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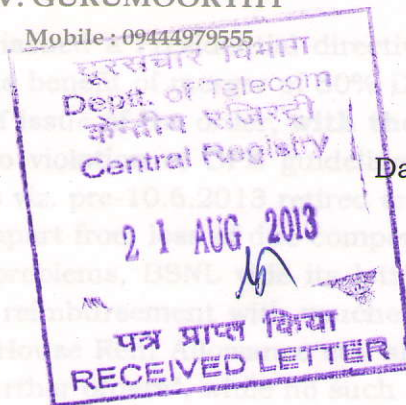
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No. AIBSNLOA/CHQ/2013/ 166

Dated: 21st August 2013

To

Shri M.F.Farooqui,
Secretary,
Dept. of Telecommunications,
New Delhi.



Subject: Benefit of merger of 50% DA with Basic Pay w.e.f. 01.01.2007, effectively amounting to 78.2%, for the purpose of fitment and pay fixation in the revised pay scales - reg

Sir,

We are extremely pained to see the unprecedented apathy and lackadaisical approach shown by both the DoT as well as BSNL during the past four years in honoring the DPE instructions envisaged in its OM No.No.2(70)/08-DPE (WC) - GL-VII/09 dated 2.4.2009 for allowing the benefit of merger of 50% DA with Basic Pay w.e.f 1.1.2007 effectively amounting to 78.2% for the purpose of fitment and pay fixation in the revised pay scales.

2. We would like to state that **granting of fitment formula amount to 78.2% of DA is not a case of further pay revision.** This is actually to implement the DPE's OM 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. The additional 9.4% is only a continuation of '50% DA merger benefit' granted to PSU employees already enjoyed w.e.f. 1.1.2007 in the pre-revised pay scales.

3. It is a fact that DoT had issued the Presidential orders with 68.8% fitment benefit on 27.2.2009 and the DPE OM for granting 78.2% fitment benefit was issued only subsequently on 2.4.2009. When the PSU employees under other Ministries got their pay revised with 78.2% fitment benefit, DoT/BSNL chose to defer this, although BSNL was making profit then. Unfortunately, the non-executive employees of BSNL who got their pay revision order later in the year 2010 did not press for the 78.2% fitment benefit, falling prey to the assurance that it will be paid after BSNL's financial position improves. **No one appeared to have realized that the fitment benefit of 78.2% was not related to profit/loss of the company, but related to the compensation paid to the employees, pensioners and family pensioners for rising prices of essential commodities.** Thus every BSNL employee had been drawing lesser compensation towards price rise than the one ordered by the DPE every three months, for the past six years and thousands have retired with lesser retirement benefits than what they are entitled to.

4. Right from the day the DPE issued orders for revised fitment benefit of 78.2%, our Association has been taking up the issue with BSNL, DoT and DPE for its implementation but without success. Last year BSNL had forwarded a proposal to DoT based on an agreement between a Forum of BSNL unions and associations, for granting the fitment benefit of 78.2% w.e.f. 1.1.2007 and agreeing to **deferment** of arrears.

5. In the above circumstances, DoT issued a Presidential directive vide its letter No.61-01/2012-SU dated 10.6.2013 allowing the benefit of merger of 50% DA effectively amounting to 78.2% as on 1.1.2007 from the date of issue of the order, **with the rider that no arrears will be paid.** This not only amounts to violation of DPE guidelines but also has created categories among BSNL retired employees viz. pre-10.6.2013 retired and post-9.6.2013 retired employees and resultant discrimination, apart from loss of due compensation for price rise for more than six years. To create further problems, BSNL vide its letter dated 13.6.2013 has ordered that "all allowances like Medical reimbursement with voucher for outdoor treatment, Professional Upgradation Allowance and House Rent Allowance etc. shall continue to be paid at IDA basic pay with 68.8% fitment till further orders", while no such directive has been given by DoT in its letter dated 10.6.2013.

6. The said DoT directive dated 10.6.2013 mentions that "All instructions/guidelines issued by the DPE from time to time in this regard may be scrupulously followed." Under Para 6 of its OM No.2(70)/08-DPE (WC) dated 26.11.2008, the DPE, while conveying the Government decisions of the revised pay scales recommended by the II PRC, has specified that, "Dearness Allowance: 100% DA neutralization will be adopted for all the executives and non-unionised supervisors, who are on IDA pattern of scales of pay, w.e.f. 01.01.2007." Thus DoT itself has violated the DPE instructions by denying payment of benefit of 50% merger of IDA, with effect from 1.1.2007, thereby denying 100% neutralization by ordering that no arrears will be paid.

7. BSNL orders denying payment of Medical reimbursement with voucher for outdoor treatment, Professional Upgradation Allowance and House Rent Allowance etc. at IDA basic pay with 78.2% fitment is again violation of DPE guidelines, since DPE vide its letter dated 26.2.2008 on merger of 50% IDA with basic pay had provided that the merged DA portion (called Dearness Pay) "would be counted for purposes like payment of allowances, transfer grant, retirement benefits, contribution to Contributory Provident Fund, Licence Fee, various advances etc."

8. We would therefore request you to kindly review the issue, to cause issue of orders for payment of benefit of 50% IDA merger with basic pay effectively amounting to 78.2% fitment w.e.f. 1.1.2007 and to direct BSNL to withdraw its orders dated 13.6.2013 orders denying payment of Medical reimbursement with voucher for outdoor treatment, Professional Upgradation Allowance and House Rent Allowance etc. at IDA basic pay with 78.2% fitment.

With kind regards,

Yours sincerely,

(Rakesh Sethi)

General Secretary

Copy to: 1. Shri O.P.Rawat,
Secretary, DPE

2. Shri R.K.Upadhyay,
CMD, BSNL.