



# All India Graduate Engineers & Telecom Officers Association Punjab Telecom Circle

( The Recognised Representative Association of BSNL )

( Affiliated to BMS )



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## The Long Pending HR issues of BSNL

### 1. Residual issues of 2<sup>nd</sup> PRC related to implementation of standard pay scales of E2 and E3 for the initial two levels of executive grade and implementation of 30% Superannuation Benefit to BSNL Recruited Executives:

The recommendations of 2<sup>nd</sup> PRC were adopted by Government of India vide the OM 2(70)/08-DPE (WC)-GL-VII/09 dated 26.11.2008 and 02/04/2009. Vide the aforesaid OMs, the recommendations with regard to the revision of pay for the Board level and below Board level executives and Non-Unionised Supervisors in Central Public Sector Enterprises (CPSEs) w.e.f. 01.01.2007 was issued. The recommendations were implemented completely by BSNL including the maximum 30% fitment benefit to the executives **except for two important recommendations - one amongst these was the implementation of standard pay scales of E2 to entry-level executives of BSNL i.e. JTOs/JAOs/Equivalent and E3 to the next level of Executives i.e. SDEs/AOs/Equivalent. The Second Important Recommendation which was not implemented by BSNL was extension of 30% SAB to BSNL Recruits.** Both issues pertained mostly to the newly recruited employees of BSNL and despite BSNL being in profit at that time and extending the full 30% fitment, these two issues were not covered at all. The brief details of residual issues pertaining to 2<sup>nd</sup> PRC for BSNL which should have been implemented way back is as stated below:

#### A. Implementation of standard pay scales of E2 for JTO/JAO/Equivalent and E3 pay scales for SDE/AO/Equivalent:

- BSNL was formed from DOT in Oct-2000 and all the employees working with DOT in CDA pay scale were deputed to BSNL. BSNL thereafter started recruiting Graduate Engineers directly in the executive's cadre through all India competition, first time in the year-2001 in CDA pay scale of Rs 6500-10500 mentioning it is likely to be revised in the corresponding IDA pay scale.
- IDA pay scale of BSNL was finalized in year-2004 with the absorption of employees deputed from DOT and were extended **E1A** (Rs 9850-250-14600) pay scales for JTOs/JAO/ Equivalent and E2A (Rs 10750-300-16750) for SDEs/AOs/Equivalent cadre the same was extended to BSNL Recruits also.
- Thereafter, as per recommendation of 2<sup>nd</sup> PRC, DPE issued order w.e.f. 01-01-2007 to all CPSEs and finalized standard 10 standard (E0 to E9) vide Para-(vi) of Letter No. 2(70)/08-DPE(WC)-GL-VII/09 dated 02/04/2009 wherein it was stated that

*“There will be **no change in the ten pay scales** of below board level posts as indicated in OM dated 26/11/2008 and there is **no justification for introducing intermediary pay scales**. If there has been any aberration, they need to be corrected. **Every officer has to be fitted into corresponding new pay scale**.*

*However, if there is any exceptional case regarding intermediary pay scales, the same may be referred by the administrative Ministry concerned to the DPE. The issue will be decided by DPE with the concurrence of Department of Expenditure, on a case to case basis **without altering the minimum and the maximum of the revised pay scale.**”*

- As revised standard pay scale for executives recruited on or after 01-01-2007 was less than the 30% fitment benefit extended to existing executives hence after the above order from DPE, **all such CPSEs having substandard pay scale upgraded the intermediary scales to the next higher standard pay scale** and even gave some additional increments on upgraded pay scale to maintain the pay parity among executives recruited before and after 01-01-2007. **BSNL did not adopt revised pay scales for the initial two grades and instead degraded the pay scale from E1A to E1 and E2A to E2 by stating that scales are provisional.**
- All the employees who were in executive cadre before 01-01-2007 got a pay hike of about **30 to 40% but consequent upon degradation of pay scale from E1A to E1 BSNL executives recruited/promoted on or after 01-01-2007 faced a pay loss. If compared vis-à-vis their pre-revised scales, these executives recruited after 1.1.2007 are facing a pay loss of almost around Rs 12000 per month as on date.** If the comparison is made with initial basic of previous batches recruited just 2 years before, the difference is almost Rs. 18000 per month as on date. While, PRC intends to enhance the pay and perks of executives, **in this case PRC resulted into a loss for the youngest and talented lot of organization just because BSNL didn't cared for its youngsters when 2<sup>nd</sup> PRC was being implemented in BSNL.**
- BSNL's contention of trying to approve the intermediate pay scales was the reason for denial of E2 and E3 scales for initial two grades in executive cadre. However, when BSNL's proposal for intermediate pay scales was finally denied by DoT/DPE, **BSNL sent a revised proposal of extending E2 (Rs 20600 – 46500) scales for JTO/JAO grade officers and E3 (Rs 24900 – 50500) for SDE/AO grade officers in the year 2016.** BSNL proposed E2 and E3 scales as they couldn't have approved a lower scale than E1A and E2A for the employees already present in the department.
- DoT however returned the proposal stating that BSNL's proposal can't be agreed to citing reasons of cascading and **they further contended that E1A scales have been given to BSNL Recruits by mistake and the intermediate scale was created only for the employees absorbed from DoT and not for BSNL Recruits.**
- The cascading effect was nullified by BSNL by sending its revised proposal in the year 2017 for the replacement of the initial two scales only and delinking them from the subsequent pay scales.

- Scale on which several recruitments were already done by BSNL, a scale for which presidential orders stated firmly that it is applicable for both absorbed officers as well as BSNL Recruited officers cannot be called a mistake while implementing 2<sup>nd</sup> PRC benefits, when all these officers have already joined and serving in the organization for long and entered into a bond for serving the organization for at least five years. **Further, when a similarly situated organization like MTNL was extending E2 scales, how can recommendation for a much bigger and much higher revenue earning organization could be less. Even if not agreeing to but assuming that it was a mistake, executive's pay scales should not be degraded as an afterthought when that mistake has obtained finality much before the implementation of 2<sup>nd</sup> PRC benefits.**
- BSNL is a unique case where entry level executives are being given three different set of initial basics based on their date of Joining and no efforts has been made thereof by management to ensure parity at entry level. It will be pertinent to mention that in the name of fund crunch, one group cannot be made to suffer losses while the other enjoys their all perks and benefits. In fact such is the implementation of the revised pay scales in BSNL that a gap of 2 increments between two batches before implementation of 2<sup>nd</sup> PRC have today become a gap of almost 9 increments. Other organizations removed this anomaly between existing and newly recruits by suitably adopting higher scales which made entry level executives scale at par with the existing executives. But in BSNL, scale of these executives was made one step lower which further increased this disparity. This is and was a huge injustice to the BSNL recruits and the same is still continuing despite many assurances by BSNL.
- **In view of the facts stated above, extending E2 pay scales to JTO/JAO grade officers and E3 to SDE/AO grade officers is their justified and rightful due which is pending to be implemented since 1.1.2007 and DoT instead of denying the benefit should sympathetically consider the proposal. All the newly recruited/promoted employees must be extended E2 as initial basic pay. Further to compensate for the pay loss of executives recruited/promoted post 1.1.2007 in pre-revised E1A scales should be compensated by extending increments to make initial basic at par (22820) with those already present in the organization at the time of implementation of 2<sup>nd</sup> PRC.** This will not only boost the morale of the young executives but also will extend long due justice to the executives recruited/promoted by BSNL.

**B. Implementation of 30% Superannuation benefit to the Direct Recruits of BSNL as per the recommendation of 2<sup>nd</sup> PRC:**

**Detail of the issue:**

- After the inception of BSNL from DOT, the Government of India and Recommendation of 2<sup>nd</sup> PRC, Department of Public Enterprises, Ministry of Heavy Industry & Public Enterprises, Government of India issued order vide following reference Letter No.: -
  - 1) OM dated 30/09/2000 of Ministry of Personnel Public Grievances and Pension
  - 2) 2(70)/08-DPE(WC)-GL-XVI/08 dated 26/11/2008

3) 2(70)/08-DPE(WC)-GL-VII/09 dated 02/04/2009

Ministry of Personnel Public Grievances and Pension department issued order vide reference 1) in respect of BSNL employee's pension scheme. The sub-rule 21, 22 and 23 of the OM under reference 1) specifies the pension scheme in respect of BSNL employees. Sub-rule 21, 22 clarifies the provision regarding pension contribution to the employees absorbed in BSNL from DOT and Sub-rule 23 clearly stated that BSNL shall devise its own pension scheme in respect of Direct Recruits of BSNL.

Further recommendation of 2<sup>nd</sup> PRC with respect to Superannuation Benefits of the executives recruited by CPSEs state the following:

***30% of Basic plus IDA would be allowed as Superannuation Benefits, which may include Contributory Provide Fund, Gratuity, Pension and Post-superannuation Medical Benefits. No other superannuation benefit shall be granted outside the said 30% ceiling.***

*To manage said fund CPSE should, with the approval of the Administrative Ministry:*

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- *Either make their own schemes,*
- *Or operate through Insurance companies.*

***The Superannuation Benefits shall be under the Defined Contribution Scheme.***

***The Pension and Post-superannuation Medical Benefits can be extended to those executives, who superannuate from the CPSE on putting 15 years of service.***

- Despite clear-cut provisions **for the Superannuation Fund Scheme in the gazette notification of BSNL formation as well as in the recommendations of 2<sup>nd</sup> PRC, no such provision was made by BSNL for its direct recruit employees** when the recommendations of 2<sup>nd</sup> PRC were implemented in BSNL. After a sustained persuasion of almost a decade thereafter, finally BSNL started a superannuation fund with a defined contribution scheme of 3 percent in the year 2016 and thereafter it was raised to 5 % in the year 2017. **Thus, total defined contribution in respect of BSNL Recruits is around 22 percent and a shortfall of 8 percent still exists.** Further the delay in implementation not only caused a loss of fund contribution of 10 years if calculated from 1.1.2007 and loss of fund contribution of 16 years if counted from 1.10.2000 i.e. year of formation of BSNL.
- Such is the precarious condition of BSNL recruits that if some unfortunate happening occurs to any BSNL Recruited employee, all that his/her dependents get as pension is Rs. 6 to 7 thousand per month while the similarly placed other set of employees in BSNL are fully secured in terms of their defined pensionary benefit of 50% of basic plus DA at the time of parting from organisation. **BSNL management has always been comparing defined benefits to defined contribution which is completely wrong as BSNL Recruit's Benefits are governed by DPE Guidelines which are mostly based on defined contribution schemes while those absorbed from DoT gets defined benefits. This defined contribution must be implemented in totality just as the defined benefits which is being implemented in totality by BSNL.**
- 2<sup>nd</sup> PRC committee clearly states in page number 127 to 129 of chapter-6 that if company doesn't have sufficient fund to implement all the benefits as recommended then first, basic and retirement benefits should be extended in totality then only perks & allowances can be

given. But BSNL extended retiral benefits and even perks/allowances to other set of employees but did not cover the retiral benefits of BSNL Recruited Employees in totality which must have been done before extending perks and allowances if BSNL states non-affordability as the reason. Even 30% fitment was given but the pay scales and Superannuation Benefits to the BSNL recruits were never extended in totality.

**We request for intervention of your kind self for directing DoT and BSNL management for resolving the above two residual issues of 2<sup>nd</sup> PRC which are pending to implemented since 1.1.2007.**

## **2. Implementation of 3<sup>rd</sup> PRC in BSNL by waiving off the affordability clause for BSNL:**

BSNL as a national telecom carrier has been involved in fulfilling the social responsibilities towards the nation and its people by extending the services even in non-viable and non-profitable areas where no other private operator lends its service. BSNL and its employees have further dedicated themselves to the cause of the nation by involving themselves in the divine exercise of bridging the technology gap between rural and urban India and also of developing the Swadeshi 4G/5G homegrown technology of India. BSNL has also been extended the prestigious but extremely tough project of 4G saturation and the task of covering the uncovered villages. Employees have been wholeheartedly supporting these ambitious projects of the Government of India and will always stand firmly in support of these objectives.

However, we wish to submit that due to the non-availability of equal field for BSNL especially the non-availability of 4G services to sell, organisation has been facing losses due to factors which are not under control of the employees. Due to these losses, 3<sup>rd</sup> PRC in BSNL has not been implemented. However, now when, deployment of Homegrown swadeshi 4G technology has begun with BSNL placing the order for 200 sites and things appear to be positively poised towards achieving this much awaited breakthrough which will place India in the top league of nations providing 4G/5G technologies to other part of world, we humbly and most respectfully request your good self for implementation of 3<sup>rd</sup> PRC recommendations in BSNL which will act as catalyst of growth of BSNL by virtue of a renewed energy, renewed motivation and renewed vigour which in turn will increase the efficiency manyfold which ultimately will result into huge profits for BSNL.

**We request for your kind intervention in getting 3<sup>rd</sup> PRC implemented in BSNL by waiving off the affordability clause as BSNL is engaged in a much larger and divine objective for our mother nation which is miles above the concept of profit and loss.**

## **3. Extending the promotional avenues for BSNL Executives:**

As we all are aware that with implementation of VRS in BSNL, the staff size has been reduced to a large extent in BSNL which gave rise to the need for restructuring and cadre review in BSNL. It will be pertinent to mention that **AIGETOA was the only association in BSNL which supported the revival measures in totality including that of VRS**. A major chunk of employees opted for VRS and restructuring was done to define the strength at various level.

Despite our best thought process for the betterment of organisation, the staff which was left in BSNL and which actually took the responsibility of the carrying forward the

responsibilities of the organisation, despite reduced strength have today become a subject for loss of their career aspirations and ignorance of merit. While we have always maintained that definitely downsizing was a necessity, but the killing of the careers of the executives could have been avoided by adjusting the structure suitably in the hierarchy.

BSNL has recruited thousands of professionally qualified executives post corporatization with qualifications of BE/B Tech/CA/ICWA/MBA etc. Its indeed an irony that despite spending around 12 to 22 years in the organisation, all that most of them have got in terms of career progression is a single promotion and few have not got even their first promotions. The RRs had the fast-track provision in the name of JTO to SDE LDCE exam. **The situation in BSNL is such that those who failed these fast-track examination have been promoted to next level while those who passed and even topped this exam are still waiting for their promotion despite having completed the mandatory residency period much before.** The judgement of honourable supreme court pertaining to a particular group has been enforced upon all in Telecom group despite clear-cut directions from DoT and the Ministry of Legal affairs to not to make it a precedence for all. The Competitive Qualified executives were made Junior in the list to those who failed by one sided interpretation of the RRs and various court orders. When Hon'ble Supreme Court judgment in another case was favouring competitive quota people, the same was not at all considered for these meritorious executives despite DoPT's directions. BSNL has a long history of ignoring merit for years. There are instances in organisation when such competitive quota people have been reverted after giving promotions by virtue of one-sided interpretations of RRs and various court judgments, retrospective clarifications and ignoring the precedence. **It will not be out of place to mention that every time at the receiving end was a competitive exam passed candidate or a professionally qualified BSNL Recruited executive.** BSNL HR group has always shown cold shoulder to such people and have never even tried to defend their own RRs.

We request your good-self for intervention in directing BSNL to render justice to these competitive qualified candidates by ensuring them promotions if not earlier than at least at par with the competitive failed candidates. BSNL's argument of implementing the Hon'ble Supreme Court judgment does not hold any weight as the judgment was for a particular group of people and should not have been made a precedence for all. In fact, BSNL HR group themselves have not applied this decision to other streams like CSS etc which have the same verbatim as that of Telecom. Further, these candidates can very well be promoted within the current structure itself if BSNL considers the posts as a common pool of vacancies without changing the overall strength. BSNL has recently provisioned for LICE in SDE to AGM grade and AGM grade to DGM grade which has met with huge opposition from all the executives as just on the day when they were getting eligible for promotion, new set of rules were introduced.

We don't oppose this provision and in fact vouch for meritocracy and internal fast track mechanism but at the same time we feel that introduction of this competitive quota should have been done by creation of additional posts and not by eating away the pie of one who was just on the verge of getting promoted on very next day. There is ample scope of creation of extra posts as new Projects like providing services to uncovered villages, 4G saturation and BBNL merger are to be executed by BSNL and hence the extra posts must

be created for manning these positions and vacancy should be treated as a common pool between different levels and promotions in all grades must be done by filling up all the consequential vacancies. The justice must be extended to the staff working in the organisation and executing his responsibilities diligently and with full dedication. This would have resulted into smooth transition of BSNL from a legacy driven organisation to an organisation adopting the contemporary HR practices. But on the contrary BSNL reverted the LDCE qualified candidates not once but twice and that too after making them serve in the grade for years. BSNL made LDCE qualified candidates Junior to the LDCE failed candidates and had extended promotions to even ineligible executives while ignoring the talented pool of competitive qualified candidates.

Hence, we request for your kind intervention in directing BSNL to extend justice to these executives and to do away with reverting such meritorious candidates and extending their due promotions by restoring their seniority. Further BSNL must be directed to ensure promotions in all grades including SDE to AGM, AO to CAO, AGM to DGM, JTO to SDE and JAO to AO grades by clearing the legal hurdles by treating the vacancies as common pool and by increasing the number of posts in promotional grades in view of the new projects being taken by the organisation.

- 4. Revision in TA/DA and other allowances at par with current market conditions:** The TA/DA and transport allowances in BSNL especially for the working cadre like JTO/JAO/SDE/AO/AGM/CAO/ Equivalent level are still prevailing at the rates some 20 years before. While such allowances were revised for senior officers to a comfortable level in 2017, the rates of the executives at lower rung are yet to be revised. This results into a big loss of money from the own pocket of employee who is executing the out station and especially route maintenance jobs. Despite bringing the matter to this notice of management many a times, no consideration has been done till date. We request for a direction to BSNL management in this regard so that such performing employees are not put to loss.

We sincerely believe that you as guiding figure to all the BSNL Executives will definitely extend a sympathetic consideration of the issues as stated above.

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