



## ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)

( Regd. Under the Trade Union Act, 1926; Regd. No. 546 / 2016 )

302, Block No. 4, Ram Krishna Enclave, Nutan Chowk, Sarkanda; Bilaspur (CG)

E-mail : centralaiace@gmail.com ; Ph. 9907434051

Ref No. **AIACE/CENTRAL/2023 / 003 /06**

**Dated 27.1.2023**

To  
The Chairman  
Coal India Limited,  
Coal Bhawan,  
Premise No-04 MAR, Plot No-AF-III, Action Area-1A,  
Newtown, Rajarhat, Kolkata-700156

Sub: Request for reconsideration by CIL Board the decision on scrapping payment of interest accrued on Security Deposit towards Bond submission by Management Trainees

Dear Sir,

Your kind attention is requested to be drawn to the CIL's office order no. CIL/C5A (PC)/Sec. Deposit/473 dated 02-09-2020 on the subject of **Security Deposit against Service Bond in respect of Management Trainees** as seen in copy enclosed in Annexure-I.

It is to mention that, prior to issuance of this order, the Management Trainees were entitled to an interest @6% on the amount which they were shelling out in monthly instalments from their salary towards Security Deposit against Service Bond. Now, as per decision of CIL Board, this practice of paying interest has been stopped for future deductions after issuance of this office order.

The order of CIL refers to provisions of Section 73 of Companies Act, 2013. This Section 73 forms a part of CHAPTER V of this act and deals with ACCEPTANCE OF DEPOSITS BY COMPANIES and relevant portions are enclosed herewith as Annexure -II.

Curiously, sub-section 73(3) states that **Every deposit accepted by a company under sub-section (2) shall be repaid with interest in accordance with the terms and conditions of the agreement referred to in that sub-section.** Further the next sub-section 73(4) allows a provision to **apply to the Tribunal for an order directing the company to pay the sum due.**

We understand that, the Board might not have taken into considerations all the above said provisions or, might have certain constraints and considerations for taking such a decision at that point of time when COVID-19 pandemic was at its top world-wide and people were reluctant to serve at unknown far-flung places for their livelihood. This phenomenon might have seen some repercussions in Coal India during that period, but now needs a revisit by CIL Board since the trainees deserve a right of the interest accrued on their security deposits.

You will agree Sir, that the amount involved in paying this interest on Security deposit is very nominal considering the size of business being operated by CIL. This practice is being gauged as a discretionary measure among the young blood of management trainees and goes against the corporate image of Maharatna CIL. This action has a potential to retard the job attraction towards CIL and company may lose to attract talented trainees to its fold.

We feel that, time has come now to have a review of this decision for revoking it.

Under the circumstances, we request you to place this on agenda for deliberations in the next Board meeting of CIL.

With regards,



(P. K. SINGH RATHOR)  
Principal General Secretary

CC

Secy., DPE

कोल इण्डिया लिमिटेड

(भारत सरकार का उपक्रम)

COAL INDIA LIMITED

(A Govt. of India Enterprise)

कोल भवन "COAL BHAWAN"

PREMISE NO: 04, MAR, PLOT NO: AF-III

ACTION AREA-1A, NEW TOWN, RAJHARHAT

KOLKATA-700156 (WB)



एक महारत्न कंपनी

A Maharatna Company

(An ISO 9001:2015, ISO 14001:2015 & ISO 50001:2011 Certified Company)

PERSONNEL DIVISION  
POLICY CELL

CIN:L23109WB1973GOI028844

E-MAIL: policycell.cil@coalindia.in

TEL: 033-7110 4271

FAX: 033-2324 4140

WEBSITE: www.coalindia.in

संदर्भ सं: CIL/C5A (PC)/Sec. Deposit/473

दिनांक: 02.09.2020

कार्यालय ज्ञापन

**विषय: Security Deposit against Service Bond in respect of Management Trainees**

In terms of the provisions of Section 73 of Companies Act 2013, CIL Board in its 409<sup>th</sup> meeting held on 25.08.2020, approved the following in reference to the terms and conditions pertaining to security deposit against service bond of Management Trainees, for implementation with immediate effect:

- To retain the provisions of security deposit and service bond of the Terms & Conditions of Management Trainees with the condition that on successful completion of 60 months, the deducted security deposit amount will be returned to the concerned Executives without any interest and
- To immediately refund 6% simple interest amount accrued on the already collected security deposit amount as compensation to the concerned Executives who are currently serving under Bond period. For the remaining bond period, the security deposit amount will continue to be deducted from such Executives and on successful completion of 60 months, the deducted security deposit amount as a whole will be returned to the concerned Executives without any interest.

This is for information and compliance by all concerned.

*Signature*  
21/9/2020

(नीला प्रसाद)

महाप्रबंधक (का./नीति)

ई-मेल के माध्यम से वितरण:

- D(T)/ D (P&IR)/ D (F)/ D(M), CIL
- CMD, BCCL/ CCL/ CMPDIL/ ECL/ MCL/ NCL/ SECL/ WCL
- CVO, CIL
- D(P), BCCL/ CCL/ ECL/ MCL/ NCL/ SECL/ WCL
- D(T/CRD), CMPDIL
- CVO, BCCL/ CCL/ CMPDIL/ ECL/ MCL/ NCL/ SECL/ WCL
- GM/TS to Chairman, CIL
- Company Secretary, CIL - In reference to letter No. CIL/XI(D):04112/2020/25586 dated 02.09.2020
- GM(P/EE)/ (P/Rectt.)/ (F), CIL/ BCCL/ CCL/ CMPDIL/ ECL/ MCL/ NCL/ SECL/ WCL
- GM, NEC
- GM, NDLO
- HoD, IICM
- Dy.GM (System), CIL - with a request to please upload the same in CIL website for information to all concerned

Companies Act 2013 vide <https://www.mca.gov.in/content/mca/global/en/acts-rules/companies-act/companies-act-2013.html>

**72. Power to nominate.** (1) Every holder of securities of a company may, at any time, nominate, in the prescribed manner, any person to whom his securities shall vest in the event of his death.

(2) Where the securities of a company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, any person to whom all the rights in the securities shall vest in the event of death of all the joint holders.

(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the securities of a company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the securities of the company, the nominee shall, on the death of the holder of securities or, as the case may be, on the death of the joint holders, become entitled to all the rights in the securities, of the holder or, as the case may be, of all the joint holders, in relation to such securities, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(4) Where the nominee is a minor, it shall be lawful for the holder of the securities, making the nomination to appoint, in the prescribed manner, any person to become entitled to the securities of the company, in the event of the death of the nominee during his minority.

## CHAPTER V

### ACCEPTANCE OF DEPOSITS BY COMPANIES

**73. Prohibition on acceptance of deposits from public.** (1) On and after the commencement of this Act, no company shall invite, accept or renew deposits under this Act from the public except in a manner provided under this Chapter:

Provided that nothing in this sub-section shall apply to a banking company and nonbanking financial company as defined in the Reserve Bank of India Act, 1934 (2 of 1934) and to such other company as the Central Government may, after consultation with the Reserve Bank of India, specify in this behalf.

(2) A company may, subject to the passing of a resolution in general meeting and subject to such rules as may be prescribed in consultation with the Reserve Bank of India, accept deposits from its members on such terms and conditions, including the provision of security, if any, or for the repayment of such deposits with interest, as may be agreed upon between the company and its members, subject to the fulfilment of the following conditions, namely: —

(a) issuance of a circular to its members including therein a statement showing the financial position of the company, the credit rating obtained, the total number of depositors and the amount due towards deposits in respect of any previous deposits accepted by the company and such other particulars in such form and in such manner as may be prescribed;

(b) filing a copy of the circular along with such statement with the Registrar within thirty days before the date of issue of the circular;

(c) depositing such sum which shall not be less than fifteen per cent. of the amount of its deposits maturing during a financial year and the financial year next following, and kept in a scheduled bank in a separate bank account to be called as deposit repayment reserve account;

(d) providing such deposit insurance in such manner and to such extent as may be prescribed;

(e) certifying that the company has not committed any default in the repayment of deposits accepted either before or after the commencement of this Act or payment of interest on such deposits; and

(f) providing security, if any for the due repayment of the amount of deposit or the interest thereon including the creation of such charge on the property or assets of the company:

Provided that in case where a company does not secure the deposits or secures such deposits partially, then, the deposits shall be termed as “unsecured deposits” and shall be so quoted in every circular, form, advertisement or in any document related to invitation or acceptance of deposits.

(3) Every deposit accepted by a company under sub-section (2) shall be repaid with interest in accordance with the terms and conditions of the agreement referred to in that sub-section.

(4) Where a company fails to repay the deposit or part thereof or any interest thereon under sub-section (3), the depositor concerned may apply to the Tribunal for an order directing the company to pay the sum due or for any loss or damage incurred by him as a result of such non-payment and for such other orders as the Tribunal may deem fit.

(5) The deposit repayment reserve account referred to in clause (c) of sub-section (2) shall not be used by the company for any purpose other than repayment of deposits.

**74. Repayment of deposits, etc., accepted before commencement of this Act.** (1) Where in respect of any deposit accepted by a company before the commencement of this Act, the amount of such deposit or part thereof or any interest due thereon remains unpaid on such commencement or becomes due at any time thereafter, the company shall —

(a) file, within a period of three months from such commencement or from the date on which such payments, are due, with the Registrar a statement of all the deposits accepted by the company and sums remaining unpaid on such amount with the interest payable thereon along with the arrangements made for such repayment, notwithstanding anything contained in any other law for the time being in force or under the terms and conditions subject to which the deposit was accepted or any scheme framed under any law; and

(b) repay within one year from such commencement or from the date on which such payments are due, whichever is earlier.

(2) The Tribunal may on an application made by the company, after considering the financial condition of the company, the amount of deposit or part thereof and the interest payable thereon and such other matters, allow further time as considered reasonable to the company to repay the deposit.

(3) If a company fails to repay the deposit or part thereof or any interest thereon within the time specified in sub-section (1) or such further time as may be allowed by the Tribunal under sub-section (2), the company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees but which may extend to ten crore rupees and every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years or with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees, or with both.

**75. Damages for fraud.** (1) Where a company fails to repay the deposit or part thereof or any interest thereon referred to in section 74 within the time specified in sub-section (1) of that section or such further time as may be allowed by the Tribunal under sub-section (2) of that section, and it is proved that the deposits had been accepted with intent to defraud the depositors or for any fraudulent purpose, every officer of the company who was responsible for the acceptance of such deposit shall, without prejudice to the provisions contained in subsection (3) of that section and liability under section 447, be personally responsible, without any limitation of liability, for all or any of the losses or damages that may have been incurred by the depositors.

(2) Any suit, proceedings or other action may be taken by any person, group of persons or any association of persons who had incurred any loss as a result of the failure of the company to repay the deposits or part thereof or any interest thereon.

**76. Acceptance of deposits from public by certain companies.** (1) Notwithstanding anything contained in section 73, a public company, having such net worth or turnover as may be prescribed, may accept deposits from persons other than its members subject to compliance with the requirements provided in sub-section (2) of section 73 and subject to such rules as the Central Government may, in consultation with the Reserve Bank of India, prescribe:

Provided that such a company shall be required to obtain the rating (including its networth, liquidity and ability to pay its deposits on due date) from a recognised credit rating agency for informing the public