

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 25 of 2007

In the matter of
Petition filed by Maharashtra State Electricity Distribution Company Limited seeking approval to fill up the posts of Pay Groups III and IV (open category) employees by recruiting dependants of deceased employees on compassionate grounds.

Dr. Pramod Deo, Chairman
Shri A. Velayutham, Member
Shri S. B. Kulkarni, Member

ORDER

Dated: August 28, 2007

The Maharashtra State Electricity Distribution Company Limited (“MSEDCL”) filed a Petition on July 5, 2007 seeking the Commission’s approval for filling up vacancies in the Pay Groups III and IV by recruiting dependants of deceased employees, under the open category. MSEDCL has submitted under its Petition that pursuant to the Commission’s directions in Order dated May 5, 2000 in Case No.1 of 1999 (in the matter of determination of tariff applicable to various categories of consumers of the Maharashtra State Electricity Board), vacancies in the said Pay Groups have not been filled since the year 2000. MSEDCL has also referred to a Clarificatory Order dated April 21, 2003 issued by the Commission in Case No. 1 of 1999, whereunder it was clarified that directives restricting recruitment in Pay Groups III and IV of MSEB shall not apply to recruitment to fill the backlog of posts reserved for backward classes to the extent of the vacancies carried forward upto May 5, 2000. Referring to the above Clarificatory Order, MSEDCL has submitted that accordingly, action to fill up the backlog has already been undertaken by MSEDCL. MSEDCL further submitted that as instructed by the Commission under letters dated February 30, 2006 and September 14, 2006, MSEDCL has engaged the services of M/s. CRISIL for undertaking a time-bound exercise to study the staffing pattern and for benchmarking the staffing norms of MSEDCL with national and international standards and norms of staffing.

2. It was further submitted that as on May 5, 2000 and before the trifurcation of MSEB, the work force sanctioned for the distribution wing of MSEB with respect to Pay Groups III and IV was 18006 and 26203, respectively. MSEDCL submitted that their employee strength in the Pay Groups III and IV as on March 31, 2007 was 14870 and 23674, respectively, and the current net shortfall (i.e. sanctioned strength less current strength) is 3136 for Pay Group III and 2529 for Pay Group IV. In view of the shortage of manpower vis-à-vis expected efficiency trajectories, MSEDCL is facing extreme difficulties in carrying out day-to-day activities and perform as per specified standards of performance. The problems related to this shortfall of employment have further increased owing to a higher rate of retirement.

3. MSEDCL has further submitted that currently 7101 proposals (inclusive of open category and reserved category) for employment on compassionate grounds are pending, with respect to dependants of deceased employees. Out of the same, 650 open category proposals are pending from such dependants who have completed ITI training and whose recruitment has been withheld, owing to the ban on recruitment of Pay Groups III and IV. Further, many of these proposals fall within the criteria as specified in the Classification and Recruitment Regulations, 1961, under which a scheme earlier floated by MSEB for the recruitment of the son / daughter of deceased employees, stood approved.

4. MSEDCL has further submitted that their consultants, M/s. CRISIL shall be completing a report on benchmarking the staffing norms of MSEDCL with national and international standards. In the interregnum, considering the increase in the number of consumers on one hand and the rate of employee retirement on the other hand, the existing ban on recruitment of Pay Group III and IV should be lifted and recruitment of the dependents of deceased employees including those in open category should be permitted.

5. The Maharashtra Rajya Veej Tantrik Kaamgar Sangathana, the Maharashtra State Electricity Workers Federation, the Western India Power Engineers Federation and the Subordinate Engineers' Association filed representations in support of the prayers made by MSEDCL.

6. At the hearing held in the matter on August 14, 2007, Smt. Deepa Chawan, Counsel for MSEDCL, submitted that since the year 2000, about 19,000-20,000 employees have retired from the Pay Group III and IV. Counsel furnished certain data showing the incidences of retirement during the FY 2000-01 to FY 2004-05 and month-wise incidences of retirement from April 2005 to March 2007, as extracted from the CPF muster records of MSEDCL. Further, data was furnished showing the number of dependents of deceased employees under open category who have passed the ITI examinations and are among those who are qualified for recruitment in the Pay Groups III and IV, on compassionate grounds.

7. The Commission enquired as to the date on which MSEDCL had engaged the services of M/s. CRISIL to undertake a detailed study of staff requirement and further, the timeline provided for completion of the said report. Smt. Chawan submitted that M/s. CRISIL has been engaged by MSEDCL on and from February 21, 2007 and a timeline of eight weeks was provided for completion of their staff requirement report. On the Commission further enquiring of the present status of the said study considering that the period of eight weeks from February 21, 2007 has expired, Smt. Chawan submitted that M/s. CRISIL shall be completing their report soon.

8. The Commission observed that contrary to MSEDCL's interpretation of the Order dated May 5, 2000 in Case No. 1 of 1999, no ban as such was imposed by the Commission on the recruitment of qualified candidates in the Pay Groups III and IV. The said Order dated May 5, 2000 mandated the recruitment in the Pay Groups III and IV on the basis of a industrial engineering study, which MSEDCL has not been able to submit even as on the present day. Shri. A.D. Palamwar, Director (Operations)-MSEDCL submitted that a scientific recruitment study in terms of the directions of the Commission shall be submitted within a further period of six to eight weeks.

9. The Commission directed MSEDCL to submit the exact number of qualified candidatures from the open category for recruitment in the Pay Groups III and IV on compassionate ground. The Commission further directed MSEDCL to submit the said industrial engineering study report within a period of two months from August 14, 2007.

10. Subsequently, MSEDCL submitted a letter Ref. No. GAD/ CGM(T/E)/ BCR/ 222 dated August 16, 2007, whereunder data pertaining to qualified dependents of deceased employees for recruitment in the Pay Groups III and IV was submitted. As per the said data, a total of 2206 dependents are qualified to be considered for recruitment in the Pay Groups III and IV, amongst which 281 are graduates, 79 are diploma holders, 823 have passed ITI examinations and 1023 belonging to the open category as well as the reserved category who have been deputed by MSEDCL for a one-year ITI course during 2007-08.

11. Having considered the material placed on record and submissions made during the hearing on August 14, 2007, the Commission is of the view that in public interest, MSEDCL may proceed to fill up the vacancies as requested under the letter of MSEDCL dated August 16, 2007 in the Pay Group III and IV on compassionate grounds.

12. The Commission reiterates that further recruitment should be preceded by a scientific and transparent study for man-power planning, considering the evolution taking place in power sector, with due regards to technological changes and develop various scenarios with various options available to MSEDCL. It should also review the existing multi-tiered hierarchy and rationalize the same. The optimal recruitment policy needs to be put in place before starting recruitment, considering among others, the developments such as notification of Rural Areas for distribution by Govt. of Maharashtra, the creation of distribution franchisees etc., which may result in surplus staff. In this regard, the Commission directs MSEDCL to submit a scientific report on staffing, in terms of its earlier directions, within a period of two months from August 14, 2007.

Sd/-
(S.B. Kulkarni)
Member

Sd/-
(A. Velayutham)
Member

Sd/-
(Dr. Pramod Deo)
Chairman

Sd/-
(P.B. Patil)
Secretary, MERC