



# All India Graduate Engineer Telecom Officers Association

( An Association of DR Graduate Engineers / Account Officers of BSNL )

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**No. GS/AIGETOA/75**

**Dated 26.09.2014**

**To,**

**Shri Ravi Shankar Prasad Ji**  
**Honorable MOC&IT**  
**GOI, New Delhi.**

**Subject:** Discrimination & denial of very basic entitlement (Pay, Promotion and Pension) in respect of directly recruited and professionally qualified executives of BSNL -Your kind intervention is highly solicited.

**Respected Sir,**

This is the association representing around 12,000 qualified direct recruits' executives in BSNL recruited after inception of BSNL in Oct-2000. We are the executives whose benefits are being governed by PSU rules under the guidelines of DPE while all other non-executives and executives including top management of BSNL are either absorbed or deployed from DOT and henceforth their service conditions and terminal benefits are being governed by erstwhile DoT rules.

Sir, most of these 12000 direct recruits' are possessing the top notch professional degrees like M.Tech/B.E./B.Tech/CA/CS/MBA/ ICWA and have come from reputed/premium engineering colleges/professional bodies. They have been recruited through one of the toughest All India Open competitions conducted by institutes like IITs. Most of us were having the opportunities in other leading PSUs and top private MNCs but we preferred to join BSNL being one of the leading PSUs at that time. We joined this company to serve the nation despite of the fact that pay scale, promotion policy and terminal benefits of the direct recruits of the company were not finalized at that time.

Sir, it is pertinent to mention here that this lot of the young and qualified executives of BSNL has been manning the most critical operations of BSNL like the Mobile Switching and control centers, Broadband Services, OFC networks, MPLS backbones, Network Control centers, satellite stations and other new services etc. Despite of this, our issues have been neglected for years together even when BSNL was in profit.

Sir, your kind will appreciate that every cadre have some minimum aspirations in respect of pay, promotion and pension (PPP) so that they can serve their family and dependents while serving the nation through the Government organization and we are also not exceptions for the same.

While finalizing the Pay, Promotion and Pension policy of the company, the qualified direct recruits' executives who are in minority have been completely ignored and have remained unheard so far. Despite clear orders by the Government of India through DOP&T, DPE and several verbal as well as written assurances by the management at different level, the management of this company has failed to resolve the very genuine and basic entitlements in respect of pay, promotion and pension of direct recruit's executives recruited after inception of BSNL. To add salt to the wound, it is further submitted that while implementing the Pay revision, the provisions which pertained to the absorbed executives from DoT were implemented without any hassles, the guidelines in respect of the direct recruits which pertained to us were completely ignored.

The brief of the burning issues in respect of the young and qualified direct recruits of BSNL are as below:

- 1. Implementation of standard pay scale as recommended by 2<sup>nd</sup> pay revision committee and pay parity** – At the time of recruitment, we were offered the CDA Pay scale of Rs 6500-250-10500 with a written commitment to place us into the equivalent IDA pay scale. However, When IDA pay scales were finalized in year-2003-04, instead of extending the equivalent and standard pay scale (E2) similar to MTNL, the executives of BSNL were extended substandard intermediate pay scale (E1A) again with an assurance to extend pension benefits. Around 50000 absorbed executives of BSNL were extended government pension benefits in compensation to their substandard pay scales but despite placing the direct recruits in lower scale, the direct recruits were not extended the any pension scheme despite the existence of provisions of such scheme in Rule 37A (the rule created for absorption of executives in BSNL). The same has not been given to us till date ignoring the very basic orders of Government of India. Apart from this, second pay revision benefit was extended to around 2.5 Lakhs employees of BSNL in totality but the same benefit was not extended to around 5000 direct recruits who were recruited after 01-01-2007. In fact, after revision, these executives are getting a Pay-loss of the tune of 5 to 6 thousands per month when compared to their pre-revised scales. Wherever this happened, Pay scales of the Direct recruits was revised in upper scales, here in BSNL, the entry level executives are being forced to work at loss of Pay.
- 2. Implementation of 30% superannuation benefits as recommended by 2<sup>nd</sup> pay revision committee:** BSNL management has extended full government pension and perks/allowances for about 2.5 Lakhs employees recommended by sixth pay commission but not implemented recommendations of pay revision in respect of superannuation benefits for around 12000 direct recruits' executives despite government and DPE orders in this regard. Almost all of the PSUs like BHEL, CIL, NHPC, AAI, Power Grid etc. have already implemented this scheme which is a must for the secured future of the employees who are putting their sweat and blood for the organization.

**3. Career progression at par with same category of CPSEs:** All CPSEs of India recruit qualified professionals at lowest rung of executives through all India competition and groom them through contemporary career enhancement policy so that they can reach up to apex post of the company if they perform. BSNL also recruited the qualified graduate engineers and account officers at executive cadre through one of the toughest all India competitions but failed to give them even a single functional promotion in 12 years. In fact perhaps, BSNL may be the only PSU where promotions are being given in the form of financial up-gradations without even bothering for performance but the responsibility associated with the scale is not given just to keep all these talented and qualified executives to the lowest rung forever. While, there is no dearth of in-house talent and qualification in BSNL, despite that BSNL has proposed to recruit outside professionals that too at fresher level at E3 ignoring the internal talent completely. A DGM level recruitment at E5 level has also been notified in such a way that none of the internal candidates of BSNL are eligible to apply despite of fulfilling all the criteria.

**Due to the above mentioned discriminatory acts and unprofessional attitude of BSNL management, the career and future of these thousands and thousands of talented executives of BSNL has been completely ruined. We request for your kind intervention for resolution of the above genuine issues. We further assure you and reaffirm that we are totally capable of pulling BSNL out of its current nadir and we will leave no stone unturned to take it to its greatest heights once again. The need is to have a dynamic and courageous attitude where reward for performance is considered as investment in the company (At present the performing executives are being penalized in terms of discrimination in Pay, Promotion and Pension).**

We are hereby attaching detail of our issues along with all relevant documents and government orders for better understanding.

Yours faithfully

**[R. P. Shahu]**

General Secretary

## 1. **Background:**

- 1.1 The workforce in CPSEs consists broadly of two categories of employees' viz. 1) Board level executives, below board level executives and Non-Unionised Supervisors, and 2) Unionized Workmen. **The pay revision of the first category is carried out on the basis of the recommendations of the pay revision committee, appointed by Government. remuneration in respect of second category are to be decided by the management of the respective CPSEs, based on the guidelines on wage negotiations, issued by DPE.**
- 1.2 1<sup>st</sup> pay revision in CPSE took place w.e.f. 01-01-1997 and following 10 pay scale below board level executives were finalized.

Schedule	Pay Scale
E0	6550-200-11350
E1	8600-250-14600
E2	10750-300-16750
E3	13000-350-18250
E4	14500-350-18700
E5	16000-400-20800
E6	17500-400-22300
E7	18500-450-23900
E8	20500-500-26500
E9	23750-600-28550

- 1.3 At the time of formation of a new CPSE, Pay scale of board level executives are decided by the DPE according to the category of the CPSEs viz. A, B, C, D and the respective administrative Ministries, in consultation with the Department of Public Enterprises and the Ministry of Finance, fixes the pay scales for below Board level Executives maintaining fair relativities between the emoluments of officers in the scheduled posts and other officers.
- 1.4 BSNL was formed from DOT on 1<sup>st</sup> Oct-2000 and listed in schedule-A category CPSE. According pay scale of board level executives was fixed. Below board level executives were working on CDA pay scale. First two batches (2001 and 2002) of engineering graduates were also recruited in CDA Pay Scale of Rs 6500 with commitment to revise their pay scale as per equivalent IDA pay scale of the similar category of CPSEs.
- 1.5 After 1<sup>st</sup> pay revision all schedule-A category CPSEs were recruiting engineering graduate at minimum of E2 pay scale i.e. 10750-300-16750. Hence equivalent IDA pay scale of executives recruited with minimum qualification of engineering graduate in BSNL should not have been less than E2.
- 1.6 BSNL finalized IDA pay scale in year-2003-04 and fixed the engineering graduate at non-standard pay scale of E1A (Rs 9850) which was even less than MTNL (Rs 10750). MTNL and BSNL both are working in same sector and under the same administrative ministry. Both have recruited engineering graduates with similar recruitment rules and work profile of engineering graduate in these organizations is same. Ranking of BSNL in

schedule-A CPSEs was also higher than MTNL. Therefore, the pay scale of engineering graduates in BSNL cannot be less than MTNL.

1.7 BSNL had fixed non-standard and lower pay scale than MTNL just to compensate the pension contribution to Government, being made for absorbed executives under rule 37A of CCS pension rule but same was not extended to direct recruits executives of BSNL hence in no case pay scale of direct recruits engineering graduate should have been lower than MTNL. ***For proper compensation against superannuation benefits proper stage translation in respect of BSNL recruited executives is necessary. Compromised stage of mapping will lead to lower contribution and defeat the purpose of future social security. Thus, it is of utmost importance to properly place the initial pay scale in the band of standard pay scale before projecting the future effect of superannuation benefits.*** Hence pay scale of JTO/JAO in BSNL prior to 2<sup>nd</sup> PRC must be minimum E2 (10750-300-16750), same as of MTNL and other Schedule-A category CPSEs.

## **2. Brief of 2<sup>nd</sup> PRC**

2.1 Pay revision (compensation package) of board and below board level executives working in CPSEs are done by government of India through Department of Public Enterprises in every 10 years and CPSEs are bound to implement in letter and spirit.

2.2 Basic motto of pay revision is to structure the compensation package of CPSE employees on account of economic and social development and the global scenario and competitive environment. India is a developing country and CPSEs have played major role in economic and social development of the country. Hence primary motto of the pay revision is to enhance the compensation package of CPSE's employee to upgrade the social status in synch with the development of the country. Secondly CPSEs are facing direct competition with private sectors, hence total compensation package of CPSE's employees must be restructured in such a way that it can promote efficiency, performance, productivity and attract talent and loyalty.

2.3 2<sup>nd</sup> pay revision of board and below board level executives working in CPSEs was due on 01.01.2007, hence pay revision committee headed by Justice Rao was constituted. After 18 months of extensive study, committee recommended the total compensation package of executives working in CPSEs based on category, affordability and profitability. The said recommendations of the 2<sup>nd</sup> PRC were put up before Committee of secretaries (CoS) for consideration and getting final approval of the Government. CoS has considered the recommendations a 2<sup>nd</sup> PRC and the same got approved by the government with some changes as suggested by CoS (Cabinet Note attached herewith and Marked as [Annexure-1](#))

2.4 2<sup>nd</sup> PRC had categorized CPSEs in five category A+, A, B,C,D based on some parameter and recommended the pay scale and compensation package of the executives in CPSEs based on the said category i.e. compensation package of executives working in A+ CPSEs was higher than A category CPSEs and so on. But CoS denied the said recommendation on the basis that CPSEs working on same sector like NTPC, NHPC, POWER GRID IN power sector- ONGC, OIL in Oil Sector- SAIL, MECON, RINL in steel sector- BSNL and MTNL in telecom sector, are placed in different category and executives working on same sector but in different CPSEs cannot

be given different compensation else this may result in serious discontentment among the executives working in different CPSEs in same sector ([Para 5.1 \(A\) of Annexure-1](#)).

2.5 CoS has recommended that all the recommendations of 2<sup>nd</sup> PRC with suggested modifications by CoS will be implemented as a package ([Para-6 of Cabinet Note Annexure-1](#)) which includes fitment benefit, DA, HRA, leased accommodation, CCA, other allowances/perks, Variable Pay/PRP, MoU, PMS, Remuneration Committee, Long Term Incentives, Cost to the Company, Retirement Age, Non Unionized Supervisory staff, Pay of Executives moving from holding CPSEs to subsidiaries or vice-versa on deputation/transfer, pay of government officers on deputation to CPSEs and superannuation benefits etc.

2.6 Consequent to the acceptance of the recommendations of 2<sup>nd</sup> Pay Revision Committee for CPSEs and suggestions of CoS, Government of India through the Department of Public Enterprise has issued various orders on employee's benefits. These orders perspicuously states that all the employee's benefits will be on IDA pattern and inter-alia provides for the following benefits to the employees of CPSEs.

- i. Basic or serving Benefits (Basic + IDA + HRA);
- ii. Retiral Benefits (EPF + Gratuity + Post Retirement Medical + Pension) with the ceiling of 30% of Basic + IDA;
- iii. Perks & Allowances with the ceiling 50% of Basic
- iv. PRP/Variable Pay up to 40 to 200% of Basic

All the above four benefits are uniform for all category of CPSEs except pay scale of board level executives which is based on category of CPSEs. Out of above 4 benefits to the executives first 3 are fixed benefit based on affordability, capacity to pay and sustainability of CPSE but completely independent of profit and loss of the CPSEs. Fourth benefit i.e. PRP/Variable pay (40 to 200% of basic) is based on profit of the CPSEs and makes substantive part of total package of the executives.

2.7 DPE has clearly defined the affordability of CPSEs. As per the para-3 of DPE OM dated 26/11/2008 in respect of implementation of 2nd PRC, CPSEs shall implement all these benefits subjected to the condition that additional outgo by such revision for a period of 12 months should not result in more than 20% dip in profit before tax for the financial year 2007-2008 in respect of executives as well as non-unionized supervisory staff taken together. CPSE that cannot afford to pay full package can implement with either part PRP or no PRP.

2.8 Apart from above facts, Sequence to implement the above benefits, If additional outgo on implementation of above benefits is more than 20% of profit before tax for the financial year 2007-2008, is clearly illustrated in page number 127 to 129 of chapter-6 of 2nd PRC ([Annexure-2](#)) recommendations which clearly states that First, company has to pay serving benefits (Basic + DA + HRA) in totality and then Retiral benefits and then only other benefits like perks & allowances and PRP.

2.9 PBT (profit before tax) of BSNL during the financial year 2007-2008 was about 4,500 Cr and additional outgo on implementation of full package of pay revision in respect of executives for a period of 12 months is much less than 20% of PBT. BSNL must implement all the 4

benefits in totality including perks & Allowance and PRP up to year 2008-09, till BSNL was in profit.

- 2.10 DPE has clearly defined the affordability of the company which is based on profit before tax for the financial year 2007-2008 and not to the subsequent years till the next pay revision. PRC has also clarified that CPSEs can enter into loss from profit during span of 10 years but first 3 benefits of executives cannot be withdrawn. It is only PRP which makes substantive part of package can be withdrawn.
- 2.11 DPE has proposed a uniform fitment benefit of 30% on basic plus DA @78.2% as on 01.01.2007, 10 standard pay scales from E0 to E9 and four different standard pay scales for board of director based on the category of CPSE.
- 2.12 DPE has denied any intermediate pay scale but given full liberty to board of directors to fit the direct recruits at any initial pay without changing the lower and upper limit of particular pay scale.
- 2.13 As per para-14 of the DPE order, the company car would be provided to the Directors and CMDs. The Executive Directors/General Managers heading the project of CPSEs may also be provided with company car.

**3. Issue related to standard pay scale and pay parity of direct recruits Engineering Graduate (JTO/JAO) in BSNL recruited on or after 01.01.2007 followed by 2<sup>nd</sup> pay revision.**

- 3.1 Direct recruits Engineering Graduate (JTO) and JAO of MTNL is placed at E2 pay scale and all similarly placed CPSEs had been providing minimum E2 pay scale hence with the reason mentioned in para 1.1 to 1.7 and para 2.4 the pay scale of direct recruit JTO/JAO cannot be less than E2 (10750-300-16750) from Oct-2000 to 31.12.2006.
- 3.2 Para 2.2.6 of terms of reference of 2<sup>nd</sup> PRC clearly says that while finalizing it's report the committee will also take into account the report of the sixth pay commission hence 2<sup>nd</sup> pay revision of CPSE executives is not completely independent of sixth pay commission. Followed by sixth pay commission recommendations all government department including our administrative ministry has upgraded the pay scale of Engineering Graduate from pre-revised Rs 6500-10500 to Rs 7450-11500. Now every government department has to recruit engineering graduate with revised pay in pay band-2 (9300-24800) with initial pay of 12540 and grade pay of 4600 instead initial pay of 9300 and grade pay of 4200.
- 3.3 Same JTO as of BSNL and MTNL opted to work in DOT are also upgraded from pre-revised 6500-10500 to 7450-11500. BSNL itself has placed JTO in upgraded pay scale who have opted for DOT but worked in BSNL on deemed deputation ([Annexure-3](#)). These JTOs had been recruited with same recruitment rule and performing same job as of BSNL. Moreover, taking the inference from the same all Schedule-A CPSEs have upgraded the pay scale of Engineering Graduate to minimum of E3 (24900-) pay scale of DPE. ([Annexure-4](#)).



- 3.4 As explained earlier, administrative ministry of BSNL/MTNL has finalized the pre-revised CDA Pay scale 6500-10500 which is equivalent to pre-revised IDA pay scale E2 (10750-300-16750). Now administrative ministry DOT has upgraded the pay scale of engineering graduate from CDA pay scale 6500-10500 to 7450-11500 which is equivalent to pre-revised IDA pay scale of E3 (13000-350-18250). It will be high injustice to the executives recruited with minimum qualification of Engineering Graduate in BSNL if they are not placed at minimum of E3 (24900-) pay scale of DPE from 01.01.2007 and this may definitely result in serious discontentment among the Engineering Graduates working in BSNL.
- 3.5 It is the matter of fact that administrative ministry DOT has derived E1A (9850-) pay scale for JTO/JAO which was lower than E2 (10750-) Pay Scale of MTNL just to compensate the contribution for government pension under rule-37A of CCS pension rule for absorbed executives. Directly recruited executives of BSNL were not covered under CCS pension rule. It was ordered by the Government that BSNL has to devise its own pension scheme for direct recruits ([Annexure-5](#)) which was never implemented in BSNL. Hence pay scale of direct recruits JTOs/JAOs should have been only E2 (10750-) till 31.12.2006. instead of upgrading direct recruits JTO/JAO to E3, it is high injustice that BSNL has placed on E1A (9850-) pay scale to direct recruit till 31.12.2006 and now further degrading to E1 (16400- ) pay scale after 2<sup>nd</sup> pay revision w.e.f. 01.01.2007 and trying to compensate E1A with five additional increments on E1.
- 3.6 DPE has finalized 10 pay scales (E0 TO E9) for below board level executives followed by 2<sup>nd</sup> PRC and ordered that every CPSEs has to fit their executives in the given (E0 TO E9) pay scale. As CPSE's board has every right to make new recruitment at any level, hence these E0 to E9 pay scales are to be utilized for the new recruitments in CPSEs. JTOs/JAOs in BSNL is not a new recruitment and recruitment of the executives at JTO/JAO cadre was already prevailing prior to pay revision, hence pay scale of JTO/JAO recruited after 01.01.2007 must be fixed in such a way that there must be fair relativity/parity of pay among the JTOs/JAOs recruited before 01.01.2007 and after 01.01.2007 to avoid any discontentment among these two set of executives belonging to the same cadre and performing the same job. 2<sup>nd</sup> PRC had recommended 30% fitment for Schedule-A+ CPSE and 11 new Pay scales. Minimum of new pay scales as per those recommendations was in fact higher than 30% fitment simply to attract the new talent. Government, However did not consider these recommendations which were based on the category of the CPSEs and approved 10 new pay scale uniformly for all the CPSEs which was quite lower than that recommended by 2<sup>nd</sup> PRC for Schedule-A+ CPSE. However, Government has given full liberty to the CPSEs to fix the pay scale of executives recruited on or after 01.01.2007 in such a way that parity exist between executives recruited before and after 01.01.2007 on same cadre. Considering this fact, all other CPSEs have worked out suitable calculations and upgraded the pay scale of the entry level executives to maintain a fair relativity amongst the executives recruited before and after 01.01.2007, so that benefit of pay revision can be extended to all in true letter and spirit. ([Annexure-4](#)). If JTO/JAO recruited after 01.01.2007 will be placed at E1+5 (19020-) as proposed by BSNL, there will be substantial difference in initial basic pay (22680-19020=3660) between the JTO/JAOs recruited before and after 01.01.2007 which will have a



cumulative and multiplying effect in future and will definitely become a reason for discontentment between executives. As mentioned in para 2.4 above, the basic reason behind government not considering the pay of the executives according to the category of CPSEs was the decision to maintain the parity among the same sector executives. Hence there should not be any reason to deny the pay parity among the same cadre executives in same company.

3.7 It is needless to mention that apart from perks, allowances and incentives, Statuary component of compensation for executives working at particular cadre in CPSE are **Basic+IDA +Superannuation Benefit**. These three statuary components of compensation are formulated to compensate the skill, status, inflation, social and family security. (Basic of any cadre is fixed to compensate the skill and status compensation, IDA is to compensate the inflation, and Superannuation Benefit is to compensate the family and social security). India is developing country and executives working in CPSEs have been playing major role in the said development. Pay revision of executives takes place once in 10 years to restructure the compensation package of executives so that share of economic development of the country can be provided. Pay revision formula is New Basic = (Basic+IDA) + fitment benefit. Fitment benefit is just to extend the share for economic development of the country. Hence primary motto of pay revision to extend the share of economic development of the country hence compensation for Skill, status, inflation, social and family security of executives working at JTO/JAO cadre in BSNL cannot be lowered after pay revision. Apart from the relativity/Parity of pay as mentioned in Para 3.6, if BSNL will offer E1+5 for JTO/JAO recruited on or after 01.01.2007, the primary motto of pay revision will also be defeated as the revised benefit of JTO/JAO cadre become less than the pre-revised benefit in tune of 5 to 10 thousand per month over the time span of next pay revision. ([Annexure-6](#)).

3.8 It is clear from the facts submitted above that Pre-Revised pay scale of JTO/JAO who are not covered under CCS pension rule is E2 (10750-) not E1A (9850-). Hence committee is requested to consider the E2 (10750-300-16750) pay scale for JTO/JAO recruited between 1<sup>st</sup> Oct-2000 and 31<sup>st</sup> Dec-2006. It is also clear from the fact submitted above that executives recruited with minimum qualification of engineering graduate are upgraded in Government (6500- to 7450-) as well as CPSEs (20600- to 24900-) followed by pay revision hence committee may consider the upgradation of Direct Recruits JTO/JAO to E3 (24900-) w.e.f. 01.01.2007 followed by 2<sup>nd</sup> pay revision. Further, as evident from above, there should not be any disparity in Pay of the executives recruited before and after 01.01.2007.

#### **4. Issue related to superannuation benefit of direct recruits in BSNL as ordered by Government of India through DPE followed by 2nd PRC.**

4.1 Implementation of all the four components of pay revision benefit as mentioned in Para 2.6 above One of the recommendations of the 2<sup>nd</sup> PRC approved by GOI is superannuation benefit for CPSE executives with the ceiling of 30% of Basic+DA through defined contribution scheme which includes (EPF, Gratuity, Pension and post retirement medical benefit).

- 4.2 Unlike private companies there is fixed age of retirement in CPSEs hence Superannuation benefit is nothing but emoluments to the executives after superannuation from the company or attaining the age of retirements which also help in attracting the talent and loyalty to the CPSEs. Government of India has derived this figure of 30% of Basic+DA to be contributed as superannuation benefit so that CPSE executives can get minimum emoluments after their superannuation to ensure post retirement survival of their family. Superannuation benefit is directly proportional to the serving benefit (Basic+IDA) of the executives so that that they can maintain their social and family status after retirement.
- 4.3 If any CPSE is not able to afford the cost of pay revision, PRC has recommended the different stages of extending benefits of pay revision as mentioned in Para 2.8 above which clearly states that First, company has to pay serving benefits (Basic + DA + HRA) in totality and then Retiral benefits and then only other benefits like perks & allowances and PRP. BSNL has extended serving benefit and retiral benefit in totality in respect of about 3 lakhs employees including non-executives and also extended some part of the perks and allowances to all but so far retiral benefit of hardly 12000 direct recruits executives has not been implemented in totality.
- 4.4 As mentioned in Para 2.5 above, all the benefits of the pay revision will be implemented as package and as mentioned in Para 2.7 to 2.10 above BSNL fulfils all the conditions of affordability to implement these benefits. BSNL must have implemented all the benefits as approved by government followed by 2<sup>nd</sup> PRC in totality. At least BSNL should have maintained the balance in implementation of serving and retiral benefit of executives.
- 4.5 BSNL board should have approved the 30% superannuation benefit at the time of seeking presidential order from administrative ministry in year 2009 itself in respect of implementation of pay revision benefits but we believe that BSNL management has ignored this benefit as they were not benefited out of this implementation and only the direct recruits executives working at lower rung of executives were the beneficiaries of implementation of superannuation benefit. This association took up this issue in year 2009 itself before BSNL management but management put forth wrong data (stating BSNL is already contributing 39% of Basic+IDA as superannuation benefit for direct recruits) in the agenda meeting held in Feb-2010 under the chairmanship of then CMD BSNL which resulted in formation of committee to verify the data (point 3 of Record of the meeting is attached herewith and marked as [Annexure-7](#)). However, after persuasions at all levels, management finally agreed that the contribution is limited to 18%. But even then, the implementation of superannuation benefit is being delayed on one or other pretext for reasons best known to management.
- 4.6 Now, after passing of more than 7 years from date of effect i.e. 01.01.2007 just due to inefficiency and lack of interest on management part, denying the implementation of superannuation benefit in totality to the direct recruits citing today's financial and or any other grounds is highly unjustified and unfair on the part of management.
- 4.7 It is also learnt that, contribution towards superannuation benefit of direct recruits is being compared with the contribution towards superannuation benefit of absorbed

executives. It is worth mentioning here that benefit of pay revision for CPSEs executives is finalized by government of India and before finalization of quantum of superannuation benefit, inference have already been taken from the benefit available to government employees under rule 37 of CCS pension rule. There is no scope for the CPSE to further compare and modify the superannuation benefits. Pensionary benefits of absorbed executives are defined benefit and have no relation with contribution paid by BSNL as far as return is concerned. Pensionary benefit of absorbed executives is highly secured and will increase with inflation and subsequent pay revisions even after their retirement. Contribution for defined benefit cannot be fixed by BSNL and will have to be paid in totality as and when decided by government of India. On the other hand superannuation benefit for direct recruits in CPSEs is under defined contribution scheme and return is directly proportional to contribution paid by BSNL. This benefit is not secured and return is highly uncertain. Absorbed executives of BSNL have opted their retirement benefit under defined benefit scheme as available for employees working in government department but same option is not available for the direct recruits of BSNL. BSNL is bound to pay the contribution in totality in respect of absorbed executives as and when decided by government. Similarly BSNL must pay the contribution towards superannuation benefit in totality for CPSE executives under the defined contribution scheme as decided by the government of India through DPE. Absorbed executives may be allowed to opt superannuation benefit of CPSE but there is no justification to compare contribution in respect of two sets of retirement benefit.

4.8 DPE has already decided the date of effect of various benefits followed by 2<sup>nd</sup> PRC , CPSE have no scope to decide the date of effect of pay revision benefit. Administrative ministry vide para-8 of the presidential order issued on 27<sup>th</sup> Feb-2009 ([Annexure-8](#)) have already extended the covering approval in respect of implementation of superannuation benefit in accordance with the guidelines and instructions issued by DPE.

4.9 **Considering the above facts and submission committee may be requested to consider the implementation of 30% of Basic+IDA as superannuation benefits in totality in respect of direct recruit's executives of BSNL w.e.f. 01.01.2007 in accordance with the guidelines and instructions issued by DPE.**



F. No. 2(32)/08-DPE (WC)  
Ministry of Heavy Industries & Public Enterprises  
Department of Public Enterprises

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Copy No.....

Dated: 12 November, 2008

NOTE FOR THE CABINET

**Sub: Pay Revision of Executives (Board level Executives, below Board level Executives and Non-Unionised Supervisors) of Central Public Sector Enterprises (CPSEs) w.e.f. 1.1.2007.**

**1. Background**

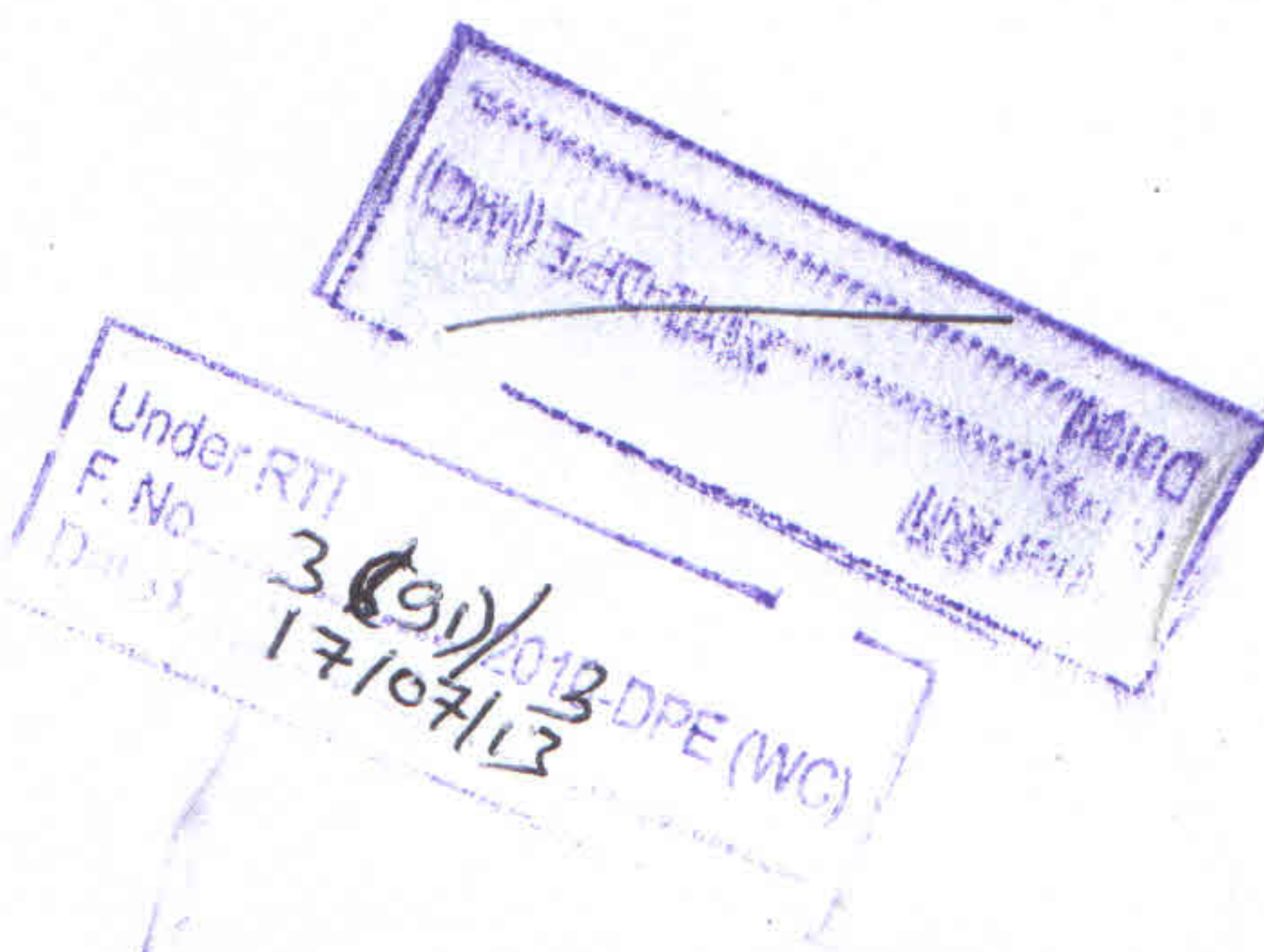
1.1 There are 247 CPSEs in the country, out of which 216 are in operation. The workforce in these CPSEs consists broadly of two categories of employees viz. i) Board level executives, below Board level executives and Non-Unionised Supervisors; and ii) Unionised Workmen. The pay revision of the first category is carried out on the basis of the recommendations of the Pay Revision Committee, appointed by the Government. Remuneration in respect of the second category are to be decided by the Management of the respective CPSEs, based on the guidelines on wage negotiations, issued by the Department of Public Enterprises (DPE).

1.2 In total, there are about 16.14 lakh employees in 247 CPSEs. Out of which, 2.58 lakh belong to the Board level and below Board level executives, 1.20 lakh belong to the Non-Unionised Supervisors and the remaining 12.36 lakh belong to the Unionised Workmen. Approximately 96.36% of manpower is governed as per the Industrial Dearness Allowance (IDA) pattern of scales. The remaining manpower is covered under the Central Dearness Allowance (CDA) pattern of scales, which have since been revised based on the recommendations of 6<sup>th</sup> Central Pay Commission.

1.3 Based on the recommendations of the Justice Mohan Committee (1<sup>st</sup> Pay Revision Committee), the orders for revision of scales of pay w.e.f. 1.1.1997 for

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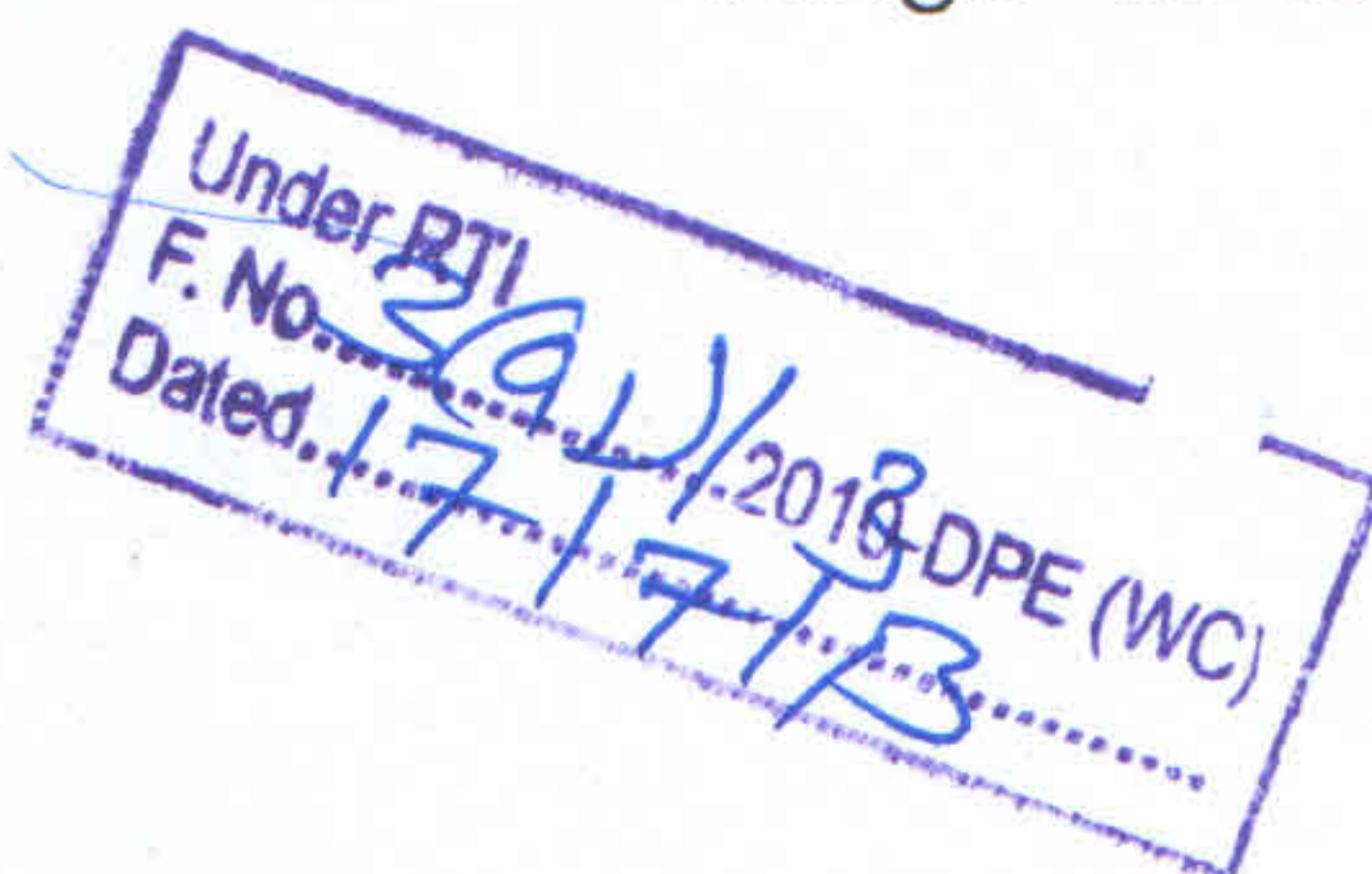
Board level executives, below Board level executives and non-unionized supervisors in CPSEs were issued in June, 1999. These scales of pay were valid for a period of 10 years. Pay revision for these categories of employees is due from 1.1.2007. This note covers the revision of pay and allowances of employees falling in the categories of Board level Executives, below Board level executives and Non-Unionised Supervisors, in the CPSEs governed under IDA pattern of scales of pay.

**2. The Second Pay Revision Committee (2<sup>nd</sup> PRC)**

2.1 The Government on 30.11.2006 decided to appoint the Second Pay Revision Committee to examine the present pay structure, allowances, perks and benefits for CPSE executives at the Board level, below Board level and non-unionized supervisory staff and to recommend changes in the same, w.e.f. 1.1.2007. The Committee was headed by Justice M. Jagannadha Rao, a retired Judge of Supreme Court of India. Dr. Nitish Sengupta, Economist and former Secretary, Planning Commission, Shri P.C. Parakh, former Secretary to the Government of India, Ministry of Coal, and Shri R.S.S.L.N. Bhaskarudu, former Managing Director, Maruti Udyog Limited and former Chairman, Public Enterprises Selection Board (PESB), were the Members of the Committee. Secretary, Department of Public Enterprises, Government of India was the Ex-officio Member of the Committee. The detailed Terms of Reference of the Committee are at Annex. I (pages 14 - 16). The Committee had tenure of 18 months and within the stipulated time, the Committee submitted its Report on 30.5.2008 to the Government.

**3. Methodology adopted by the Second Pay Revision Committee**

3.1 The Committee held detailed deliberations and interactions on a wide range of issues with a cross section of Chief Executives, representatives of





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Executives' Associations, BIFR, PESB, 6<sup>th</sup> Central Pay Commission, Senior Civil Servants, Standing Conference of Public Enterprises (SCOPE), Institute of Public Enterprise, Hyderabad, some renowned private sector companies and others concerned.

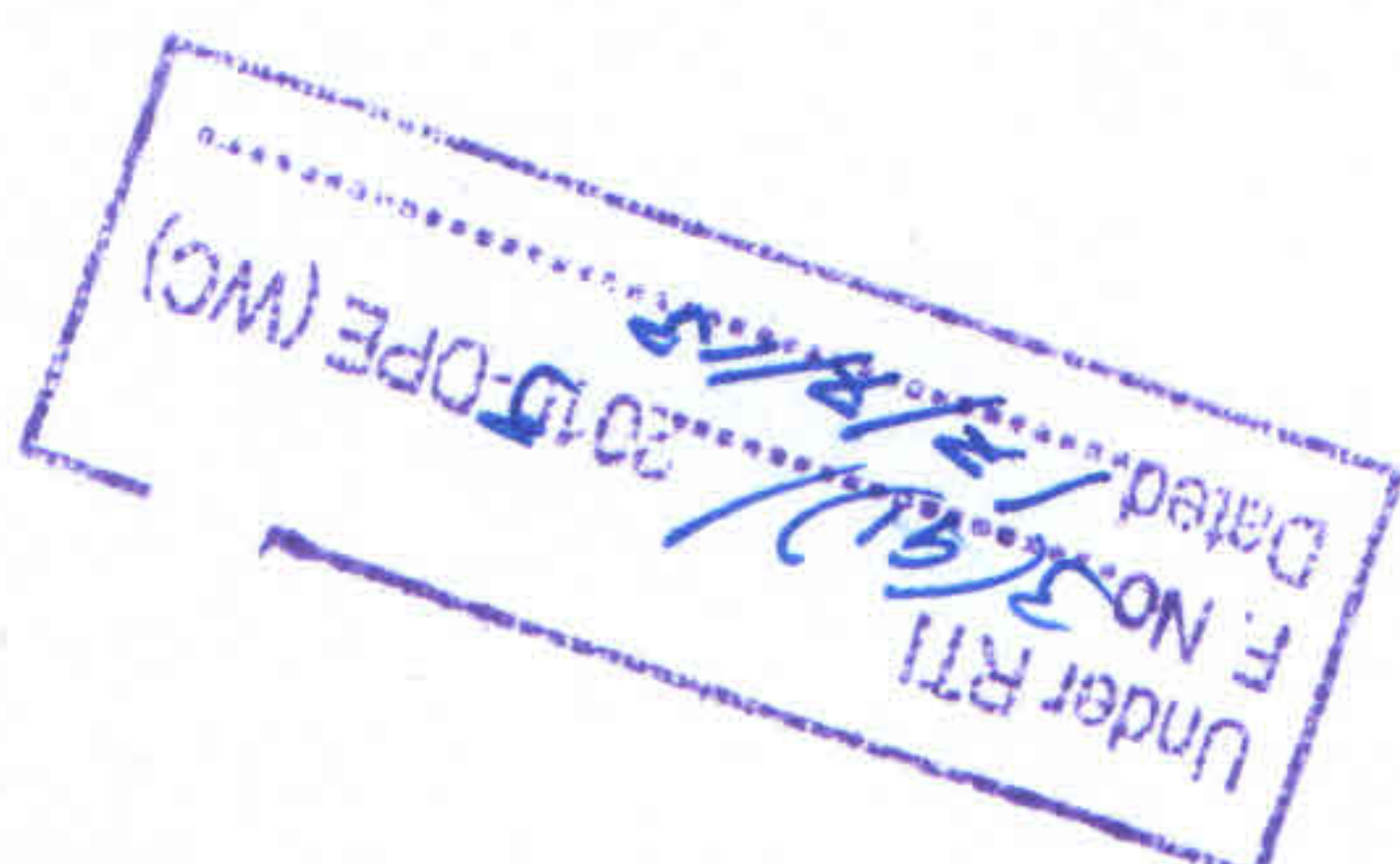
**4. Recommendations of the Second Pay Revision Committee**

4.1 Recommendations of the 2<sup>nd</sup> PRC as contained in Chapter 6 of the Report is given in Annex. II (pages 17 - 32) of the Note. The report of the 2<sup>nd</sup> PRC was also placed on the website of this Department.

**5. Consideration of Report by Committee of Secretaries:**

5.1 A draft Cabinet Note was earlier circulated to all Administrative and Nodal Ministries/ Departments, Planning Commission and Public Enterprises Selection Board (PESB) for their comments/ views. The comments received from Administrative Ministries/ Departments concerned with the CPSEs and other nodal Departments/ Organizations like Public Enterprises Selection Board (PESB) etc. alongwith comments of this Department have been placed at Annex. III (pages 33 – 60). The comments received from CPSEs, Officers' Associations, Non Unionized Supervisors' Association, SCOPE etc. is at Annex. IV (pages 61 – 64). On examination of the Comments/ views so received, it was found that on the following three basic issues, the Ministries/ Departments and others had divergent views and also raised serious apprehensions:

**(A) CATEGORIZATION OF CPSEs** – At present, all the CPSEs are divided into four categories, namely, 'A', 'B', 'C' and 'D'. The 2<sup>nd</sup> PRC has proposed to change the entire basis of categorization and recommended five categories, namely, A+, A, B, C and D.





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The proposed classification of the companies in the five categories have been made by the Committee considering the three parameters only with different weightages namely, turnover (75 %), manpower (15 %) and geographical spread (10 %). (The data for this has been taken from the 'Public Enterprises Survey' 2007). As a result, some of the companies which are in the Navratna categories are not placed in the A+ category whereas a few in the non-Navratna companies have been placed in A+. Many of the Ministries, CPSEs and Executive Associations have represented against this type of categorization and the basis of the categorization.

In certain sectors like Petroleum, Power, Steel and Telecom, there are companies which are now in the same category, have been proposed by the Committee to be placed in different categories on the basis of the parameters mentioned above. In the Power Sector, there will be problem with NTPC on one hand and National Hydro Power Corporation Ltd. (NHPC) & Power Grid Corporation on the other. In the Oil Sector, there would be problem with Oil and Natural Gas Corporation (ONGC) on one hand and Oil India Ltd. (OIL) on the other. In the Steel sector, there will be problem with the Steel Authority of India Limited (SAIL) on the one hand and MECON Limited and Rashtriya Ispat Nigam Limited (RINL) on the other. Similar problem will also arise with BSNL & MTNL in the Telecom Sector. This may result in serious discontentment among the executives working in different CPSEs in the same sector.

**(B) FIVE SETS OF SCALES AT BOARD AND BELOW BOARD LEVELS IN ALL CPSEs**

2<sup>nd</sup> PRC has recommended 5 set of scales of pay for executives depending upon the category of the CPSE. The scales of pay of below Board level executives in all four categories of the CPSEs (namely A, B, C and D), have



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all along been common, while Board level executives in the said four schedules have been given four set of different pay scales.

Differentiation in pay scales will lead to a number of litigations and HR problems as executives will be monetarily impacted. Having different pay scales between two CPSEs within the same industry, may have implications, when physical and financial performance is similar but potential to earn differs. The differentiation of pay scales will obviously create a lot of resentment among the executives of the CPSEs.

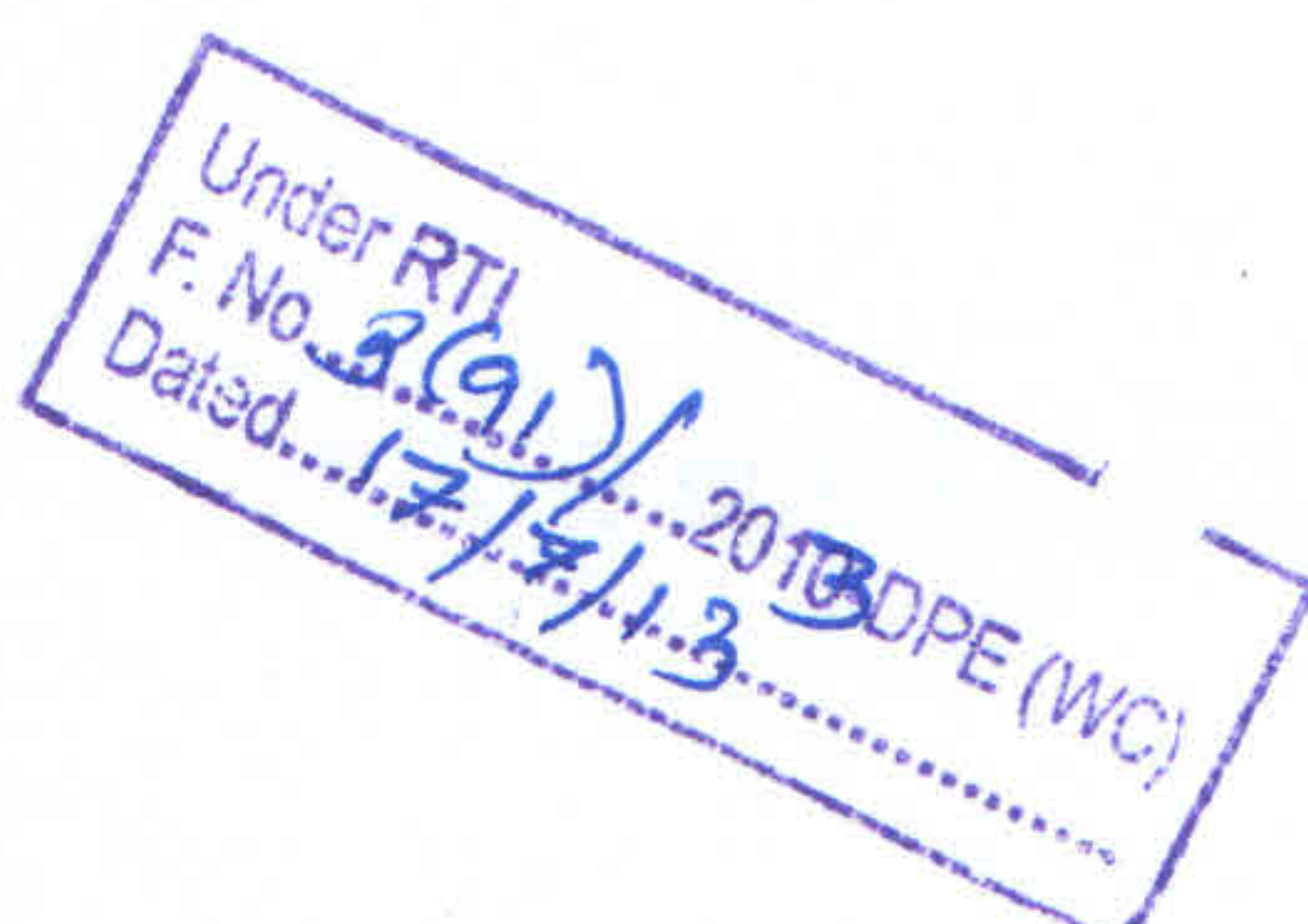
**(C) GRADED FITMENT IN A CPSE & ACROSS THE CPSEs**

While recommending five set of pay scales, the Committee has also recommended graded fitment benefit which will vary depending on the category of the company as well as on the pay grade of the executives making the fitment benefit widely varying among different classes of executives. The fitment so far has been uniform for all the executives irrespective of the category of the CPSE and the pay grade. The graded fitment is likely to lead to wide dissatisfaction across the CPSEs and executives.

The matter was placed before the Minister (HI & PE) and on whose direction these issues were discussed with the Cabinet Secretary. The Cabinet Secretary directed that these issues would require deliberations by a CoS.

5.2 Accordingly, these issues were placed before CoS through a Note dated 01.10.2008. A copy of the CoS Note is at Annex. V (pages 65 – 69). CoS held its meetings on 14.10.2008 and 23.10.2008 to discuss these issues.

→ 5.3 After detailed discussions and analysis, the CoS recommended as follows:



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- i) The existing categorization of CPSEs into schedule A, B, C & D should continue instead of the new categorization of CPSEs into five categories based on different sets of parameters recommended by 2<sup>nd</sup> PRC.
- ii) A single set of pay scales should be followed for executives for different grades with an elongated span to avoid stagnation instead of 5 sets of scales of pay recommended by the 2<sup>nd</sup> PRC. Since there will be no A+ category, there will not be E-10 grade as recommended by the 2<sup>nd</sup> PRC.
- iii) Separate sets of pay scales should be followed for Directors and CMDs depending upon the schedule of the CPSE instead of fixed pay as recommended by the 2<sup>nd</sup> PRC.
- iv) The proposed scales of pay for executives and Directors/ CMDs may be as per the Annex. VI (page 70).
- v) No Risk Pay will be paid separately as Risk Pay recommended by the 2<sup>nd</sup> PRC will be merged with the minimum as well as the maximum of the proposed pay scales and treated as part of Basic pay.
- vi) A uniform fitment @ 30% of Basic Pay + DA as on 01.01.2007 may be provided to all executives instead of graded fitment of 3% to 42% as recommended by the 2<sup>nd</sup> PRC. The CoS also noted that because of comparatively higher scales at the senior management level for E7 to E9 categories and Board level posts, fitment could be more than 30%.
- vii) The benefit of bunching one increment for every two increments earned may be extended to mitigate the problem of junior and senior executives getting the same pay.

Under RTI  
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- viii) The ceiling of Gratuity for the executives of CPSEs may be increased to Rs. 10 lakh instead of Gratuity without any upper ceiling limit as recommended by 2<sup>nd</sup> PRC.
- ix) Since the base is higher, a uniform rate of annual increment @ 3% of Basic Pay in all CPSEs could be allowed instead of 2% to 4% as recommended by the 2<sup>nd</sup> PRC.
- x) The rate of stagnation increment may be 3% of the Basic Pay instead of 2% as recommended by the 2<sup>nd</sup> PRC. Other conditions relating to stagnation increment recommended by the 2<sup>nd</sup> PRC will continue.
- xi) EDs/ GMs heading projects of CPSEs may also be provided with company car.
- xii) Marginally profit making CPSEs may implement the proposed scales of pay with the uniform lower fitments of 10% or 20%, depending upon affordability.
- || xiii) The recommendations of the 2<sup>nd</sup> PRC with the above suggested modifications will be implemented as a package.
- xiv) An Anomalies Committee consisting of Secretaries of DPE, DoE and DoPT may be constituted to look into further specific issues/ problems that may arise in implementation of the Government's decision on the recommendations of the 2<sup>nd</sup> PRC.

5.4 A copy of the Minutes of CoS is at Annex. VII (pages 71 – 78).





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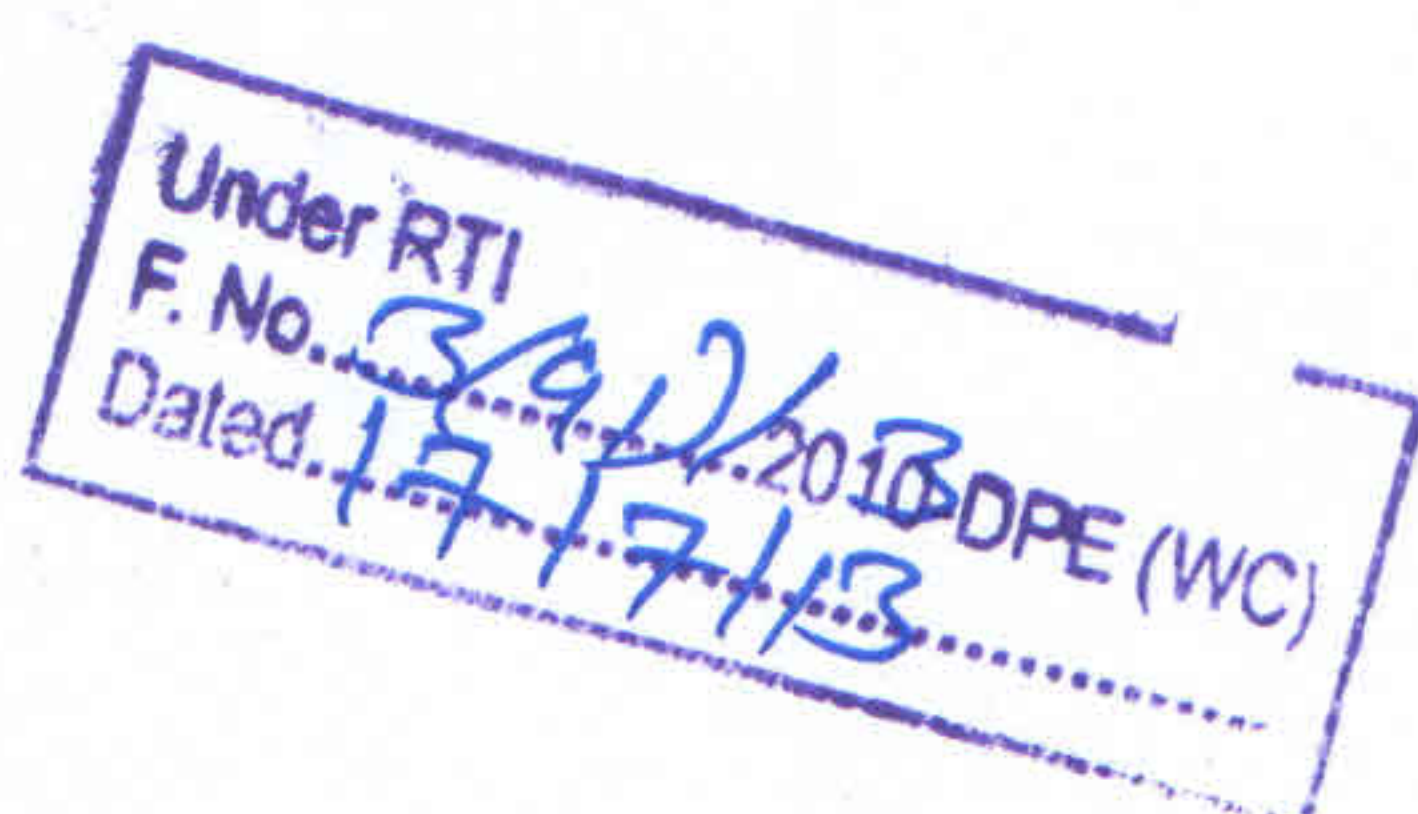
5.5 The stages of implementation of pay revision in a CPSE, depending upon their affordability as recommended by 2<sup>nd</sup> PRC will also stand modified, in the light of the recommendations of CoS, as under:

- |         |   |  |
|---------|---|--|
| Stage 1 | - | Basic pay + HRA + Statutory contributions                              |
| Stage 2 | - | Basic pay + HRA + Statutory contributions + part allowances + part PRP |
| Stage 3 | - | Full package   |

Those marginally profit making CPSEs, which are not able to implement even stage 1 mentioned above may give an increase of 10% or 20% of their existing pay plus DA, depending upon their affordability.

6 CoS has recommended that all the recommendations of the 2<sup>nd</sup> PRC (Annex. II) with the suggested modifications by CoS will be implemented as a package. The recommendations of 2<sup>nd</sup> PRC with regard to Dearness Allowance, House Rent Allowance, Leased Accommodation, City Compensatory Allowance, other allowances/ perks, Variable Pay/ Performance Related Pay, Memorandum of Understanding, Performance Management System, Remuneration Committee, Long Term Incentives, Cost to the Company, retirement age, Non Unionized Supervisory staff, pay of executives moving from holding CPSEs to subsidiaries or vice-versa on deputation/transfer, pay of government officers on deputation to CPSEs and Superannuation Benefits are proposed to be implemented.

7 The recommendations of 2<sup>nd</sup> PRC with regard to Sick Companies (para 6.2.4, Annex. II), CPSEs having income levels of less than Rs 50 crores and creating a corpus for retired executives for medical and any other emergency needs (para 6.2.5 (b) & (c) Annex. II) will be examined separately.





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8. The 2<sup>nd</sup> PRC has recommended that appropriate compensation packages for Non Unionized Supervisors may be decided by the respective Board of Directors of the CPSEs. The 2<sup>nd</sup> PRC has recommended that by implementing these recommendations, dip in profit for the year 2007-08 of a CPSE should not exceed 20% in respect of executives, for the purpose of deciding affordability. The 2<sup>nd</sup> PRC also recommended that the total Performance Related Pay will be limited to 5% of the year's Profit before Tax, for the executives. Since the Second Pay Revision Committee was required to give their recommendations in respect of executives as well as non unionized supervisors as per the terms of reference these recommendations relating to ceilings on dip in profit and Performance Related Pay would be for the executives and non unionized supervisors taken together in a CPSE.

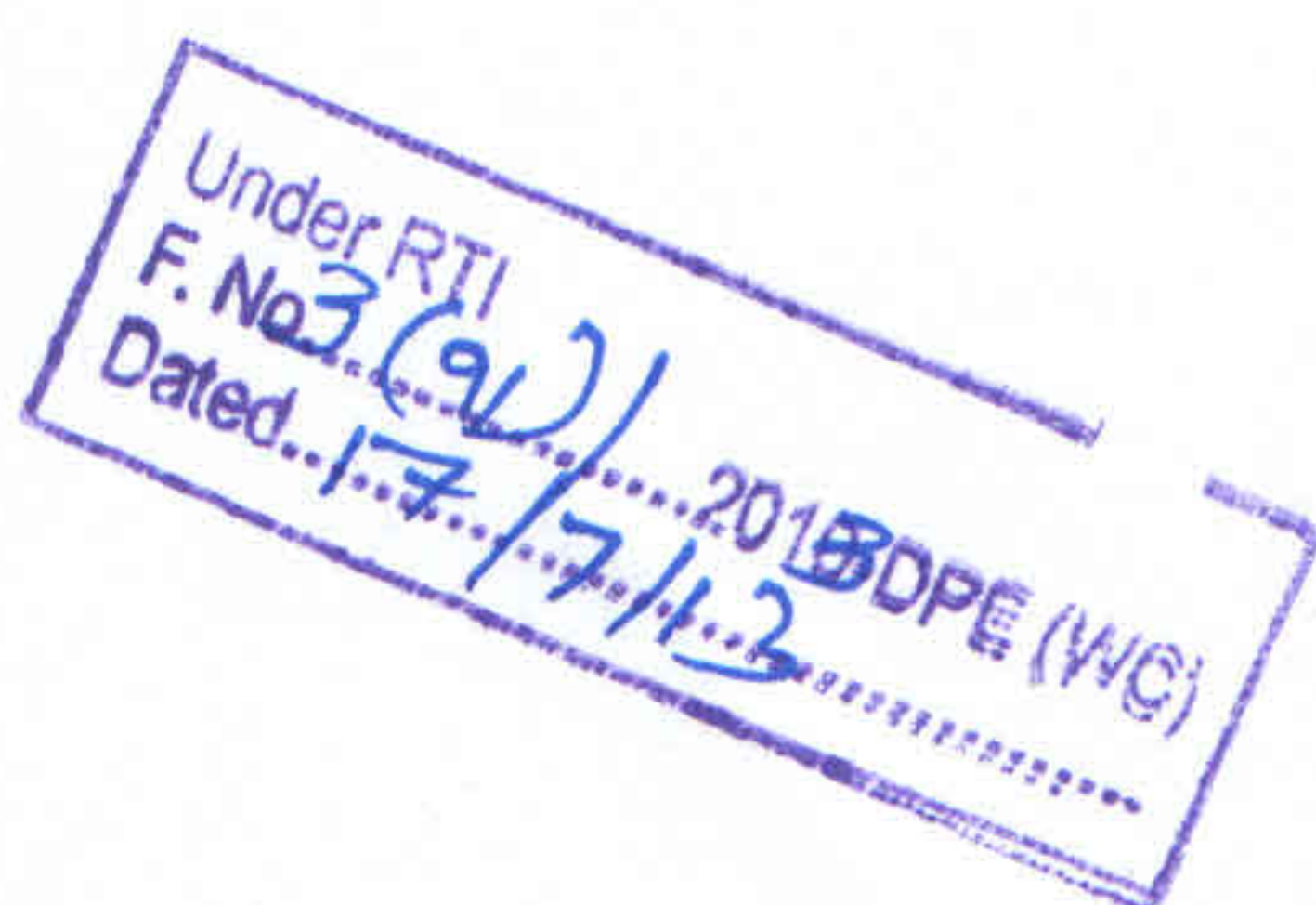
9.1 If any extra ordinary increment (s) and / or increase in the pay in respect of executives/ non unionized supervisors have been granted with retrospective effect, which affects the revision of pay as on 1.1.2007, such increment and / or increase in pay will be ignored for the purpose of fitment/ pay revision.

9.2 In view of comparatively higher pay package given to senior management level, it is proposed that the posts in E-7 and above grades would be created after obtaining the approval of Administrative Ministries. The posts carrying pay scales equivalent to Functional Directors of Boards would be created with the approval of Department of Public Enterprises.

9.3 The 2<sup>nd</sup> PRC has recommended that on promotion of executives, the management can use its discretion in fixing the pay. It is felt that to have uniformity, one notional increment equal to the increment being drawn by the executive in the pay scale, before such promotions be granted and pay fixed in the promoted pay scale and rounded off to the next multiple of Rs. 10.

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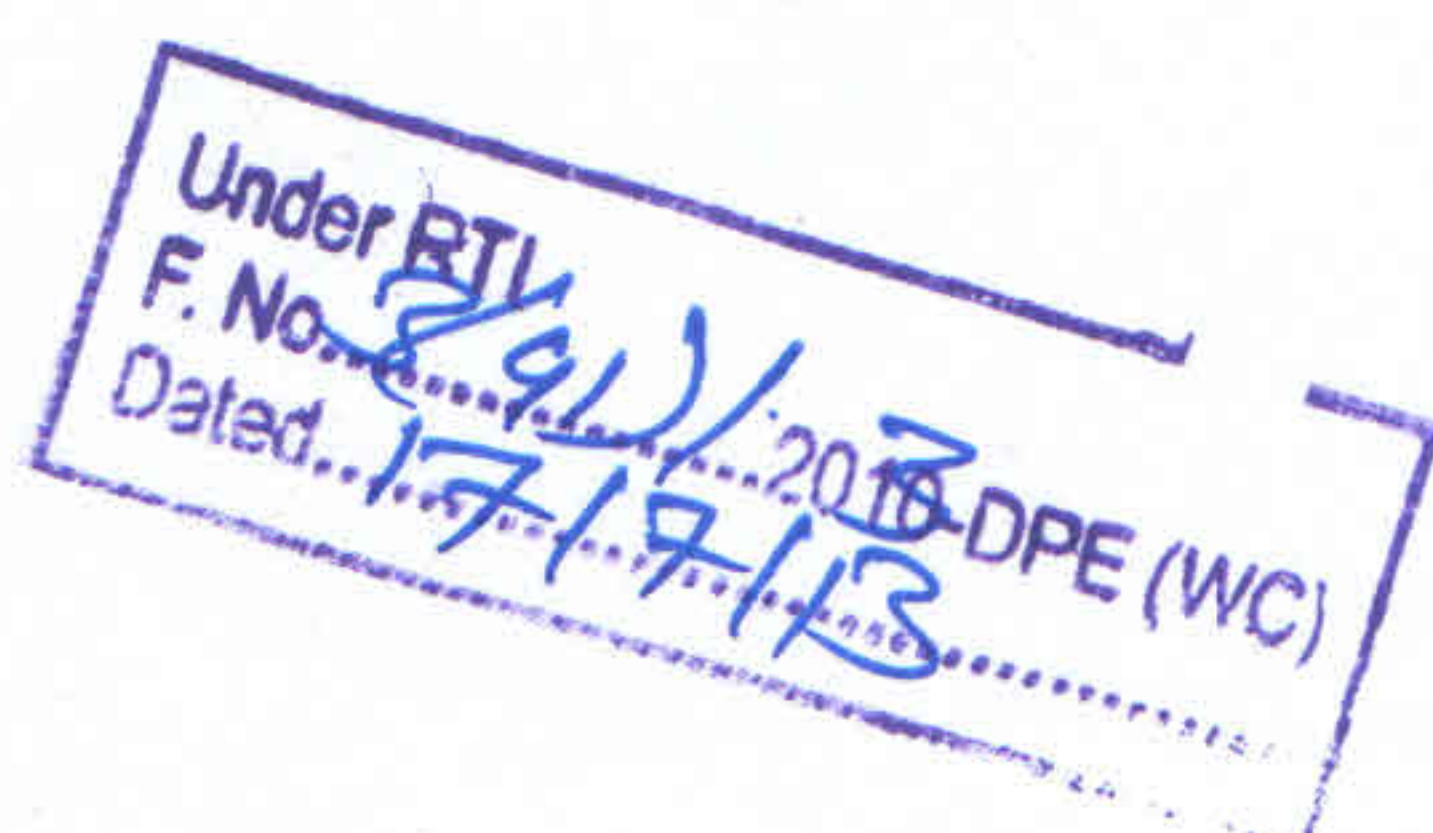
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10. The revised pay scales would be implemented by issue of Presidential Directive in respect of each CPSE separately by the concerned Administrative Ministry/ Department. The revised pay scales will be effective from 1.1.2007. The payment of HRA, perks and allowances based on the revised scales will, however, be from the date of issue of Presidential Directives as was the practice followed for implementing the recommendations of 1<sup>st</sup> PRC for CPSE executives and the 6<sup>th</sup> Central Pay Commission for Central Government employees. 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 for approval. The concerned Administrative Ministry with the concurrence of its Financial Advisor will issue the Presidential Directive.

11. Expenditure on account of pay revision is to be entirely borne by the CPSEs, out of their earnings and therefore, no financial outgo from the Government on account of pay revision is envisaged.

**12 Inter Ministerial Consultation**

12.1 As indicated in para 5.1, a draft Cabinet Note was earlier circulated to all Administrative and Nodal Ministries/ Departments, Planning Commission and Public Enterprises Selection Board (PESB) for their comments/ views. The comments received from Administrative Ministries/ Departments concerned with the CPSEs and other nodal Departments/ Organizations like Public Enterprises Selection Board (PESB) etc. alongwith comments of this Department have been placed at Annex. III (pages 33 – 60). As directed by the Cabinet Secretary, the matter was considered by CoS. The CoS has recommended that the matter may be placed before Cabinet with recommendations of CoS and the Cabinet Note may be processed in a time bound manner.





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13. Approval sought:

Approval of the Cabinet is sought for the following:

- i) To accept the recommendations of 2<sup>nd</sup> PRC as given <sup>m</sup> para ~~10~~ 6 above.
- ii) To accept the recommendations of CoS as indicated in para 5.3 including the proposed scales of pay as in Annex VI.
- iii) The stages of implementation of pay revision will be as per para 5.5.
- iv) The ceilings in respect for implementation of pay revision will be as indicated in para 8.
- v) Procedure of arriving at the Basic Pay as on 1.1.2007, creation of posts at senior management level and pay fixation on promotion will be as per para 9.1, 9.2 & 9.3 respectively.
- vi) The pay revision will be effective from 01.01.2007. The effective date of perks and allowances will be as per para 10.
- vii) The expenditure on account of pay revision would be borne by the CPSE concerned from their own resources as indicated in para 11.
- viii) The Department of Public Enterprises may be authorized to issue necessary clarifications in implementation of the above decisions of the Cabinet.

14. Statement of Implementation schedule is at Appendix.

15. This note has been seen and approved by Minister of Heavy Industries & Public Enterprises.

*K.D. Tripathi*  
(K.D. Tripathi)  
Joint Secretary  
Tel. No. 24360204

Dated: 12.11.2008  
Place: New Delhi

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## Appendix

STATEMENT OF IMPLEMENTATION SCHEDULE

Sub: Pay revision of executives and non-unionized supervisors due from 1.1.2007.

Gist of decision	Projected benefits/ results	Time schedule and manner of sending implementation Report to Cabinet
<p>i) To accept the recommendations of 2<sup>nd</sup> PRC as a package with regard to Dearness Allowance, House Rent Allowance, Leased Accommodation, City Compensatory Allowance, other allowances/ perks, Variable Pay/ Performance Related Pay, Memorandum of Understanding, Performance Management System, Remuneration Committee, Long Term Incentives, Cost to the Company, retirement age, Non Unionized Supervisory staff, pay of executives moving from holding companies to subsidiary companies or vice-versa on deputation/ transfer, pay of Government officers on deputation to CPSEs and Superannuation Benefits.</p> <p>ii) To accept the recommendations of CoS including the Scales of Pay.</p> <p>iii) To implement pay revision in stages depending upon affordability.</p> <p>iv) The ceilings for implementation of pay revision will be applicable for executives and non unionized supervisors.</p>	<p>The proposed pay revision would benefit the executives and non-unionized supervisors of CPSEs and help CPSEs to attract and retain talent.</p>	<p>Orders to implement the decisions of the Cabinet would be issued immediately.</p>



(N) It may be seen from CTC statements that the ratio of CTC between the Entry level Executives and the CMD level is less than 1: 10 in all categories, except in the solitary case of A+ Category company computed at the minimum of the scale with perks and maximum PRP. Since many of the A+ CPSEs do not operate E-0 scale, this ratio may not touch 1:10 in most of A+ CPSEs also. CTC recommended are the maximum limits and actual package could vary for each executive depending upon the affordability of the company and the performance of the individual. CTC does not include DA, cost of cars provided to CMDs and Directors, stagnation increments, cost of leased accommodation over and above the 30% of Basic Pay and special allowances mentioned at Para 6.2.3.(H) above.

(O) Examples of how the pay revision has to be effected by the companies with different profitability are given below;

### **Illustration of methodology for implementation of Pay revision**

#### **Case I:**

a) Profit before tax in 2007-08 before Rs. 1000.00 Cr.

Implementing the Pay revision

b) 20% of PBT Rs. 200 Cr.

Different elements of compensation before Pay Revision and after Pay Revision

Rs. Cr.					
S. No.	Component of Pay	Pre-Revised	After Revision	Additional cost due to Revision	% Increase
1.	Basic plus DA	98.64	137.28	38.64	39
2.	HRA	17.53	41.18	23.65	135
3.	Risk Pay	--	12.84	12.84	--
4.	Perks & Allowances	38.67	68.64	29.97	77
5.	Retiral Benefits	23.38	41.84	18.46	76
6.	PRP / Variable Pay	13.12	30.00	16.88	129
7.	<b>Total</b>	<b>191.34</b>	<b>331.78</b>	<b>140.44</b>	<b>73</b>

The additional cost of the Pay revision is about 14% of the Profit before tax which is less than stipulated limit and in view of this the Enterprise can implement the revision in all the components of the Pay.

**Case II:**

- |  |             |
|--|-------------|
| a) Profit before tax in 2007-08 before | Rs. 550 Cr. |
| Implementing the Pay revision          |             |
| b) 20% of PBT                          | Rs. 110 Cr. |

The Enterprise will not able to implement revision to the full extent in all the components. The additional cost due to increase in Basic Pay plus Risk Pay plus DA plus HRA and Retiral benefits will add up to Rs. 93.59 Crores (Rs.38.64+23.65+18.46+12.84) and this can be accommodated with in the provision of Rs. 110 Cr. The remaining amount of Rs. 16.41 Cr. can be utilized towards additional Allowances and Part Payment of PRP.

**Case III:**

- |  |             |
|--|-------------|
| a) Profit before tax in 2007-08 before | Rs. 450 Cr. |
| Implementing the Pay revision          |             |
| b) 20% of PBT                          | Rs. 90 Cr.  |

The Enterprise will not able to implement revision to the full extent in all the components. The additional cost due to increase in Basic Pay plus DA plus HRA and Retiral benefits will add up to Rs. 80.75 Crores (Rs.38.64+23.65+18.46) and this can be accommodated with in the provision of Rs. 90 Cr. The remaining amount of Rs.9.25 Cr. can be utilized towards the Part Payment of Risk .

**Case IV:**

- |  |             |
|--|-------------|
| a) Profit before tax in 2007-08 before | Rs. 250 Cr. |
| Implementing the Pay revision          |             |
| b) 20% of PBT                          | Rs. 50 Cr.  |

The Enterprise will not be able to implement revision to the full extent in all the components. Since the enterprise is making Cash Profit, they can only pay Basic Pay + DA + HRA and statutory benefits.

- (P) **Retirement Age:** The Committee is not recommending any increase in the retirement age for the reasons stated in the Chapter on Paradigm shift.

#### **6.2.4 SICK COMPANIES**

The Committee recommends that Sick Enterprises that are making cash profit may be allowed to implement the pay revision without Risk Pay or Variable Pay. CPSEs that are not making cash profit should be examined by BRPSE in a period of six months for revival or closure. Enterprises that are recommended for revival should include the proposal for revised Pay scales. If Enterprises are recommended for closure, the executives should be compulsorily retired by paying compensation based on the revised basic pay recommended. They may be paid compensation at the rate of 2 months Basic Pay plus DA for every year of service completed or amount equal to the salary for the remaining period of service whichever is less. The Committee also recommends that where a sick company has been brought to the level of earning cash profits on account of the efforts made by the Chairman/Managing Director/Director, such officials should be allowed to continue up to the age of 60 years in order to enable them to continue the good work in reviving the CPSE.

#### **6.2.5 OTHER RECOMMENDATIONS**

- a) The Committee recommends some of the Enterprises listed at **Annex- 4.1**, which are not strictly operating on commercial lines or incorporated under Section 25 of the Companies Act, 1956 to implement Government programmes in specific sectors or to service specific Government Departments may be taken out of the recommendations of this Committee. In case this is not considered feasible, the enterprises concerned will implement scales applicable to their respective categories.
- b) Enterprises in Category D having income levels of less than Rs. 50 Crores are too small to be managed by the Central government for the reasons stated in the

Paradigm shift Chapter. The Government may withdraw from these Enterprises through merger, privatization or otherwise.

- c) The Committee recommends that CPSEs may create a corpus by contributing 1% to 1.5 % of PBT to create a fund in order to take care of medical and any other emergency needs of retired executives and also those who are not adequately covered by the Pension scheme

**d) Non-unionized Supervisory Staff**

Since Non-Unionised Supervisory staff are not uniformly present in all CPSEs, the Committee recommends that appropriate compensation packages for this segment may be decided by the respective Board of Directors of the CPSE where this category of employees are functioning.

**6.2.6 All recommendations to be read in conjunction with the chapter on Paradigm Shift.**

The detailed reasons on the basis of which recommendations have been made are contained in the chapter on Paradigm Shift. These recommendations should therefore, be read in conjunction with the contents of that chapter.

**Justice (Retired) M. Jagannadha Rao**  
**Chairman**

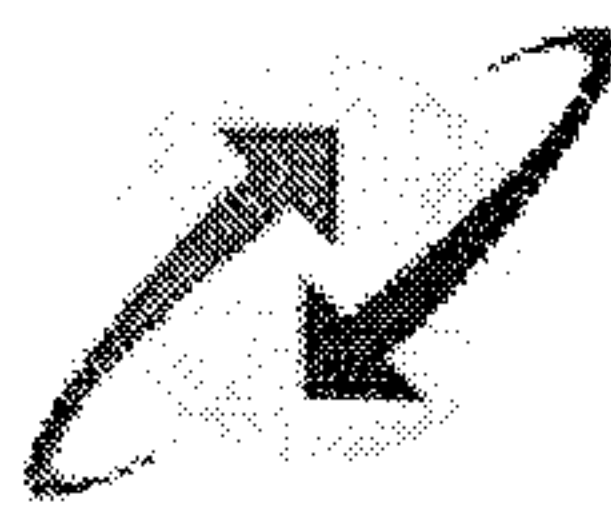
**Nitish Sengupta,**  
**Member**

**P.C.Parakh,**  
**Member**

**R.S.S.L.N. Bhaskarudu,**  
**Member**

**R. Bandyopadhyay,**  
**Ex-Officio Member**

**\*\*\*\***



No. 1-47/2009- PAT(BSNL)

Dated: 19.08.2011

Office Order  
(No. 21 of 2011)

Subject: Central Civil Services (Revised Pay) Rules, 2008- Up-gardation of scale in respect of Junior Telecom Officers in DOT - regarding.

Orders for up-gradation of the post of Junior Telecom Officer and their placement in the scale of Rs. 7450-11500 (pre-revised) corresponding to the revised pay band PB-2 of Rs. 9300-34800 along with grade pay of Rs. 4600 w.e.f. 1.1.2006 has been issued by DoT Vide OM No. 1-5(7)/2008-PAT dated 03.06.2009 (copy enclosed).

2. It has been decided with the approval of competent authority that orders of Government for up-gradation of the post of JTOs and their placement in the scale of Rs. 7450-11500 (pre-revised) corresponding to the revised pay band PB-2 of Rs. 9300-34800 along with grade pay of Rs. 4600 w.e.f. 1.1.2006, may be implemented for those JTOs who have opted for DoT but worked in BSNL on deemed Deputation basis for the period they worked in BSNL.

3. It may be noted that the above orders do not have any relevance for the JTOs of BSNL who are drawing pay in IDA pay scales and whose absorption cases in BSNL are pending due to non-issue of P.O.s so far due to involvement in disciplinary case or any other reason known to the concerned units.

[Sheo Shankar Prasad]  
**Assistant General Manager (Pers. V)**  
Tel. No. 23037475

To

All Heads of Telecom circles.  
All Heads of other Administrative units.

Copy to:

1. PPS to CMD, BSNL, New Delhi.
2. PPS to Dir(HR) / Dir(Enterprise) / Dir(CFA) / Dir(CM) / Dir(Finance) BSNL Board.
3. All PGMs / Sr. GMs in BSNL C.O., New Delhi
4. DGM (A) / (CA) / (EF) / (Pers.) / (SEA) / (Civil) / (Arch) / (Elect.) / (TF) BSNL C.O.
5. AGM (R&P) / (EF) / (SEA) / (Pers.I) / (Pers.II) / (Pers.III) / (Pers.IV) / (Civil) / (A&E) / (CSS) / (TF) BSNL C.O.
6. DM (Pay Bill)/(Cash)/(L&A)/(Pension), BSNL C.O.
7. AD(OL), BSNL CO with request to provide Hindi version within 15 days from the date of issue of this order.
8. Guard File.



SN	NAME OF CPSE	DESIGNATION	PRE-REVISED PAY		REVISED PAY		QUALIFICATION	REMARK
			TRAINING	POST TRAINING	TRAINING	POST TRAINING		
1	BHEL	Engineer Trainee	10750-430-16750	11225-450-17525	20600-46500	24900-50500	Bachelor's degree holder in Engineering /Technology or Five year integrated Master's degree or Dual Degree programme in Engineering or Technology in the disciplines of Mechanical /Electrical /Electronics Engineering.	
2	CIL	Management Trainee	8600-	10750	20600-46500	24900-50500	Minimum 60% marks in BE/ B.Tech/ B.Sc in relevant branch of Engineering Minimum 60% marks in BE/ B.Tech/ BSc. (Engg) in Computer Science/ Computer Engg. / IT or MCA with minimum 60% marks.	in 2011 MT recruitment is done at 16400 and after training 20600 but now they have been upgraded to 20600 duering training and 24900 after one year training.
3	GAIL	Executive Trainees	10750-430-16750	10750-430-16750	24900-50500	24900-50500	Bachelor Degree in Engineering in Instrumentation / Instrumentation & Control / Electronics & Instrumentation / Electrical & Instrumentation / Electronics / Electrical & Electronics with minimum 65 % Marks.	IN 2009 RECRUITMENT IS DONE AT BASIC PAY OF 20600 BUT NOW UPGRADED TO 24900
4	SJVN	Executive Trainee	8600-250-14600	10750-300-16750	20600 - 46500	24900 - 50500	Should possess Degree in Engineering (Mechanical, Civil, Electrical	

5	HPCL/BPCL/ OCL/ONGC	Officer Trainee	12000- 17500	12000- 17500	33000 stipend	24900- 50500	Minimum educational qualification for employment in above mentioned positions are: Candidates should have passed qualifying degree examinations and awarded bachelor's degree in engineering/technology in the above mentioned disciplines. All the qualifications should be full time regular course/s from AICTE approved / UGC recognized University/Deemed University. The courses offered by Autonomous Institutions should be equivalent to the relevant courses approved / recognized by Association of Indian Universities (AIU)/UGC/AICTE	
6	NTPC/Power Grid	Executive Trainee	12000	13750	24900- 50500	24900- 50500	Full time Bachelor's Degree in Engineering or Technology/AMIE with not less than 65% marks,taking average of all the Semesters/Years, irrespective of the weightage given to any particular semester/year by the Institute/University	

## ***Pension Related Circulars/ Orders***

DOT No. 36-15/2000-Pen(T) dated 09.11.2000

***Subject: Entitlement for Pension, other Retirement Benefits, Job Security and Carry Over of Leave in respect of Employees to be Absorbed in BSNL.***

It has been decided by the Government that the employees of DOT who will be absorbed in Bharat Sanchar Nigam Limited (BSNL) will be entitled to the Government's scheme of pension/family pension even after their absorption in BSNL. Payment of pension will be made by the Government and for this, arrangements, are being worked out for obtaining pension contribution from BSNL to be deposited with the Government. It has also been decided that dismissal or removal from service of an employee after his absorption in the PSU for any subsequent misconduct shall not amount to forfeiture of the retirement benefits for the service rendered under the Government and in the event of his dismissal, removal or retrenchment the decisions of BSNL shall be subject to review by the Administrative Ministry. The Government has already issued Notification dated 30.9.2000 to this effect wherein the pension framework has been made part of the CCS (Pension) Rules, amending Rule 37 using powers under Article 309 of the Constitution of India. (Copy enclosed).

It has further been decided that the Earned Leave and the Half Pay Leave at the credit of the employees on the date of absorption shall stand transferred to the PSU.

This may be widely circulated in your circle/ unit so that the employees are duly informed of the decision taken by the Government.

**Enclosure**

### **MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS**

(Department of Pension and Pensioners' Welfare)

#### **NOTIFICATION**

New Delhi, the 30th September, 2000

S.O.904(E) – In exercise of the powers conferred by the proviso to article 309 and clause (5) of article 148 of the Constitution and after consultation with the Comptroller and Auditor General of India in relation to persons serving in the Indian Audit and Accounts Department, the President hereby makes the following rules further to amend the Central Civil Services (Pension) Rules, 1972, namely:

1. (1) These rules may be called the Central Civil Services (Pension) Amendment Rules, 2000.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Central Civil Services (Pension) Rules, 1972, after rule 37, the following rule shall be inserted, namely:  
"37A. Conditions for payment of pension on absorption consequent upon conversion of a Government Department into a Central autonomous body or a Public Sector Undertaking.  
  
(1) On conversion of a department of the Central Government into a public sector undertaking or an autonomous body, all Government servants of that Department shall be transferred en-masse to that public sector undertaking or autonomous body, as the case may be, on terms of foreign service without any deputation allowance till such time as they get absorbed in the said undertaking or body, as the case may be and such transferred Government servants shall be absorbed in the public sector undertaking or autonomous body, as the case may be, with effect from such date as may be notified by the Government.

- (2)** The Central Government shall allow the transferred Government servants an option to revert back to the Government or to seek permanent absorption in the public sector undertaking or autonomous body, as the case may be.
- (3)** The option referred to in sub-rule (2) shall be exercised by every transferred Government servant in such manner and within such period as may be specified by the Government.
- (4)** The permanent absorption of the Government servants as employees of the public sector undertaking or autonomous body shall take effect from the date on which their options are accepted by the government and on and from the date of such acceptance, such employees shall cease to be Government servants and they shall be deemed to have retired from Government service.
- (5)** Upon absorption of Government servants in the public sector undertaking or autonomous body, the posts which they were holding in the Government before such absorption shall stand abolished.
- (6)** The employees who opt to revert to Government service shall be re-deployed through the surplus cell of the Government.
- (7)** The employees including quasi-permanent and temporary employees but excluding casual labourers, who opt for permanent absorption in the public sector undertaking or autonomous body, shall on and from the date of absorption, be governed by the rule and regulations or bye-laws of the public sector undertaking or autonomous body, as the case may be.
- (8)** A permanent Government servant who has been absorbed as an employee of a the public sector undertaking or autonomous body shall be eligible for pensionary benefits on the basis of combined service rendered by him in the Government and the public sector undertaking or autonomous body in accordance with the formula for calculation of pension/ family pension under these rules as may be in force at the time of his retirement from the public sector undertaking or autonomous body, as the case may be.
- (9)** The pension of an employee under sub-rule (8) shall be calculated on the basis of his last ten months' average pay.
- (10)** In addition to pension or family pension, as the case may be, the employees shall also be eligible to Dearness relief as per industrial dearness allowance pattern.
- (11)** The benefits of pension and family pension shall be available to quasi-permanent and temporary Transferred Government servants after they have been confirmed in the public sector undertaking or autonomous body.
- (12)** The Central Government shall create a Pension Fund in the form of a trust and the pensionary benefits of Absorbed employees shall be paid out of such Pension Fund.
- (13)** The Secretary of the administrative Ministry of the public sector undertaking or autonomous body shall be the Chairperson of the Board of Trustees which shall include representatives of the Ministries of Finance, Personnel, Public Grievances and Pensions, Labour, concerned the public sector undertaking or autonomous body and their employees and experts in the relevant field to be nominated by the Central Government.

- (14)** The procedure and the manner in which pensionary benefits are to be sanctioned and disbursed from the Pension Fund shall be determined by the Government on the recommendation of the Board of Trustees.
- (15)** The Government shall discharge its pensionary liability by paying in lump sum as a one time payment to the Pension Fund the pro rata pension or service gratuity and retirement gratuity for the service rendered till the date of absorption of the Government servant in the public sector undertaking or autonomous body.
- (16)** The manner of sharing the financial liability on account of payment of pensionary benefits by the public sector undertaking or autonomous body shall be determined by the Government.
- (17)** Lump sum amount of the pro rata pension shall be determined with reference to Commutation Table laid down in Central Service (Commutation of Pension) Rules, 1981.
- (18)** The public sector undertaking or autonomous body shall make pensionary contribution to the Pension Fund for the period of service to be rendered by the concerned employees under that undertaking or body at the rates as may be determined by the Board of Trustees so that the Pension Fund shall be self-supporting.
- (19)** If, for any financial or operational reason, the Trust is unable to discharge its liabilities fully from the Pension Fund and the public sector undertaking or autonomous body is also not in a position to meet the shortfall, the Government shall be liable to meet such expenditure and such expenditure shall be debited to either the Fund or to the public sector undertaking or autonomous body, as the case may be.
- (20)** Payments of Pensionary benefits of the Pensioners of a Government Department on the date of conversion of it into a the public sector undertaking or autonomous body shall continue to be the responsibility of the Government and the mechanism for sharing its liabilities on this account shall be determined by the Government.
- (21)** Nothing contained in sub-rules (12) to (20) shall apply in the case of conversion of the Department of Telecom Service and Telecom Operations into Bharat Sanchar Nigam Limited, in which case the pensionary benefits including family pension shall be paid by the Government.
- (22)** For the purpose of payment of pensionary benefits including family pension referred to in sub-rule (21), the Government shall specify the arrangements and manner including the rate of pensionary contributions to be made by Bharat Sanchar Nigam Limited to the Government and the manner in which financial liabilities on this account shall be met.
- (23)** The arrangements under sub-rule (22) shall be applicable to the existing pensioners and to the employees who are deemed to have retired from the Government service for absorption in Bharat Sanchar Nigam Limited and shall not apply to the employees directly recruited by the Bharat Sanchar Nigam Limited for whom it shall devise its own pension scheme and make arrangements for funding and disbursing the pensionary benefits.
- (24)** Upon conversion of a Government department into a the public sector undertaking or autonomous body—
- (a)** the balance of provident fund standing at the credit of the absorbed employees on the date of their absorption in the public sector undertaking or autonomous body shall, with the consent of such undertaking or

body, be transferred to the new Provident Fund Account of the employees in such undertaking or body, as the case may be;

**(b)** earned leave and half pay leave at the credit of the employees on the date of absorption shall stand transferred to such undertaking or body, as the case may be;

**(c)** the dismissal or removal from service of the public sector undertaking or autonomous body of any employee after his absorption in such undertaking or body for any subsequent misconduct shall not amount to forfeiture of the retirement benefits for the service rendered under the Government and in the event of his dismissal or removal or retrenchment the decision of the undertaking or body shall be subject to review by the Ministry administratively concerned with the undertaking or body.

**(25)** In case of Government disinvests its equity in any public sector undertaking or autonomous body to the extent of fifty-one per cent or more, it shall specify adequate safeguards for protecting the interests of the absorbed employees of such public sector undertaking or autonomous body.

**(26)** The safeguards specified under sub-rule (25) shall include option for voluntary retirement or continued service in the undertaking or body, as the case may be, voluntary retirement benefits on terms applicable to Government employees, employees of the public sector undertaking or autonomous body as per option of employees, assured payment of earned pensionary benefits with relaxation in pension of qualifying service, as may be decided by the Government.”

**DOT No. 40-13/2002/Pen (T) dated 15.01.2003**

**Subject: Payment of Pension/ Family pension to the Employees Absorbed from DoT/ DTS/ DTO in Bharat Sanchar Nigam Limited with effect from 1.10.2000 – reg.**

On introduction of the IDA pay scale by the BSNL by the Office Order no. BSNL/26/SR/2002 dated 07.08.2002 with effect from 1.10.2000 in replacement of existing CDA pay scale for non executive staff (Gr. 'C' and 'D') absorbed from DoT/ DTS/ DTO in Bharat Sanchar Nigam Limited with effect from 1.10.2000, references have been received from various DoT units seeking clarifications for the payment of Pension and Family pension either on CDA pay scale or IDA pay scale. As such doubts raised by various DoT units are clarified as under:

<b>Doubts</b>	<b>Clarifications</b>
<b>1.</b> When pay during last 10 months falls partly in CDA pay scales and partly in IDA pay scales how average emoluments are to be taken for calculating the pension. Nothing is mentioned whether non- practice allowance granted to medical officer in lieu of private practice will also be treated as pay. In addition nothing is mentioned about the stagnation increment whether the same will be treated as pay for the calculation of retirement benefits.	Sub rule 9 of Rule 37 A of CCS (Pension) rules provides that pension of an employee shall be calculated on the basis of his last 10 months average pay. It is implied that for the purpose of calculation of pension, average of last 10 months pay is to be taken irrespective of whether the pay in all 10 months or part thereof is in IDA/ CDA pay scale. Non practicing allowance and the stagnation increment are to be treated as emoluments for calculation of retirement benefits as per Rule 33 of CCS (Pension) Rules and the explanation below Rule 33.

2. In case of absorbed employee retired between 01.10.2000 to 30.6.2001 the pay falls in both the CDA and IDA within 10 months. What will be the relief admissible whether part of CDA and part IDA or industrial relief on the pension calculated?	Once pension/ family pension is determined in accordance with Sub rule 9 of Rule 37 A of CCS (Pension) rules, the employee shall also be eligible to Dearness Relief as per Industrial Dearness Allowance pattern as provided in Sub rule 10 of Rule 37 A.
3. What will be the emoluments for determining the retirement gratuity/ death gratuity on IDA pay- scale?	As per Rule 50 (5) of CCS (Pension) Rules, the emoluments for the purpose of Gratuity admissible shall be reckoned in accordance with Rule 33 provided that if the emoluments of the Government servant have been reduced during the last 10 months of his service otherwise than as a penalty, average emoluments as referred to in Rule 34 shall be treated as emolument.
4. Whether the minimum pension of Rs.1275/- p.m. as well as maximum pension of Rs.15000/- p.m. (i.e., 50% of average emoluments in all cases) as applicable in the CDA pay scale is also to be applied in the IDA pay scales.	The ceiling of minimum and maximum pension as existing in CCS (Pension) Rules shall continue unless specifically approved otherwise by the Government.
5. Whether commutation of pension as applicable at 40% (maximum) on CDA pay scale is also to be applied in IDA pay scale?	Yes
6. There may be cases where the employee(s) expired on or after 1.10.2000 but before the issue of instructions for opting for BSNL and could not exercise his/her option. How these cases are to be settled?	This is not a pension related issue. BSNL management with the approval of the competent authority has to decide about the admissibility of IDA pay scales to such employees. Calculation of pension follows accordingly.

While determining the pensionary benefits and retirement benefits on IDA pay scales, CCS (Pension) Rules, 1972 (as amended from time to time) should invariably be consulted and if still there is any doubt, only then the reference may be made by quoting the problem and correct rule number of the CCS (Pension) Rules and the need for clarification.

This issues with the approval of Member (Services) & Member (Finance), Telecom Commission.

**DOT No. 6-138/90-TA-I/Vol. VI dated 21.02.2003**

**Subject: Authorisation of Pension Payment on IDA Payscale of BSNL**

1. As per clarification given by DoT (Hq) vide O.M. No. 40-13/2002-Pen(T) dated 15.01.2003, PPOs of the absorbed Group 'C' and 'D' employees are to be issued on IDA pay scales. It has thus been decided that to distinguish the PPO on the IDA pay scale of BSNL from the PPO on the CDA pay scale of DoT, the following rubber stamp may be arranged for affixing on the PPO on the IDA pay scale clearly (both Disburser's portion and Pensioner's portion), on first page at the right hand corner, and on the page for "Section 2 - Detail of pension" (Right hand corner):

***"PENSION PAYMENT ON IDA PAY SCALE-BSNL"***

2. In addition to this, while forwarding the PPO to the concerned CCA/ Jt.CCA/ Dy. CCA or Director/ Dy. Director of Postal Accounts for countersignature and embossing the special seal, the same stamp may be



affixed on the face of the right hand corner, of the forwarding letter, so that identification may be done, right at the initial stages:

**3.** These instructions may kindly be given effect to on all PPOs (Disburser's & Pensioner's portion) immediately.

**DOT No. 7-1/2000-TA-I/21 dated 27.08.2003**

**Subject: Verification of Qualifying Service**

Reference is invited to Rule 32 of the CCS Pension Rules which lays-down that on completion of 25 years of service of a Government servant or on his being left with five years of service before the date of retirement, the service rendered by him should be verified and the qualifying service communicated to him in Form 24.

**2.** For a beginning, you are requested to take up all the cases where five years or less is left for retirement and verify the qualifying service, forwarding the service books of such officers to the Controllers of Communication Accounts for authentication of the verification done. The CCA office after such authentication and proper stamping etc. will communicate the qualifying service to the officer concerned and return the service book to the SSA for custody.

**3.** This work will have to be undertaken in the cases of all staff and officers for whom the Government is liable to pay pension.

**4.** The work may kindly be undertaken immediately, with a report on all the backlog being cleared given to the Telecom Directorate by 28.2.04.

Receipt of this letter may be acknowledged.

**Deptt. of Pension & Pensioners' Welfare OM No. 4/3/2003-P&PW(D) dated 02.12.2003**

*(Circulated vide DOT No. 38-19/2005-Pen(T)-1 dated 20.12.2005)*

**Subject: Implementation of order dated 12th April, 2005 of the High Court of Judicature of Andhra Pradesh of Hyderabad in Review WWP MP SR No.78433 of 2004 in WP No.8532 – regarding Restoration of One Third Portion of Commuted Pension after 15 years from the date of Commutation**

The undersigned is directed to invite reference to this Department's Office Memoranda, of even number dated the 23rd June, 2005, and 15th September, 2005, on the above subject and to state that the SLP filed in the Hon'ble Supreme Court of India against the order dated 24th December, 2003, of the High Court of Andhra Pradesh at Hyderabad in WP No. 8532 of 2003 in R. Ramamurthy & Ors Vs. Union of India Ors, and to state that the SLP filed in the Hon'ble Supreme Court has already been taken up for hearing. In the meantime the High Court of Andhra Pradesh in its order dated 28th September, 2005, in Contempt Case No. 760 of 2005 and CC SR No. 3981 of 2005 (filed by the Society for the Welfare of Former Central Government Employees Absorbed in Public Sector Undertakings, Hyderabad against Secretary, Ministry of Personnel, Public Grievances & Pensions, New Delhi and others) stated as below:

*"In view of the submission made by the Learned Standing Counsel and in the facts and circumstances of the*

*case as to the pension of the members of the petitioner association, without expressing any opinion on the merits of the contempt cases, in order to put a quitus to the lis, we feel it just and proper to modify the mode of calculation of the pension to the effect that the pension has to be calculated in respect of the persons whose representations had been forwarded by the petitioner Association to the respondents, as per the existing rules without reference to the mode of calculation as adopted by the earlier Division Bench of this Court in WP No. 8532 of 2003, within a period of three months from the date of receipt of copy of this order.*

*Subject to the above modifications, those contempt cases are closed. However, in view of the fact that the matter pertains to the retired employees, it is made clear that if any representations by the retired employees are received subsequently, their cases should also be considered on par with the members of the petitioner association.”*

**2.** In view of the above order of the High Court of Andhra Pradesh, all Ministries/ Departments are requested to take appropriate action for finalising the restoration of the 1/3rd portion of the pension to PSU absorbees in terms of the existing rules and regulations in the is latter.

**3.** It has been brought to the notice of this Department by a few pensioners that consequent upon this Department's O.M. 23<sup>rd</sup> June, 2005, many Ministries/ Departments had stopped even the normal procedure of restoration of commuted portion of pension of eon petitioners PSU absorbees also. The Office Memorandum of 23<sup>rd</sup> June, 2005, was not meant to put to an end the existing provision of restoration of 1/3rd pension of those PSU absorbees who had commuted 100% of their pension on their absorption in PSUs. The intention was only to bring to the notices all Ministries / Departments about the order of the High Court of Andhra Pradesh and the SLP filed in the Hon'ble Supreme Court of India. In any case, with the order dated the 28<sup>th</sup> September, 2005, of the High Court of Andhra Pradesh at Hyderabad, referred to above, the position stands cleared.

**4.** All Ministries/ Departments are therefore requested to initiate necessary action to restore one-third portion of those PSU absorbees who had commuted 100% of their pension when they got absorbed in PSUs as per the existing rules and regulations.

This is for someone who joins on 01.01.2007												
year	Pre-revised					Revised				Difference	Revised DA rates (%)	
	Basic	DP	DA	EPF	Total	Basic	DA	EPF	Total		01.01.1997	01.01.2007
01.01.2007	9850	4925	2778	2106	19659	19020	0	2282	21302	1643	68.8	0
01.01.2008	10100	5050	4333	2338	21821	19600	2528	2655	24784	2963	78.6	12.9
01.01.2009	10350	5175	7266	2735	25526	20190	3352	2825	26367	841	96.8	16.6
01.01.2010	10600	5300	11289	3263	30452	20800	6427	3267	30494	43	121	30.9
01.01.2011	10850	5425	14892	3740	34907	21430	9215	3677	34322	-584	141.5	43
01.01.2012	11100	5550	19081	4288	40019	22080	12519	4152	38751	-1267	164.6	56.7
01.01.2013	11350	5675	23750	4893	45668	22750	16266	4682	43698	-1970	189.5	71.5
01.01.2014	11600	5800	29876	5673	52949	23440	21213	5358	50012	-2937	221.7	90.5

This is for someone who joins on 01.01.2008												
year	Pre-revised					Revised				Difference	Revised DA rates (%)	
	Basic	DP	DA	EPF	Total	Basic	DA	EPF	Total		01.01.1997	01.01.2007
01.01.2007		0	0		0		0		0	0	68.8	0
01.01.2008	9850	4925	4226	2280	21281	19020	2454	2577	24050	2770	78.6	12.9
01.01.2009	10100	5050	7090	2669	24909	19600	3254	2742	25596	687	96.8	16.6
01.01.2010	10350	5175	11023	3186	29733	20190	6239	3171	29600	-133	121	30.9
01.01.2011	10600	5300	14549	3654	34102	20800	8944	3569	33313	-789	141.5	43
01.01.2012	10850	5425	18651	4191	39117	21430	12151	4030	37611	-1507	164.6	56.7
01.01.2013	11100	5550	23227	4785	44662	22080	15787	4544	42411	-2251	189.5	71.5
01.01.2014	11350	5675	29232	5551	51808	22750	20589	5201	48539	-3268	221.7	90.5

This is for someone who joins on 01.01.2009												
year	Pre-revised					Revised				Difference	Revised DA rates (%)	
	Basic	DP	DA	EPF	Total	Basic	DA	EPF	Total		01.01.1997	01.01.2007
01.01.2007		0	0		0		0		0	0	68.8	0
01.01.2008		0	0		0		0		0	0	78.6	12.9
01.01.2009	9850	4925	6915	2603	24292	19020	3157	2661	24839	546	96.8	16.6
01.01.2010	10100	5050	10757	3109	29015	19600	6056	3079	28735	-280	121	30.9
01.01.2011	10350	5175	14205	3568	33298	20190	8682	3465	32336	-962	141.5	43
01.01.2012	10600	5300	18221	4095	38216	20800	11794	3911	36505	-1711	164.6	56.7
01.01.2013	10850	5425	22704	4677	43656	21430	15322	4410	41163	-2493	189.5	71.5
01.01.2014	11100	5550	28588	5429	50667	22080	19982	5047	47110	-3557	221.7	90.5

This is for someone who joins on 01.01.2010												
year	Pre-revised					Revised				Difference	Revised DA rates (%)	
	Basic	DP	DA	EPF	Total	Basic	DA	EPF	Total		01.01.1997	01.01.2007
01.01.2007			0		0				0	0	68.8	0
01.01.2008			0		0				0	0	78.6	12.9
01.01.2009			0		0				0	0	96.8	16.6
01.01.2010	9850	4925	10490	3032	28297	19020	5877	2988	27885	-412	121	30.9
01.01.2011	10100	5050	13862	3481	32494	19600	8428	3363	31391	-1102	141.5	43
01.01.2012	10350	5175	17792	3998	37315	20190	11448	3797	35434	-1880	164.6	56.7
01.01.2013	10600	5300	22181	4570	42650	20800	14872	4281	39953	-2698	189.5	71.5
01.01.2014	10850	5425	27944	5306	49525	21430	19394	4899	45723	-3802	221.7	90.5

year	Pre-revised					Revised				Difference	Revised DA rates (%)		Remark
	Basic	DP	DA	EPF	Total	Basic	DA	EPF	Total		01.01.1997	01.01.2007	
01.01.2007	9850	4925	2778	2106	19659	19020	0	2282	21302	1643	68.8	0	
01.01.2008	10100	5050	4333	2338	21821	19600	2528	2655	24784	2963	78.6	12.9	
01.01.2009	10350	5175	7266	2735	25526	20190	3352	2825	26367	841	96.8	16.6	
01.01.2010	10600	5300	11289	3263	30452	20800	6427	3267	30494	43	121	30.9	
01.01.2011	10850	5425	14892	3740	34907	22080	9494	3789	35363	457	141.5	43	first time bound to 20600
01.01.2012	11100	5550	19081	4288	40019	22750	12899	4278	39927	-91	164.6	56.7	
01.01.2013	12125	6063	25372	5227	48786	23440	16760	4824	45024	-3763	189.5	71.5	first time bound upgradation to 11875
01.01.2014	12425	6213	32001	6077	56715	24150	21856	5521	51526	-5188	221.7	90.5	
01.01.2015													
01.01.2016													

This is for someone who joins on 01.01.2008													
year	Pre-revised					Revised				Difference	Revised DA rates (%)		Remark
	Basic	DP	DA	EPF	Total	Basic	DA	EPF	Total		01.01.1997	01.01.2007	
01.01.2007		0	0		0		0		0	0	68.8	0	
01.01.2008	9850	4925	4226	2280	21281	19020	2454	2577	24050	2770	78.6	12.9	
01.01.2009	10100	5050	7090	2669	24909	19600	3254	2742	25596	687	96.8	16.6	
01.01.2010	10350	5175	11023	3186	29733	20190	6239	3171	29600	-133	121	30.9	
01.01.2011	10600	5300	14549	3654	34102	20800	8944	3569	33313	-789	141.5	43	
01.01.2012	10850	5425	18651	4191	39117	22080	12519	4152	38751	-366	164.6	56.7	first time bound to 20600
01.01.2013	11100	5550	23227	4785	44662	22750	16266	4682	43698	-964	189.5	71.5	
01.01.2014	12125	6062.5	31228	5930	55345	23440	21213	5358	50012	-5334	221.7	90.5	first time bound upgradation to 11875

This is for someone who joins on 01.01.2007												
year	Pre-revised					Revised				Difference	Revised DA rates (%)	
	Basic	DP	DA	EPF	Total	Basic	DA	EPF	Total		01.01.1997	01.01.2007
01.01.2007	9850	4925	2778	2106	19659	20190	0	2423	22613	2954	68.8	0
01.01.2008	10100	5050	4333	2338	21821	20800	2683	2818	26301	4480	78.6	12.9
01.01.2009	10350	5175	7266	2735	25526	21430	3557	2998	27986	2460	96.8	16.6
01.01.2010	10600	5300	11289	3263	30452	22080	6823	3468	32371	1919	121	30.9
01.01.2011	10850	5425	14892	3740	34907	22750	9783	3904	36436	1530	141.5	43
01.01.2012	11100	5550	19081	4288	40019	23440	13290	4408	41138	1120	164.6	56.7
01.01.2013	11350	5675	23750	4893	45668	24150	17267	4970	46387	719	189.5	71.5
01.01.2014	11600	5800	29876	5673	52949	24880	22516	5688	53084	135	221.7	90.5

This is for someone who joins on 01.01.2008												
year	Pre-revised					Revised				Difference	Revised DA rates (%)	
	Basic	DP	DA	EPF	Total	Basic	DA	EPF	Total		01.01.1997	01.01.2007
01.01.2007		0	0		0		0		0	0	68.8	0
01.01.2008	9850	4925	4226	2280	21281	20190	2605	2735	25530	4249	78.6	12.9
01.01.2009	10100	5050	7090	2669	24909	20800	3453	2910	27163	2254	96.8	16.6
01.01.2010	10350	5175	11023	3186	29733	21430	6622	3366	31418	1685	121	30.9
01.01.2011	10600	5300	14549	3654	34102	22080	9494	3789	35363	1261	141.5	43
01.01.2012	10850	5425	18651	4191	39117	22750	12899	4278	39927	810	164.6	56.7
01.01.2013	11100	5550	23227	4785	44662	23440	16760	4824	45024	362	189.5	71.5
01.01.2014	11350	5675	29232	5551	51808	24150	21856	5521	51526	-281	221.7	90.5

This is for someone who joins on 01.01.2009												
year	Pre-revised					Revised				Difference	Revised DA rates (%)	
	Basic	DP	DA	EPF	Total	Basic	DA	EPF	Total		01.01.1997	01.01.2007
01.01.2007		0	0		0		0		0	0	68.8	0
01.01.2008		0	0		0		0		0	0	78.6	12.9
01.01.2009	9850	4925	6915	2603	24292	20190	3352	2825	26367	2074	96.8	16.6
01.01.2010	10100	5050	10757	3109	29015	20800	6427	3267	30494	1479	121	30.9

01.01.2011	10350	5175	14205	3568	33298	21430	9215	3677	34322	1024	141.5	43
01.01.2012	10600	5300	18221	4095	38216	22080	12519	4152	38751	535	164.6	56.7
01.01.2013	10850	5425	22704	4677	43656	22750	16266	4682	43698	42	189.5	71.5
01.01.2014	11100	5550	28588	5429	50667	23440	21213	5358	50012	-655	221.7	90.5

This is for someone who joins on 01.01.2010												
year	Pre-revised					Revised				Difference	Revised DA rates (%)	
	Basic	DP	DA		Total	Basic	DA		Total		01.01.1997	01.01.2007
01.01.2007			0		0				0	0	68.8	0
01.01.2008			0		0				0	0	78.6	12.9
01.01.2009			0		0				0	0	96.8	16.6
01.01.2010	9850	4925	10490	3032	28297	20190	6239	3171	29600	1303	121	30.9
01.01.2011	10100	5050	13862	3481	32494	20800	8944	3569	33313	820	141.5	43
01.01.2012	10350	5175	17792	3998	37315	21430	12151	4030	37611	296	164.6	56.7
01.01.2013	10600	5300	22181	4570	42650	22080	15787	4544	42411	-239	189.5	71.5
01.01.2014	10850	5425	27944	5306	49525	22750	20589	5201	48539	-986	221.7	90.5

E1+7







**BHARAT SANCHAR NIGAM LIMITED**  
(A GOVERNMENT OF INDIA ENTERPRISE)  
SR CELL, Corporate Office  
8th Floor, Bharat Sanchar Bhawan,  
Harish Chander Mathur Lane,  
Janpath, New Delhi-110 001

No. BSNL/31-4/SR/2010

Dated, the 22<sup>nd</sup> April, 2010

**Revised Record of the discussions of the meeting held on 25.2.2010 with the representatives of All India Graduate Engineer Telecom Officers' Association under the chairmanship of CMD, BSNL**

**List of Participants**

**Officers of BSNL Management**

1. Shri Gopal Das, Director(HR)
2. Shri D.P.De, GM (Estt)
3. Shri R.K.Mishra, GM (Pers)
4. Shri Shakeel Ahmad, GM (SR)
5. Shri R.K. Goyal, GM (Rectt.)
6. Shri P.K. Purwar, GM (CA)

**Representatives of AIGETOA**

1. Shri R.P. Shahu, GS
2. Shri N.J.P. Shilohu Rao, President
3. Shri Surinder Kumar, AGS, and
4. Shri Amit Roy, AGS

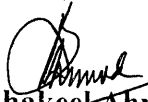
After formally welcoming the office bearers of All India Graduate Engineer Telecom Officers' Association, the following agenda items were discussed in the meeting -

1. **Pay anomaly in respect of GE JTO 2005 batch** - The Association representatives explained in detail the disparity in emoluments of direct recruit JTOs of the same recruitment year, between those recruited before 1.1.07 and those after 1.1.07. They also pointed out that similar problem in TN state government and ONGC has since been resolved. It was explained that in case of BSNL, JTOs are circle cadre employees and as per their RRs, their service starts from the date of their regular appointment after successful completion of training and seniority is fixed on post training marks. As such, principle adopted in ONGC etc can not be applied here. The Association representatives requested CMD to resolve this issue as a one time measure since their demand for 30% fitment benefit is not for JTOs of subsequent recruitment years. CMD agreed to discuss this issue in BSNL board.
2. **Standardization of executive pay scales i.e. E2 for JTO/JAO and E3 for SDE/AO and so on** - The Association representatives stated that they have come to know that DPE is not going to agree for intermediate pay scales, as they have already rejected similar case for other CPSEs. It was explained that intermediate pay scales operative in BSNL were worked out keeping in view specific needs and status of BSNL and were approved by Government. As such, there is a very strong case to get the proposed scales approved and the queries raised by DoT in this regard have already been replied. The Association representatives requested that as done in some other PSEs, SDE and Sr.SDE levels in BSNL may be merged with E3 pay scale. It was explained that it will not only disturb the already existing personnel hierarchy including the operation of Executive Promotion Policy, but will also affect other section of employees. Finally it was agreed that decision on getting standard pay scales for JTOs, will be taken after DPE conveys its views on the proposal of BSNL regarding E1A & E2A pay scales.

3. **Implementation of 30% Superannuation Benefit to executives as per 2<sup>nd</sup> PRC recommendation** - It was explained that in respect of direct recruit employees, BSNL is already paying about 39% superannuation benefit including gratuity-5%, EPF-13.61%, Leave encashment 11% and post retirement medical benefits-10%. The Association representatives stated that Leave encashment is not a superannuation benefit and the calculation in respect of gratuity and post retirement medical benefits also comes out to less than 1%. It was agreed to re-check on this point. However it was explained that the components of superannuation benefits can be less than 30% also as 30% is the ceiling and not the minimum limit. The Association representatives insisted that it is mandatory for CPSEs to pay 30% superannuation benefits. It was finally agreed that the issue will be examined by Sr. GM (Legal) within one month and decision will be taken based upon his findings thereafter.
4. **EPF Anomalies** - The Association representatives explained the issue of recovery of employees' past EPF contribution. They further explained the difficulties faced by them for transfer of EPF balance in case of transfer of employees. It was agreed that Sr.GM (Legal) will examine the legal provisions related to recovery of employees' past EPF contribution and thereafter a liberal view will be taken. Further, the Association will submit a brief on steps involved in transferring all EPF accounts to a centralized account and appropriate decision on centralization of EPF account will be taken thereafter, keeping in view the complexities and practicalities of the steps involved.
5. **Discrimination in First Time Bound upgradation in respect of Executives** - It was explained that the promoted employees are able to get first time bound upgradation in four years because of their past length of service and not because of a discrimination against direct recruits, who get the same in five or six years. On the suggestion of the association representatives for changing the residency period for first time bound upgradation from 4-6 years to 4 or 5 years uniformly, it was explained that such a proposal will not only affect other section of employees, but will also have an adverse impact on the finances of the company, which BSNL can not afford at this stage. At this stage, CMD requested the association representatives to make their best efforts in improving the company's performance. The Association representatives highlighted that with the existing policy in place and after implementation of 2<sup>nd</sup> PRC, some batches may get their first time bound upgradation in five years while some may get it in four years and some may get it in six years, so there will be a disparity amongst BSNL recruitee batches also and hence there should be uniform residency period of four years. CMD assured to look into the matter after analysing other facts also. The association representatives also pointed out that the first time bound upgradation has been kept in abeyance and they are unable to get their first time bound upgradation even after 6 years. After discussions on the issue, it was agreed that orders permitting first time bound upgradation after six years will be issued without waiting for notification of revised pay scales.
6. **Anomalies in LDCE 2007 for TES Gr. B** - It was explained that this discrepancy has already been noticed and corrective action in respect of about 25% of the answer books have already been taken. It was agreed to complete the balance work by end of June 2010.
7. **Consideration of request Transfer cases in JTO & SDO cadre as per Transfer policy** While expressing satisfaction over the progress made in accepting request transfer of JTOs, the association representatives stated that requests are still pending in respect of SDEs. It was agreed that pending requests for transfers would be considered in accordance with transfer policy.

8. **HRMS deletion and not allowing previous service benefit to newly recruited GE JTOs from internal TTAs** - It was explained that even though the rules allowing benefit of past service in respect of government employees appearing as outsider candidates in respect of examination for another government post already exist, the competent authority to permit the same in respect of BSNL absorbed government employees rests with DoT. Since some of these benefits are applicable differently in BSNL (e.g. EPF instead of GPF), a proposal as to how this can be extended to absorbed employees in BSNL has already been sent to DoT. The case for extending similar benefit in respect of BSNL recruited employees is under examination in consultation with EF branch. CMD opined that on the same logic as applicable in case of government employees, such benefit should be extended to BSNL recruited employees also. It was agreed that Director (HR) will review the case which is presently under examination in EF section. The association representatives were also informed that instructions have already been issued for liquidating the existing bond after submission of fresh bond for the new post.
9. **Refund of security deposit with interest** - It was explained that as per bond signed by the employee, the security amount is interest free. However, it was agreed that the association representatives will discuss this case with GM (Legal).
10. **Enhancement of quantum of maternity leave and introduction of Child Care Leave in BSNL** - It was explained that the matters regarding enhancing of maternity leave and introduction of child care allowance and leave was examined by BSNL Management and after taking a considered view, the Management approved enhancement of maternity leave and introduction of Child Care Allowance for handicapped employees. The Association representatives stated that recommendations of Sixth Central Pay Commission were binding on PSUs and it was obligatory on part of BSNL to introduce Child Care Leave also. They were requested to produce any document in support of their statement. BSNL will also check up if this has been implemented in other PSUs.
11. **Separate Recognition and equal privileges to AIGETOA** - It was explained that the Recognition of BSNL Association policy will be put up for consideration of management by middle of March and process of membership verification / recognition will start soon after notification of policy. The Association representatives requested for granting them limited facility of meeting the management so that they can put forth their views related to the growth and development of BSNL. It was agreed to work out a suitable mechanism for this purpose.
12. **Illegal relaxation given in the year 2003 for failed departmental candidates in LDCE for JTO, held in year 1990 and 2000 awarding them retrospective seniority and hence placing BSNL recruited at most disadvantageous position** - During discussions on this issue, the Association representatives stated that even now the seniority was not being fixed based upon year of recruitment as per latest DoP&T orders. It was agreed that the principle of seniority as clarified in DoP&T letter under reference will be followed.
13. **Refund of salary deducted for the period of agitation** - The Association representatives pointed out that there has been discrimination in applying the 'no work no pay' principle. They requested for refund of salary deducted for the period of agitation. CMD stated that demand for refund of deducted salary can not be accepted. However, the principle of 'no work no pay' will be uniformly applied to all sections of employees, whenever they participate in strike.

14. The discussions were held in a cordial atmosphere. At the end, CMD requested the representatives of AIGETOA that since most of there issues were considered, AIGETOA should give positive message to its members for hard work and well being of BSNL. The association representatives assured of their best effort for development and growth of BSNL.

  
(Shakeel Ahmad) 27.4.10  
GM (SR), BSNL C.O.

**Copy to :**

1. Sr. GMs (Legal), BSNL C.O.
2. GMs - (Pers.) / (Estt.) / (Rectt) / (CA), BSNL C.O.
3. GS, AIGETOA

**Copy for info to :**

1. PPS to CMD, BSNL
2. Dir (HR), BSNL Board

No. 61-01/2009-SU  
Government of India  
Ministry of Communications & Information Technology  
Department of Telecommunications  
Sanchar Bhawan, 20 Ashoka Road  
New Delhi - 110001

Dated, the 27<sup>th</sup> February, 2009.

In exercise of the powers conferred by the Article 145 of Articles of Association of the Bharat Sanchar Nigam Ltd. (BSNL), the President is pleased to approve the proposal of BSNL regarding the pay scales, fitment formula, DA guidelines and other relevant issues as per Department of Public Enterprises OM No: 2(70)/08-DPE (WC) dated 26.11.2008 in respect of its Board level and below Board level executives and Non-Unionized Supervisors for implementation with effect from 01.01.2007 as under:-

1	2	3
Grade	Existing (in Rs.)	Revised (in Rs.)
E1*	8600-250-14600	16,400-40,500
E2*	10750-300-16750	20,600-46500
E3	13000-350-18250	24900-50,500
E4	14500-350-18700	29,100-54,500
E5	16000-400-20800	32,900-58000
E6	17500-400-22300	36,600-62,000
E7	18500-450-23900	43,200-66,000
E8	20500-500-26500	51,300-73000
E9*	23750-600-28550	62,000-80,000
Director( A )	25750-650-30950	75,000-1,00,000
CMD ( A )	27750-750-31500	80,000-1,25,000

\* Proposal of BSNL on E1A, E2A, E9A and E9B shall be dealt separately.

2. **Fitment Benefit:**

- i) A uniform fitment benefit @ 30% on basic pay plus DA @ 68.8% as on 01/01/2007 would be provided to all executives. The aggregate amount would be rounded off to the next ten rupees and pay fixed in the revised pay scale.
- ii) If any extra ordinary increment(s) and/or increase in the pay in respect of executives/non unionized supervisors have been granted with retrospective effect, which affects the revision of pay as on 01/01/2007, such increment and/or income in pay will be ignored for the purpose of fitment/pay revision.
- iii) Where executives drawing pay at two or more consecutive stages in an existing scale get bunched, then, for every two stages so bunched, benefit of one increment shall be given.

3. **Increment:** Annual increment will be at the rate of 3% of the revised basic pay. Stagnation increment and increment for pay fixation on promotion will be as per Annex. - II(A) of DPE's OM dated 26.11.2008

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4. **Dearness Allowance:** 100% DA neutralization will be adopted for all the executives and non-unionized supervisors, who are on IDA pattern of scales of pay w.e.f 01/01/2007. Thus, DA as on 01/01/2007 will become zero with the link point of All India Consumer Price Index (AICPI) 2001=100, which is 126.33 as on 01/01/2007. The periodicity of adjustment will be once in three months, as per the existing practice of these categories. The quarterly DA payable from 01/01/2007 will be as per new DA scheme as given in Annex. - II(B) of DPE's OM dated 26.11.2008.
5. **House Rent Allowance:** The House Rent Allowance to the employees of CPSEs will be at the following rates:

Cities with population	Rates of HRA
50 lakh and above	30% of Basic Pay
5 to 50 lakh	20% of Basic Pay
Less than 5 lakh	10% of Basic Pay

6. **City Compensatory Allowance:** The City Compensatory Allowance stands dispensed with as per Para 9 of DPE's OM dated 26.11.2008.
7. Performance Management System is to be implemented and Performance Related Pay is to be decided by BSNL as per Annexure-III of DPE OM dated 26.11.2008.
8. Board of Directors of BSNL is to decide and make payment of various perks, allowances, gratuity, staff car, Pay of Executives on deputation/transfer to CPSEs, Pay of Government Officers on deputation to CPSEs and Superannuation Benefits in accordance with guidelines and instructions issued by DPE on this subject.
9. Payment of arrears of revised IDA pay scales shall be in two installments i.e. 40% and 60% as proposed by BSNL. Detailed modalities shall be finalized by BSNL.
10. BSNL has to bear the additional financial implication on account of pay revision from its own resources and no budgetary support will be provided.
11. BSNL will have to pay pension contribution to the Government on the basis of revised pay scales with effect from 01.01.2007.
12. All instructions/guidelines issued by DPE in this regard from time to time may be scrupulously followed.

This has the concurrence of Internal Finance Division (TPF), Department of Telecommunications vide Dy. No. 02/91/TPF/09 dated 27.02.2009.

  
(BRAJESH MISHRA)  
Director (PSU-I)  
Tele No: 2303 6019

To  
Shri Kuldeep Goyal  
Chairman and Managing Director  
Bharat Sanchar Nigam Ltd. (BSNL)  
Janpath, New Delhi.

Contd.....

**Copy to:-**

- 1) Secretary (T), DoT.
- 2) Member (Finance)/ Member (Technology)/ Member (Services)
- 3) Additional Secretary (T), DoT.
- 4) Joint Secretary (T), DoT.
- 5) Deputy Director General (Estt), DoT. Necessary action in respect of pension contribution may please be taken.
- 6) Deputy Director General (SU)/ (TPF), DoT
- 7) Deputy Director General, (FEB)/ (Accounts), DoT. For issuing necessary instructions to all CCAs.

**Copy also to:-**

Joint Secretary, Department of Public Enterprises,  
Public Enterprises Bhavan,  
Block No. 14, CGO Complex,  
Lodhi Road, New Delhi.

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