



**ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
OFFICERS' ASSOCIATION**

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No. AIBSNLOA/CHQ/2008/45

Dated: 8th December 2008

To
Shri Santosh Mohan Dev,
Minister of Heavy Industries & Public Enterprises,
Government of India,
CGO Complex, Lodi Road,
New Delhi 110003.

Subject: Decision of the Government on the recommendations of 2nd Pay Revision Committee – Request to review certain decisions on few important issues.

Hon'ble Sir,

The orders issued by Department of Public Enterprises vide its No 2(70)/08-DPE(WC) dated 26th November 2008 on the above matter has created serious discontentment among the Executives of all CPSEs in general and our members in particular. It is observed that many significant recommendations of the 2nd Pay Revision Committee have not been accepted thereby denying the long awaited justice to the Executives. We also find that even in regard to fitment benefit, the Government has treated the Executives of CPSEs and Government Employees differentially. We would, therefore, like to earnestly appeal to you and through you other authorities to reconsider at least the following few decisions. Otherwise, the very purpose of setting up of Pay Revision Committees will get defeated.

01. Categorization of CPSEs:

The Government has not accepted the recommendation of the 2nd Pay Revision Committee to have categorization of CPSEs in 5 categories (A+,A, B,.C,.D). Instead it has decided to continue with the existing categorization of CPSEs in 4 categories (A,B,C,D) only. This recommendation of the Pay Revision Committee is based on scientific and realistic approach to identify the CPSEs based on their individual performance and encourage their Executives to give their best in the competitive environment. Moreover, entire recommendation of the Pay Revision Committee is based on this new theory of categorization. We would, therefore, request to accept this recommendation of the 2nd Pay Revision Committee.

02. Pay Scales:

The Government has not accepted the recommendation of the 2nd Pay Revision Committee to have different pay scales for different category of the CPSEs. Further the Government has ordered same pay scales for all categories of CPSEs, whereas the 2nd Pay Revision Committee had recommended higher pay scales for higher categorized CPSEs. Moreover, various revised pay scales from E-0 to E-7 for the Executives, as have been decided by the Government, are the lowest set of pay scales which was recommended by the 2nd Pay Revision Committee for D category CPSEs. In fact, the 2nd Pay Revision Committee had recommended revised pay scales in which the pay scales in C category CPSEs would have been higher than that in D category. Similarly, the pay scales in B category CPSEs would have been higher than that in C category, and so on. In the process, the Executives in A+ category CPSEs would have got the highest pay scales. But the Government has decided

to have uniform pay scales for all categories of CPSEs and that too with the set of pay scales that was suggested by the 2nd Pay Revision Committee for D category CPSEs. Thus the decision of the Government has adversely affected the Executives of all CPSEs in higher categories i.e. in C, B, A etc. We would, therefore, request to accept the recommendation of the Pay Revision Committee and grant different set of pay scales for the CPSEs based on their categorization which will act as a motivation factor for the executives in higher categorized CPSEs.

03. Fitment benefit:

The 2nd Pay Revision Committee recommended a graded fitment on the basic pay plus DA at 68.8 % allowing Executives of higher categorized CPSEs to get higher fitment benefit compared to the Executives in lower categorized CPSEs which even enabled the higher level Executives in the same CPSE to have higher fitment benefit. But the Government has decided for application of uniform fitment formula of 30% on basic pay plus DA at 68.8% for all the executives in all the categories of CPSEs. Hence, this decision has put the Executives in higher categorized CPSEs in a loss. We would, therefore, request that the fitment benefit be considered in the light of the recommendation of Pay Revision Committee on the issue along with the recommendations on the above stated matters as at item 01 and 02 above.

Further, as per the order issued by DPE, the fitment will now be uniform @ 30 % on basic pay plus DA at 68.8% as on 01-01-2007. Now w.e.f. 01-01-2007, 50% of DA is merged with basic pay in most of CPSEs. Thus on 01-01-2007, an Executive was actually drawing his basic pay in the scale + 50 % D.P. + 18.8 % DA on pay plus DP. That is, they were drawing, in effect 9.4 % of pay more due to DA merger. But the 2nd Pay Revision Committee did not consider the DA merger while suggesting fitment formula and had recommended fitment benefit of 30 % on basic pay plus 68.8% DA only. And this fitment benefit recommended by 2nd Pay Revision Committee has been accepted by the Government without any improvement.

It is worth mentioning here that the 6th Central Pay Commission also recommended a fitment benefit on basic pay plus 74% DA on 01-01-2006 for all Central Government Employees and did not take into consideration the DA merger for fitment. It has even specifically stated that DA merger is not taken for pay fixation. But the Government improved over the recommendation of the 6th Central Pay Commission for Central Government Employees in respect of fitment formula. It took the DA merger into consideration and allowed a multiplication factor of 1.86 as against the multiplication factor of 1.74 recommended by 6th CPC and added the grade pay which was 40 % of maximum of the pay band. Unfortunately, such an improvement on fitment formula has not been considered by the Government for the Executives of CPSEs.

In view of the above stated position, the DA merger needs to be considered for fitment benefit in respect of all the CPSEs where 50% of DA was merged. In respect of other CPSEs where merger did not take place, the same fitment formula can be applied by considering as if the DA merger had taken place.

04. Stagnation Increment:

The condition stipulating that the Executives could be granted stagnation increment only when one gets a performance rating of 'Good' or above is too harsh. After all, the stagnation increment is granted after every two years and not annually. Thus there is no normal incentive. Therefore, the stagnation increment should not be denied unless one has adverse grading.

05. Date of payment of HRA, perks and allowances:

It has been ordered that payment of HRA, perks and allowances will be from the date of issue of Presidential Directive by the concerned Administrative Ministry/Department, though the revised pay scales will be effective from 1.1.2007. This will again create serious problem to the Executives of different CPSEs, since the concerned Administrative

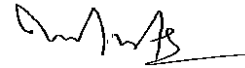
Ministries/Departments will take their own time to issue the Presidential Directive and therefore the date of payment of HRA/Perks etc in revised pay scales will vary from CPSE to CPSE. This is certainly not a justified decision, since the Executives cannot be put to loss for no fault on their part.

Thus there is an urgent need to reconsider this decision and allow the payment on a common date in all CPSEs irrespective of the date of issue of Presidential Directive. We would, therefore, urge for payment of HRA, Perks and allowances from 26.11.2008 i.e. the date on which the DPE has issued its O.M. conveying decision of the Government on the recommendations of 2nd Pay Revision Committee.

2. We are sure that our appeal will be duly considered for the sake of justice and necessary modifications to the instructions already circulated on the above areas will shortly be issued.

With kind regards,

Yours sincerely,



(V.P.Arya)
General Secretary

Copy to:

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| 1. Dr Manmohan Singh,
Prime Minister of India,
New Delhi-110001. | We earnestly request to kindly
intervene. |
| 2. Shri A Raja,
Minister of Communications & IT,
CGO Complex,
New Delhi 110003. | |
| 3. Shri K S Chandrasekhar,
Cabinet Secretary,
New Delhi 110001. | |
| 4. Shri Siddhartha Behura,
Secretary, DoT.
New Delhi 110001. | |
| 5. Shri Kuldeep Goyal,
CMD, BSNL
New Delhi 110 001. | |
| 6. Shri Gopal Das,
Director (HRD),
BSNL Board,
New Delhi 110001. | |