

**COAL MINES DEPOSIT LINKED  
INSURANCE SCHEME, 1976**



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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR**

**NOTIFICATION  
New Delhi, 27.7.76**

**THE COAL MINES DEPOSIT-LINKED  
INSURANCE SCHEME**

G.S.R. No.487 (E) In exercise of the powers conferred by Section 3G of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948), the Central Government hereby makes the following Scheme, namely: --

**Chapter - I Preliminary**

1. Short title, commencement and application: -

- (1) This Scheme may be called the Coal Mines Deposit Linked Insurance Scheme, 1976.
- (2) The Provisions of this Scheme shall come into force on the 1st day of August, 1976.
- (3) Subject to the provisions of section 11C of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, this Scheme shall apply to the employees as are covered by the Coal Mines Provident Fund Scheme.

2. Definitions: - In this Scheme, unless the context otherwise requires--

- (a) "Act" means the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948).
- (b) "Assurance benefit" means a payment linked to the average balance in the Provident Fund account of an employee, payable to a person belonging to his family or otherwise entitled to it in the event of death of the employee while being a member of the Coal Mines Provident Fund.
- (c) All other words and expression used herein but not defined shall have the meaning respectively assigned to them in the Act or the Coal Mines Provident Fund Scheme.

**3. Administration of the Scheme: -**

This Scheme shall be administered by the Board of Trustees constituted under section 3A of the Act.

**4. Delegation of Power by the Board: -**

(1) The Board may, by a resolution, empower its Chairman or the Commissioner or both, to sanction expenditure, subject to such limits as may be specified in the resolution, on contingencies, supplies and purchases of articles required for administering the Insurance Fund subject to financial provisions in the Budget, where such expenditure is beyond the limits up to which the Chairman or the Commissioner is authorised to sanction expenditure on any single item.

(2) The Board may also by a resolution empower its Chairman or the Commissioner or both, to appoint such officers and employees, other than those mentioned in sub-sections (1) and (2) of section 3C of the Act, as the Chairman or the Commissioner may consider necessary for the efficient administration of this Scheme.

(3) All sanctions of expenditure made by the Chairman or Commissioner in pursuance of sub-paragraph (1) shall be reported to the Board as soon as possible after the sanction of the expenditure.

**5. Administrative and Financial Powers of the Commissioner: -**

The Commissioner may, without reference to the Board, sanction expenditure on Contingencies, supplies and services and purchase of articles required for administering the Insurance Fund, subject to financial provisions in the budget and subject to the limits up to which he may be authorized to sanction expenditure on any single item from time to time by the Board.

**6. Contributions: -**

- (1) The contribution payable by the employer and the Central Government under sub-section (2) and sub-section (3) of section 3G of the Act, shall be calculated on the basis of the basic wages, dearness allowance (including the cash value of any food concession) and retaining allowance, if any, actually drawn during the whole month whether paid on daily, weekly, fortnightly or monthly basis.
- (2) Each contribution shall be calculated to the nearest rupee, fifty paise or more to be counted as the next higher rupee and fraction of a rupee less than fifty paise to be ignored.]

**7. Mode of Payment of Contribution: -**

- (1) The contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under sub-section (4) of section 3G of the Act, to the Insurance Fund within fifteen days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the Commissioner. The cost of remittance if any shall be borne by the employer.
- (2) It shall be the responsibility of the employer to pay the contribution payable by himself in respect of the employees directly employed by him and also in respect of the employees employed by or through a contractor.
- (3) The Central Government shall credit its contribution to the Insurance Fund as soon as possible after the close of every financial year.

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1. Substituted vide G.S.R. No. 1316 dated 29.12.84

- (4) The commissioner shall deposit the bank draft or cheque received from the employers in the State Bank of India or in any bank specified in the First Schedule of the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 (5 of 1970) .

**8. Employer's Contribution not be Deducted from the Wages of Employees: -**

Notwithstanding any contract to the contrary, the employer shall not be entitled to deduct the employer's contribution payable by him under this Scheme from the wages of the employees or to recover it from them in any other manner.

**9. Duties of Employers: -**

- (1) Every employer shall send to the Commissioner returns in such form and in such manner as may be specified by the Commissioner for the purposes of this Scheme.
- (2) Every employer shall maintain such accounts in relation to the amounts contributed to the Insurance Fund by him as the Board may, from time to time, direct, and it shall be the duty of every employer to assist the Board in making such payment from the Insurance Fund to his employees as are sanctioned by or under the authority of the board.
- (3) Every employer shall maintain a contribution register in such form as the Commissioner may specify in respect of every employee in his employment who is a member of the Coal Mines Provident Fund. The Contribution made by the employer in respect of each such employee shall be entered therein by the employer every month.

\* (4) [                    ]

**10. Inspection of Records and Registers by the Commissioner or Inspector: -**

Every employer shall, whenever the Commissioner or any other officer authorized by him in this behalf or an inspector so requires, produce before him the records and other registers then in his possession, for inspection.

**11. Supply of Forms to Employers: -**

The Commissioner shall supply to employers free of charge on demand, forms referred to in this Scheme to the extent absolutely necessary.

**12. Administration Account: -**

The contributions received from the employers and the Central Government under sub-section (4) of section 3G of the Act shall be credited to a separate account called "the Insurance Fund Central Administration Account" and all expenses in connection with the administration of this Scheme, other than cost of benefits provided by or under this Scheme, shall be met out of this account.

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1. Sub-paragraph (4) omitted by G.S.R. 647 dated 21.5.77.

**13. Deposit Linked Insurance Fund Account: -**

The amount received as the employer's contribution and also the Central Government's contribution to the Insurance Fund under sub-sections (2) and (3) of section 3G shall be credited to an account called the "Deposit Linked Insurance Fund Account" and all expenses towards the cost of any benefits provided by or under the Scheme shall be met out of this Account.

<sup>1</sup> **"14. Investment of Mines belonging to Insurance Fund: -**

- (1) All Moneys Belonging to or standing to the credit of the Insurance Fund except as may be required for meeting claims in respect of Deposit Linked Insurance benefit under the Scheme shall be kept in deposit with the Central Government in the Public Account.
- (2) The Central Government shall pay interest at a rate not less than 7½ per cent per annum";

**15. Interest: -**

All interest, rent and other income realized and net profits or losses, if any, from the sale or investments not including therein the transaction of the Insurance Fund Central Administration Account, shall be credited or debited as the case may be to the Insurance Fund.

**16. Disposal of the Insurance Fund: -**

- (1) Subject to the provisions of the Act and of this scheme, the Insurance Fund shall not, except with the previous sanction of the Board, be expended for any purpose other than the payment of the benefits in accordance with the provisions to this Scheme.
- (2) The Insurance Fund shall be operated upon by such officers as may be authorized in this behalf by the Board.

**17. Expenses of Administration: -**

All expenses relating to the administration of this Scheme shall be met from the 'Insurance Fund Central Administration Account'.

**18. Forms of Accounts: -**

The accounts of the Insurance Fund, including the Insurance Fund Central Administration Account shall be maintained by the Commissioner in such form and in such manner as may be specified by the Board.

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1. Substituted vide G.S.R. No. 1218 dated 22.11.84. (deemed to have come into force with effect from the 1st day of April, 1984).

**19. Audit :-**

- (1) The accounts of the Insurance Fund, including the Insurance Fund central Administration Account shall be audited in accordance with the instructions issued by the Central Government in consultation with the comptroller and auditor- General of India.
- (2) The charges on account of audit shall be paid out of the Insurance Fund Central Administration Account.

**20. Budget:-**

- (1) The Commissioner shall place before the Board at a meeting to be held in January each year, a budget showing separately the probable receipts from the contributions and from the levy of administrative charges and the expenditure which is proposed to be incurred during the following financial year. The budget as approved by the Board shall be submitted for sanction to the Central Government before the 15<sup>th</sup> of February each year.
- (2) The Central Government may make such modifications in the budget as it considers desirable before sanctioning it.
- (3) The Commissioner may at any time during the year, make budgetary re-appropriation of funds sanctioned in the budget by the Central Government provided that—
  - (i) the total amount sanctioned in the budget by the Central Government is not exceeded :
  - (ii) it is made only for meeting such expenses of administration as are to be met from the Insurance Fund central Administration Account in accordance with paragraph 17 ; and
  - (iii) every re-appropriation so made shall be reported by him to the Board at its next meeting.
- (4) The Commissioner shall place before the Board a supplementary budget for a financial year, giving detailed estimates and reasons of inescapable expenditure which is likely to be incurred during the year for which no provision has been made in the sanctioned budget and which can not be covered under the provisions of sub-paragraph (3). The Supplementary budget as approved by the Board shall be submitted for sanction to the Central Government within a month of its being placed before the Board.
- (5) Any expenditure incurred by the commissioner over and above the sanctioned budget of the financial year and not covered under the provisions of sub-paragraphs (3) and (4), shall be reported to the Board at the earliest practicable moment after the excess is established for its consideration and for obtaining sanction of the Central Government.

**21. Scales of Assurance Benefit and the Minimum Average Balance to be Maintained by an Employee:--**

- (1) On the death of an employee who is a member of Coal Mines Provident Fund, the person entitled to receive the provident fund accumulations of the deceased shall, in addition to such accumulations, be paid an amount equal to the average balance in the account of the deceased in the Fund during the preceding three years not exceeding **rupees ten thousand**:

Provided that the average balance in the account of the deceased employee is not below the sum of Rs. 1000/- at any time during the preceding three years.

**Explanation:-** For the purpose of determining the average balance in the Provident Fund in relation to any employee, the sum total of contributions by the employee and the employer, due during the relevant period, whether paid or unpaid in the Fund together with interest thereon, shall be taken into account.

- (2) In the case of apart-time employee who was a member of the Provident Fund while serving in more than one Coal Mine the quantum of benefit under this Scheme shall be determined with reference to the average of the aggregate balance in all his accounts in the Fund during the preceding three years.

**22. Assurance Amount to Whom Payable:--**

- (1) The nomination made by an employee under the Coal Mines Provident Fund Scheme shall be treated as nomination under this Scheme and the assurance amount shall become payable to such nominee or nominees.

- (2) If no nomination subsists or if the nomination relates only to part of the amount standing to his credit in the Fund, the whole amount or the part thereof to which the nomination does not relate, as the case may be, shall become payable to the members of his family in equal shares:

Provided that no share shall be available to-

- (a) sons who have attained maturity;
- (b) sons of a deceased son who have attained maturity;
- (c) married daughters whose husbands are alive ;
- (d) married daughters of a deceased son whose husbands are alive ;

if there is any member of the family other than those specified in clauses (a), (b), (c) and (d); Provided further that the widow or widows, and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the employee and had not attained the age of maturity at the time of his death.

- (3) In any case to which the provisions of sub-paragraphs(1) and (2) do not apply the whole amount shall be payable to the person legally entitled to it.

**Explanation :-** For the purpose of this paragraph an employee's posthumous child, if born alive. Shall be treated in the same way as surviving child born before his death.

**23. Assurance Amount ---how to be paid:--**

- (1) The nominee or nominees or other claimants shall send a written application to the Commissioner through the employer in such form as the Commissioner may specify, to claim payment under this Scheme.
- (2) If the person to whom any amount is to be paid under this Scheme is a minor or a lunatic, the payment shall be made in accordance with the provisions in the Coal Mines Provident Fund Scheme relating to payment to such persons.
- (3) Payment to be made under this Scheme shall be made in the form of a deposit in a Savings Bank account, in any Bank specified in the First Schedule to Banking Companies (acquisition and Transfer of Undertakings) Act,1970 (5 of 1970) in the name of the nominee or the nominees or other claimants.

**24. Registers, Records, etc. :--**

The Commissioner may with the approval of the Board specify the Registers and records to be maintained in respect of the employees, the form or design of any identify card, token or disc for the purpose of identifying any employee or his nominee or nominees or a member of his family entitled to receive the benefit under this Scheme and such other formalities as have to be completed in connection with the payment of the said benefit, subject to such periodical verification as may be considered necessary.

**1"25. Annual Report and Annual Account of Coal Mines Deposit Linked Insurance Scheme :-**

The Commissioner shall place a report on the working of Coal Mines Deposit Linked Insurance Scheme relating to the previous financial year along with audited annual accounts at a meeting of the Board to be held before 15th November each year and the Board shall submit such report with accounts to the Central Government for placing them on the table of the House by end of December each year.

Provided, however, that if the audit report is received subsequent to 15th October the audited annual accounts shall be placed in the next meeting of the Board to be convened within one month of its receipt."

**\*26. [            ]**

**27. Special provisions relating to Coal Mines in respect of which application are received for exemption form the provisions of this Scheme :--**

- (1) (i) The Commissioner may, by order and subject to such conditions as may be specified in the order, exempt form the operation of all or any of the provisions of this Scheme an employee to whom the Scheme applies on receipt of application from such an employee ;

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<sup>1</sup> Substituted vide G.S.R. No. 410 dated 21.5.88.

\* Paragraph 26 omitted by G.S.R. No. 647 dated 21.5.77.



*COAL MINES DEPOSIT LINKED INSURANCE SCHEME*

Provided that such an employee, is without making any separate contribution or payment of premium, in enjoyment of benefits in the nature of life assurance, whether linked to his deposits in provident funds or not, according to the rules of the Coal Mine and such benefits are more favorable than the benefits provided under this Scheme.

- (ii) Where an employee is exempted, as aforesaid the employer shall in respect of such employee maintain such accounts, submit such returns, provide such facilities for inspection as the Commissioner may direct and pay such inspection charges and make such investments as the Central Government may direct.
- (2) An employee exempted under sub-paragraph (1) may, by an application to the Commissioner, make a request that the benefits of the Scheme be extended to him.
- (3) No employee shall be granted exemption or permitted to apply out of exception more than once on each account.
- (4) (i) The Central Government may by order and subject to such conditions as may be specified in the order exempt from the operation of all or any of the provisions of this Scheme any class of employees to whom this Scheme applies, on receipt of an application therefore, in such form as the Commissioner may specify :

Provided that such class of employees is, without making any separate contribution or payment of premium, in enjoyment of benefits in the nature of life assurance, whether linked to their deposits in Provident Fund or not, according to the rules of the coal mine and such benefits are more favorable than the benefits provided under this Scheme.

- (ii) Where any class of employees is exempted as aforesaid the employer shall in respect of such class of employees maintain such accounts, submit such returns, provide such facilities for inspection, pay such inspection charges and make investments in such manner as the Central Government may direct.
- (5) A class of employees exempted under sub-paragraph (4) or the majority of employees constituting such class may, by an application to the Commissioner, make a request that the benefits of this Scheme be extended to them.
- (6) No class of employees or the majority of employees constituting such class shall be granted exemption or permitted to apply out of exemption more than once on each account.
- (7) Notwithstanding anything contained in this Scheme the Commissioner may in relation to a coal mine in respect of which an application for exemption under section 11C of the Act has been received, relax pending the disposal of the application, the provisions of this Scheme in such manner as he may direct.

*COAL MINES DEPOSIT LINKED INSURANCE SCHEME*

- (8) Where a coal mine is exempted as aforesaid, the employer shall, in respect of employees in such Coal Mine, maintain such accounts, submit such returns, provide such facilities for inspection, pay such inspection charges and make investments in such manner as the Central Government may direct.

[No. S.35012(2)/76-PF. II(ii)]

Sd/-

(S. S. Sahasranaman)  
Deputy Secretary

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(Published in Part-II, Section 3, Sub-section (ii) of the Gazette of India dated 21.11.1987)

**GOVERNMENT OF INDIA ;BHARAT SARKAR  
MINISTRY OF ENERGY : OORJA MANTRALAYA  
DEPARTMENT OF COAL : KOYLA VIBHAG**

Dated New Delhi, 30th Oct. '87

**NOTIFICATION**

S.O. 3241, WHEREAS sub-paragraph (10) of paragraph 31A of the Coal Mines Provident Fund Scheme, sub-paragraph (10) of paragraph 12 of the Andhra Pradesh Coal Mines Provident Fund Scheme and sub-paragraph (10) of paragraph 11A of the Rajasthan Coal Mines Provident Fund Scheme provide that any amount transferred to the Fund for a member shall be deemed to be his contributions for the currency period in which the amount is received in the Fund;

AND WHEREAS in terms of the proviso to paragraph 2 (k) of the said Schemes period of membership of the Fund in respect of a member, whose accumulations in the past provident fund are transferred to the Coal Mines Provident Fund shall be deemed to have commenced from the date of his employment in the coal mine or establishment as the case may be, wherein he became a subscriber of the provident fund from which his accumulations are transferred to the Fund;

AND WHEREAS the average balance in the account of the deceased employee should not be below the sum of Rs. 1000/- at any time during the preceding three years for eligibility for the Deposit Linked Insurance benefit in accordance with the proviso to paragraph 21 of the Coal Mines Deposit Linked Insurance Scheme, 1976;

AND WHEREAS as it often happens that nominees or surviving members/legal heirs of certain members of the Coal Mines Provident Fund are deprived of the Deposit Linked Insurance benefit in view of the provisions contained in sub-paragraph(10) of paragraph 31A of the Coal Mines Provident Fund Scheme, sub-paragraph (10) of paragraph 12 of Andhra Pradesh Coal Mines Provident Fund Scheme and sub-paragraph (10) of paragraph 11A of the Rajasthan Coal Mines Provident Fund Scheme although the membership is countable from the original date of appointment in the establishment where from Provident Fund is transferred.

Now, therefore, in exercise of the powers conferred by Section 11B of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948(46 of 1948) the Central Government hereby makes the following directives:-

"For the purpose of the Deposit Linked Insurance Scheme transferred accumulations shall be deemed as contribution for the currency period in which the member ceased to contribute to the provident fund from which accumulations have been transferred to the Coal Mines Provident Fund".

[80011/24/87-Adm.I(PF)]

Sd/-

(Samay singh)

Under Secretary to the Govt. of India  
Tel. No. 384285

**(Published in Part-II, Section 3, Sub-section (ii) of the Gazette of India dated 24.03.2009)**

**MINISTRY OF COAL  
NOTIFICATION  
New Delhi, the 24<sup>th</sup> March, 2009**

**S.O. 822(E).**- Whereas the Coal India Limited (which includes its Headquarters, units and subsidiaries) (hereinafter referred to as the said establishment) have applied for exemption under sub-section (1) of Section 11C of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948) (hereinafter referred to as the said Act) from the operation of the Coal Mines Deposit Linked Insurance Scheme, 1976 (hereinafter referred to as the said Scheme).

And Whereas, the Central Government is satisfied that the executive employees of the said establishment are, without making any separate contribution or payment of premium, in enjoyment of benefits under the Life Cover Scheme introduced by the said establishment for its employees in the nature of life assurance which are more favourable to such employees than the benefits admissible under the said Scheme.

Now, therefore, in exercise of the powers conferred by sub-section (1) of Section 11C of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 and subject to the conditions specified in the Schedule annexed hereto, the Central Government hereby exempts the executive cadre employees of the said establishment from the operation of all the provisions of the said Scheme with effect from the date of issue of notification in the Official Gazette.

**SCHEDULE**

1. The employer in relation to the said establishment shall submit such returns to the Coal Mines Provident Fund Commissioner, Dhanbad, maintain such account and provide for such facilities for inspections, as the Central Government may direct from time to time.
2. The employer shall pay such inspection charges as the Central Government may, from time to time, direct under clause (a) of sub-section (3) of Section 11C of the said Act, within 15 days from the close of every month.
3. All expenses involved in the administration of the Life Cover Scheme including maintenance of accounts, submission of returns, transfer of accounts and payment of inspection charges, etc. shall be borne by the employer.
4. The employer shall display, on the Notice Board of the establishment, a copy of the rules of the Life Cover Scheme as approved by the Central Government and, as and when amended, along with a translation of the salient features thereof in the language of the majority of the employees.
5. The employer shall arrange to enhance the benefits available to the employees under the Life Cover Scheme appropriately, if the benefits available to the employees under the said Scheme are enhanced, so that the benefits available under the Life Cover Scheme are more favourable to the employees than the benefits admissible under the said Scheme.

*COAL MINES DEPOSIT LINKED INSURANCE SCHEME*

6. Where an employee, who is already a member of the Coal Mines Provident Fund, is employed in his establishment, the employer shall immediately enroll him as a member of the Life Cover Scheme and pay necessary premium in respect of him.
7. The employer shall arrange, in respect of an employee who leaves the establishment and joins another establishment covered under the said Act to transfer to the Insurance Fund in respect of the other establishment, the proportionate premium to the credit of the outgoing employees.
8. No amendment of the provisions of the Life Cover Scheme will be made, which is likely to affect adversely the interests of the employees, without approval of the Central Government.
9. Notwithstanding anything contained in the Life Cover Scheme, if on the death of an employee, the amount payable under this Scheme be less than the amount that would be payable had employee been covered under the said Scheme, the employer shall pay the difference to the legal heir or nominee of the employees as compensation.
10. Where, for any reason, the employees of the establishment do not remain covered under the Life Cover Scheme of the Coal India Limited, or the benefits to the employees under this Scheme are reduced in any manner, the exemption shall be deemed to have been cancelled with effect from the date the employees are not covered under the Life Cover Scheme or the date of reduction of the benefits and the establishment shall be treated as covered under the said Scheme.

[F.No.20/15/2003-PRIW-III]  
RAJIV SHARMA, Addl. Secy.