Bharat Sanchar Nigam Ltd.
(A Government of India Enterprise)
Corporate Office
Bharat Sanchar Bhawan
Harish Chandra Mathur Lane
New Delhi-110 001

No.14-3/2008-PAT(BSNL) Dated, the 29-5-2008

Sub: Merger of 50% of Dearness Allowance (DA) with basic pay to the employees on IDA scales of BSNL w.e.f. 1.1.2007.

In terms of Department of Public Enterprises OM No.2(7)/2005-DPE(WC)-GL-III dated 26.2.2008 and approval of DOT conveyed vide DOT letter No.79-38/2006-SU dated 1.5.2008 on the above subject, the approval is, hereby, accorded for merger of 50% IDA with basic pay of the employees of BSNL w.e.f. 1.1.2007. This merger of 50% IDA with basic pay will be regulated as under:-

(i) Portion of IDA equal to 50% of the existing basic pay may be merged w.e.f. 1.1.2007 with the basic pay of the employees and shown distinctly as 'Dearness Pay' which would be counted for purposes like payment of allowances, Transfer Grant, Retirement Benefits, Contribution to Contributory Provident Fund, License Fee, various advances etc.

(ii) The entitlement for Perks, PLI, LTC, TA/DA while on tour and transfer would, however, continue to be governed on the basic pay alone without taking Dearness Pay into account.

(iii) Portion of Dearness Allowance converted into Dearness Pay will be deducted from the existing rate of Dearness Allowance while computing quantum of Dearness Allowance. The revised rate of IDA w.e.f. 01.01.2007 is given in the annexure enclosed.

2. The payment on account of merger of 50% IDA with basic pay will be chargeable to the Head "Salaries" under the relevant Sub-Head of Account to which pay and allowance of the staff is debited. The payment will be made from the sanctioned grant for the year 2008-09.

3. All the concerned units may be directed to ensure that payment on account of merger is made at the earliest. After payment, the total expenditure incurred and the number of employees paid may be ascertained from all the units and consolidated figures intimated to BSNL Finance by last week of June 2008.

Encl: as above (1)

(Shyam Shanker Prasad)
Section Officer (PAT)
Tel.No.23037474

Copy to:
1. PPS to CMD.
2. PPS to Directors of BSNL Board.
3. All Sr. DOG/DDGs, BSNL C.O.
4. All Heads of circles/ Metro Districts/ Maintenance Regions/ Project circles/ other heads of administrative units, BSNL.
5. Director(SU), DOT for kind information w.r.t. letter No.79-38/2006-SU dated 1.5.2008.
6. ADG (R & P) / (SR) (EF) (CA) BSNL C.O.
7. Section Officer (Pay Bill) (Cash) (L & A) (Admn.) BSNL C.O.
8. General Secretary, BSNL(EU).
9. Recognized Executive Associations, BSNL.
10. Order Bundle.

Annexure

F No. 14-3/2008-PAT(BSNL) Dated 29.05.2008

Revised rate of IDA w.e.f. 01.01.2007 on merger of 50% IDA with basic pay.

<table>
<thead>
<tr>
<th>Sl. NO.</th>
<th>Effective Date</th>
<th>Revised rate of IDA (after 50% IDA merger)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>01.01.2007</td>
<td>18.8%</td>
</tr>
<tr>
<td>2.</td>
<td>01.04.2007</td>
<td>20.2%</td>
</tr>
<tr>
<td>3.</td>
<td>01.07.2007</td>
<td>21.1%</td>
</tr>
<tr>
<td>4.</td>
<td>01.10.2007</td>
<td>26%</td>
</tr>
<tr>
<td>5.</td>
<td>01.01.2008</td>
<td>28.6%</td>
</tr>
<tr>
<td>6.</td>
<td>01.04.2008</td>
<td>29.4%</td>
</tr>
</tbody>
</table>

(Shyam Shanker Prasad)