



**NATIONAL CONFEDERATION OF OFFICERS' ASSOCIATIONS (NCOA)**

(National forum of the executives of Central Public Sector Enterprises)

Registered under the Trade Union Act 1926 Reg.No.DNE 707

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<p><b>K. Ashok Rao, Chief Patron. KSN. Raju and G.L.Jogi, Advisors</b></p>	

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## **Charter of Demands on Revision of remuneration for PSU executives and save Public Sector Enterprises.**

The National Executive Committee of the National Confederation of Officers' Associations of Central Public Sector Undertakings (NCOA), that represents the managerial and supervisory staff serving the Central Public Sector Undertakings met in Mysore on 16<sup>th</sup> and 17<sup>th</sup> July, 2016 and resolved as under:

### **Principles for Revision of remuneration of executives**

NCOA demands that: The Government should revise the terms of reference of the Third Pay Revision Committee (Justice Satish Chandra Committee) with regard to the periodicity in order to ensure that the date of start of pay revision should be from 1.1 2012. The process of revision has already started in several sectors like coal, steel and mining where bipartite agreements have been signed with workmen w.e.f 1.1.2012 as the start date for wage revision. Pay revision of executive & workmen should be co-terminus in order to prevent anomalies between the section of the employees. Industrial harmony and productivity cannot be sustained without parity between different section of the employees.

NCOA further demands that the terms of reference of the 3<sup>rd</sup> PRC should be amended to delete the term "affordable" in item 1.0 of the terms of reference. Instead, 3<sup>rd</sup> PRC should recommend ways and means of ensuring revision of pay for all PSU Executives irrespective of profitability of the undertaking.

NCOA demands the removal of the glaring disparity in the post retirement remuneration of employees of PSUs and Government. Since the establishment of CPSEs the remuneration policy for executives serving CPSEs has been framed with reference to recommendations of various pay committees set up for Govt. Servants. The most glaring disparity is with regard to the provision of post-retirement medical care. In PSUs the post-retirement medical schemes range from Zero to reasonable benefits. However, most of the schemes are funded from the revenue account of the undertaking thereby making the benefit vulnerable to the profitability of the PSU.

NCOA demands that: employees of PSUs should be given a living wage irrespective of the profit or loss of the PSU. There is no justification for paying an employee, wages at rates applicable in 1997 (almost 20 years ago) Such payments are even much below acceptable subsistence level.

NCOA demands that: Under no circumstance should there be delays of several months in payment of wages. Non-payment of wages over extended periods is unjustified both legally and otherwise.

NCOA demands that Govt should mandate 3<sup>rd</sup> PRC to examine and suitably recommend the "revision of pension of erstwhile DoT employees absorbed in BSNL and MTNL" in the context of the fact that

complete parity prevails with regard to payment of pension/pension revision between Central Govt employees and BSNL /MTNL absorbed employees in terms of CCS pension Rules, 1972.

NCOA demands the abolition of bell curve as a basis for creating incentives. It has now been scientifically established that the bell curve is a non-scientific measure. Experience of the last 10 years has established that the payment of PRP based on the bell curve has resulted in creating more disincentive than incentive defeating the very purpose of such payments.

## **WE DEMAND SAVE PUBLIC SECTOR ENTERPRISES**

### **Disinvestment and Strategic sales**

NCOA demands that: The asset base of the Public Sector Undertaking units should be revalued and their role in the Industry and the economy should be clearly enumerated before strategic sale or disinvestment. Sale of Public Sector Units set up as instruments of state policy cannot be dealt with as merely a sale of stocks held by the Government.

NCOA demands that: Real estate owned by the PSUs should be separately assessed and sold as real estate. Public sector units have huge real estate commanding enormous market value. Land belonging to PSUs was acquired from people for a social purpose and this should not be gifted to private owners.

NCOA demands that: Public services built within the townships of PSUs such as schools, hospitals, sports stadiums and other infrastructure like markets etc. should be given or sold to the Municipal or State authorities for public use and should not be privatised along with the public sector units since these are not directly related to the commercial business of the undertakings.

NCOA demands that: Defaulter of bank loans and those who have contributed to the creation of large Non Performing Assets of Public Sector Banks should be debarred from purchase of shares and/or being strategic partners or buyers of PSU units. Sale of PSU shares to the very same individuals and institutions responsible for non-repayment of loans thereby requiring recapitalise of the banks is a fraudulent financial transaction.

NCOA demands that: Government must satisfy the Parliament through a credible road map, that strategic partnership and/or transfer of management would bring additionality in Market and/or Investment as well as improvement in Management. NCOA further demands a White paper on the strategic sales and ownership transfers that has been undertaken so far, since in many cases this has resulted in creation of monopolies (in case of IPCL); change in the purpose of the units (Ashok Yatri Niwas); serious CBI enquires for alleged fraud (Hindustan Zinc, Lalit Mahal Hotel, Udiapur).

NCOA demands that: Funds generated from disinvestment should be used for revival of sick CPSEs and investments in CPSUs and not for meeting capital needs of the Railways, PSBs, Metros, Nuclear related projects etc.

NCOA demands a role for the employees in decision making regarding the change of ownership of their undertakings, since the undertaking have been built by the hard work of generation of employees and they are most affected stakeholders.

### **Policies of the Government**

NCOA demands that: the practice of mopping up the reserves of the undertaking or taking away 30 percent of PBT as advance dividend should be stopped. These funds are vital resources of the undertakings for further expansion, diversification and acquisition of technology.

NCOA demands that: Government should bring out a white paper on the consequences of opening up FDI in vital and critical sectors like Defence. The white paper should specifically spell out the impact of FDI on the problems in acquiring technology. Defence sector PSUs are particularly vulnerable to technology acquisition. Opening of the markets and investments should not result in technological "autarky".

NCOA demands that: "Make In India" should not result in crowding out existing investments and under-utilization of existing manufacturing and technological capabilities.

### **Revival/ Closure of Public Sector Units**

NCOA demands that: There should be Tripartite consultation and not unilateral decision in matters relating to revival and closure of PSUs.

NCOA demands that: Complete payment of arrears of employees should precede to closure. The basis of payment of arrears should be the recommendations of the 2<sup>nd</sup> Pay Revision Committee (Rao Committee). The recommendation should be implemented in letter and spirit. In case of VRS Sixty days for every year of service should be considered irrespective of the length of service of the employee.

