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No. AIBSNLOA/CHQ/2013/93

Dated: 7th February 2013

To

Shri R. K. Upadhyay,
Chairman and Managing Director,
Bharat Sanchar Nigam Limited,
New Delhi - 110 001.

Subject: Non-grant of benefit of merger of 50% IDA with basic pay for fitment purpose in BSNL-DoT's unfair observations - regarding

Sir,

We learn that on the issue of approval for fitment benefit of 78.2% on revision of pay w.e.f. 1.1.2007, DoT has conveyed some observations with a view to disallowing the benefit, citing the DPE letter dated 2.4.2009.

2. DoT is said to have observed that, "DPE's O.M. dated 26.11.2008 as well as 02.04.2009 on revision of pay for Board level and below board level executives/non-executives stipulates that lower limits against the maximum prescribed limit can be provided in the Presidential Directives depending upon affordability, capacity to pay and sustainability of the concerned CPSE."

3. In fact, Para 4 of the DPE O.M. dated 2.4.2009 reads as follows: "The ceiling limits mentioned under various items given in O.Ms dated 26.11.2008, 09.02.09 and this O.M. are the maximum permissible limits. However, lower limits against the maximum prescribed limit can be provided in the Presidential Directives depending upon affordability, capacity to pay and sustainability of the concerned CPSE."

4. DoT has conveniently omitted the first line which states regarding the **uniform fitment benefit of 30% on basic pay** plus DA @ 68.8% as on 1.1.2007 (Para 2 (i) of DPE O.M. dated 26.11.2008). The freedom given to the CPSE concerned to prescribe a lower ceiling limit other than 30% was as on 1.1.2007 only and not from a subsequent date. BSNL was certainly earning profit on 1.1.2007 and therefore there was no question of prescribing a lower limit and hence 30% fitment benefit was given. **No CPSE was given any freedom to continue with 68.8% by the DPE.**

5. It is to be noted that in its O.M. dated 02.04.2009, DPE had conveyed its decision under Para 2 sub-Para i) that "Benefit of merger of 50% DA with Basic Pay for fitment purpose: **The benefit of merger of 50% DA with Basic Pay w.e.f. 01.01.2007, effectively amounting to 78.2%, would be allowed for the purpose of fitment and pay fixation in the revised pay scales** (Para 2 (i) of DPE O.M. dated 26.11.2008)." and under Para 3 that, "Government has also decided that benefits under this O.M. read with the earlier decision as conveyed vide O.M. dated 26.11.2008 and 09.02.2009 has **to be viewed as a total package**. It has also been decided that the pay revision package as communicated by earlier O.Ms. along with the **above modifications would be applicable to all the CPSEs.**"

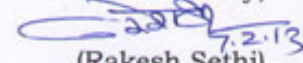
6. The DPE order mentioned above does not provide any option to the CPSEs to implement the decision regarding the **benefit of merger of 50% DA with Basic Pay w.e.f. 01.01.2007, effectively amounting to 78.2%** from a date later than 1.1.2007. Had the 78.2% fitment benefit been granted immediately after the DPE orders dated 2.4.2009 was issued while BSNL's financial position was still comfortable, today's predicament could have been avoided. Therefore there is no rationale in denying grant of 78.2% fitment, citing the financial condition of BSNL at a date later than 1.1.2007.

7. We would like to state that granting of fitment formula amounting to 78.2% of DA **is not a case of further pay revision**. This is actually to implement the DPE's Order on the subject correcting the mistake in its original Order for pay revision concerning the fitment benefit which was wrongly prescribed as 68.8% of DA. DPE has given no option to the PSUs to give fitment benefit of either 68.8% or 78.2% of DA.

8. We would therefore request you to cause an appropriate reply to DoT on these lines, so that we are not denied the extra 9.4% w.e.f. 1.1.2007 which is only an equivalent of 50% DA merger allowed prior to second pay revision.

With kind regards,

Yours sincerely,


(Rakesh Sethi)

General Secretary

Copy to: 1. Shri A.N.Rai,
Director (HR)

2. Shri K.C.G.K.Pillai,
Director (F)