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No.AIBSNLOA/CHQ/2013/121

Dated: 7th June 2013

To

Shri Kapil Sibal,
Minister of Communications & IT,
Government of India,
New Delhi

Sub: **Non-grant of benefit of merger of 50% IDA with basic pay for fitment purpose in BSNL – reg**

Respected Sir,

We are constrained to seek your kind attention and urgent intervention in the issue of non-grant of benefit of merger of 50% IDA with basic pay for fitment purpose w.e.f.1.1.2007, effectively amounting to 78.2% of the pre-revised basic pay as ordered by DPE.

2. Department of Public Enterprises, vide its O M No. 2(70)/08-DPE(WC)-GLVII/09 dated 02.04.2009 issued certain modifications to its earlier O.M. dated 26.11.2008 introducing revised IDA pay scales for the Board level & below Board level posts including non-unionized supervisors in the CPSEs. In its O.M. dated 02.04.2009, the 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.**"

3. But, despite our repeated requests, BSNL has been avoiding extension of this benefit to the Executives and employees absorbed in BSNL, although BSNL does not have any option to deny this, as this is a part of the fitment benefit. **As a consequence, the BSNL absorbed Executives and employees are drawing lesser Dearness Allowance for almost six years now, since the quarterly increase in IDA percentage is linked to the basic pay which has been fixed with 68.8% DA as on 1.1.2007 and not 78.2% as decided by the Government.**

4. In June last year BSNL had entered into an understanding with some of the BSNL unions and association agreeing to implement this fitment benefit from some prospective date with only notional fixation from 1.1.2007, which will amount to the BSNL employees forgoing the arrears for the past six years. BSNL had further stated that the benefit of 78.2% fitment benefit will be applicable only for calculation of increase in IDA and will not be applicable for calculation of HRA, medical benefits etc. **The DPE order mentioned above does not provide any option to the CPSEs either to implement the decision from a date later than 1.1.2007 or to restrict the implementation to only basic pay.**

5. This has resulted in extensive frustration among the BSNL employees and is causing for simmering discontent. **Another cause for resentment in BSNL employees is that BSNL is discriminating between the absorbed BSNL employees and the unabsorbed officers who are drawing CDA pay with 50% DA merger incorporated in their fitment formula.**

6. Incidentally, DoT, the nodal Ministry has till now not approved the proposal of BSNL for granting the benefit from a **prospective** date without arrears. This has added insult to injury and the BSNL employees are very much agitated over the issue.

7. DoT is said to have taken a stand 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", implying that as if approving the fitment benefit of 78.2% is the prerogative of BSNL and not mandatory.

8. DoT appears to have ignored the first line of the said DPE OM 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.**

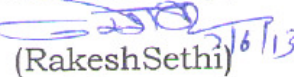
9. It is to be noted that in its O.M. dated 02.04.2009, DPE had conveyed its decision under Para 2 sub-Para i) that “Benefit of merger of 50% DA with Basic Pay for fitment purpose: **The benefit of merger of 50% DA with Basic Pay w.e.f. 01.01.2007, effectively amounting to 78.2%, would be allowed for 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.**”

10. 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%, citing the financial condition of BSNL at a date later than 1.1.2007.

11. We therefore request you to kindly intervene and to direct DoT and BSNL to ensure that the DPE decision dated 2.4.2009 is implemented by BSNL without further delay, with effect from 1.1.2007 and without diluting the benefit in any manner.

With kind regards,

Yours sincerely,


(Rakesh Sethi)

General Secretary



Copy to:

1. Shri M.F.Farooqui,
Secretary, DoT
2. Shri R.K.Upadhyay,
CMD, BSNL