

No: SNEA/CHQ/AS(T)/2017-18/01

dated 31.01.2017.

To

**Sri. N. Sivasailam,
Additional Secretary,
Dept of Telecom,
New Delhi.**

Sub:- Exeditious actions to approve the BSNL proposal for replacing the intermediary pay scales of E1A and E2A with standard pay scales of E2 and E3 w.e.f. 01.01.2007 as per Union Cabinet decision on 2nd PRC recommendations and DPE guidelines dated 26.11.2008, subsequent clarification dated 02.04.2009 and DPE letter to DoT dated 09.07.2014 as done in other CPSUs.

Kindly recall the discussions on the above subject on various occasions especially on 14.12.2016 and 27.01.2017 with your goodself. During the discussions, it appears that your goodself and other officers have some confusion on the issue as a whole on the following points. Further it seems that DoT is considering it as a unique issue for BSNL alone and no other CPSU had such intermediary pay scales earlier, to compare with. Surprisingly, DoT is interpreting it as a pay fixation issue, to be addressed by pay protection, additional increments etc rather than revision of pay scales as per 2nd PRC implementation. **The issue can be easily addressed on answering the following points.**

- a) Whether the intermediary pay scales of E1A and E2A introduced at the time of absorption in BSNL is a unique one or other CPSUs had such intermediary pay scales?
- b) If intermediary pay scales were available in other CPSUs during 1st pay revision (till 31.12.2006), what is its status after 2nd PRC implementation?
- c) Whether BSNL proposal for replacing the intermediary pay scales of E1A and E2A with standard pay scales of E2 and E3 w.e.f. 01.01.2007 can be decided by DoT or not. Whether it has to be send to Union Cabinet? Status of DPE guidelines after 2nd PRC, whether it is having the Cabinet approval?
- d) Whether the issue is of pay fixation or revision of pay scales?

After discussion, your goodself has asked us to give details of the CPSUs other than BSNL where intermediary pay scales are operated during 1st Pay revision from 01.01.1997 to 31.12.2006 and give the status as of now.

The details of the above points are submitted hereunder:

a) DPE allowed various CPSUs to have intermediary pay scales during 1st PRC period from 01.01.1997 to 31.12.2016 with the prior approval of respective Administrative Ministries and DPE. Intermediary pay scales such as E1A, E2A, E2B, E3A, E7A, E7B, E7C, E9A etc were operated in different CPSUs like BHEL, NTPC, ONGC, Coal India, FCI etc during 1st PRC period (**Copies enclosed**). Similarly BSNL also introduced intermediary pay scales of E1A, E2A and E9A during 1st PRC period with the prior approval of the Administrative Ministry, DoT and DPE. This establishes the fact that BSNL is not the only CPSU where intermediary pay scales were operated during 1st PRC period. Details are given below:

CPSU	Intermediary pay scales implemented during 1st PRC period
BHEL	E2A, E3A, E7A, E7B and E7C
NTPC	E2A, E2B, E3A, E7A and E7B
COAL INDIA	E3A, E7A and E8A
ONGC	E2A, E3A and E7A
BSNL	E1A, E2A and E9A
FCI	E1A

Chart explains the status of pay scales in different CPSUs during 1st PRC:

1st PRC scales		BSNL		BHEL		NTPC	
E1	8600-14600	----	NA	----	NA	----	NA
---	NA	E1A	9850-14600	----	NA	----	NA
E2	10750-16750	----	NA	E2	10750-16750	E2	10750-16750
---	NA	E2A	11875-16750	E2A	11225-17525	E2A	11225-17250
---	NA	----	NA	----	NA	E2B	12000-17500
E3	13000-18250	E3	13000-18250	----	NA	----	NA
---	NA	----	NA	E3A	13750-18300	E3A	13750-18700
E4	14500-18700	E4	14500-18700	----	NA	----	NA
E5	16000-20800	E5	16000-20800	E5	16000-20800	E5	16000-20800
E6	17500-22300	E6	17500-22300	E6	17500-22300	E6	17500-22300
E7	18500-23900	E7	18500-23900	E7	18500-23900	E7	18500-23900
---	NA	----	NA	E7A	19000-25300	E7A	19000-24750
---	NA	----	NA	E7B	19500-25350	E7B	19500-25600
---	NA	----	NA	E7C	20000-25700	----	NA
E8	20500-26500	E8	20500-26500	E8	20500-26500	E8	20500-26500
E9	23750-28550	E9	23750-28550	E9	23750-28550	E9	23750-28550

1st PRC scales		Coal India		ONGC		FCI	
E1	8600-14600	E1	8600-14600	----	NA	----	-----
---	NA	---	NA	----	NA	E1A	9700-15860
E2	10750-16750	E2	10750-16750	E2	10750-16750	----	-----
---	NA	---	NA	E2A	12000-17500	----	-----
E3	13000-18250	---	NA	----	NA	----	-----
---	NA	E3A	13750-18700	E3A	13750-18700	----	-----
E4	14500-18700	----	NA	----	NA	----	-----
E5	16000-20800	E5	16000-20800	E5	16000-20800	----	-----
E6	17500-22300	E6	17500-22300	E6	17500-22300	----	-----
E7	18500-23900	E7	18500-23900	E7	18500-23900	----	-----
---	NA	E7A	19500-25000	E7A	19500-25000	----	-----
E8	20500-26500	E8	20500-26500	E8	20500-26500	----	-----
---	NA	E8A	22500-27300	---	NA	----	-----
E9	23750-28550	---	NA	E9	23750-28550	----	-----

b) If intermediary pay scales were available in other CPSUs during 1st pay revision (till 31.12.2006), what is its status after 2nd PRC implementation?

On 2nd PRC implementation, Govt decided to implement only standard pay scales in all the CPSUs, approved by the Union Cabinet. This is a Union Cabinet decision notified by DPE on 26.11.2008. This decision of the Govt is reiterated by DPE vide its clarification dated 02.04.2009 when other CPSUs demanded to continue with the intermediary pay scales. Subsequently all the CPSUs switched over to standard pay scales notified by DPE, based on this Union Cabinet decision.

Since reduction of pay scales of any cadre results in demotion of the cadre which is illegal, all CPSUs replaced the intermediary pay scales with next higher standard pay scales as illustrated below.

Chart explains how the Administrative Ministries replaced intermediary pay scales with next higher standard pay scales in different CPSUs after 2nd PRC:

BHEL				NTPC			
1 st PRC Scales		2 nd PRC Scales		1 st PRC Scales		2 nd PRC Scales	
E2A	11225-17525	E3	24900-50500	E2A	11225-17250	E3	24900-50500
----	NA	----	NA	E2B	12000-17500	E3	24900-50500
E3A	13750-18300	E4	29100-54500	E3A	13750-18700	E4	29100-54500
E7A	19000-25300	E7	43200-66000	E7A	19000-24750	E8	51300-73000
E7B	19500-25350	E8	51300-73000	E7B	19500-25600	E8	51300-73000
E7C	20000-25700	E8	51300-73000	----	NA	----	NA

COAL INDIA				ONGC			
1 st PRC Scales		2 nd PRC Scales		1 st PRC Scales		2 nd PRC Scales	
---	NA	---	NA	E2A	12000-17500	E3	24900-50500
E3A	13750-18700	E3	24900-50500	E3A	13750-18700	E4	29100-54500
		New (E4)	29100-54500	----	NA	---	NA
E7A	19500-25000	E8	51300-73000	E7A	19500-25000	---	NA
E8A	22500-27300	E9	62000-80000	---	NA	---	NA

FCI			
1 st PRC Scales		2 nd PRC Scales	
E1A	9700-15860	E2	20600-46500

c) Whether BSNL proposal for replacing the intermediary pay scales of E1A and E2A with standard pay scales of E2 and E3 w.e.f. 01.01.2007 can be decided by DoT or not. Whether it has to be send to Union Cabinet? Status of DPE guidelines after 2nd PRC, whether it is having the Cabinet approval?

As explained in b) above, on 2nd PRC implementation, Govt decided to implement only standard pay scales in all the CPSUs, approved by the Union Cabinet. This is a Union Cabinet decision notified by DPE on 26.11.2008. Subsequently all the CPSUs switched over to standard pay scales notified by DPE, based on this Union Cabinet decision. Further DPE vide its letter dated 09.07.2014, directed DoT and BSNL to implement standard pay scales replacing the intermediary pay scales of E1A and E2A. This Cabinet decision and DPE orders are binding on DoT also. **Once Cabinet is already taken a decision, there is no**

justification to send it again to Cabinet for reversing that decision. Since DPE didn't agree to continue with intermediary pay scales for other CPSUs, it did not allow DoT also for intermediary pay scales. Already 10 years are over to decide the replacement scales for the intermediary scales and again 3rd PRC will only recommend the replacement scales for the standard pay scales.

As per Union cabinet decision and DPE guidelines, replacement of intermediary pay scales of E1A and E2A can be decided by DoT itself as per the recommendations of BSNL as done in other CPSUs. Now BSNL itself proposed that only the first part of the proposal to replace the intermediary pay scales of E1A and E2A by standard pay scales of E2 and E3 to be approved which will address the pay revision issue.

d) Whether the issue is of pay fixation or revision of pay scales?

The issue is of revision of pay scales, not the revision of pay/pay fixation. **Reduction of pay scales of any cadre results in demotion of the cadre which is illegal.** BSNL, the CPSU also doesn't support or recommend to reduce the pay scales to a lower pay scale of E1 and E2 rather BSNL recommended to approve the next higher standard pay scales of E2 and E3 as done by the other CPSUs in order to avoid demotion of the cadres. The minimum of the proposed E2 scale, Rs 20600/- is still less than the basic pay arrived at Rs 22820/- on revision of pre-basic pay of Rs 9850/- with fitment as per 2nd PRC recommendation. Even by allowing E2 scale, an Executive joining on or after 01.01.2007 will be drawing a basic pay less than Rs.2220/ than an Executive joined on 31.12.2006 in the same cadre. Then how DoT unilaterally can suggest for a lower pay scale of E1 by demoting the entire cadre and the Executives working in that cadre?

Replacement of E1A scale with E2 and E2A scale with E3 does not infringe on the rights of the Executives already working in E3 scales as alleged. All the Executives are satisfying the same eligibility condition of 5 years of minimum service and nobody bypasses or getting seniority over others. The pay also not getting affected. These scales are applicable for grade promotion only. Now also, in BSNL, JTOs recruited in E1A scale is working in E4 scale on time bound basis but some SDEs (promotion cadre of JTO) are working in E2A or E3 scales. Even in Central Govt, grade promotion is implemented to motivate the officers and officers are getting scale as well as non functional grade on completion of qualifying service.

In view of the above submissions, it is requested to take expeditious actions to approve the BSNL proposal for replacing the intermediary pay scales of E1A and E2A with standard pay scales of E2 and E3 as per Union Cabinet decision and DPE guidelines.

Thanking you,

(K. Sebastin)

Copy to:

1. Shri J S Deepak, Secretary, DoT for information and n/a please.
2. Shri Prahlad Singh, Member(Finance), DoT for information and n/a please.
3. Shri Amit Yadav, Jt Secretary(A), DoT for information and n/a please.
4. Smt Sujata T Ray, DIR(HR), BSNL Board for information and n/a please.

Encl: Copies of pay revision orders of BHEL, NTPC, Coal India, ONGC and FCI pl.