



ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)

(Regd. under The Trade Union Act 1926; Regd. No. 546 / 2016)

302, Block No. - 304, RamKrishna Enclave, Nutan Chowk, Sarkanda, Bilaspur (CG);

Email: centralaiace@gmail.com; Ph. 9907434051

Ref No. **AIACE/CENTRAL/2020 / 065**

Dated 4.7.2020

To

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

Sub:-- Voluntary Retirement Scheme (VRS) for Executives in CIL

Dear Sir,

Over the years, the Manpower cost has been increasing very fast in CIL in respect of permanent employees (executives and non-executives both) in comparison to their actual contribution towards efficiency and productivity. One of the reasons for increase in Manpower cost is overhead cost of lesser productive employees with the highest salary due to age and experience.

The rules for appointment to a service provide that a candidate must be in good mental and physical health as well as free from any physical defect likely to interfere with the discharge of his/her duties. It is an irony that over the time span, generally 10% of this healthy workforce in our industry turn medically unfit for the jobs they have been assigned.

Getting rid of such sick and disabled manpower will be inhuman and also violative of the law on protection of persons with disability. Perhaps, one reason for not retiring inefficient / medically unfit persons is misplaced sympathy.

However, need of the hour calls for manpower adjustment and rationalisation. This is an effective strategy for increasing the productive efficiency. The policy option for retrenchment has practical limitations. Retrenchment may lead to industrial unrest in the company / organization, hence, VRS/ Medical Unfit Scheme is a better choice than retrenchment.

Under VRS, medically challenged executives may be given option to get retirement by accepting lumpsum amount for rest of the period till the date of actual retirement.

Alternatively, the sick / medically unfit executives could be allowed to take retirement with an option for employment to his son/unmarried daughter fulfilling the minimum educational qualification in the lowest category of clerical/supervisory job. If this Medical Unfit scheme is

implemented many sick Executives drawing a salary in the range of Rs 2-3 lakh/month due to their seniority will readily accept the offer. In this way, young workforce can be hired at the minimum salary with maximum output. This will be win-win situation for both the management and executives, whereby the sick Executives will be free from mental trauma of day to day work place life and management will be benefitted by paying lesser salary to the employees getting employment under Medical Unfit scheme. But, this scheme, if formulated, needs to be implemented with full care and precaution to check malpractice during ground level implementation.

Under the circumstances, AIACE requests the management to give a serious thought for envisaging a suitable VRS scheme/Medical Unfit Scheme for executives of more than 50 years of age as a cost optimisation measure. Management may like to include additional benefits like ex-gratia separating bonus, health / medical insurance, education subsidies for children of such employees.

If Management needs any help, our team of experts may make a presentation before it on the proposed cost reduction strategy by proper adoption of VRS/Medical Unfit Scheme.

It is hoped that proper attention will be attracted by policy makers in this regard.

Thanking You,

Yours Sincerely,



(P.K.SINGH RATHOR)
Principal General Secretary
All India Association of Coal Executives (AIACE)