ESM for employing in other roles like administration, accounting, security etc. in the ESM Company. Preference shall be given to disabled and retired Armed Forces personnel in hiring by the ESM Coal Loading and Transportation Company. Salaries and benefits shall be aligned with industry standards and comply with applicable Labour Laws.

PART-X

MODE OF PAYMENT REQUIREMENTS

38. All wages paid to the employees should be through bank (e-payment) only and ESM company shall submit statement of proof to DGR and CIL Subsidiary. The wages paid to the employees shall be in accordance with the Terms and Conditions of the contract and the applicable Labour Laws. ESM Company shall be responsible for payment to the widows/wards/disabled ESM beneficiaries.

PART-XI

MONITORING AND EVALUATION REQUIREMENTS

39. A Joint Monitoring Committee (JMC) comprising representatives of DGR and CIL shall be established to oversee the functioning of the ESM Company. The JMC shall review the operational and financial performance on a quarterly basis. The JMC shall resolve any disputes or issues arising in the implementation of these guidelines.

PART-XII

REVIEW MEETINGS AND DISPUTE RESOLUTION

40. The resolution of disputes between ESM Companies and CIL Subsidiaries shall be addressed to CIL, the Coal Subsidiary and DGR and resolution shall be carried out as per the provisions of the Terms and Conditions of the contract.

41. The resolution of disputes within the ESM Company and/ or the Tipper Owners and/ or beneficiaries of this Scheme shall be undertaken at DGR according to these Guidelines and the relevant policies on the subject issued from time to time.
42. To review the functioning of the ESM Companies and resolve any functional problems, half yearly meeting of the General Manager/ Project Manager of the Coal Subsidiary concerned, the Directors of the ESM Company and DGR representatives shall be held on mutually agreed dates.
43. Annual meeting between DGR and Chairman CIL / CMDs of Coal Subsidiaries (where ESM Companies are operating) shall be held to review the employment of ESM Companies in the Coal Subsidiaries.

PART-XIII

NON-COMPLIANCE AND TERMINATION OF CONTRACT

44. **Adherence to Conditions:** In case of ESM Companies are found to be not adhering to the provisions of these guidelines and agreement with CIL Subsidiary and/or found indulging in any malpractice, the CIL Subsidiary in consultation with DGR may initiate any or all of the following actions: -
 - (a) Temporary suspension of contract.
 - (b) Forfeiture of Security deposit.
 - (c) Withholding of payment of bills.
 - (d) Termination of Contract.
45. **Show Cause Notice:** Before initiating any of these actions, the Coal Subsidiary shall issue a show cause notice to ESM Company under intimation to DGR and afford reasonable opportunity to the ESM Company to clarify their position. In case of non-compliance of these Guidelines by any ESM Company, DGR may recommend temporary suspension of the contract which shall be honoured by the CIL Subsidiary and recommencement shall be permitted after clearance from DGR.
46. DGR, CIL and Coal Subsidiaries shall co-operate and ensure compliance of these guidelines

PART-XIV

RESPONSIBILITIES OF BENEFICIARIES UNDER THE SCHEME

47. ESM(O):-

- (a) Shall be responsible for the incorporation and functioning of the ESM Company as per the Guidelines and instructions issued by DGR under the Scheme.
- (b) Shall be responsible for all actions of the ESM Company in the capacity of Director as per The Company Act 2013.
- (c) Shall be responsible for submission of all Reports and Returns to DGR.
- (d) Shall be responsible for timely disbursement of remuneration to Tipper Owners and widows/wards/disabled ESM beneficiaries attached with the Scheme.
- (e) Shall be responsible to the Coal Subsidiary as per the Terms and Conditions of the agreement.
- (f) Shall be responsible to handle and resolve internal issues/ disputes in the ESM Company.
- (g) Shall be responsible to intimate DGR of any issue/ dispute with the Coal Subsidiary.

48. Tipper Owner ESM JCOs/ OR and Equivalent Ranks:

- (a) Shall be responsible for purchase of new Tipper as per specifications given by the ESM Coal Company.
- (b) Shall be responsible to deposit all documents relating to the Tipper Ownership to DGR as per format given in **Appx N**.
- (c) Shall be responsible to submit confirmation of payment received from ESM Company on monthly basis to DGR.
- (d) Shall be responsible for upkeep and maintenance of his/her Tipper during its deployment with the ESM Company. Certificate to this effect shall be submitted by the Tipper Owner on bi-annual basis.
- (e) Shall be responsible to intimate DGR of any issue/ dispute with the ESM Company within three months of such dispute. Any intimation of an issue dating back from more than three months shall not be entertained by DGR.

(f) Shall be responsible to the ESM Company for all duties as directed by the Company for transportation of coal for the Coal Subsidiary as per contract.

49. These guidelines supersede all guidelines/ instructions/ SOP issued before this date on the ESM Coal Loading and Transportation Scheme of DGR and all ESM/ beneficiaries of this Scheme henceforth shall be subject to the guidelines issued in this document or as revised from time to time.
