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No.AIBSNLOA/CHQ/2016/150

Dated: 19<sup>th</sup>August 2016

To  
Shri Manoj Sinha,  
Hon'ble Minister of State for Communications & IT,  
Government of India,  
New Delhi.

**Sub: DoT's irrational action in rejecting BSNL proposal to remove aberrations in non-standard pay scales as directed by DPE – reg**

Respected Sir,

We are constrained to bring to your kind notice the irrational and disdainful action by Department of Telecommunications in rejecting BSNL's proposal seeking approval for replacing the non-standard pay scales of E1A and E2A with standard pay scales of E2 and E3 and consequent upgrading of the pay scales E3, E4, E5 and E6, in order to comply with the DPE instructions against having non-standard pay scales and to remove aberrations if any.

2. When the officers of the erstwhile DoT took absorption in BSNL, they were offered IDA pay scales one stage lower than their counterparts in MTNL on the plea that Pension for BSNL absorbees is to be paid by the Government under Rule 37A of CCS (Pension) Rules, 1972, but the pension for MTNL employees was to be paid from a Trust. Thus the Junior Telecom Officers (JTOs) & equivalent cadres, the entry cadre for Executives were given E1A pay scale while their counterparts in MTNL were allowed E2 pay scale. The next grade in the hierarchy viz. Sub Divisional Engineers (SDEs) & equivalent cadres were given E2A pay scale in BSNL while their counterparts in MTNL were drawing E3 pay scale.

3. When the BSNL Executives were eagerly waiting for the revision of pay scales as per Second Pay Revision Committee w.e.f. 1.1.2007, BSNL let down its Executives by handing over lesser pay scales of E1 and E2 in place of E1A and E2A pay scales, with an assurance that E1A and E2A will be dealt with separately.

4. Department of Public Enterprises (DPE) had also instructed all CPSEs if there have been any aberrations in pay scales, they need to be corrected. This association immediately wrote to BSNL Management in the year 2009 itself requesting for approval of E2, E3 scales for JTOs/Equivalents and SDEs/Equivalents respectively, and consequently upgrade the pay scales of Sr.SDEs/Equivalents, DEs/Equivalents and DGMs respectively which *have no additional financial implication*. We had pointed out that this will not only resolve many anomalous situations, but will also ensure attracting and retaining highly qualified persons, which is the requirement of the organization.

5. But it took more than seven years for BSNL to finally accept our justified demand and BSNL sent its proposals to DoT on 6.6.2016 seeking approval for replacement of E1A and E2A pay scales with E2 and E3 pay scales for JTOs & their equivalent cadres and SDEs & their equivalent cadres respectively and consequently for upgradation of the pay scales of next higher cadres to E4, E5, E6 and E7 pay scales. According to BSNL's estimates, the additional expenditure for replacing the E1A and E2A pay scales with E2 and E3 pay scales will be Rs.40 crores without arrears and Rs.260 crores with arrears w.e.f. 1.1.2007. Additional Expenditure for upgrading the pay scales of the higher grades was estimated to be Rs.140 crores with arrears w.e.f. 1.1.2007. Thus the average annual additional expenditure to remove the present aberrations is only around meagre Rs 50 crores or even less.

6. Since the Third Pay Revision Committee has already been constituted and has been directed to submit its recommendations before December 2016, all the BSNL Executives were hoping for resolving of the issue before that in order that fitment in the new standard pay scales to be recommended by the Third PRC will not be a problem.

7. But to the dismay and shock of the entire BSNL fraternity, the DoT vide its letter cited under reference has rejected the BSNL proposal observing that "considering the present financial position of the company and the huge financial burden on the Government Exchequer in the shape of revised pensionary benefits and recurring burden on pension if implemented, the proposal cannot be acceded to."

8. The observations are outrageous and contemptuous in the background of the declaration by Hon'ble Prime Minister of India during his Independence Day speech yesterday from the Red Fort that "We have succeeded in bringing BSNL to operational profit for the first time."

9. Moreover, DoT's concern about 'huge financial burden on Government Exchequer is far from any truth as there will be no additional financial implication either for BSNL or for the Government in upgrading the E3 to E6 scales as all would have crossed the minimum of the next higher scales and there will be no impact on pension too. The financial implication in replacing the E1A and E2A pay scales with E2 and E3 pay scales for JTOs & their equivalent cadres and SDEs & their equivalent cadres respectively is minimal and major portion of the additional cost estimated by BSNL will be Pension Contribution to be paid to the Government only. But this small gesture will benefit BSNL by providing an atmosphere to retain the services of young new entrants and ensure that they are not forced to migrate to other organisations in

search of higher emoluments. In fact, because of the delay by BSNL in taking a decision on the issue, during the past seven years, many JTOs have already left BSNL opting for even other PSUs having one level higher pay scales.

10. We do not understand the 'concern' of DoT about the huge financial burden on Government Exchequer, since it did not have such concern when it proposed and got approved Government Pension as per Rule 37 A of CCS (Pension) Rules for MTNL employees in higher pay scales right from 1.10.2000 involving very huge and recurrent expenditure for the Government. The Cabinet approval itself mentioned that the decision entailed an estimated recurring expenditure of Rs.500 crore per annum besides adjustments in respect of Government pension liability previously discharged by MTNL.

11. The most appalling observation in the said DoT letter is its suggestion to BSNL that, "as DPE has already constituted 3<sup>rd</sup> PRC and its recommendations are to be implemented w.e.f 1.1.2017, any aberrations in 2<sup>nd</sup> PRC may be referred to DPE." Having refused to remove the aberrations as per the instructions of the DPE for the past nine years and after remaining a stumbling block for every proposal by BSNL in implementing 2<sup>nd</sup> PRC recommendations, DoT now asking BSNL to refer the issue to 3<sup>rd</sup> PRC is the height of all humiliations by DoT.

12. We therefore request you to kindly intervene immediately and direct DoT to review its decision and to approve the proposal by BSNL in toto so as to ensure that the morale of the Executives does not suffer any downfall at this crucial juncture when BSNL is showing signs of a turnaround. Any false and unjustified move by DOT is bound to have adverse impact on the sincere attempt being made by the Government to make BSNL financially more strong.

With kind regards,

Yours sincerely,



(Rakesh Sethi)  
General Secretary

Encl: As above

Copy to: 1. Shri Narendra Modi,  
Hon'ble Prime Minister of India  
2. Shri Ameising Luikham,  
Secretary, DPE  
3. Shri J.S.Deepak,  
Secretary, DoT  
4. Shri Anupam Shrivastava,  
CMD, BSNL