



COAL MINES OFFICERS' ASSOCIATION OF INDIA

(Regd. No. - 11502 of W.B. Under the Trade Union Act, 1926)

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Ref. No. : CMOAI/Apex/ PRP/09/160

Date : 15.09.2009

To

The Hon'ble Minister of Coal,
Government of India,
Shastri Bhavan,
New Delhi – 110 001

**Sub.: Payment of Performance Related Pay (PRP) uniformly
to all Executives of Coal India Limited (CIL).**

Dear Sir,

We at first express our sincere gratitude to you and all others who have contributed in enabling the pay revision of the officers of Coal India Ltd.

It gives us immense pleasure to have an individual of your stature as the Leader of Coal Industry. With your vision and experience, the Coal Industry in India will surely scale new heights and the country shall steadily march ahead towards ensuring energy security in the country.

With exciting and challenging times anticipated in days to come, we hope that under your guidance and leadership, all of us would be enabled to excel and perform so that the goals set upon us are surpassed.

Keeping this in mind, we would like to draw your kind attention towards the fact that Coal India Limited (CIL) is the holding company for its subsidiaries viz. ECL, BCCL, CCL, CMPDI, NCL, MCL, SECL and WCL. These subsidiaries function in different geographical locations and fulfill the targets assigned to them as well as that of CIL as a whole.

All officers are appointed by Coal India Limited, and subsequently they are posted in its various subsidiary companies. Officers so posted in different subsidiaries function under a common centralized cadre which is administered by CIL. Postings, transfers, promotions, settlement of pay and perks etc. of these officers are all uniformly governed by CIL.

It can be categorically stated that an officer has no say with regard to his posting in CIL or any of its subsidiaries.

As other PSUs like SAIL, NTPC, BHEL, ONGC etc. have different units at various locations, similarly the different subsidiaries of CIL for all purposes function as different units of the parent company. The similarity is very obvious. The posting of executives in different units is also identical for both the cases.

For computation of Performance Related Pay (PRP), it is learnt that no differentiation is being made between the individual units of the different PSUs named above. Likewise, it would be fair that the same logic is applied for CIL also and no differentiation should be made amongst the different subsidiaries of CIL for payment of PRP.

Officers working in CIL, work in an inherently high risk and hazardous environment. They are exposed to hostile working conditions and the vagaries of nature. Mine working has its own uncertainties, which are definitely not pleasant.

Profits, productivity and results achieved in this industry depend heavily on factors like nature of deposit of mineral reserve at a locale, mining methodology that is being used or that can be used in that particular area as well as the prevailing socio-economic conditions. While coal mining itself is hazardous, at some places extremely difficult conditions are encountered. In India, coal being the primary energy source has to be extracted, however difficult the conditions. **One needs to appreciate that the degree of difficulty in mining coal is different, so are the performances of different subsidiaries.**

Profitability of coal mining operations are somewhat overshadowed by the overwhelming demand to extract coal, cost considerations become secondary aspect. The selling price of such coal is, however, decided not by the producer but as per rates decided by an altogether different mechanism. It is pertinent to mention here that in India, due to broader economic considerations, coal is priced at a huge discount to the prevailing international prices. Underground coal mining operations in even developed countries of Europe and other places are subsidized in national interest.

Of the different subsidiaries in CIL, officers working in ECL and BCCL face the most hostile and unequal work conditions. These subsidiaries operate old mines as a legacy from the days of private coal mining having impact of fire, gas, water and unscientific mining. The mining and geological conditions are not only difficult but so are the socio-economic conditions in these subsidiaries. It can be argued that

officers posted in these subsidiaries have to work harder and achieve targets under telling circumstances.

It has come to our notice that Ministry of Coal is in the process of allotment of some of the coal blocks to Singareni Coal Company Limited (SCCL) outside their command area. CIL subsidiaries like ECL & BCCL need similar support and new/virgin coal blocks beyond their command areas should also be given to them to improve their productivity and bottom lines. The human resources available with these companies can be gainfully utilized to bring about a turn-around in their performance. Under prevailing conditions it would be unfair and unjust to attribute the cause of alleged under-performance of these companies on the hapless officers. To deny PRP payments to these officers would be a greater discrimination, more so in view of the fact that they have no choice so far as their place of posting is concerned. The matter gets worse when an officer gets his salary slashed on promotion and subsequent transfer from a profit making subsidiary to another which is in loss.

A decision that PRP would be applicable for the profit making subsidiaries only shall create a piquant situation. For instance, executives posted in **Johilla, Jamuna-Kotma, Sohagpur, Chirimiri, Korba & Baikunthpur Areas** of SECL, **Orient & Talcher Areas** of MCL, **Kuju, Hazaribagh, Kathara, B&K, Argada, Rajrappa** Areas of CCL and **Nagpur, Pench, Kanhan, Patherkhera** Areas of WCL which are profit making subsidiaries, would be entitled to PRP even when these Areas are in loss. On the other hand executives posted in **Barora, Block-II and Washery Division** Areas of BCCL and **Sonepur Bajari, Rajmahal and SP Mines** Areas of ECL will be denied PRP although these are profit making Areas, because ECL & BCCL are loss making subsidiaries.

Sir, **Coal Mines Officers' Association Of India (CMOAI)**, the only body representing 16,000 Executives of Coal India Limited and 2500 Executives of Singareni Coal Company Ltd. always believes in growth of Coal Industry and Growth of nation. In the month of June 2009. we have issued an appeal to all executives that **" With improved remuneration comes greater responsibility and we should respond with commitment. We should perform as is expected of us and ensure that confidence shown on us is not defeated. Any slippage would spell doom, for us, for the Company and for the nation** (Copy enclosed) . Our prime objective is to increase the production of Coal in India and thereby minimize the Import of Coal. We are working with the mission that in the coming years India will Export Coal to other countries.

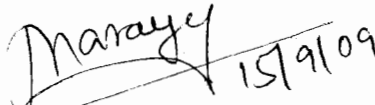
This delicate issue of PRP deserves careful consideration. More so, in the light of recent decision of CIL Board on 09.09.2009 that Ex-gratia payment will not be admissible to the officers of CIL. **Denying PRP to executives posted in loss making subsidiaries would be like punishing officers for no fault of theirs.** This for sure, will de-motivate them and bear on their performance. A situation of widespread discontent within the officers of **ECL & BCCL and CMPDIL** will be created and they will be tempted to perform below par, avoid or resist their placement in these subsidiaries **or even depart for greener pastures.**

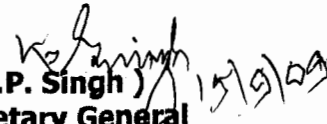
Under no circumstances it would be justifiable and productive to give rise to a sizeable section of demoralised officers within a company who feel victimized and discriminated without their fault. This would not be in the best interests of CIL, the coal industry, the power sector, other sectors dependent on coal and the nation as a whole when the exponential growth in coal production is planned for energy security of our country.

In view of the facts submitted above, we would like to prefer an appeal that – "PRP should be disbursed uniformly throughout CIL. This would be fair, just, reasonable and a visionary step. It will provide greater satisfaction to all officers of CIL whereby any chance of discrimination will be obviated without any additional financial burden on CIL."

Thanking you,

Yours faithfully,


(Shukdeo Narayan)
President


(K.P. Singh)
Secretary General

Copy to :-

1. Secretary (Coal), Shastri Bhawan, New Delhi
2. Addl. Secretary (Coal), Shastri Bhawan, New Delhi
3. Chairman, Coal India Ltd., Kolkata
4. Joint Secretary & Financial Advisor, Ministry of Coal, New Delhi
5. Director (Finance) / Director (P&IR) / Director (Tech.)/Director(Marketing), Coal India Ltd., Kolkata
6. Chairman-cum-Managing Director – ECL / BCCL / CCL / CMPDIL/ NCL/ WCL / SECL / MCL
7. Director (Personnel) - ECL / BCCL / CCL / CMPDIL/ NCL/ WCL / SECL / MCL