

NATIONAL CONFEDERATION OF OFFICERS' ASSOCIATIONS

(National Forum of the Executives of Central Public Sector Enterprises)

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Ref-NCOA/PM/3rd PRC/CPSEs/18-19

Dated-22-10-2018

To,

Shri Narendra Modi Ji

Hon'ble Prime Minister Govt of India, New Delhi.



MEMORANDUM

<u>Subject:</u> Uniform Implementation of 3rd Pay Revision Committee (PRC) Pay Scales in all Central Public Sector Enterprises by removing /omitting /repealing the Affordability Clause.

Respected Sir,

On behalf of 2.5 lakh officers of 240 CPSEs, we aspire your kind attention towards the above mentioned and subject cited issue.

While whole of India is moving forward under your dynamic guidance and inspiration, we are constrained to bring to your kind attention, one of the very important and hard pressing issue concerning CPSE's officers/employees who are illegitimately being denied entitled pay benefit of 3rd PRC wef 01.01.2017.

Sir, while constituting 3rd PRC, Govt. categorically stated that for the CPSEs to be competitive in the prevailing business environment in the country and in the world, it's employees have to be provided with suitable working conditions, emoluments and incentives to motivate them to strive for further growth, productivity and profitability of their enterprises and to enable CPSEs to become modern, professional, consumer friendly, commercially successful and competitive entities committed to national development goals and dedicated to the service of the people.

3rd PRC has distinctly provided sizable portion of the pay as Performance Related Pay (PRP), which is directly related to the performance and profitability of the CPSE and inherently included and enshrined in itself the affordability of the CPSE. Putting further rider of Affordability Clause in the 3rd PRC imperative for implementation of pay scales in a CPSE is not only redundant but impractical, oppressive, repressive, tyrannizing and discriminatory towards the employees at large as inflation and price rise affects one and all including the CPSE employees, and depriving them of their legitimate increase in pay is unfair and discriminatory practice on part of the Govt.

There is no such model in Govt Sector where affordability is precondition for revision of basic salary. For example, in Public Sector banks, salary revision is done every five years and same scales are implemented in all banks irrespective of affordability or profitability of any bank. Also in all other Boards, Undertakings, Societies, Universities, Autonomous Organizations and Departments of the Govt, pay revision are implemented irrespective of their achieving productivity targets or affordability as such.

Sir, profitability or otherwise of any of these enterprise, is not dependent on the employees effect, but the demonstrated commitment, professionalism and timely response of the management by adopting effective policies to steer through the fast changing business environments and Govt's objectives and resultant sector specific

policies. So depriving the employees of salary revision after ten long years is sheer oppression and exploitation by the model state employer i.e. the Govt itself.

Sir, CPSE's, has throughout played a strategic role in building up the economy, serve the broad objectives of higher economic growth, lowering and stabilizing prices of goods and services besides meeting various socio-economic obligations, social welfare commitments like redistribution of income and wealth; employment opportunities and welfare measures through reservation for SC, ST, OBC & PWD. As far as the security of the country, employment generation, control over the core and strategic sectors are concerned, CPSE's, have been playing a major and decisive role where even greater objectives were achieved through comprehensive state intervention.

All these CPSE's have great economic contribution to the Central Exchequer by way of payment towards trade License Fees, dividends, Corporate Tax, Custom Duty, Excise Duty, VAT, Service Tax, GST, Interest on loans and payment of other Taxes and Duties. Owing to Govt's policies and Global Business environment, CPSE's have to operate under highly dynamic market conditions and faces challenge to perform as a business / commercial enterprise in an ever growing competitive environment where both the Indian private sector and MNC's are fighting for market share. So ups-and-downs in the performance are inevitable.

In the present era of globalization, economic integration and newer technologies, CPSE's also have to be equally dynamic and revitalized with the strength of latest knowledge, skills, values, attitudes and leadership abilities in its human capital. Human Resources of these CPSE's is the most important national asset, strategic function, prime business partner and most versatile and valuable source of competitive advantage of the CPSE's and the nation as well.

On the face of these challenge being faced by the CPSE's, intervention of your high and good office has become inevitable for urgent action for Implementation of 3rd Pay Revision Committee Pay Scales with 15% fitment along-with all the allowances uniformly, so as to inspire and motivate its employees to operate effectively in today's highly competitive environment towards promoting growth, increasing efficiency and competitiveness of the organizations, thus help revitalize the CPSE's to enable move with desired prosperity.

With kind regards

(V K Tomar)

Yours sincerely