



NATIONAL CONFEDERATION OF OFFICERS' ASSOCIATIONS

(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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V K Tomar
Secretary General

Dated- 22.11.2020

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To,
Shri Narendra Modi Ji
The Hon'ble Prime Minister
Govt of India
New Delhi



Subject: Appeal to withdraw OM on freezing of DA to CPSEs employees

Ref: DPE OM No. W-02/0039/2017-DPE(WC)-GL-XVI/20, dated 19.11.2020

Respected Sir,

It is very disheartening that DPE has issued Office Memorandum (OM) vide W-02/0039/2017-DPE(WC)-GL-XVI/20 dated 19.11.2020, for freezing of Dearness allowance (DA) to Executives/Officers of Central Public Sector Enterprises (CPSEs), drawing pay as per the Revision of 2017, 2007, 1997, 1992 or 1987, till June 2021, which will adversely impact the families over 14.5 Lakh employees across 339 CPSEs.

Probably DPE has taken this decision inline of freezing of CDA for Central Government employees in light of potential strain on Government finance due to Covid-19 pandemic. While replicating the same for CPSEs employees also, following important points has been overlooked by DPE.

- There is no budgetary support provided by the Government to the CPSEs and its employee's pay are met out of CPSEs own revenue unlike that of Government employees where the pay is arranged from Central Exchequer.
- The pay for of Government employees are compulsory revised as per the defined periodicity unlike CPSEs where revision is based on the profitability as per the affordability of respective CPSEs and accordingly salary of CPSEs employees are being paid as fixed in 2017, 2007, 1997, 1992 or 1987.
- Accordingly only around 50 out of 343 CPSEs has been able to revise the scales for their employees, fully in line with DPE guidelines, based on affordability & profitability. Further, the affordability of such CPSEs needs to be checked every 3 years to continue to pay as per 2017 pay-revision guidelines, failing which there is inbuilt provisions of reversal of revision.
- Since pay of CPSEs has got two parts and the variable part i.e. performance Pay is dependent on financial & physical performance of the respective CPSE. The adverse impact of pandemic on profitability have already eaten a major share of pay in terms of Performance Related Pay (PRP) and the freezing of IDA will be a second punishment for CPSE employees.
- As several CPSE's employees are still paying age old pay scales of year 1992, 1997 and 2007 (due to affordability), and their salaries have not yet been revised to compensate for huge inflation of around three decades. The decision freeze IDA would bring tremendous hardships to such employees while expenditure burden has further increased in the wake of Covid19 pandemic and working necessities like safe distance, own transport arrangement etc.
- The impact of DA freeze is not only on the DA amount but also on contributions

towards superannuation benefits (@30% of BP+DA) like PF, Gratuity, Post-Retirement Medical and Pension contribution for CPSEs unlike central government employees where retirement benefits are insulated from it. This DPE OM is thus disturbing the social security of employees also.

On one hand Govt is giving LTC Cash Vouchers Scheme to its employees and has also released Productivity and non-productivity linked Bonus to its employees to boost consumer spending. On other hand, such double blow to CPSEs employees will badly discourage and demoralise them and in turn adversely impact their performance and the economy of the nation.

CPSE's employees has been in the forefront of battle during pandemic risking their life by rendering services to nation to ensure the reach of goods & services at each corner of the country in terms of uninterrupted supply of Fuel, LPG, power, fertilizers, communications, defence production, steel, coal, aviation ,pharmaceutical, fertilizer, shipping etc. CPSEs have not only in the forefront to implement the dream of our hon'ble Prime Minister,, Sri Narendra Modi ji for "Atamanirbhar Bharat" but also to increase Capex in multi fold to fuel economy post pandemic. The decision of freezing of IDA will severely impact the morale of 13.5 Lakh plus employees of such CPSEs and adversely impact the lives of their families.

This decision is in contradiction of Govt of India's initiatives to put money in the hand of people of the country to circulate it in economy to bring it back on track.

Therefore, we sincerely appeal for your intervention for withdrawal of DPE OM No. W-02/0039/2017-DPE(WC)-GL-XVI/20, dated 19.11.2020 so that 13.5 Lakh plus employees of CPSEs would continue to work with the same motivation & commitment to bring the dream of "Atamanirbhar Bharat" of hon'ble Prime Minister, into reality.

With reagrads

Yours sincerely



(V. K. Tomar)

Secretary General

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