



## Tamil Nadu Electricity Board Engineers' Sangam

தமிழ்நாடு மின்சார வாரிய பொறியாளர் சங்கம்

Regd. No. 124/MDS (Recognised)

(Affiliated to All India Federation of Power Diploma Engineers)

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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.No.GS/TNEBES/F1/D102/2009,Dt. 07.12.2009.

Sir,

Sub: Restructuring of TNEB - abstract of employee transfer and funding mechanism of unfunded pension liability - Employee unions and pensioner unions opinion called - opinion submitted - Reg.

Ref: CE/P/Lr.No.046299/452/G43/G431/2009-8,Dt.4.11.2009.

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With reference to the above we present the following;

### General:

It has been rightly pointed out in the objective that the transfer policy should be framed "to safe guard the interest of the employees of TNEB". Though Government of TamilNadu has not favored the bifurcation of TNEB, due to the policy of Government of India (Electricity Act 2003) it has to be bifurcated, as we learnt.

While the TamilNadu Electricity Board Engineers' Sangam appreciates the position of Government of TamilNadu, it wishes to stress that the experiences of bifurcation in other states are not encouraging. The functions have not been improved but in contrary, the bifurcation had pulled down the SEBs.

TNEB during the course of 52 years has earned a reputation of well being maintained board. It has successfully catered the demands of the people particularly industry and poor people. Revenue collection of TNEB is the best in all India level. The PLF of our thermal stations are in appreciable level.

Industrial peace has been maintained in spite of provocative and partisan attitudes of the personnel management. TamilNadu Electricity Board Engineers' Sangam stood the humiliation and attack of a section of Engineers in higher management with the timely and benevolent help of the Hon'ble Minister for Electricity and the chairman/TNEB. TNEB Engineers' Sangam places on record its heartfelt gratitude to the Hon'ble Minister for Electricity and the Chairman / TNEB for their timely intervention in restoring the ratio in the settlement.

We wish to submit that bifurcation is being carried out under such circumstances wherein the service conditions including the filling up of vacant posts of Technical Assistants and other avenues of promotion are at peril.

## **STAFF TRANSFER AND TRANSFER POLICY**

### **2. Transfer policies**

#### Cl. (3):

The FACTORS OF conditions of suitability, ability and experience of the personnel, number and nature of vacancies and other relevant factors - may be expressed clearly, the present term is in ambiguous condition.

#### Cl. (6):

- Opinion / willingness from all the existing employees have to be called and decided.
- Priority may be given to employees who are presently working in various wings of the Board.
- Cl.6(b),(c)and(d) are ambiguous and detrimental to the existing employees (particularly diploma engineers).

Under the guise of framing qualification for the vacant post, top management headed by Engineers can conveniently neglect the right serving employees.

“ We suggest that existing employees should be absorbed and training to be imparted to them if necessary. The qualification prescribed should not exclude or infringe on the benefit / right of the serving employees. Forestalling the carrier of the existing employees is against natural justice”.

Cl.(8):

Even though the management has the prerogative to decide on where to post an employee, it should see that this act does not hurt the employee and block his/her future. It should be decided in consultation with the unions to protect the employees from biased transfers.

Cl.(10)&(11):

In “ Employee Transfer Committee” and “Counseling cum Grievance Handling Cell” union representatives to be made part and parcel to protect the rights of the employees. The above said “committee and cell” should be headed by a non-engineer who is qualified and trained in HRD and having good credential and acceptance among the employees.

Cl.(14):

In preparation of HR policy hand book, the committee should be headed by a HRD expert (Not by an Engineer), with adequate representation to all cadres and sections of employees.

The working conditions, promotional avenues / appointment opportunities must be ensured by way of continuing all the rules / regulations / ratios and service conditions that are prevailing in the Board prior to the restructuring. Any one with the vested interest should not be allowed to meddle with the service conditions of any category of employee. The existing conditions should not be altered.

Cl.(18):

The terms and conditions of service of the personnel shall not in any way be less favourable in monetary terms as well as the dignified service condition than that was applicable prior to such transfer.

Cl.(20):

The successor entities should not be allowed to modify and frame new regulations without consultation and reaching an agreement with the unions of the TNEB. Since this will adversely affect the conditions of the employees.

Cl.(22 & 23):

Pension funds and other terminal benefits should be guaranteed by the Government of Tamil Nadu. A tripartite agreement (settlement) with TNEB, Trade unions and the Government of Tamil Nadu would create greater confidence and safeguard the pension and terminal benefits. This would be the healing touch to the existing and retired employees. Such arrangements have been signed in Andhra Pradesh, Uttar Pradesh and other states. Government of Andhra Pradesh has given unequivocal guarantee for the continued payment of pension. There should not be any change in granting the pension, family pension and the mode of payment.

Cl.(24):

All pending Disciplinary Proceedings against employees on flimsy grounds, union activities may be finalized / dropped, except which are serious in nature like making willful loss to the Board or coming under criminal category, before transferring the pending Disciplinary Proceedings to the new entities.

### **3. Classification and transfer of property, rights, liabilities and proceedings provisional in the first instance.**

- (1) The period should be made as **minimum of three years** instead of one year from the date of transfer.
- (3) On the expiry of the period of **three years**, instead of 12 months, and before making the transfer scheme final, discussions to be held with unions and the grievances must be negotiated and settled, then only the scheme to be made final, other wise the rights of the employees will be jeopardized.

### **FUNDING MECHANISM OF UNFUNDED PENSION LIABILITY**

1). Back ground :

The estimation of liabilities and cash flows under taken by the consultant are not based on the “ Actuarial analysis” as said and the magnitude of the change expected to under go is not mentioned. Under such circumstances we feel it is vague and a detailed report is required for further study and offer opinion.

- 2). The servicing and legal requirements must be given explicitly to provide more clarity in the issue.
- 3). The establishment expenditures, terminal benefits including pension components are to be brought under the head of liabilities before making any policy decision with respect to the financial conditions.
- 4). The Assets of the TNEB has to be revalued to market value and based on the market value only all financial decisions have to be arrived.

#### **2.4. Operational structures for management of liability and cash flow:**

Out of four options given, option (a) creation of Single master trust seems to be practical. In the proposal itself it was feared that the tariff increase for payment of pension liabilities by the successive entities would be met with opposition.

In our opinion, in Tamilnadu where party politics plays in every field of activity, stiff opposition would be there. Hence the best option would be creation of a "Pension Corpus fund", as per Andhra Pradesh model.

#### **PENSION CORPUS FUND:**

TNEB Engineers' Sangam has already addressed to the TNEB and the Government of Tamilnadu for creating a "Pension Corpus fund" in the model of Andhra Pradesh and Uttar Pradesh. **The Hon"de Minister for Electricity in our state conference on 3.10.2009 announced as a policy decision ,that TNEB will be sending its representatives to study the model of " Pension Corpus fund" created in Andra Pradesh and Uttar Pradesh" and board to follow suite.**

Out of 76000 employees of TNEB already 52008 employees have opted for the creation of "Pension Corpus fund" to protect their pension and terminal benefits, by expressing their willingness through the mass petitions. After receiving the mass petitions, as directed by the chairman, the finance wing collected particulars from Andhra Pradesh and the details are readily available with the Board.

#### **In short, we submit that**

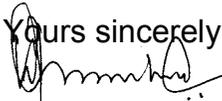
- 1) Appointment, working and promotional avenues of all employees must be safe guarded.
- 2) All the existing ratios to protect the promotional / appointment of Employees must be incorporated and implemented in letter and spirit in Toto.

- 3) It should also be specifically stated that the settlements entered into by the Board with the unions under the provisions of the Industrial Disputes Act will continue to be binding upon the successor companies.
- 4) HRD should not be manned by an engineer, who is having preconceived, tutored and partisan attitude. HRD should be headed by a non-engineer well qualified and trained in HRD .

Engineers in higher management should not be bestowed with the discretionary powers to act detrimental to the interest of other categories. Undue privileges should not be given.

- 5) Pension Corpus fund to be created to protect the welfare of the serving and retired employees.
- 6) Before taking any decision during the transition period and or after transition period discussions to be held with unions and an agreement has to be reached to protect the conditions of employees.
- 7) A tripartite agreement has to be entered with the Government of Tamil nadu, TNEB and the trade unions, before implementing the restructuring.
- 8) We reserve our right to present our opinion at any future point of time as and when required to protect the rights and service conditions of the employees.

Thanking you, sir,

Yours sincerely  


(V. ASHOK KUMAR)  
General Secretary

Copy to:  
The Chief Engineer/ Personnel.

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**Joint Action Committee:**

Today (8.12.09) Joint action Council meeting held in the morning to bring consensus in the issue.

14 unions participated in it. Actions being taken to jointly represent the issue.

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**Remarks from the Board:**

Today board expressed its views as follows:

- The corporations will be owned by Govt only. It will not be privatized.
- The option once exercised is not final. If the employee wants he may give revised option of his choice.
- Employees interest will be protected.
- Service conditions will not be inferior to the existing condition.
- Formation of Power Trading Corporation is under examination for trading of electricity.

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After hearing the views, board informed that the views of the unions will be considered.

Note: The consultants who gave the proposal also participated in the meeting.

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