



संदर्भसं: CIL/D(P&IR):Sectt/005/34/Payupgradation/97

दिनांक: 30.08.2023

Shri Arvind Kumar,  
Under Secretary to Govt of India,  
Ministry of Coal,  
New Delhi.

BY EMAIL

Subject: Proposal for up-gradation of pay scales of Executives of CIL /its subsidiaries to bring about parity with pay scales of other Maharatna Companies.

Reff No.- MOC's letter No. LAIR-55011/1/2023-LAIR dated 17.08.23

Dear Sir,

As desired in Ministry of Coal's letter dated 17.08.2023 received in response to CIL's letter dated 22.05.2023, enclosed please find approved CIL Board Resolution taken in the 457<sup>th</sup> CIL Board meeting (**Annexure- A**) held on 23.08.23 . CIL Board has approved and recommended a fresh proposal for upgradation of pay scales of Executives of CIL/its subsidiaries to bring pay-parity with other Maharatnas/CPSEs. As desired by Ministry of Coal vide its aforementioned letter, full justifications and additional financial implications involved in the proposal is as under:

#### **A. JUSTIFICATION**

It is pertinent to mention here that, CIL has achieved extraordinary growth in the last three years i.e 2020-21, 2021-2022. 2022-2023. Contribution of Executives has been very important in achieving this extraordinary growth.

##### **I. Pay disparity with other Maharatna Companies**

CIL is a Maharatna Company among others such as ONGC, BPCL, GAIL, SAIL etc with significant strategic relevance to the Country's energy security. These Maharatna companies are drawing higher pay scales than CIL from last 16 years ( from 2nd PRC).



Even executives of a Non Maharatna (Navratna) Company such as NALCO is drawing two grades upgraded Pay scale as given to ONGC, SAIL, NTPC.

2. All the CPSEs, especially Maharatna Companies, induct Executives at bottom level through GATE scores/ All India Entrance test where candidates from reputed Institutions like IIT/ IIM/ NIT etc. appear and get selected. CIL already faces difficulty in attracting and retaining talent due to its remote working location, hazardous nature of work and difficult working condition. Disparity in pay scales between CIL and other Maharatna is further compounding this problem and is putting CIL in a disadvantageous position to attract better talents.

## **II. Challenges of Attracting and retaining talent In CIL**

1. Around 3000 Executives will be retiring by 2027. In view of this high attrition due to superannuation in next 3 years, CIL requires recruitment at bottom level to the tune of almost 3000 by 2027. In order to attract high talent manpower, in an open market, the pay scales have to be competitive with at least similarly placed Maharatna CPSEs.
2. Being a coal mining Company, the nature of the job in CIL is more hazardous than any other Maharatna Companies. Coal Mines are located in remote areas which are deprived of civic amenities available in cities. The cost of living is relatively higher due to education of children in Boarding schools/ colleges, parental care, travel expenses, etc. Thus, the prevailing work environment is very tough in Coal Mines and therefore, retention of executives is a serious challenge with the prevailing scale of pay which is non-competitive with similar CPSEs.

## **III. Disadvantage to CIL Executives in PESB Selection**

Senior level Executives of CIL (E6 & E7) after acquiring over 30 years of experience do not get chance in competing with executives of other Maharatna Companies on the issue of selection of Board level posts. Whereas, in other Maharatna CPSEs, the scales of E6, E7 & E8 are clubbed and given E8 Scale of Pay and as such, they are eligible to apply for selection of Board level posts at an early phase.



**B. Financial Impact of proposed upgraded pay scale**

At present, rough estimated additional impact for proposed upgraded pay scale is Rs 515 Crores approximately. Even with the implementation of above proposed upgraded pay scale is compared with 2<sup>nd</sup> PRC (2007 pay revision), the total outflow of CIL will remain below the 20% level prescribed by DPE for revision of 2017 pay scales.

**Clause of affordability:**

Point No.18 of DPE 2017 Pay Revision Circular dated 03.08.2017 says " The Board of Directors of each CPSE would be required to consider the proposal of pay upgradation based on their affordability to pay, and submit the same to the Administrative Ministry for approval. The Administrative Ministry concerned will issue the Presidential Directive with the concurrence of its Financial Adviser in respect of each CPSE separately.

Affordability position of CIL for the years 3 years 2017-18, 2018-19 & 2019-20 was approved by CIL Board & submitted to Ministry of Coal vide letter dated 07.12.2020 Thereafter next 3 years (2020-21, 2021-22, 2022-23) affordability details was also recently been approved in 455<sup>th</sup> CIL Board held on 19<sup>th</sup> July 2023. CIL is fulfilling Affordability conditions mentioned as per DPE's OM dated 03.08.2017.

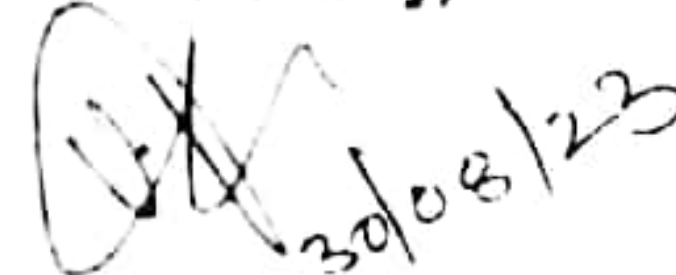
As deliberated in the Board meeting, grade wise estimated financial impact received from CIL Finance department is attached as **Annexure B**.

**Enclosures:**

Annexure A- CIL 457<sup>th</sup> Board resolution

Annexure B- Statement of grade wise estimates financial impact

**Yours faithfully,**




**(Vinay Ranjan)  
Director (P & IR), CIL**

Copy to:

1. Secretary, Ministry of Coal
2. Chairman, Coal India Limited
3. Joint Secretary to Ministry of Coal.



	<p>Coal India Limited  <b>A MAHARATNA COMPANY</b>          Coal Bhawan, 3<sup>rd</sup> Floor, Core - 2          New Town, Rajarhat, Kolkata- 700 156.          PHONE: 033-2324-6526, FAX:033-2324-6510          Email – <a href="mailto:comsec2.cil@coalindia.in">comsec2.cil@coalindia.in</a>          WEBSITE:<a href="http://www.coalindia.in">www.coalindia.in</a>          CIN – L23109WB1973GOI028844</p>
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Ref No.CIL:XI(D):04112:2023: **30962**Dated 30<sup>th</sup> Aug. '2023

To  
 HOD (P/Policy Cell),  
 Coal India Limited,  
 2<sup>nd</sup> Floor, New Town,  
 Rajarhat, Kolkata – 700 156.

Sub: Minutes of 457<sup>th</sup> CIL Board Meeting held on 23<sup>rd</sup> August '2023.

Dear Sir,

Reproduced below is the relevant extracts from the minutes of 457<sup>th</sup> meeting of Board of Directors of Coal India Limited held on 23<sup>rd</sup> August '2023 at Kolkata duly approved by Chairman, CIL with regard to the following item :

**"ITEM NO.457:4(A)**

**Sub:- Upgradation of Pay scales for Executives of CIL and its Subsidiaries w.e.f 01.01.2017**

- 3.1** Director (P&IR) apprised the Board that pay-scale upgradation of executives of CIL is long overdue and the pending demand for pay-scale upgradation at par with other PSEs, is affecting morale and motivation level of executives adversely. In this regards, Board was also apprised that:
- Most of the other PSUs including some of the Navratna and Miniratna PSUs have upgraded their basic by two scales higher than the DPE prescribed Pay Scale in 2<sup>nd</sup> PRC only, w.e.f 01.01.2007.
  - CIL vide its letter dated 22.05.2023 had submitted the proposal for upgradation of payscale of executives of CIL. In reply, Ministry of Coal vide its letter dated 17.08.2023 had advised to submit a fresh proposal /recommendation for upgradation of pay-scale of Executives of CIL/its subsidiaries duly approved by CIL Board along with full justification and additional financial implications involved to this effect.
  - Meanwhile, CIL Board at its 455<sup>th</sup> Meeting held on 19<sup>th</sup> July '2023 had noted that affordability condition for 2017 Pay Revision of executives of CIL is satisfied by CIL and its Subsidiaries and recommended to forward the proposal to Ministry of Coal for issuance of Presidential Directive based on the result of review for continuation of 2017 Pay Revision of Executives of CIL and its Subsidiaries.

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- iv. The estimated additional impact for the proposed upgraded pay-scale comes at Rs.515 Crores per year. The total estimated Financial impact of upgraded pay scales, over the 2007 Pay revision is less than Rs.2000 crores per annum. Hence, even with the implementation of above proposed upgraded pay scale, the total outflow of CIL will remain below the mandated 20% of average PBT of last three years (level prescribed by DPE for revision of 2017 pay scales).
- v. CIL is a ZERO debt company, which is also more profitable than the other Companies (Maharatna, Navratna, Mini Ratna) which are already having upgraded payscales.
- vi. The upgradation of pay-scales, if approved, shall be implemented notionally w.e.f 01.01.2017. However, the actual financial benefit shall be prospectively paid from the date of approval of CIL Board.

Board was also apprised that the pay-scale upgradation for CIL executives is justifiable keeping into consideration:

- (a) That there is disparity in pay-scale as compared to other Maharatna/Navratna/Miniratna CPSEs
- (b) CIL is more profitable as compared to these companies who are having upgraded payscales,
- (c) CIL is a zero debt company
- (d) CIL has the financial capability to afford the upgraded payscales, as per the Affordability clause in the DPE Pay Revision Guidelines.
- (e) The executives of CIL are working in remote locations and in hazardous and difficult working conditions,
- (f) Upgraded payscales will enable CIL to attract high quality executive talent, and
- (g) Upgraded payscales will enable CIL executives to be at par with executives of Other Companies having upgraded scales, for competing for Board level appointments
- (h) Further, the contribution of executives in achieving the record production target in FY 2022-23 cannot be denied.

During deliberations on the proposal, Board also advised to submit the Grade wise financial implication for the proposed pay-scale upgradation and details of merged pay-grades vis-à-vis DPE recommended pay-grades while submitting the proposal for the consideration of Ministry of Coal.

After detailed deliberations, CIL Board approved the proposal of upgradation of following pay-scale of executives notionally w.e.f 01.01.2017 subject to actual financial benefit from the date of approval of CIL Board and forwarding the same to the Ministry of Coal for its consideration and approval:

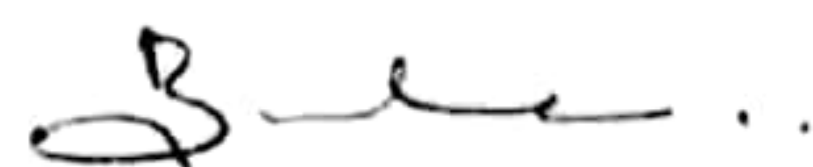
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Grade	Pay Scale as per Presidential Directive & DPE guidelines (₹)	Proposed upgraded Pay Scale (₹)	Remarks
CMD (Sch A)	2,00,000 – 3,70,000	2,00,000 – 3,70,000	Same as DPE recommended Scale.
Dir (Sch A)	1,80,000 – 3,40,000	1,80,000 – 3,40,000	
CMD (Sch B)	1,80,000 – 3,20,000	1,80,000 – 3,20,000	
Dir (Sch B)	1,60,000 – 2,90,000	1,60,000 – 2,90,000	
E9	1,50,000 – 3,00,000	1,50,000 – 3,00,000	
E8	1,20,000 – 2,80,000	1,20,000 – 2,80,000	
E7	1,00,000 – 2,60,000	1,20,000 – 2,80,000	At par with ONGC & BPCL Maharatna CPSEs
E6	90,000 – 2,40,000	1,20,000 – 2,80,000	
E5	80,000 – 2,20,000	1,00,000 – 2,60,000	
E4	70,000 – 2,00,000	90,000 – 2,40,000	
E3	60,000 – 1,80,000	80,000 – 2,20,000	
E2	50,000 – 1,60,000	70,000 – 2,00,000	
E1	40,000 – 1,40,000	60,000 – 1,80,000	

This is for your information and to take necessary action please.

Yours faithfully,



(B.P. Dubey)  
GM (Company Secretary)

C.C. to Director (P&IR), CIL – For information.



**COAL INDIA LIMITED**  
**Estimated financial impact for upward revision of pay scale of Executives of CIL/its subsidiaries with other Maharatna CPSEs**

Grade	No. of executives	Total basic as on 31.07.2023	Avg Basic as on 31.07.2023	Minimum Basic as on 01.01.2017	% Increase	Proposed Minimum Basic as on 01.01.2017	Proposed Revised Basic as on 31.07.2023	Total revised Basic (Rs.)
1	2	3	4	5	6=(4/5)-100	7	8=7+(7*6)	9=8*2
E7	2189	41,74,36,270	1,90,897	1,00,000	0%	1,20,000	190700	41,74,42,300
E6	1120	15,92,45,029	1,42,183	90,000	21%	1,20,000	172040	19,26,84,800
E5	3058	29,68,71,884	97,080	80,000	21%	1,00,000	117810	36,02,62,980
E4	3508	28,73,16,198	81,950	70,000	17%	90,000	95940	33,63,65,640
E3	2216	15,23,93,427	68,770	60,000	15%	80,000	80,000	17,72,80,000
E2	2447	14,35,00,043	58,643	50,000	17%	70,000	70,000	17,12,90,000
E1	896	7,99,10,860	89,286	40,000	0%	60,000	89290	7,99,14,550
<b>Total</b>	<b>15431</b>	<b>1,53,66,73,492</b>						<b>1,73,52,40,270</b>
	<b>Say Rs. in crores</b>	<b>153.67</b>					<b>Say Rs. in crores</b>	<b>173.52</b>

Rs. in crores			
Particulars	%	As on 31.07.2023	Revised Monthly Impact
Basic		153.67	19.86
DA	39.20%	60.24	7.78
Perks	35%	53.78	6.95
Superannuation Benefit	30%	64.17	8.29
<b>Total</b>		<b>331.86</b>	<b>42.88</b>
			<b>Annual impact</b>
			<b>514.59</b>

Note:-

- 1 E1 and E7 officers length of service is more. Their basics are more than the minimum of their corresponding proposed scale of pay. Hence the fitment benefit will be nil.
- 2 In E6 grade some officers length of service is more and some are new i.e. mixed. Hence the % increase in fitment is taken for E5 grade for estimation purpose.
- 3 All officers as on 01.01.2017 whose basic will be fitted in middle of the proposed scale will not get any fitment benefit
- 4 Notional fitment has been considered from 01.01.2017 to 31.03.2023