



COAL INDIA LIMITED
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No. CIL/C-5A(vi)/005/35/1210

OFFICE MEMORANDUM

Sub : Revision of pay of Board level and below Board level executives of CIL and its subsidiary Companies w.e.f. 01.01.2007.

Pursuant to the Presidential Directive issued by Ministry of Coal vide letter No. 21/25/2008-ASO dated 30th April, 2009 and No. 49015/1/2008-PRIW-II dated 1st May, 2009, for implementation of pay scales, fitment formula, DA and perks, the Management is pleased to revise the scale of pay and Dearness Allowance etc. of Board Level & Below Board Level executives of Coal India Ltd. and its Subsidiary Companies w.e.f. 01.01.2007 as per details given below :

1. Pay Scale :

Board Level		
Grade	Existing	Revised
Dir. (Schedule B comp.)	22500-600-27300	65,000-75,000
CMD (Schedule B comp.)	25750-650-30950	75,000-90,000
Dir (Schedule A comp.)	25750-650-30950	75,000-1,00,000
CMD (Schedule A comp.)	27750-750-31500	80,000-1,25,000

Below Board Level		
Existing	Revised	
Scale	Grade	Revised Scale
8600-14600	E-1	16400-40500
10750-16750	E-2	20600-46500
13750-18700	E-3	24900-50500
	E-4 (New)	29100-54500
16000-20800	E-5 (Existing E4)	32900-58000
17500-22300	E-6 (Existing E5)	36600-62000
18500-23900	E-7 (Existing M1)	43200-66000
19500-25000	Existing M2	51300-73000
20500-26500	E-8 (Existing M3)	
22500-27300	E-9 (Existing M4)	62000-80000

The existing grades i.e. from E1 to E5 & M1 to M4 are renamed as E1 to E9. While there will not be any change from E1 to E3 grade, the current E4 will be renamed as E5, E5 as E6, M1 as E7, M2 & M3 as E8 and M4 as E9 grade.

Officers in M2 grade will be placed in E8 scale and will continue to have their existing designation, role & function.

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All executives appointed/recruited on or after 01.01.2007 would deem to have been appointed/recruited in the revised scale of pay.

The executives working in E4, E5, M1, M2 & M3 and M4 Grade as on 01.01.2007 are to be placed in the pay scale of E5, E6, E7, E8 and in E9 grade respectively. However, the executives in E3 grade promoted to E4 grade on or after 1.1.2007 and those who will be promoted henceforth, will be given scale of pay of Rs.29100-54500/- i.e. newly introduced E4 grade.

All executives who were on the rolls as on 01.01.2007 but subsequently ceased to be in service on account of superannuation, resignation, VRS & death would be eligible for the benefits of revised scale upto the period they were in employment.

2. Fitment Benefit

- I) Uniform fitment benefit @ 30%, on basic pay, and V.DA @ 78.2% of Basic Pay as on 1.1.2007, the aggregate of which to be rounded off to next ten rupees.
- II) Extra ordinary increment(s) or retrospective increases of pay affecting revision of pay are to be ignored for the fitment/ pay revision.
- III) Benefit of one increment for every two stages in existing scale where executive drawing pay at different stages get bunched while fitment in the revised pay scales. However, grant of such increments will require the approval of Director(P&IR),CIL.

3. Increment

The annual increment shall be at uniform rate of 3% of basic pay and the anniversary date will be 1st April.

4. Stagnation Increment

Stagnation Increment will be 3% of basic pay admissible up-to maximum of 03 stagnation increments one after every two years.

5. Pay Fixation on promotion

Pay on promotion will be fixed by grant of one notional increment in the existing grade and pay will be fixed in the promoted pay scales & rounded up-to the next multiple of Rs10.

6. Dearness Allowance

The existing pattern of 100% neutralization of **Dearness Allowance** shall continue. Thus DA as on 1.1.2007 will become Zero with link point of AICPI base year 2001=100, which is 126.33 as on 01.01.2007. The periodicity of adjustment will be once in three months, as per the existing practice. The quarterly DA payable from 1.1.2007 onwards is given in **Annexure A**.

7. House Rent Allowance

HRA will be paid based on the population of the places/ cities of posting of individual executive w.e.f 26.11.2008 which is as follows:

Cities with population	Rates of HRA
50 lakhs and above (Classified as "X")	30% of Basic Pay
5 to 50 lakh (Classified as "Y")	20% of Basic pay
Less than 5 lakh (Classified as "Z")	10% of Basic Pay

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In cases where actual amount of HRA as per the prescribed rate is less than the actual amount of HRA drawn earlier by an officer, the difference would be allowed to be drawn by the officer as personal allowance until the difference is eliminated in course of time subject to the condition that the difference would be subsumed within the overall limit prescribed for the perks and allowances. The classification of cities is placed at **Annexure B**.

8. Leased Accommodation

Leased accommodation will be provided to officers posted at **Kolkata, Mumbai, Delhi Ahmedabad, Bangaluru, Bhubneshwar, Chandigarh, Chennai, Guahati, Hyderabad, Jaipur, Lucknow and Patna on need base**. For the purpose of CTC 30% of basic pay will be considered as expenditure on Housing.

The Executives in E-5 and above grades will be eligible for the facility of leased accommodation. The ceiling of leased accommodation will be 30% of basic pay for cities up to 50-lakh population & 40% of basic pay for cities above 50-lakh populations. Any amount of house rent of leased accommodation in excess of the admissible percentage (%) shall be paid by the officers concerned.

The Board of Directors of CIL shall consider & approve the cases of leased accommodation in respect of Board level executives on case-to-case basis beyond above norms.

Applicable licence fee based on plinth area shall be recovered from the salary for the leased accommodation.

9. Perks & Allowances

Out of the maximum ceiling of 50% of basic pay payable, the following percentage of perks & allowances shall be treated as compulsorily adjustable perks & allowances in the revised pay scales :

- (a) Facilities of hospitals, colleges, schools, clubs etc. – 1%
- (b) LTC/LLTC - 3.5%
- (c) Subsidized Electricity - 2% (for those provided with company accommodation)

After every two years the actual expenditure on (a) above will be reviewed to effect changes if need be.

Based on the actual expenditure on LTC/LLTC in a block of 4 years, the matter will be reviewed for revision, required if any.

Therefore, the perks and allowances payable in the revised pay scales shall be subject to a maximum ceiling not exceeding 45.5% or 43.5% of basic pay (in case of those executives provided with company accommodation) as the case may be of basic pay following '**Cafeteria Approach**' payable w.e.f 26.11.2008. The personal allowance receivable by executives in terms of Para-7 will also be subsumed within the overall limit of the perks & allowances. The individual officers may choose as per their requirement, perks & allowances, from the perks listed at **Annexure C**, and submit their option in the prescribed proforma (**Annexure C-1**) which will remain applicable for a financial year. Change of options once exercised normally will not be permitted. However Officers who are promoted or transferred from one station to another may be permitted to change & resubmit their option afresh.

The cafeteria approach of perks & allowances however will be regulated on the following presumptions:

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- i) Normally the Perks & Allowances as per option given by concerned executive to the extent permissible shall be paid along with monthly salary without production of any further documentary evidence.
- ii) Reimbursement wherever is claimed shall be permitted on production of voucher/cash receipts or actual proof of expenditure incurred by an officer for the purpose the allowances were drawn.
- iii) The re-imbusement of perks & allowances shall only be permitted to the extent vouchers / cash receipts are submitted.
- iv) Wherever vouchers are produced and reimbursement taken, applicable fringe benefit taxes will be borne by the Company.

10. Special Allowances payable w.e.f. 26.11.2008 :

(i).

- a) **North East Allowance** for the Executive posted in Assam Coalfields or any of the North East States of the Country shall be paid @ 12.5% of their basic pay per month.
- b) **Underground Allowance** - Executives required to work in a underground Mine shall be paid underground allowance as per the rates prescribed in OM No.: CIL: C-A (iii): 52010:1507 dated. 07.02.1991 read with amendments thereto.
- c) **Non Practicing Allowance** shall be paid to Executives of Medical Discipline @ 17.5% of basic pay.

(ii).

- a) **Coalfields Allowance:** Executives posted in Coalfield Areas will be entitled to Coalfields Allowance @ 7% of Basic pay per month.
- b) **Charge Allowance:** Area General Managers, Project officers/ Agents/sub Area Managers, Managers Area Engineer-in-charge, Head of Safety Deptt. of producing companies, Area Safety Officers, Colliery Safety Officer, E & M Engineers holding statutory posts called as authorized Colliery Engineer will be entitled to Charge Allowance @ 3% of basic pay per month.
- c) **Exploration Camp Allowances:** Those posted in Exploration Camps of CMPDIL will be entitled to an allowance equivalent to 3% of basic pay per month.
- d) **Rescue Station Allowance:** Rescue trained Executive Up to level of M2 grade posted in Rescue Station will be entitled to an allowance @ 7% of basic pay per month
- e) **Expert Allowance:** Executive of engineering disciplines including mining, environment Geology Coal Technology, coal preparation posted in CMPDIL & engaged in assignments demanding expertise skill to be decided as per specified guidelines will be entitled to Expert allowance @ 3% of basic pay per month.

(Note: without prejudice of entitlement of an executive of more than one or all the above Allowances i.e. Sl. (ii) (a) to (e), admissibility will be limited to 10% of basic pay per month.)

11. Performance Related pay (PRP)

Separate instructions will follow in due course.

12. Pay etc. of Government Officers on deputation to CIL

The Government officers on deputation shall continue to draw the salary as per their entitlement in the parent department. Those who are permanently absorbed will get the CIL Pay scale, perks and benefits.

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13. Superannuation Benefit

Superannuation Benefit limited to 30% of basic pay plus Dearness Allowance will be provided for the purpose of Contributory Provident Fund (CPF), Gratuity, Pension, and Post superannuation medical benefits and superannuation benefit. The allocated percentage is apportioned as under:

i)	Contributory Provident Fund (CPF)	-	12% of basic pay & DA
ii)	Gratuity	-	04.16% of basic pay & DA
iii)	Pension	-	03% of basic pay & DA
iv)	Post Superannuation Medical Benefit	-	04% of basic pay & DA
v)	Superannuation Benefit	-	6.84% of basic pay & DA

A separate Fund/Trust will be created wherein the amount equivalent to 4% and 6.84% of basic pay & DA will be diverted towards Post Superannuation Medical Benefit and Superannuation Benefit respectively. The revised schemes for extending the benefits under these heads to the retired or retiring officers will be formulated and circulated in due course.

14. Gratuity

The existing ceiling of gratuity of Rs.3.5 lakhs stands revised to Rs.10(Ten) lakhs w.e.f. 01.01.2007. The gratuity of executives payable will be calculated at the rate of 15 days wages (Basic Pay + DA) for every completed year of service rendered up to 30 years and one month pay (Basic + DA) for every completed year of service rendered beyond 30 years.

15. Company Car

Separate instructions will be issued in this regard.


16. Miscellaneous

- Revision of pay in terms of this order will be applicable only for executives who were on the roll of the Company as on 31.12.2006 and continued thereafter. Executives who joined the company after 1.1.2007 would be deemed to have been appointed in the revised scale of pay and benefits as applicable.
- Executives joining CIL on or after 01.01.2007 shall be suitably placed in the revised pay scales.
- Recoverable advance paid to the executives will be adjusted against arrears payable.
- Salary of May, 2009 payable in June, 2009 will be made as per revised scales of pay.
- The arrear payable on account of revision of pay may be worked out. Separate instructions will be issued for payment of arrears after reviewing the resource position of the companies.
- The pay of the executives separated on account of superannuation, resignation, VRS & death after 01.01.2007 shall also be fixed in the revised pay and arrears will be payable.
- The existing provisions relating to conveyance allowance, coalfield allowance, charge allowance, mines rescue related allowances and expert allowance stand withdrawn or modified to the extent incorporated in this O M w.e.f. 26.11.2008 unless otherwise specified.

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- (h) The management reserves rights to alter, change, modify, revise, amend or withdraw any or all the provisions with respect to perks, allowances etc. at its discretion.
- (i) In case of any doubt in interpretation of any of the provisions of this O.M., the clarification/ interpretation of Director P&IR Coal India Limited shall be final and binding.

This issues with the approval of competent authority.


(R. Mohan Das)
Director (P&IR)
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Distribution :

1. Chairman-cum-Managing Director, ECL/BCCL/CCL/WCL/SECL/NCL/MCL/CMPDIL
2. Director(Finance)/Director(Technical)/Director(Marketing), CIL, Kolkata
3. CVO, CIL, Kolkata
4. Director(Personnel)/(Finance), ECL/BCCL/CCL/WCL/SECL/NCL/MCL
5. Director(RD&T),CMPDIL, Ranchi
6. CGM(P)/GM(P), ECL/BCCL/CCL/WCL/SECL/NCL/MCL/CMPDIL
7. CGM, NEC, Guwahati/CGM, DCC, Dankuni
8. Executive Director(IICM) Kanke Road, Ranchi
9. CGM/TS to Chairman, CIL, Kolkata
10. CGM, CIL, Ansal Bhawan, New Delhi
11. CGM(F)/GM(P), CIL, Kolkata
12. All RSMs
13. Guard File

**Rate of Dearness Allowance for the executives of
Coal India Limited following IDA pattern w.e.f. 1.1.2007**

Date of Dearness allowance	Rate of Dearness allowance (in Percentage)
01.01.2007	0
01.04.2007	0.8
01.07.2007	1.3
01.10.2007	4.2
01.01.2008	5.8
01.04.2008	6.3
01.07.2008	9.2
01.10.2008	12.9
01.01.2009	16.6
01.04.2009	16.9

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**LIST OF CITIES/TOWNS CLASSIFIED BASED ON POPULATION
FOR PAYMENT OF HOUSE RENT ALLOWANCE**

S.No.	STATES	CITIES CLASSIFIED AS "X"	CITIES CLASSIFIED AS "Y"
1.	Andhra Pradesh	Hyderabad (UA)	Vijayawada (UA), Warangal (UA), Visakhapatnam (UA), Guntur
2.	Assam		Guwahati (UA)
3.	Bihar		Patna (UA)
4.	Chandigarh		Chandigarh
5.	Chhattisgarh		Durg-Bhilai Nagar (UA), Raipur (UA)
6.	Delhi	Delhi (UA)	
7.	Gujarat		Ahmedabad (UA), Rajkot (UA), Jamnagar (UA), Bhavnagar (UA), Vadidara (UA), Surat (UA)
8.	Haryana		Faridabad*
9.	Jammu & Kashmir		Srinagar (UA), Jammu (UA)
10.	Jharkhand		Jamshedpur (UA), Dhanbad (UA), Ranchi (UA)
11.	Karnataka	Bengaluru (UA)	Belgaum (UA), Hubli-Dharwad, Mangalore (UA), Mysore (UA)
12.	Kerala		Kozhikode (UA), Kochi (UA), Thiruvananthapuram (UA)
13.	Madhya Pradesh		Gwalior (UA), Indore (UA), Bhopal (UA), Jabalpur (UA)
14.	Maharashtra	Greater Mumbai(UA)	Amravati, Nagpur (UA), Aurangabad (UA), Nashik (UA), Bhiwandi (UA), Pune (UA), Solapur, Kolhapur (UA)
15.	Orissa		Cuttack (UA), Bhubaneswar (UA)
16.	Punjab		Amritsar (UA), Jalandhar (UA), Ludhiana
17.	Pondicherry		Pondicherry (UA)
18.	Rajasthan		Bikaner, Jaipur, Jodhpur (UA), Kota (UA)
19.	Tamil Nadu	Chennai (UA)	Salem (UA), Tiruppur (UA), Coimbatore (UA), Tiruchirappalli (UA), Madurai (UA)
20.	Uttarakhand		Dehradun (UA)
21.	Uttar Pradesh		Moradabad, Meerut (UA), Ghaziabad*, Aligarh, Agra (UA), Bareilly (UA), Lucknow (UA), Kanpur (UA), Allahabad (UA), Gorakhpur, Varanasi (UA)
22.	West Bengal	Kolkata (UA)	Asansol (UA)

- Only for the purpose of extending HRA on the basis of dependency.

NOTE

- The remaining cities/towns in various States/Uts which are not covered by classification as "X" or "Y" are classified as "Z" for the purpose of HRA.
- "X" = Cities above 50 lakhs population;
- "Y" = Cities having population between 5 lakhs & 50 lakhs.
- "Z" = Cities/towns having population of less than 5 lakhs.
- "UA" = Urban Areas

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PERKS UNDER CAFETERIA APPROACH**DOMESTIC & RESIDENTIAL ALLOWANCES: -**

1. **House Furnishing Allowance :-**
An amount equivalent to 7% of basic pay per month for purchase, repair or replacement of household furniture and other durables.
2. **House up keep Allowance :-**
An amount equivalent to 5% of basic pay per month for purchase of curtains, wall paintings/hangings, carpets, decorative materials, cutlery and other household appliances etc.
3. **Domestic Assistance Allowance: -**
An amount equivalent to 5% of basic pay per month as Domestic Assistance Allowance. However, if the officers are provided with domestic servant by the company, 5% of basic pay will be treated as perks.
4. **Electricity Allowance:-**
Officers residing in Houses owned by them or their family members or rented houses will be allowed Electricity Allowance limited to 3% of Basic Pay per month.
While officers residing in accommodation provided by the company will not be permitted to draw Electricity Allowance, they will continue to pay 1% of basic pay as Electricity charges apart from foregoing 2% of perks for such subsidized electricity consumption.
5. **Cook Allowance: -**
An amount equivalent to 5% of basic pay per month as Cook Allowance.

TRANSPORTATION ALLOWANCES: -

6. **Conveyance Allowance:-**
An Officer owning a motor vehicle & not availing facility of company's car/vehicle, will be entitled to Conveyance allowance @ 5% of basic pay p.m. for a four wheeler and @ 2% of basic pay p.m. for a two wheeler.
7. **Vehicle Maintenance Allowance :-**
An Officer owning a motor vehicle & not availing facility of company's car/vehicle, will be allowed an amount equivalent to 10% of basic pay for a four wheeler and 4% of basic pay for a two wheeler per month for repair and maintenance (including payment of statutory Taxes and Insurance premium etc.) of a motor vehicle registered in his name.
8. **Driver Allowance**
Officers owning a four wheeler, will be allowed @ 5% of basic pay per month as Driver Allowance.
9. **Transport Assistance:**
Officers not availing Conveyance allowance, Vehicle Maintenance Allowance or the facility of Company's Car as also not possessing a motor vehicle will be paid Transport Assistance @ 5% of basic pay per month. The Amount received will be treated as income for the purpose of Income Tax.

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EDUCATIONAL ALLOWANCES

10. Children Education Allowance:

On the basis of a certificate issued from the educational Institution/ /College/School, executives will be permitted to draw Children Education Allowance for maximum of two children at the following rates per child per month:

For Study in Schools	@ 2% of Basic Pay
For post school /Study in College	@ 3% of Basic Pay
For UG or PG Study in Professional Institutions /University.	@10% of Basic Pay

11. Hostel Allowance :-

Officers whose children are studying at an out station & residing in Hostels/Own arranged accommodation for their education may be allowed for maximum of two children @ 5% of basic pay per child per month.

12. Professional Development Allowance: -

Executives will be allowed an amount equivalent to 2% of their basic pay per month for purchase of any number of professional books, encyclopedia, Manuals, Journals, Audio/Visual aid for enrichment of their professional knowledge.

13. Internet Allowance :-

An amount equivalent to 1% of basic pay per month will be payable for the use of Internet by the officers.

14. Re-imbursment of Professional membership Fees

An amount equivalent to 2% of basic pay per month for expenditures on membership subscription, attending conference, Seminars, workshops etc. organized by professional institutions. The existing scheme notified vide circular No.CIL/C5A(vi)/Pay Perks/978 dated 21/25.11.2008 stands withdrawn

PERSONAL ALLOWANCES

15. Entertainment Allowance

An amount equivalent to 10% of the basic pay per month will be allowed to officers for expenditures on entertainment of guests and visitors at his residence.

16. Lunch Allowance through Sodexo Meal Vouchers

Officers will be provided Sodexo meal vouchers/ Gift Vouchers/ Meal Cards equivalent to an amount up to 05% of basic pay per month. The Vouchers shall be in multiple of Rs. 15 and above. Any amount in fraction of less than Rs. 15 for the purpose will be ignored. Officer may opt any percentage of their basic pay up to 5%. Actual percentage so opted will be counted for the purpose of the ceiling of 50%.

17. Kit/Dress Allowance

The officers will be allowed an amount equivalent to 5% of the basic pay per month as Kit/Dress Allowance.

18. Laundry/Washing Allowance

For washing and maintenance of the Dresses & other usable clothing an amount equivalent to 3% of basic pay per month will be allowed.

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19. Mobile/Telephone Allowance

For expenditure on telephone/mobile, fax etc. an amount equivalent to 5% of basic pay per month will be allowed to officers of all grades.

20. Interest Subsidy:

The officers will be allowed interest subsidy to the extent of 15% of their basic pay per month for repayment of the interest of the HB Loans, Motor car loans, Personal loans, education loans for children, Computer/Laptop Loans taken from a bank or a financial institution. However, depending on situation the percentage may be less than 15%. In that case the actual percentage utilized only will be counted against the ceiling of 50%.

21. Gardener Allowance :

Officers residing in their own houses or rented houses will be permitted an allowance limited to 3% of the basic pay per month.

22. Coal Industry Allowance:

All executives irrespective of their places of posting can claim Coal Industry Allowance at the rate of 20% of basic pay.

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OPTION FORM FOR PERKS & ALLOWANCES
(To be furnished before 10th April each financial year by individual executives)

Name:..... PIS No.....

Designation:..... Place of posting:.....

Basic Pay : Rs.....

List of Perks & Allowances opted for the financial year (200 - 20)

Sl. No.	Perks / Allowances	% of Basic pay
1.		
2		
3		
4		
5		
6		
7		
8		
9		
10		
TOTAL		%

Certified that –

- (1) I am residing / not residing in Company provided / arranged accommodation;
- (2) I am in receipt of personal allowance as difference of HRA amounting to Rs..... / not in receipt of personal allowance as difference of HRA.

Signature

Date:

Place :