



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);
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AIACE/CENTRAL/2020 / 090

Dated 7.9.2020

To

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

Sub: Request to provide relief to MTs on their Security deposits

Dear Sir,

Coal India Ltd. has recently issued an Office Order no. CIL/C5(PC)/Sec. Deposit/473 dt. 2.9.2020 on the subject of Security Deposit against Service Bond in respect of Management Trainees. Through this order, while retaining the provision of security deposit against Service Bond for Management Trainees, it had unilaterally changed the other Terms and Conditions in view of cited reasons under Section 73 of Companies Act 2013. By changing this Term and Condition, the company proposes to immediately refund the interest on security deposits and will not pay any further interest on deductions made against this security deposit.

We have studied this stated provision of Section 73 and understood that such deposits are banned under this section but are allowed under an amendment under Rule 2(1)(c) of Companies (Acceptance of Deposit) Rules, 2014, if such deposit is Non-interest-bearing security deposit from employee of the company under the contract of employment.

We understand the difficulties of CIL, but feel that since such realisation of rules by CIL has resulted at a much later date, a type of relief to these contracted MTs may be allowed by way of waiving the further recovery against this bond. Adoption of amended Terms and Conditions may be applied to new recruits from now onwards. Many other Maharatna PSUs have also applied this approach. This will be a boon to our present MTs who are otherwise feeling de-motivated and demoralised due to this mid-way unilateral changes in Terms and Conditions.

You will agree Sir, that MTs while joining CIL, weigh pros and cons of the service bond in their own manner and decide to join only if found economically feasible and acceptable.

In anticipation of a favourable review,

With Regards,

P. K. Singh Rathor
Principal General Secretary, AIACE

Cc:

1. D(P), CIL, Kolkata
2. CMD/D(P)/D(F)