

No: SNEA/CHQ/SEC DoT/2015-18/18 Dated 28.06.2017.

To

**Smt Aruna Sundararajan,
Secretary, Dept of Telecom,
Sanchar Bhavan, New Delhi.**

Sub: Approval of BSNL proposal for the revision of the intermediary pay scales of Rs 9850-250-14600 (E1A) and Rs 11875-300-17275 (E2A) for JTO and SDE equivalent cadres with standard pay scales of E2 and E3 w.e.f 01.01.2007 as part of 2nd PRC recommendations. Request to review the Presidential order issued by DoT on 28.03.2017, totally negating the recommendations of BSNL Board by lowering the pay scales of the entry level cadres of JTO and SDE equivalent from the proposed E2 scale to E1 and E3 scale to E2. About 42,000 Executives directly affected by this order and facing demotion to the lower scales of E1 and E2. 15,000 Executives recruited after 01.01.2007 till today, completely demoralized as their basic pay has come down by atleast Rs 4200/-. Status of the company as well as the quality of the directly recruited Executives will be affected as similar CPSUs are making recruitments in E2 or E3 scales.

Ref: 1. Meeting with DoT on the same issue on 27.04.2017.

2. Presidential order issued by DoT vide No: 6-2/2016-SU dated 28.03.2017.

Respected Sir,

A meeting has been held on 27.04.2017 to discuss about the Presidential Directive issued by DoT on 28.03.2017 lowering the pay scales of the entry level cadres of JTO and SDE equivalent cadres from Rs 9850-250-14600 (E1A) to E1 and Rs 11875-300-17275 (E2A) to E2. Finally DoT agreed for reconsideration of its decision. Accordingly BSNL management once again written to DoT vide DO letter dated 01.05.2017 requesting for approval for revision of intermediary pay scales of E1A and E2A with standard pay scales of E2 and E3 alone which is the residual issue of 2nd PRC. As desired by DoT, the details are submitted once again to facilitate the approval of the BSNL proposal of standard pay scales of E2 and E3 w.e.f 01.01.2007.

I. The JTO and SDE equivalent cadres were recruited /promoted by DoT and BSNL in the year 2001 and 2002, in the CDA pay scales of Rs 6500-200-10500 and Rs 7500-250-12000 respectively. Relevant portion of the JTO and SDE RRs are reproduced below.

JTO RR 2001: Column 4 of the Schedule: "Scale of Pay: IDA pay scale in BSNL corresponding to the CDA scale of Rs 6500-200-10500".

SDE RR 2002: Column 4 of the Schedule: "Scale of Pay: IDA pay scale corresponding to the CDA scale of Rs 7500-250-12000 in BSNL".

II. The corresponding IDA pay scales, equivalent to the CDA pay scales approved by DoT and DPE in the presidential order No: 61-6/2002-SU dated 28.07.2003 is given below:

Existing CDA scale	Corresponding IDA scale
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6500-200-10500	9850-250-14600
7500-250-12000	11875-300-17275

The corresponding IDA pay scale for JTO equivalent cadres in the CDA scale of Rs 6500-200-10500 is Rs 9850-250-14600. Similarly the corresponding IDA pay scale for the SDE equivalent cadres in the CDA scale of Rs 7500-250-12000 is Rs 11875-300-17275. These equivalent IDA scales are applicable uniformly for BSNL absorbees as well as BSNL direct rectx. This is specifically stated in the PO issued by DoT dated 28.07.2003 which states that:

"1.2 -----, In respect of executives appointed by BSNL on CDA pay scales on or after 01.10.2000, the executives will be deemed to have been appointed in the corresponding IDA pay scale and accordingly their pay will be fixed at the minimum of the IDA pay scale corresponding to the CDA scale in which they were appointed. -- ----"

At the time of absorption, **E1A** (Rs 9850-250-14600), **E2A**(Rs 11875-300-17275), E3, E4, E5 and E6 pay scales were extended to the Executives in BSNL, with the prior approval of DoT and DPE. The **E1A (between E1 and E2)** and **E2A (between E2 and E3)** pay scales were intermediary pay scales and other pay scales were standard pay scales. Other CPSUs like BHEL, NTPC, ONGC, Coal India, FCI etc. also operated intermediary pay scales of E1A, E2A, E2B, E3A, E7A, E7B, E7C, E9A etc prior to 2nd PRC.

III. During 2nd PRC implementation, BSNL initially on 09.01.2009, proposed equivalent pay scales for E1A and E2A, while maintaining standard pay scales of E3, E4, E5 and E6. DOT issued the presidential orders for E3, E4, E5 and E6 vide Presidential order dated 27.02.2009 and approval for E1A and E2A kept pending.

IV. DPE order dated 26.11.2008 and clarifications dated 02.04.2009, clearly stipulate the decision of the Union Cabinet, mandating all CPSUs to switch over from intermediary pay scales to standard pay scales of 2nd PRC w.e.f 01.01.2007.

V. However, equivalent intermediary scales for E1A and E2A proposed by BSNL on 09.01.2009 were rejected by DoT on 24.01.2011.

VI. Approval of equivalent intermediary scales of E1A and E2A was again referred by DoT to nodal ministry DPE. DPE, outrightly rejected introduction of equivalent intermediary pay scales of E1A and E2A vide order dated 09.07.2014, on the grounds that they are intermediary pay scales. Significantly, DPE directed both DoT and BSNL to implement only standard pay scales by replacing the intermediary scales of E1A and E2A and this fact has been communicated by DoT to BSNL on 18.07.2014.

VII. Based on this decision of DOT and DPE, BSNL Board finally modified its earlier proposal dated 09.01.2009 and recommended revision of intermediary pay scales of E1A and E2A by next higher standard pay scales of E2 and E3 w.e.f 01.01.2007. This decision of BSNL has been sent to DoT on 06.06.2016.

VIII. However, surprisingly and incomprehensively, DoT, citing huge financial implications on upgradation of all the scales, asked BSNL to refer the matter to 3rd PRC which has mandate only to recommend pay revision from 01.01.2017.

IX. BSNL, naturally, again requested DoT to approve its proposal to revise E1A and E2A scales by standard pay scales of E2 and E3, which is the residual issue of 2nd PRC, due from 01.01.2007, and has absolutely nothing to do with 3rd PRC.

Further, BSNL management gave a comprehensive presentation to DoT on 10.02.2017 reiterating its decision only to revise intermediary pay scales of E1A and E2A by standard pay scales of E2 and E3, keeping the existing standard pay scales of E3, E4, E5 and E6 approved by DoT on 27.02.2009 remain unaltered.

X. The financial implication on BSNL to implement this proposal is just 44 Crores per annum which BSNL is ready to pay. There is no financial implication on DoT since 70% of the Executives recruited after 01.01.2007 is BSNL direct rectxs and not covered by Govt. pension. Even for the remaining 30% Executives comes through promotion, all are already crossed the proposed pay scales and there will be no financial implication on DoT or BSNL.

XI. In complete disregard to BSNL Board decision, DoT issued Presidential Orders on 28.03.2017, replacing the intermediary pay scales of E1A and E2A with lower pay scales of E1 and E2 respectively, demoting the basic cadres of JTOs, SDEs and equivalent cadres. In the order it is mentioned that DoT issued the orders as per the recommendations of BSNL dated 09.01.2009. In fact, these recommendations were for equivalent scales for E1A and E2A which were rejected by DoT twice on 24.01.2011 and 18.07.2014 directing BSNL to recommend standard pay scales. The BSNL proposal dated 09.01.2009 for revised E1A and E2A scales stands modified by the BSNL proposal dated 06.06.2016 and as such earlier proposal of BSNL dated 09.01.2009 stands null and void.

XII. In the BSNL letter dated 09.01.2009, there is no recommendation to replace the E1A pay scale of Rs 9850-250-14600 with revised E1 pay scale of Rs 16400-40500 and the E2A pay scale of Rs 11875-300-17275 with revised E2 pay scale of Rs 20600-46500.

XIII. By this retrograde order, the pay of an Executive recruited after 01.01.2007 has come down by atleast Rs 10,000 per month. In the basic pay itself, there is a reduction of Rs 4300.

Pre-revised scale		Revised scale proposed by BSNL on 06.06.2016		Revised scale approved by DoT on 28.03.2017		Difference in Basic pay itself
E1A	9850-250-14600	E2	20600-46500	E1	16400-40500	Rs 4200
E2A	11875-300-17275	E3	24900-50500	E2	20600-46500	Rs 4300

XIV. The Presidential Directive issued by DoT on 28.03.2017 is in gross violation of the procedure and directions issued by DPE for revision of pay scales of Executives of CPSUs w.e.f. 01.01.2007 vide OM dated 26.11.2008 and the addendum dated 02.04.2009, in the following manner:

a). At the outset, DoT did not issue Presidential Directives in respect of Executives working in Rs 9850-250-14600 (E1A) and Rs 11875-300-17275 (E2A) Pay Scales.

b). As per Para 17 of DPE O.M. dated 26.11.2008, the Board of each CPSU was required to consider the proposal of pay revision based on their affordability and to submit the same to Administrative Ministry for approval and issuance of presidential directive. The relevant portion of DPE OM dated 26.11.2008 is reproduced below:

"17. Issue of Presidential Directive, effective date of implementation and payment of allowances etc: -----. The Board of Directors of each CPSE would be required to consider the proposal of pay revision based on their affordability to pay and submit the same to the Administrative Ministry/ Department for approval. The concerned Administrative Ministry with the concurrence of its Financial Advisor will issue the Presidential Directive. -----."

c). **Pertinently, the pay scale of an employee cannot be downgraded except by way of inflicting punishment on him. The effect of Presidential order dated 28.03.2017 is such that the pay scale of employees has been downgraded from E1A to E1 and E2A to E2 without any fault of their.**

Pre-revised scale		Pay scale proposed by BSNL on 2nd PRC		Pay scale approved by DoT on 28.03.2017		Pre-revised scale equivalent to the scale approved by DoT on 28.03.2017	
9850-14600	E1A	20600-46500	E2	16400-40500	E1	8600-14600	E1
11875-17275	E2A	24900-50500	E3	20600-46500	E2	10750-16750	E2

Cadre	Pay scale as on 31.12.2016		Pre-revised Pay scale as on 01.01.2007 as per DoT order	
JTO equivalent	9850-14600	E1A	8600-14600	E1
SDE equivalent	11875-17275	E2A	10750-16750	E2

XV. As per DPE order dated 26.11.2008, the pay revision has to be implemented by the CPSE depending upon its affordability. In fact, BSNL was making profits of thousands of Crores (see the chart) when 2nd PRC recommendations implemented w.e.f 01.01.2007 and all the employees got the benefit of 2nd PRC like 30% fitment and 78.2% IDA neutralization. So there is no rationale in denying the revised pay scales for one set of Executives who joined just after 01.01.07.

Financial year	Income	Profit Before Tax (PBT) in Crores	Profit in Crores (after TAX)
2007-08	38053	4451	3009

XVI. Naturally and quite rationally, all other CPSUs like BHEL, NTPC, ONGC, Coal India, FCI etc operating intermediary pay scales like E1A, E2A, E2B, E3A, E7A, E7B, E7C etc, maintaining basic HR values and sensitivities of their people, switched over to the immediate higher standard pay scales of E2, E3, E4, E8 etc, thus ensuring that no cadre is demoted from a higher scale to a lower scale.

XVII. DoT approved lower pay scales of E1 and E2 which are not recommended by BSNL. Lowering the pay scales is nothing but demotion of the cadres, especially the entry level cadres of JTO/JAO and SDE/AO. BSNL is competing with other CPSUs and private operators. Lowering the pay scales from the proposed E2 scale to E1 and E3 scale to E2 will affect the quality of the candidates recruited and retention of the existing talent. Other CPSUs like BSNL is making recruitment at E2 or E3 scales. Even DoT is recruiting JTOs in higher scales. Now BSNL is in the revival mode and the young Executives are playing a pivotal role in the revival. Lowering the pay scales lead to industrial unrest in the company. The revival and growth will be affected.

XVIII. Even, after issuing of the Presidential Order by DoT on 28.03.2017, BSNL management has expressed its complete inability to implement the said order for very obvious reasons, and again strongly urged upon and pleaded with DOT, on 03.04.2017 and again on 01.05.2017 to approve its proposal for revision of the intermediary pay scales of Rs 9850-250-14600 (E1A) and Rs 11875-300-17275 (E2A) by standard pay scales of E2 and E3 w.e.f 01.01.2007.

Sir, against these facts, we seek your immediate kind intervention to reconsider the DoT decision to lower the pay scales of the entry level cadres of JTO/JAO and SDE/AO from proposed E2 scale to E1 and E3 scale to E2 and in getting the latest proposal of BSNL processed and approved by DOT as quickly as possible. It is reiterated that BSNL never recommended E1 and E2 pay scales as revised pay scales for E1A and E2A scales. Other standard pay scales of E3, E4, E5 and E6 for Sr SDE, DE, DGM, SG DGM equivalent grades are already approved by DoT on 27.02.2009 itself, so it will remain unaltered as proposed by BSNL.

With kind regards,

(K. Sebastin)