

**: FEDERATION OF COAL INDUSTRY
RETIRED EMPLOYEES ASSOCIATION :**

(Regd. No. Mah-91/14 (Nag))

(Registered Office : 185, Nari Ring Road, Jaripatka, Nagpur-440014)

Ref: Fedr/Minst/2014:02

Date : 31.05.2014

To

The Hon'ble Minister of State (Coal)

3rd Floor, Shastri Bhawan

New Delhi-110001

Sub : Meeting justice to the retired Soldiers and Captains of the Coal Industry by provisioning bare livelihood for survival.

Dear Sir,

We represent more than FOUR and HALF LAKHS of warriors who gave their Head and Heart; Sweat - Blood and Youth for Coal Mining Industry and met the energy needs of the nation through departmental workers. But we remain as the most neglected and dejected senior citizen of the country, worse than those villagers and farm workers who get "BRIDHA PENSION" times more than many of the soldiers who fought the battle against the nature's equilibrium. We have served for decades the most hazardous industry- MINING COAL, to provide energy and light the houses of our Indian brethren.

Wise men, just after independence, enacted the "Coal Mines Provident Fund & Miscellaneous Provisions Act, 1948", the first statutory provident fund in India only in keeping with the hardship faced by the worker – soldiers of Coal Industry. Provident Fund for other categories of employees came four years after in 1952 under the name of "Employees Provident Fund & Miscellaneous Provisions Act, 1952". Number of Schemes were framed under the said Act, 1948 including the one- "The Coal Mines Family Pension Scheme, 1971"

Communication Address :

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wherein some amount was paid to the dependents of the employee dying in harness. However, keeping the pitiable condition of the surviving Coal workers, after retirement in view, the said family pension scheme was repealed and "The Coal Mines Pension Scheme, 1998" was framed on the lines of the Pension Schemes, 1995 under the EPF & MP Act., 1952. It is to be noted that the Fund for the Pension was to be raised from all the three stake holders namely the employee, employer and the Government of India. There is a provision of revision of Pension every third year subject to the availability of money in the Pension Fund. Clause 22(3) of the said Pension Scheme, 1998 refers.

2. Expected Augmentation of Pension Fund

During deliberation for framing the Pension Scheme it was pointed out that with ever increasing production of coal and overburden the number of employees would go on increasing and the pay revision every fifth year will augment the Pension Fund Substantially. However, the REVERSE took place. Production went on INCREASING but the number of contributing members were on DECREASING.

The table below brings out the factual position :

Elements companies	1998-99	2013-14	% Increase (+) Decrease (-)
Production			
C.I.L.	256.50MT	462.532 MT	+80.5%
S.C.C.L.	27.33MT	50.470 MT	+84.7%
Manpower			
C.I.L.	611689	346638	(-) 76.5%
S.C.C.L.	109419	61778	(-)77.1%

* The year 1998-99 is a reference year because the Coal Mines Pension Scheme was implemented w.e.f. 1st April 1998.

CMPF Member and Pensioners

Element	1998-99	2012-13	2013-14 (Projected)
No. of CMPF Membership	7,93,936	4,45,782	4,30,000
No. of Pensioners	896	3,71,979	3,90,000

The main reason for depletion of contributing members to CMPF is engagement of "Contractors" for coal and overburden production which is strictly banned under law (detailed under para below).

3. Depletion of Pension Fund:

3.1 Actuarial Study Report :

Study by two different Actuaries, one appointed by the Coal Mines Provident Fund organization and the other one by us, have worked out huge deficit to the Pension Fund till 31st March 2012. The same is indicated under the table below :-

Actuary	Appointed By	Liability of Active Members as at 31 st March 2012
Liyaquat Khan	Coal Mines Provident Fund Organisation	Rs. 18416 crores
Bhudev Chatterjee	Coal Mine Retired Executives Association (One of the Federates)	Rs. 17993 crores

3.2 FINANCIAL STATUS OF PENSION FUND

Financial status (not upto date) as provided by the CMPF organization is summarized below :

(i) Govt's Contribution to the Pension Fund

- a) During the year 1998-99 -- Rs. 41.2 crores
(Gradually reducing)
- b) During the year 2011-12 --- Rs. 17.0 crores
Reducing year after year due to reduction in live members.

(ii) Govt. contribution towards Deposit Linked Insurance

a) During 1998-99 – Rs. 1.04 crores

b) Since 2010-11 – NIL onwards

(iii) Suspense Amount

Year →	1998-99	2011-12
Balance of suspense amount lying under suspense head (under CMPF)	Rs. 1402.5 crores	Rs. 10814.2 crores

(iv) Deficit of the Pension Fund

Outgo from the pension Fund in the year 2011-12	Rs. 962.18 crores
Income to the Pension Fund in the year 2011-12	Rs. 764.99 crores
DEFICIT	(-) Rs. 197.19 crores

Outgo is exceeding the Income every year.

(v) Balance in respect of Pension Fund :

Year	Balance (Outgo — Income)
1998 -99	Rs. 975.76 crores
2011-12	Rs. 764.99 crores

The overall balance is reducing year after year.

The Figures above is based on the communication of the CMPF Organization bearing even no. 744 dated 24.05.2013 in response to the information sought under the R.T.I., Act, 2005.

4. REASON FOR DEPLETION OF PENSION FUND AND RELATED ISSUES :

4.1 The depletion of the Pension Fund is on the following counts :

(A) Utter violation of Law of the Land.

(B) Apathy of the Employer and the Central Government.

The two reasons mentioned above have resulted in non revision of Pension for the last **fifteen years** during which the value of Rs. 100 has come down to Rs. 32.96 [AICPI- 1960 =100) in April 1998 standing at 1813 has risen to 5501 in April 2014. In coal industry the price index is still based on 1960 = 100]

Further there has been three upward revisions of wages w.e.f. 01.07.2001, 01.07.2006 AND 01.07.2011 but without any revision of Pension. The following Table brings out the rise in Minimum wages as on 1.4.98 from Rs. 4220=53 per month to Rs. 22216=00 as on 1-4-2014 i.e more than 5 times. The table brings out the factual position.

National Coal Wage Agreement	NCWA –VI	NCWA- VII	NCWA-VIII	NCWA- IX	
	1.7.96 to 3.6.2001	1.7.2001 to 30.06.2006	1.7.2006 to 30.6.2011	1.7.2011 to 30.6.2016	
	As on 1.7.96 As on 1.4.98	As on 1.7.2001	As on 1.7.2006	As on 1.7.2011	As on 1.4.2014
Minimum wages	Rs. 3689.23 Rs. 4220.53	Rs. 6204.62	Rs. 9346.06	Rs.17565	22216
AICPI (1960.100)	1562 1813	2191	2716	4245	5501
Corresponding Pension Payable in Rs. Provided Under The Scheme On Completion Of 30 Years Of Pensionable Service	1055	1550	2337	4391	5554
Ratio (times)	(1)	(1.5)	(2.2)	(4.16)	(5.26)

4.1.A Depletion of Pension Fund on Account of Utter violation of Law of the Land, Agreement and related issues

I. Violation of the section 10(1) of "The Contract Labour (Regulation & Abolition) Act; 1970"

- (a) Production of Coal and removal of Over-Burden are the permanent and perennial activities and employment of Contract Labour is banned for such jobs under Section 10 of the "Contract Labour (Regulation & Abolition) Act, 1970" mandated through the notification number S.O. 488 dated 01.12.1975 and S.O. 2063 dated 21.06.1988. The notifications are in vogue as informed to us through a communication dated 27th January 2012 from the Ministry of Labour & Employment as an information provided under the provision of the R.T.I. Act, 2005.
- (b) C.I.L. is offering absurd and motivated argument defending the blatant violation of the provision of the said Act. Surprisingly the Ministry of Coal (Administrative Ministry) is supporting and encouraging such violation. Further the Ministry of Labour & Employment, the enforcing Ministry of the said Act, has not acted against such violation. It appears that there was a tacit understanding between the C.I.L., Ministry of Coal and Labour & Employment which needs to be corrected now.
- (c) The Ministry of Labour & Employment had exempted 'Bharat Coking Coal Limited' from the said provision for a period of five years through notification S.O. 757(E) dated 30th May 2005. The same has lapsed on 1st June 2010. Eastern Coalfields Ltd. was also exempted vide notification No. 2063 dated 21.6.1988 for 3½ years which expired on 20.12.1991. Other subsidiaries of Coal India does not have any such exemption. However, they are getting coal produced by contractors in utter violation of the said Act and related notification.
- (d) As of now more than 62% of Coal production and Over-Burden removal is through the contractors.

II. Violation on wages payable to contractor-workers.

- (a) Wages paid to the Contractor- workers is abysmally low and is around one fourth or so compared to that of the employees of C.I.L. and its subsidiaries, the principal employers. It is to be noted that the Contractor- workers are entitled, under law, to the same wages as that of the employees of the principal employer performing the same or similar type of job. The relevant portion of the rule is quoted below :

Rule 25(2) (V) (a) of the "Contract Labour (Regulation and Abolition) Central Rules, 1971 framed under "The Contract Labour (Regulation and Abolition) Act, 1970

QUOTE – *In cases where the workman employed by the contractor perform the same or similar kind of work as the workman directly employed by the principal employer of the establishment, the wage rates, holidays, hours of work and other conditions of service of the workman of the contractor shall be the same as applicable to the workman directly employed by the principal employer of the establishment on the same or similar kind of work.* **UNQUOTE.**

Probably the above provision under the statute has not even come to the notice of the Ministry of Labour and Coal.

Are the respective ministries determined to ensure exploitation of Contractor-workers? If not, why an instruction for payment of "Pay and Perks" at par with C.I.L. departmental workers for Contractor- workers has not been issued ?

- (b) Probably the present generation of management of Coal Industry is unaware of the reason so as to why the Minimum Wages for Coal mine workers were not notified under the Minimum Wages Act, 1948, inspite the fact that there are 33 types of mines for which the minimum wages have been notified. We doubt if they know the uniformity of wages payable to public sector and coal mine-workers employed in private mines w.e.f 15 August 1967 and the historical

background of constitution of “**Joint Bipartite Committee for the Coal Industry- JBCCI**”. We note with surprise and shock that a High Power Committee has been constituted by the Ministry of Labour to recommend the Minimum Wages for Contractor- worker of coal mines. You may kindly advise them to consult some elderly group of people before they decide to seek advice on the issues which are fully settled by law of the land.

III. Violation of Provision of enrolling members under the CMPF & M.P Act, 1948

Section 10 D of the Coal Mines Provident Fund & Miscellaneous Provisions Act, 1948 stipulates very-very clearly that it is the responsibility of the employer to make payment towards the fund whether they deduct the share of the employees from their wages or not.

Any person having served for 30 days is bound to be enrolled as a member of the Coal Mines Provident Fund (CMPF) The membership of the CMPF in stead of increasing, has come down from about 8 lakhs to nearly 4.3 lakhs. This is so because the contractors and principal employer (mainly C.I.L.) is not interested in complying with the provision of law. Even those who are members of the CMPF their wages is so low that their contribution towards pension Fund is negligible.

IV. Continued Violation of National Coal Wage Agreement(NCWA)

Unions and the Management have been signing the agreement under the “National Coal Wage Agreement – NCWA” right from the NCWA-III (Effective from 1st January 1983) to NCWA – IX (effective upto 30th June 2016) mentioning the following :

QUOTE “Contract Labour”

- (i) *Industry shall not employ labour through contractor or engage contractors labour on the jobs of permanent and perennial nature*

UNQUOTE

4.1.B Apathy of the Employers and the Central Government

(i) Denial of membership of CMPF.

Employer/ management benefited tremendously by engaging contractors. Crowning of C.I.L with "MAHARATNA" is the result of exploitation of contractor workers. The management did not ensure right payment of wages to the contractor-workers. Out of more than 3.5 lakh contractor-workers not even 50 thousand are the members of the CMPF and even those who are members their wages is so low that contribution towards pension is negligible. By doing so they have been blatantly favouring the contractors. If a rough estimate is carried out C.I.L. alone has saved more than 30 thousand crores of Rupees by way of not contributing its share of 12% of payables towards CMPF. It is to be noted that contractors, under CMPF Act, is treated as employer. However, the Principal Employer is not exempted from its liability [section 2(e) refers – under definition of employer.] The Ministry of Labour and CMPF Organization did not take suitable penal action against the management and contractor.

- (ii) Coal India pays a sum equivalent to one increment in respect of those who were on its roll on 01.07.95 This was in lieu of the unions forgoing one incremental value from the pay of workers. Most of such workers have retired and newly appointed persons are paying value of one increment on their own. The amount of increment has been ever rising but the payment is made at the **old and fixed rate.**

The minimum and maximum rates of increment during various wage periods for workers and officers is brought out under the table below :

Minimum and Maximum increments

01.01.1992 to 31.12.1996		01.01.1997 to 31.12.2006			01.01.07 to 31.12.2016			
Pay scale (Rs.)	Min. Incre.	Max. Incre.	Pay scale (Rs.)	Min. Incre.	Max. Incre.	Pay scale (Rs.)	Min. Incre.	Max. Incre.
M2/E8	360	400	19500-25000	585	600	51300-73000	1540	2070
M3/E9	380	400	20500-26500	600	600	62000-80000	1860	2290

01.07.1991 to 30.06.1996 (NCWA-I)		01.07.1996 to 30.06.2001 (NCWA-VI)			01.07.2001 to 30.06.2006 (NCWA-VII)			
Pay scale	Min. Incre.	Max. Incre.	Pay scale (Rs.)	Min. Incre.	Max. Incre.	Pay scale (Rs.)	Min. Incre.	Max. Incre.
Cat.I	28.08	28.08	126.92-1.92-161.48	50	50	213.46-5.34-309.58	139	139

In NCWA-VIII & IX, Max. Increment is after adding 15 increments.

01.07.2006 to 30.06.2011 (NCWA-VIII)		01.07.2011 to 30.06.2016 (NCWA-IX)			
Basic / month(Rs.)	Min. Incre.	Max. Incre.	Basic Per month	Min. Incre.	Max. Incre.
Cat.I	240.35	339.61	15712.58	471.38	730.63

It would be apparent that the management of Coal India pays 10 to 20 times less than what they should have paid at the current rate of increment. Even the new entrants who are required to pay one increment on their own, their contribution is fixed, without any variation throughout his service period.

- (iii) Coal India or other employer claim that they pay 1.16% of payable towards Pension Fund. **It is absolutely wrong.** There is a deduction 2.33% of payables out of 24% of the Provident Fund of the individual. Out of 24% a sum equivalent to 2.33% is diverted towards the Pension Fund. Had there been no Pension Scheme the entire 24% PF would have been credited to the individual member. Management's claim that they contribute 1.16% of payable towards Pension Fund is absolutely wrong and misleading.
- (iv) The Government of India was contributing to the "Coal Mines Family Pension Scheme, 1971" at the rate of 1.66% of payables. However, the limit of pay was limited to Rs. 1600 only. The Government continued to contribute the same amount towards the Coal Mines Pension Scheme, 1998" without extending the limit of Rs. 1600. The equivalent pay of Rs. 1600 in 1971 is Rs. 62,000 now. The number of live members of CMPF has drastically reduced and in absolute term also the contribution of the Government has reduced to Rs 17 Crores in the year 2011-12 compared to Rs. 41.2 Crores in the 1998-99. The limits of pay on which the G.o.I. contributes towards Pension Fund created under "The Employees Provident Fund & Miscellaneous Provisions Act 1952", is Rs. 6500 and is likely to be revised to Rs. 10000 or 15000. How can we reconcile to such a situation? We have served the most hazardous industry. Did we deserve such injustice in the hands of Government?

We have brought out the efforts put in by us for a reasonable upward revision of Pension. Those paras will further reveal the apathy of Employers and the Government.

(5) **Persistent flow up by the Federation for Upward Revision of Pension**

We would like to draw the kind attention of Hon'ble Minister that the Affiliates of the Federation have taken up with various authorities at different point of time for upward revision of pension since September 2004. The details of the same is summarized below:

(i) **With Commissioner of C.M.P.F. :**

- (a) The Affiliate namely the Coal Mines Retired Executives Association, Ranchi, addressed a letter dated 25.7.2005 urging revision of Pension by way of linking the rise in pension to price Index. In response to the same, the office of the Commissioner, CMPF replied under the following words:

QUOTE: "This has reference to your representation dated 25.7.2005 and to inform you that the award for Actuarial Valuation has been made. The report of the Actuary once received, necessary action will accordingly be taken" **UNQUOTE.**

In response to CIL's letter to the CMPF Commissioner, enclosing a copy of above mentioned letter dated 25.7.2005, the office of the Commissioner, CMPF responded the same way mentioning "once the evaluation is done, there will a clear picture to what extent pensioners can be benefitted". The CIL forwarded a copy of the same to the affiliate namely Coal Mines Retired Executives Association,

- (b) The affiliate namely, C.M.R.E.A handed over a hand written letter to the Commissioner CMPF on 19.7.2012, enclosing a typed note, indicating the inadequacy of funds and its remedial measures. It was explained under para IV (Augmenting the Pension Fund), which is quoted below:

"The only way out is to fix contribution by the management based on coal production and over burden removal".

- (c) The Coal India Sewa Nivrit Karmachari Sangh Samithi, Chhindwara, another affiliate of the Federation, had taken up the matter with concerned authority which was forwarded by the Govt., of India, Ministry of Coal, vide its letter dated 12.11.2013 to the Commissioner CMPF for necessary action.
- (d) The Coal Pensioners Association, Dhanbad's letter dated 23.12.2013, addressed to the Secretary, Ministry of Coal was forwarded to the office of the CMPF Commissioner, vide Ministry's letter of even number dated 10.7.2013. The office of the CMPF Commissioner vide Ministry's letter of even number dated 20.8.2013 offered their comment
- (e) That the CMPF Commissioner denied an opportunity of presentation before the Actuary by the retired employees inspite of written instruction from the Ministry of Coal, vide their letter dated 9.9.2010 to the Commissioner. The Coal Mines Retired Executives Association verbally and through letter dated 3.8.2012. requested for such presentation but of no avail. Thus it amounted to flouting the instructions of the Ministry of Coal by the CMPF Commissioner.
- (f) Dissatisfied with the inaction of the CMPF Commissioner, a Legal Notice dated 15.4.2013 was issued to the CMPF Commissioner. And in response a letter dated 6.8.2013, as rejoinder, was sent by the concerned advocate of the Affiliate.
- (ii) With Coal India Limited :**

Various affiliates of the Petitioner's Federation have been taking up the matter of blatant violation of extant laws concerning Coal industry and the issue of revision of Pension under CMPF & Miscellaneous Provisions Act, 1948, from time to time.

The CMREA, Ranchi an affiliate of the Federation wrote letter on 11.7.2011, 3.9.2011 and on 30.4.2012 concerning upward/ revision of pension under CMPS,1948, and addressing the ill-effects of production of Coal and Over Burden by Contractors – an illegal activity

perpetuated by Coal India Ltd causing exploitation of workers and non revision of pension etc.

Since no action was taken by this Respondent, a legal Notice was sent by the Advocate, *inter alia*, calling upon to desist from exploiting the workers in violation of the extant labour laws concerning coal mining industry and for upward revision of pension under CMPS, 1948. etc. But no action was taken by C.I.L. They did not even respond to the Legal Notice.

(iii) With Singareni Collieries Company Limited

Another Affiliate namely Coal Mines Pensioners Association Secunderabad (AP) had taken up with C.M.D. SCCL and Director (PA&W) on the subject of revision of Pension, vide letter dated 17.3.2012 and 27.10.2012, addressed to C.M.D., SCCL and letter dated 18.6.2012 to Director (P A&W). But no concrete action was taken by them.

(iv) With the Ministry of Coal

- (a) The Coal Mines Retired Executives Association, Ranchi, one of the Affiliates took up the matter of revision of pension for the retired employees of CIL & SCCL with Ministry of Coal from time to time by submitting representation. The said affiliate met the Secretary (Coal) and his subordinates on number of occasions and addressed a number of letters dated 30.11.2006/13.06.2007/31.03.2008/26.2/2009/16.03.2009/17.03.2009/18.03.2009/15.01.2010/16.02.2012/14.04.2012 and the last letter dated 17.09.2012 giving reference to the previous letters mentioned above. The ministry of Coal forwarded this letter to the Commissioner C.M.P.F for appropriate action vide communication dated 26.10.2012 along with many other correspondence.
- (b) In response to the representation dated 30.1.2006, *inter alia* requesting the Secretary, Ministry of Coal to induct the retired

executives of coal industry on the Board of Trustees of CMPF, the Ministry of Coal replied vide their letter No. 20/29/2004-PRIW-II, dated 21st December, 2006, that in view of the fact that the BOT was constituted recently and since six representatives from the Coal Employees Unions/Association were already inducted on the BOT, it is not possible to give more representation to the employees association in BOT.

- (c) In response to yet another representation dated 26.6.2009, made by CMREA, the ministry replied that **“the actuarial valuation report is awaited. The work of revision of pension will depend on the valuation report and availability of funds”**. In 2010, Ministry vide letter dated **23.6.2010**, intimated us that a meeting to discuss the revision of Pension shall be held on 6th July, 2010 in the chamber of the Addl. Secretary (Coal), Shastri Bhavan, New Delhi, also intimation was also given to the CIL, SCCL and the CMPF Commissioner for attending the meeting. Accordingly the meeting took place and some consensus was arrived at based on which then Chairman, CIL addressed letter to the Secretary (Coal) dated 25th January 2011.
- (d) It is submitted that since no tangible action was taken by the Ministry, a Legal Notice dated 15.4.2013 was sent on behalf of one of the affiliates of the Federation, *inter alia*, pointing out gross violation of extant laws in coal mines and the revision in pension. In response to which, the Ministry vide its letter dated 26.9.2013, informed that “CIL has informed that there is no gross violation of provisions of the CMPF and Misc. Provisions Act, 1948. However, the matter is being reviewed by this Ministry regularly and instructions have been issued to CMPFO and CIL to cover all the eligible workers including workers of captive coal blocks under CMPF Schemes”. It further

mentioned that *“ In order to meet the increasing demand of coal in the country, certain jobs including hiring of HEMM for OB (over burden) removal has been outsourced to the successful private parties in the subsidiaries of Coal India Limited. The matter with regard to applicability of Section 10 of the Contract Labour (Regulation & Abolition) Act, 1970 has been taken up with the Ministry of Labour & Employment and it has been suggested by it that all subsidiaries should seek exemption and accordingly all subsidiaries have applied for grant of exemption to Ministry of Labour & Employment”*

This proves that C.I.L. has been violating the law continuously.

- (e) In response to yet another representation dated 29.8.2013, from one of the Affiliates of the Federation, The Coal India Sewa Nibrit Karmachari Sangh Samithi, Chhindwara, the Ministry vide its letter dated 12th November 2013, forwarded the said representation to the Commissioner CMPF for necessary action with a copy to the above mentioned Samiti.

It is submitted that inspite of these representation, no action has been taken by the Ministry.

(v) With Ministry of Labour & Employment, New Delhi

A Legal Notice was sent by the advocate of one of the Affiliates on 15.4.2013, which was simply forwarded to the Chief Labour Commissioner, New Delhi and the Director General of Mines Safety, Dhanbad, interalia, advising these authorities to examine the issues raised in the legal Notice and replying back to the Advocate.. But no concrete action has been taken by the Ministry.

(VI) Minister of Coal:

That the representatives of the Affiliates of the Federation had been meeting the Minister of Coal. One of the affiliates namely Coal Mines

Retired Executives Association addressed several letters dated 26.12.2008/29.01.2009/26.06.2009/23.02.2010/21.06.2010/27.12.2010 and 16.01.2011 (the last one). It was also mentioned that those who retired prior to April 1994 was not covered under the Pension Scheme. During meeting with the Minister of Coal the representatives of the Affiliates were assured of the needful. However, nothing concrete was done. The Minister assured various members of Parliament in and outside Parliament for needful but without any result. Various correspondences from M.Ps and reply of the Minister in Parliament and to the MPs may kindly be referred. So much so the Hon'ble Minister did not take any action on a **D.O. letter** to him dated 18 January 2013 from P.M. on this subject.

(vii) Prime Minister of India

The Coal Mines Retired Executives Association, one of the Affiliates of the Federation, took up the matter with the Prime Minister of India, by addressing a communication dated 9th January, 2013, *inter alia*, pointing out blatant violation of extant laws of the country related to Coal Mines and suggesting for remedy and also requested therein to **devise ways and means to link up-gradation of Pension under "Coal Mines Pension Scheme 1998" with Cost and Price Index**. In response to the above communication, the Office of the Prime Minister, forwarded the said letter/communication to the Secretary, Ministry of Coal, for taking appropriate action, in the matter.

Since no intimation of the action taken on the above letter to PM was forthcoming, a query under RTI Act, 2005, was made to the CPIO of the Office of the PM on 20.1.2014, asking therein the action on the above letter dated 9.1.2013 and on the letter dated 24.1.2013. The P.M.O in its reply only repeated that it has forwarded the letter to the Secretary Coal for action.

6. CONSEQUENCES :

Continued blatant violation of extant laws of the land and exploitation of contractor workers has the following consequences.

- (i) **Exploitation of Contractor workers** has resulted in coronation of CIL with the status of "Maharatna". It has emerged as one of the most valued companies in the country in terms of market capitalization and receipt of INDIA PRIDE AWARD for the year 2010 and 2011. C.I.L. is incurring heavy loss in departmental operation but over compensates with the contractual operation costing about One-Fourth of the departmental operation.
- (ii) With increased profit on account of illegal mining carried out through contractors has made the C.I.L. comfortable in agreeing to higher and higher wages to its employees. So much so it is worth mentioning that the "Pay Scales" of the sub-ordinate staff has gone higher than the executives (officers) of the C.I.L. Such administrative blunder is a result of overflowing profit of C.I.L. which it gets with very little effort of its own.
- (iii) The officers are to receive "**Performance Related Pay- PRP**" without any reward for the actual performers - "Contractor-Workers".
- (iv) The Contractor-worker are denied their rightful wages as per the extant law as mandated under the Rules 25(2) (V-a) of the C.L (R & A) Central Rules, 1971.
- (v) The retired employees who gave their whole and soul and met the requirement of Coal through own efforts are denied their rightful increase in pension, from time to time, as desired under the clause 22 of the Coal Mines Pension Scheme, 1998.
- (vi) Govt. of India and Share-holders are reaping benefit beyond normal expectation.

- (vii) There is substantial reduction in utilization of C.I.L.'s own resources.
- (viii) With increased activities of contractors, the Mine Managers and workers are gradually becoming complacent.
- (ix) All the associated ills of engagement of contractors are flourishing.

7. OTHER IMPORTATION ISSUES FOR CONSIDERATION :

- (i) C.I.L. has issued an order bearing even no. 566 dated 18th February 2013 for payment of wages to the contractor-workers engaged in mining activities. The workers have been categorized under, unskilled, semi skilled, skilled and highly skilled groups. The Wages fixed is much less than what is payable to the respective groups of the employees of C.I.L. This order is in utter violation of the Rule 25(2-v-a) of the "Contract Labour (Regulation and Abolition) Central Rules, 1971" framed under the Act, 1970. That too it has not been implemented in the operating mines.
- (ii) Minimum Pension payable, as per the clause 10 of the Coal Mines Pension Scheme, 1998 is Rs. 350 subject to the Pensionable Service of 30 years. It is surprising to note that the minimum Pension paid is Rs. 73, 102 and 112 in the respective years of 2009-10, 2010-11 and 2011-12. This is as per information received from CMPF Organisation. The pensioners under EPF gets varied amount of minimum pension. However, in the worst condition, it is Rs. 325 which is likely to be revised to Rs. 1000.
- (iii) The Scheme, 1998 suffers on many courts. However, one of the most important one is that with revision of pay, every five yearly in Coal Industry, the Pension has be revised on every pay revision as per the various judgment of the Supreme Court and subsequent order of the Govt. of India. The extant Scheme has no such provision.

- (iv) It is surprising, agonizing and painful to note that such of the employees of Coal Mines who retired prior to April 1994 is debarred under the Scheme. The Government Pension Rules admit 150% and 200% of normal pension to those who attain the age of 80 and 100 respectively. The EPF pension Scheme also does not exclude the aged person from receiving Pension.
- (v) The Pension Scheme, 1998 has limited the "Pensionable service to 30 years". It is an absurd proposition. Under EPF Pension Scheme weightage is admissible for serving longer period in the Industry
- (vi) There is no linkage of Pension with rise in price Index and neutralizing it every six months or so.

8. Solution for Augmenting the Pension Fund and Increasing the Pension of the old Retirees

The suggestion offered by Sri P.S. Bhattacharyya then Chairman C.I.L. vide his letter addressed to the Secretary (Coal) of even No. 735 dated 25th January 2011 of provisioning at least 50% of Pension to the respective incumbents of same grade is to be ensured. This was agreed during the meeting on 6th July 2010 with us in the Ministry of Coal. Subsequently the pension must have linkage with the 'Cost of Living Index'. The concrete suggestion that we would like to submit are as follows :

i) Diversion of fund lying in 'SUSPENSE ACCOUNT'

From the information received from the C.M.PF. Organization it is observed that the amount in "Suspense Account" is rising year after year. The amount in this head was Rs 1402.05 crores which has risen to 10,814 crores in 2011-12. The same must have gone above Rs. 12,000 (Twelve thousand crores of Rupees) at the year end of 2013-14.

75% of this amount should be diverted to the Pension Fund keeping 25% (say about Rs 3000 crores) for meeting any contingency: CMPF authorities are unnecessarily afraid against diverting this fund.

- ii) C.I.L. should pay 1.66% contribution to be paid by the Government beyond Rs 26.56 per month per employee without having any ceiling. This is committed by the then Chairman C.I.L. in his above mentioned letter dated 25th January 2011.
- iii) Annual Increment payable to the Pension Fund should be at the current rate and not remain at the old and fixed rate.
- iv) The employers must contribute the same amount as is paid by employees i.e. @ 7.33% of payables.
- v) Even if the sum comes to the Pension Fund as proposed above, it is not going to solve the problem. As per the Actuarial study 20% of payable is required to sustain the present rate of pension.

The most important consideration is "REDUCTION IN MANPOWER' and INCREASE IN NUMBER OF PENSIONERS".
THE ONLY WAY TO OUT IS TO LINK THE CONTRIBUTION BY THE EMPLOYER TO THE PENSION FUND WITH PRODUCTION OF COAL OVER-BURDEN.

Any other compensation will marginally support the Fund but will remain far from adequacy.

The amount for each cubic metre of production (Coal Converted into Cubic Metre and O.B. measured in Cubic Metre) may be computed. According to our estimate it should be Rs 15 per cubic Metre of Excavation which may be raised subsequently as and when needed.

WE ASSERT AGAIN AND AGAIN THAT NO OTHER SYSTEM WILL SUCCEED.

9. INTERIM RELIEF

In view of Non-revision of Pension for the last 15 years, and the permanent solution may still take some time, it is imperative to admit interim relief immediately. It is known that Sub-committees are working the details on the subject and the "Joint Bipartite Committee for the Coal

Industry (JBCCI)" may take some long term decision based on their Agreement dated 31st January 2012 (clause 13.9.0 refers for revision of Pension) it is proposed that Interim Relief be provided based on the following consideration :

- (i) The employees who have retired prior to 1994 should be admitted Rs. 500, 1000, 1500 and 2000 per month by categorizing them into four groups without any amount to be paid towards the Pension Fund by them.
- (ii) The existing Pensioner who have retired prior to July 2011 (Non Executive) and January 2007 (Executives) should be admitted increase in Pension by neutralizing at least 50% of rise in AICPI every third year from the date of commencement of Pension.
- (iii) Minimum Pension payable should be revised to Rs. 1000 per month.
- (iv) To include one of our representative as an **Invitee** in the Board of Trustees of CMPF and subsequently as a member of the same.

Sir, We request you to kindly consider our submission sympathetically to grant us "**Natural Justice**" for serving the Coal Industry.

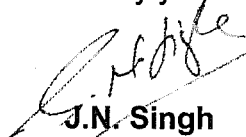
We will be grateful for providing us an opportunity to place the related issues before you in person.

Our communication dated 28th may 2014 addressed to you may kindly be gone through under which we have brought out our views for growth of Coal Industry under the head "Indian Coal Industry – Way Forward"

We, the elderly group of miners bless you and Coal Industry for its all round growth and prosperity.

Thanking you,

Faithfully yours


J.N. Singh
President