

MeECL BOD - 25th October 2019

Resolved further that the Board of Directors hereby approved the additional financial involvement of around Rs.87/- lakh (Rupees eighty seven lakh) only per month, on account of this 5% enhancement in the rate of Dearness Allowance.

Resolved further that the fraction of '0.76' is to be carried over to the next period for the calculation of Dearness Allowance."

5. APPROVAL FOR REVISION OF PAY, 2020

With due approval of CMD, the Company Secretary explained the agenda before the Board as placed from the Corporate Affairs. It was informed that the Board of Directors, MeECL vide Resolution No.8 dated 16th May, 2019 constituted the MeECL Pay Committee for Revision of Pay Scales and allowances for its employees effective from 01.01.2020 with the following Terms of Reference:-

- i. To examine and suggest the required pay structure of different classes of employees of the Corporation w.e.f 1.1.2020 keeping in view the conditions of service, duties and responsibilities assigned to their posts.
- ii. To review the existing allowances, amenities and facilities admissible to the employees of the Corporation such as Special Pay, Medical Benefits, Leave Travelling Concession, Compensation, Honorarium, Electricity Allowance, House Rent Allowance, Hill Allowance, Winter Allowance, Travelling Allowance /Risk Allowance, etc. admissible to the employees of the Corporation.
- iii. To review the classification and gradation of services for the purpose of Travelling Allowance/Daily Allowance, Medical Allowance and Medical Reimbursement/Hospital Accommodation.
- iv. To review the pensionary benefits/retirement benefits.
- v. To assess the anomalies, if any of the last pay revision for necessary rectification, etc.
- vi. To examine any other connected or incidental matter which may be referred to it by the Corporation.
- vii. To make recommendations on the above having regard to the present financial position of MeECL and its subsidiaries as well as directions of the MSERC on the matter, if any.

The Pay Committee submitted its Report on 22.10.2019 to the Chairman-Cum-Managing Director, MeECL.

The salient features of the Report are as under:-

1. The Principle of Pay fixation and Pay determination:

The existing pay structure of the MeECL was made effective from 01.01.2015 as per the recommendations of the Pay Committee constituted by the Board of Directors. As per the terms and conditions of agreement, the next Revision of Pay is due from 01.01.2020.

Taking into consideration the historical perspective the State and Central Pay Commissions, the Committee has adopted the Aykroyd formula to determine the family

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consumption needs and to obtain an estimation of such family consumption needs on the basis of the calculations compiled by the Director of Economics & Statistics, Government of Meghalaya whereby the minimum livelihood cost for a single worker including his/her spouse and 2 (two) children below the age of 14 years, estimated as $1\text{PCU} + 0.8\text{PCU} + 2 \times 0.6\text{PCU} = 3\text{PCUs}$ as on 31.05.2019 has been made. Accordingly, a Multiplying Factor of 1.61 has been recommended.

2. The Principle of Pay fixation of Allowances: The Committee has projected Dearness Allowance (DA) at 26% as on 01.01.2020 with the existing DA as on 01.07.2019 being 24% i.e. (24% + 2%=26%). On this basis, the Committee has recommended a Factor of 1.26 for all Allowances except Electricity Allowance.

(a) Composite Compensatory Allowance: The Committee has recommended merger of Hill Compensatory Allowance and Winter Allowance which shall be renamed as 'Composite Compensatory Allowance for difficult areas' @ Rs.900/- per month for all employees of the Corporation

(b) Electricity Allowance: The Committee has recommended that the existing methodology of granting Electricity benefit be maintained and date of granting the revised rate based on the revised tariff be made applicable with effect from 01.01.2020.

(c) Abolition of Survey and Investigation Allowance: The Committee recommended discontinuance of Survey and Investigation Allowance since officers and staff posted in survey and investigation circles and divisions are assigned and performing duties which are in the normal course of the job allocation.

3. Financial Benefit: On the basis of the Multiplying Factor of 1.61, the financial benefit is 35%.

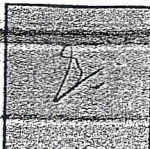
4. Weightage increment for completed years of service:

The Committee recommends that, in accordance with the prevailing practice, after the fixation of pay in the proposed scale(s), weightage for the past service may be allowed so that employees with long tenure of service are not deprived of real benefits vis-à-vis their juniors. The Committee, therefore, recommended the following principle for the purpose:-

No. of Completed Years of service	No. of Advance Increment (s) admissible as weightage for past service
(i) Corporation employees in the time scale the maximum of which is Rs. 64,500/- p.m. and below:- For 10 (ten) completed years and above but below 15 years. For 15 (fifteen) completed years and above.	1 (One) Increment 2 (Two) Increments
(ii) Corporation employees in the time scale the maximum of which is Rs. 1,12,200/- p.m. and below:- For 10 (ten) completed years of service and more but less than 15 years. For 15 (fifteen) completed years of service and above.	1 (One) Increment 2 (Two) Increments

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(iii) Corporation employees in the time scale the maximum of which is Rs. 1,24,000/- p.m. and above:- For 10 (ten) completed years of service but less than 20 years. For 20 (twenty) completed years of service and above.	1 (One) Increment 2 (Two) Increments
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However, considering the proposed revised scales of pay, the Committee is of the opinion that the possibility of juniors drawing higher salaries than their seniors will become remote and so recommends to the Management to review the entire matter of granting weightage increments to its employees. In the event that such rare instances should arise, the matter can be addressed on merits as per the already existing procedure of equalization and rectified accordingly.

5. Pension and other retirement benefits: The Committee has recommended that ceiling on DCRG be enhanced from the existing Rs.10,00,000/- (Rupees ten lakh) to Rs.14,00,000/- (Rupees fourteen lakh).
6. Annual Increment : The Committee has recommended adoption of the Central and State Government pattern of granting increment @ 3% per annum whereby there shall be 2(two) dates for granting annual increment in the Revised Pay Structure, viz. 1st January and 1 July of each Calendar year.

7. Miscellaneous Recommendations:

(a) Fitment/Re-fitment of the posts of Electricians, Mechanics, Welders, Fitters and Plumbers:

The Committee observed that the anomaly has arisen due to the advertisement floated in February 2004 vide Advertisement No. PER/Recruitment/22/2003/105 dated 20th February 2004 whereby the aforesaid posts were prescribed a lower pay scale vis-a-vis the Engineering Subordinate-III in spite of them being ITI Certificate Holders in their respective trades. However, the Committee also noted that this anomaly was to a certain extent rectified in 2013 vide O.O. No. MeECL/PB/225/2011/Pt-I/88 dated 24.09.2013. Having regard to the Pay Scales prescribed for the Engineering Subordinate-III and the Electricians, Mechanics, Welders & Fitters, the Committee recommends that, the qualifying criteria being the same, it would be fair and justified that there should be parity of Pay Scales of the aforesaid mentioned posts.

(b) Merger of the posts of Junior Assistant and Senior Assistant: The Committee has recommended that the posts of Junior Assistant and Senior Assistant be merged as in the case in the Accounts Wing thereby the post of Junior Assistant will stand abolished and the present incumbents of the post of Junior Assistant be re-designated as Senior Assistants and be allowed to switch over to the Pay Scale of the post of Senior Assistant.

The Committee while recommending parity has proposed to the Management to take suitable decision as it is a policy matter and other ramifications of parity may be considered.

8. Financial Implication: The total financial implication per month to implement the Revision of Pay according to the recommendations of the Pay Committee is as under:-

EXISTING:

Sl. No	Particulars	Amount(In Lakhs)
1	Existing Pay as on 31.08.2019	1087.90

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2	Existing DA as on 31.08.2019	261.10
3	Existing OA as on 31.08.2019	207.26
4	Existing Pension as on 31.08.2019	753.19
5	Existing CPS (Employer's contribution) as on 31.08.2019	27.97
6	TOTAL (A)	2337.42

Note: 1. Total Number of Employees - 3180
2. Total Number of Pensioners - 3478

REVISED:

Sl No.	Particulars	Amount(In Lakhs)
1	Revised Pay as on 01.01.2020	1751.52
2	Revised DA as on 01.01.2020	0
3	Revised OA as on 01.01.2020	261.15
4	Revised Pension as on 01.01.2020	921.61
5	Revised CPS (Employer's contribution) as on 01.01.2020	34.23
6	TOTAL (B)	2968.51

Total Financial Implication (B-A) = 631.09 (in Lakhs), the implication does not include the financial burden due to the annual increment @ 3% p.a.

The matter was elaborately discussed and the following issues were mentioned by the Board of Directors:

- i) The Company Secretary informed the Board that the finalization of Revision of Pay, 2020 before the effective date i.e 1.1. 2020 will help the Corporations to incorporate the additional cost in the tariff petition for FY 2020-21 and the same will avoid the payment of Arrear on ROP as was happened in earlier ROP.
- ii) Sri R. V. Warjri, Director enquired about the possible increase in tariff due to this enhancement of employees Cost. He also enquired about the past trend of increase in tariff by MSERC in such situations. It was confirmed that there will be around 8% increase in Distribution Tariff in case of full cost of ROP, 2020 pass through the tariff it was also informed that last tariff increase was around 3%. Sri Warjri raised the issue regarding the payment capacity of the Corporation to implement the enhancement of employees and pensioners liability and also advise the management to ensure that the employees shall extend better service inconsonance to the increase of employees benefit.

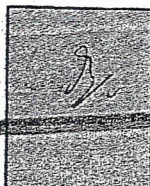
The Board after discussion passed the following resolutions:

"Resolved that the Board approved Revision of Pay (ROP), 2020 of MeECL to be effective from 1st January, 2020 subject to the following decisions:

- 1) Under Sl No. 2.4 *Weightage increment for completed years of service*, the Board decided to discontinue the same and in case of any anomaly arising where juniors drawing higher salaries than their seniors then such matters shall be placed before the Management to review the entire matter of granting weightage increments to its employees. In the event that such rare instances should arise, the matter can be addressed on merits as per the already existing procedure of equalization and rectified accordingly.
- 2) Under Sl No. 2.5 *-Fitment / Re-fitment of the posts of i) Electricians, Mechanics, Welders, Fitters, Plumbers and ii) Junior Assistant Corporate Affairs vis-à-vis Junior*

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Divisional Accountants, It was decided that that further review shall be done from the Corporate Affairs, in this regard.

- 3) Under Sl. No. 7.3 Ex - Gratia Payment, the Board decided for changing the nomenclature 'Ex-gratia' with a suitable name as the benefit is provided for both natural death and unnatural death of employees.

Resolved further that the Chairman-Cum-Managing Director be and is hereby authorised to issue necessary orders, in this regard.

6. CONSIDERATION FOR OPENING OF A DESIGNATED SAVING BANK ACCOUNT FOR EASING PAYMENT OF STATUARY FEE FOR ONLINE FILING OF FORMS WITH THE MINISTRY OF CORPORATE AFFAIRS.

The Company Secretary informed the Board that to comply with the Companies Act, 2013, the undersigned office is doing online filing of different e-forms for MeECL and its three subsidiary companies namely MePGCL, MePDCL and MePTCL with the Registrar of Companies (ROC)/Central Government, from time to time, regarding appointment & Cessation of Director, Creation of Charge, allotment of securities, appointment of Statutory Auditors/Cost Auditors, filing of Annual Accounts, Annual Return, filing of Cost Audit Report, registration of Board Resolutions etc.

The aforesaid online filing of forms with the ROC is possible only with the online banking facility. Hence, in absence of such designated bank account, the funds are deposited by the Accounts Department to the personnel bank account of Sr. Assistant in the office of Company Secretary for making online payment of statutory fee to the ROC.

At present, there is a procedure wherein a request for allotment of funds/special imprest is made to the Accounts Department from the undersigned office based on the tentative fees and subsequently after receiving the funds, the forms are being filed with the ROC. There is a standing direction of the Chairman-cum-Managing Director for allotment of funds to the undersigned office for doing online filing of different e-forms with the ROC.

However, it is experienced that due to longer time involved on receipt of funds from the Accounts department, there is delay in filing of forms which attracts imposition of heavy fine on the Corporation and also it becomes difficult in doing urgent filing of forms like creation of charge etc. for availing sanctioned loans from the financial institutions.

Time to time the office of the Company Secretary has to do urgent e-filing with the Registrar of Companies by making payment from own personal accounts in order to avoid penalty or non-compliance due to delay in receipt of funds from the Accounts Department.

Further, this is to mention that there is always a delay in getting the reimbursements of the amount spend for doing the above urgent e-filings from the Accounts Department.

To remove the aforesaid difficulties, opening of a designed bank account of the Corporation for ROC e-filing may be considered which will help the Corporations in following matters:

- i) To avoid longer time involved in making requisition to the Accounts Department for allotment of funds and receipt of funds thereof.
- ii) ~~Ease in doing immediate e-filing of urgent forms with the Registrar of Companies/Central Government in certain cases like creation of charge etc.~~
- iii) Better transparency and prompt verification

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