

No: SNEA/CHQ/MoHI&PE/2015-18/01 Dated 07.09.2018.

To

Shri Anant Geete,

Hon Minister for Heavy Industries and Public Enterprises,

New Delhi.

Sub: DoT reference to Dept Of Public Enterprises (DPE) regarding BSNL proposal for revision of the intermediary pay scales of 9850-250-14600 (E1A) and 11875-300-17275 (E2A) to the next higher standard pay scales of E2 and E3 for the JTO, SDE and equivalent Executives in BSNL w.e.f. 01.01.2007, based on DPE guidelines. Request to re-examine the reply given by DPE dated 19.08.2018 based on the documents submitted by DoT on the following points: 1) The pay scales approved and notified w.e.f. 01.10.2000 for the BSNL Executives and 2) The applicability of affordability clause for 2nd PRC.

Respected Sir,

Sanchar Nigam Executives Association (SNEA) is the Recognised Executives' Association in BSNL after the membership verification among the BSNL Executives, representing about 47,000 BSNL Executives.

A brief history of the issue is furnished below:

(1) During absorption process, based on the recommendation of the BSNL Board and with the approval of DPE, DoT notified the IDA pay scales of E1A, e2A, E3, E4 and E5 corresponding to the CDA scales of DoT on 28.07.2003, for the BSNL Executives (**Annexure-A**). Among the pay scales notified by DoT, 9850-250-14600 (E1A) and 11875-300-17275 (E2A) scales were intermediary or non-standard pay scales. E1A scale is between E1 & E2 and E2A scale is between E2 & E3.

(2) **The E1 (8600-250-14600) and E2 (10750-300-14600) pay scales were never approved, notified or implemented in BSNL. There was no presidential order from DoT in this regard. The E1A and E2A scales were not a special dispensation for the absorbed employees as erroneously stated by the preset DoT establishment.** E1A and E2A are the pay scales given in the EPP-2007 order dated 18.01.2007 (**Annexure-B**) and PO issued by DoT on 27.02.2009 (**Annexure-C**) after 2nd PRC. BSNL recruited JTO and equivalent cadres in the IDA scale of Rs.9850-250-14600 (**E1A**) corresponding to the CDA scale of Rs 6500-200-10500. Similarly SDE and equivalent cadres were recruited/promoted by BSNL in the IDA scale of Rs.11875-300-17275 (**E2A**) corresponding to the CDA scale of Rs 7500-250-12000. The corresponding IDA pay 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. -----".

The notified pay scales are as under:

BSNL		
SI No	Existing CDA scale	Corresponding IDA scale
1	6500-200-10500	9850-250-14600 (E1A)
2	7500-250-12000	11875-300-17275 (E2A)
3	8000-275-13500	13000-350-18250 (E3)
4	10000-325-15200	14500-350-18700 (E4)
5	12000-375-16500	16000-400-20800 (E5)

(3) In the same organization, two pay scales cannot be operated for the same cadre, simultaneously. BSNL implemented Rs 9850-250-14600 **(E1A)** and Rs 11875-300-17275 **(E2A)** scales for the JTO and SDE equivalent cadres absorbed from DoT as well as directly recruited by BSNL as per the Presidential order dated 28.07.2003.

(4) Consequent to the 2nd Pay Revision, all other CPSUs like BHEL, NTPC, ONGC, Coal India, FCI etc which operated intermediary pay scales like E1A, E2A, E2B, E3A, E7A, E7B, E7C etc during 1st PRC, switched over to the immediate higher standard pay scales of E2, E3, E4, E8 etc, ensuring that no cadre is demoted from a higher scale to a lower scale.

(5) BSNL satisfies the affordability clause stipulated at para 3 of the DPE OM dated 26.11.2008, ie. PBT for the year 2007-08 and BSNL implemented 2nd PRC with full 30% fitment.

Financial year	Income	Profit Before TAX (PBT)
2007-08	38053	4451 Crores

(6) The revised intermediary pay scales of E1A (18850-40500) and E2A (22800-46500) recommended by BSNL on 09.01.2009 were rejected by DoT on 24.01.2011 and again on 09.07.2014, being intermediary pay scales.

(7) Finally, BSNL Board recommended replacement of intermediary pay scales of E1A and E2A with the immediate higher standard pay scales of E2 and E3 w.e.f 01.01.2007, the date of implementation of 2nd PRC, in line with the decision of the Union Cabinet and DPE guidelines. The recommendation has been sent to DoT on 06.06.2016 **(Annexure-D)**. The financial implication on BSNL to implement this proposal is worked out to be just 46 Crores per annum.

(8) In complete disregard to BSNL Board decision and DPE guidelines, 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 cadres

itself (**Annexure-E**). By this retrograde order, the pay of an Executive recruited after 01.01.2007 will come down by atleast Rs 10,000 per month.

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	11875-300-16750	E3	24900-50500	E2	20600-46500	Rs 4300

(9) To justify their action, now DoT taken a U Turn, stating that E1 and E2 are the pay scales approved and notified by DoT for the fresh BSNL direct recruits and E1A and E2A scales are applicable only for the DoT officers absorbed in BSNL.

(10) The present DoT establishment acted in an erroneous manner while notifying the revised pay scales for E1A and E2A as E1 and E2 w.e.f 01.01.2007, vide PO dated 28.03.2017, in the following manner:

- E1 and E2 pay scales were never implemented in BSNL.
- The IDA pay scales, E1A (9850-250-14600) and E2A (11875-300-17275) are implemented uniformly for BSNL absorbees as well as new BSNL direct recruits as different pay scales cannot be operated for the same cadre.
- DPE guidelines dated 26.11.2008 stipulates that Administrative Ministry has to issue the Presidential Order on the recommendations of the respective CPSE Board.
- On 06.06.2016, BSNL recommended E2 and E3 scales w.e.f 01.01.2007, replacing E1A and E2A scales. BSNL Board never recommended revised E1 and E2 scales for pre-revised E1A and E2A, after 2nd PRC.
- BSNL recommended next higher standard pay scales in order to retain the existing talent and for attracting best talent into the organization. BSNL is in a highly competitive Telecom market.
- All other CPSUs like BHEL, NTPC, ONGC, Coal India, FCI etc operated intermediary pay scales like E1A, E2A, E2B, E3A, E7A, E7B, E7C etc, switched over to the immediate higher standard pay scales of E2, E3, E4, E8 etc, ensuring that no cadre is demoted from a higher scale to a lower scale.
- However, DoT unilaterally issued the PO on 28.03.2017, lowering the pay scales from E1A to E1 and E2A to E2, demoting the cadres from a higher scale to a lower scale.
- The effect of DoT action to lower the pay scales from E1A to E1 and E2A to E2 can be explained by the below mentioned chart.

Pre-revised scale from 01.01.2000		Pay scale proposed by BSNL on 2 nd 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

(11) On 01.05.2017, BSNL management written to DoT (Annexure-F) to reconsider the decision with several reminders from CMD/BSNL. BSNL not implemented the PO so far.

(12) DoT referred the matter to DPE for its advice. In the reply to DoT, some of the facts are not mentioned clearly that may help DoT to review its earlier decision.

I. In para 3, it is mentioned that ***"Also it appears that introducing E1A and E2A scales was only a onetime dispensation to accommodate the DoT employees who got absorbed in BSNL on 1st October, 2000. Therefore, the same adhoc arrangement cannot continue indefinitely"***.

In fact, on formation of BSNL, with the approval of DPE, DoT issued the Presidential order on 28.07.2003 and notified the IDA pay scales of E1A, E2A, E3, E4, E5 corresponding to the CDA scales for all the BSNL Executives including BSNL directly recruited Executives. It was not a onetime dispensation as mentioned in the OM. The very fact that E1A and E2A has meant for only those getting absorbed from DoT and not for those recruited by BSNL is not projected by DoT in correct perceptible. The E1A and E2A pay scales are uniformly applicable for BSNL recruits as well as those absorbed from DoT. E1A and E2A are the pay scales given in the EPP-2007 order dated 18.01.2007 and PO issued by DoT on 27.02.2009 after 2nd PRC.

II. From the OM, it is not clear whether the affordability has to be taken into consideration for the year 2007-08 as per the DPE guidelines dated 26.01.2008 or the present financial condition. DoT specifically mentioned in their letter that while deciding the revision of pay scales, DoT considered the present financial condition of BSNL and not the PBT for the year 2007-08.

For a fair and just decision by DoT, DoT may kindly be directed that for the purpose of 2nd PRC implementation, affordability is to be considered based on the PBT for the year 2007-08 only and this condition is clearly met by BSNL for the year 2007-08.

III. Under any circumstances, the pay scale of an officer cannot be lowered, it is not clear from the OM.

This matter is to be re-examined on the basis of the documents submitted by DoT.

Keeping these facts in view, your kind personal intervention is solicited for directing the concerned officers in DPE to re-examine the OM so that the pay scales of E1A and E2A have to be taken to the next higher standard pay scale, not in any case to the lower standard pay scale, based on DPE guidelines on affordability, PO issued by DoT on 28.07.2003 and other documents submitted by DoT.

With kind regards,

(Sebastin. K)

Enclosure: Annexure A to F.