

# Tamil Nadu Electricity Board Engineers' Sangam

தமிழ்நாடு மின்சார வாரிய பொறியாளர் சங்கம்

Regd. No. 124/MDS (Recognised)

793, Electricity Avenue, Anna Salai, Chennai - 600 002.

☎: 2852 1968

44, Ramasamy Garden Street, Royapetah, Chennai - 600 014

☎: 2848 7517

PRESIDENT

**Er.G.MURALI KRISHNAN**

GENERAL SECRETARY

**Er. V. ASHOK KUMAR**

TREASURER

**Er. REMINGTON V.RAYEN**

To

THE CHAIRMAN,  
Tamil Nadu Electricity Board,  
Chennai-600 002.

Lr.Nr.GS/TNEBES/F1/D163 /2010,Dt.05.06.2010.

Sir,

Sub: Restructuring of Board – Transfer scheme – discussion – points submitted – Reg.

- Ref: 1. CE/P/Lr.No.046299/452/G43/G431/2009-8,Dt.04.11.2009.  
2. CE/P/Lr.No.046299/452/G43/G431/2009-14,Dt.27.05.2010.  
3. CE/P/Lr.No.046299/452/G43/G431/2009-15,Dt.01.06.2010.  
4. Discussion with Hon'ble Electricity Minister Dt.03.10.2008.  
5. Our representation D102,Dt.07.12.2009.  
6. Unions joint representation Dt.16.12.2009.

On 03.10.2008, during the discussion on restructuring of T.N.E.B. The Hon'ble Minister for Electricity announced the following as policy of the Government regarding restructuring.

- T.N.E.B. will be restructured as;



All the companies will be under the control of the State Government.  
The companies will not be privatized under any circumstances.

- Employees condition as on today will be protected.
- Not even 0.1 % of welfare of the employee will be affected.

## **Tamil Nadu Electricity Board Engineers' Sangam**

- Tripartite agreement will be made before the commencement of restructuring.
- Pension Corpus Fund as in Andhra Pradesh will be studied and implemented (Secretary / Energy will put up note to the cabinet).

On the above assurances only the discussion was initiated with the unions. So the points to be negotiated further is the issues other than those which are not specified by the Hon'ble Minister for Electricity.

The Trade Unions have jointly represented to the Chairman on 16.12.2009 to insist for a tripartite agreement on the subjects covering employees service conditions, transfer scheme and funding mechanism of unfunded pension liability etc.

The Chairman also assured the unions to consider the joint representation positively.

Now Board communicated three points for discussion on 05.06.2010 before the Chairman.

We submit our points as follows:

- The assurances of the Hon'ble Minister for Electricity on 03.10.2008 during the talks on restructuring of T.N.E.B. to be implemented.
- The continued assurances of the Hon'ble Minister for Electricity, on 03.10.2009 at the State Conference of our Engineers' Sangam including creation of Pension Corpus Fund to be implemented.
- The joint representation made by the trade unions of T.N.E.B. on 16.12.2009 to be considered in toto.
- The existing service conditions, promotional opportunities, settlements, service regulations, terminal benefits, pension benefits for the existing employees and retired employees to be protected and the Government of Tamil Nadu is responsible to ensure the same.
- The repeated assurances of the Hon'ble Minister for Electricity to adopt "Time bound promotion" in the employees of T.N.E.B. to be implemented prior to the commencement of the transition period.
- All the corporations formed for the restructuring must be retained in the Government and it should be specifically mentioned as Government owned corporations as said in the proposal dt. 04.11.2009.

## Tamil Nadu Electricity Board Engineers' Sangam

- All the settlements, residual matters, orders of the Hon'ble Courts are to be implemented immediately.
- Vacant posts in all the cadres are to be filled up before the commencement of the transition period.
- We welcome the decision of entering a tripartite agreement between T.N.E.B., State Government and Employees unions. It is a must and need to be entered with a specific time frame.
- The transition period must be made as "Five Years".
- During the period of transition the existing employees are to be retained in the "TNEB Ltd." and they should be placed under the services of TANTRANSCO and TANGEDCO on deputation basis, keeping the seniority as common as in existence prior to the transition period.
- **A mere glance of the financial positions of T.N.E.B., will reveal the fear and panic among the employees with reference to their Terminal / Pension benefits.**

a) Total income of the Board	-	Rs.18964.61 Cr.
b) Power purchase	-	Rs.15774.39 Cr.
(83% of the revenue spent on power purchase).		
c) Deficit for the year	-	Rs.8738.00 Cr.
d) Cumulative deficit	-	Rs.16774.74 Cr.

The deficits will be considered as regulatory assets, which will be apportioned in the coming years.

Hence, the successor entities will not have enough money to pay the terminal / pension benefits which will dislodge the life system of the employees, pensioners and family pensioners and leave them at the cross roads.

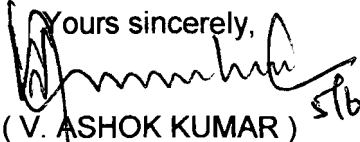
- **All the existing benefits must be protected, instead of "cash flow of the concerned entities" as said in the proposal dt.01.06.2010. The establishment expenditures, terminal benefits, pension benefits must be made as "Liability of the TNEB Ltd." and it should be made as "jointly and severally responsible for the transferee and the Government".**

## Tamil Nadu Electricity Board Engineers' Sangam

- **A Pension Corpus Fund is to be created as in Andhrapradesh ( As agreed by the Hon'ble Minister for Electricity ) with the Government's Security to protect the interests of the employees and pensioners.**
- Pension commitment / annum = Rs.950 Cr. (approx)
- Capital required to meet the Commitment @ 8% interest rate | = Rs.12000 Cr.
- Bonds to be issued under the Guarantee of the government for creating Pension Corpus Fund | = Rs.12000 Cr.
- The assets of the Board has to be revalued to the fair market / business value. Based on the revaluation only the financial conditions are to be decided and it should be made transparent.
- Provision of Industrial Dispute Act 1947 to be continued to the future corporations also.
- The existing permanency status of all the employees to be continued even after the transition period irrespective of the corporations they are employed.
- The existing status of recognized / registered trade unions to be maintained and the union representatives to be incorporated in the "grievance handling committee".
- The unions must be informed well in advance of the decisions to be taken by the Board at each and every stage.

Sangam will present / request additional information if any required on the above subjects as and when it is necessary in the interest of the Board, Government and the Employees.

Thanking you, Sir,

Yours sincerely,  
  
 ( V. ASHOK KUMAR )  
 General Secretary.

Copy to:

All Unions / TNEB.

Points commonly presented by most of the unions in restructuring talks before  
The Chairman / TNEB on 05.06.2010.

- Transition period as 5 years.
- Pension corpus fund creation.
- Tripartite agreement (Based on Joint action council representation dt 16.12.2009).
- Employees to be kept in TNEB Ltd., instead of TANGEDCO.
- Common seniority to be maintained in TNEB Ltd.,
- Pension to be guaranteed by TNEB Ltd., and by the Government of Tamilnadu, not by the corporations.
- Existing service conditions to be protected.
- Union representatives to be included in the grievance handle committee.
- Developments in restructuring to be informed to union then and there.

**Board informed**

- All your opinion will be taken care off.
- Draft copy of tripartite agreement to Government will be given to union prior to forwarding to the Government.
- Monthly status report regarding restructuring will be given to unions as circular.
- At present, guideline value is taken for assessment of Board's land. Total revalue of assets and liabilities of the Board will be taken in due course.
- Government approval for commercial operations of the corporations obtained. However extension of time is sought for three months from central government (for STU).
- On a clarification (our point), Chairman informed that all the companies are fully owned by the government only.