



No. 1-13/2015-PAT(BSNL)

Dated: 12.06.2017

To

Sh. Pawan Gupta
Director (PSU-I),
Department Of Telecommunications,
New Delhi

Sub: Proposal for grant of replacement scales for pre-revised E1A, E2A pay scales for JTOs, SDEs & equivalent cadres w.e.f: 01.01.2007.

Sir,

I am directed to refer your letter No. 61-2/2016-SU dated 19.05.2017 on the above cited subject and submit the following information / para-wise comments to your letter referred above:

(i) The proposal for revision of existing E1A and E2A pay scales w.e.f. 01.01.2007 is the pending item of pay revision under 2nd PRC. As per para 3 of DPE OM dated 26.11.2008, the affordability for implementation of pay revision has been defined in terms of additional outgo by such revision, which for a period of 12 months should not result in more than 20% dip in profit before tax (PBT) for the year 2007-08 of a CPSE. BSNL was in profit during 2007-08 and the financial outgo for the present proposal for revision of E1A and E2A pay scales is within the prescribed limit as provided in DPE guidelines. It is also relevant to point out that all other BSNL employees got benefit of 2nd PRC like 30% fitment and 78.2% IDA neutralization. The benefit of revised scales is not extended to only one set of executives.

Financial year	Income in Cr.	Profit in Crores (before TAX)
2007-08	38054	4451

Financial implication of the proposal for replacement of E1A/E2A with E2/E3 scales with effect 1.1.2007 is as follows:

- Pay & allowances by BSNL: Recurring annual financial implication of Rs. 38 Crores will be there on account of Pay & allowances.
- Pension contribution by BSNL: Total financial outgo on account of increase in pension contribution for period from 01.01.2007 upto 31.03.2016 is around Rs. 157 Crores. Annual recurring expenditure on Pension Contribution payable to DOT will be Rs. 06 Crores.
- Pension liability of Govt.: As already stated in BSNL letter dated 21.06.2016, with regard to pension arrears to be paid from 01.01.2007 to 31.12.2016, there would not be any additional pension liability in respect of BSNL executives



retired during the said period. This is due to the reason that there would not be any increase in pay and, therefore, also in the pension in respect of the absorbed employees as they are already drawing pay higher than the minimum of the pay scale.

BSNL has made profit of Rs. 4451 Crores during 2007-08. Therefore, in terms of DPE guidelines, BSNL meets the affordability clause for implementation of the proposed revised standard scales. As mentioned above, the proposal has financial implication of Rs. 157/- Crores and a recurring implication of about Rs. 44 Crores which would not be, therefore, difficult to meet by BSNL.

- ii) The details of direct recruit executives at every grade from E1 to E9 year-wise from 01.01.2007 onwards is attached as Annexure-I. Similar details of DOT absorbed executives are placed as Annexure-II. The percentage of salary as required by DOT in the referred letter is not available.
- iii) The details of executives who are covered by the DOT order dated 28.03.2017 pay scale wise, are provided in the Annexure-III.
- iv) On implementation of the DOT order dated 28.03.2017, the pay scales of the entry level executives of BSNL i.e. JTOs / JAOs etc. will be downgraded from pre-revised E1A (Rs. 9850-14600/-) to revised E1 (Rs. 16400-40500/-). Similarly, the pay scales of SDE and equivalent grades will also be downgraded. These are explained below:

Cadre	Pay scale as on 31.12.2006	Pre-revised pay scale corresponding to Presidential Order dated 28.3.2017
JTO equivalent	Pre-revised 9850-14600	The Pay scale of Rs. 16400-40500/- now granted by DoT corresponds to pre-revised pay scale of Rs. 8600-14600/-
SDE equivalent	Pre-revised 11875-17275	The Pay scale of Rs. 20600-46500/- now granted by DoT corresponds to pre-revised scale of Rs. 10750-16750

This down-gradation of pay scales w.e.f. 1.1.2007 is definitely going to affect the motivation of employees already working the grade JTO/JAO and also the aspiring Non-executives particularly the young DR TTAs comprising of Graduate engineers who see this as an opportunity to go higher up in the organization through DR quota examination.

Further, there would be out flow of direct recruits to other CPSEs like BHEL, NTPC, ONGC etc. as the recruitment at entry level in such organisation is being made at E2/E3 level after 2nd PRC.



v) Vide letter dated 06.06.2016, BSNL had proposed to revise E1A and E2A pay scales by grant of E2 and E3 scale and also for upgradation of E3 to E6 pay scales to E4 to E7 in respect of Sr. SDE, AGM, DGM and SG-DGM cadres. But, DoT conveyed vide letter dated 9.8.2016 that the proposal of BSNL cannot be acceded to. However, considering that E1A & E2A pay scales in BSNL were given in 2003 with due approval of DoT & DPE and revision of these pay scales due from 1.1.2007 is still pending even after passage of ten years because of Govt's decision not to allow intermediary pay scales, BSNL is requesting for E2 & E3 scales in replacement of pre-revised E1A & E2A. Part I of the proposal in BSNL's letter dated 6.6.2016 for replacement of E1A & E2A with E2 & E3 is a residual issue of 2nd PRC and may be approved. The Part II of the BSNL's proposal will be taken up at the time of 3rd PRC.

vi) With the grant of E2 scale in replacement of E1A, there will be simple placement of executive in the revised pay scale. This cannot be treated as up-gradation under BSNL Executive Promotion policy (EPP). In EPP, up-gradations are defined linking with scales as well as grades. The combined residency period in the pre-revised E1A scale and the proposed replacement E2 scale will be considered for the first time bound up-gradation in E3 scale (instead of present arrangement of up-gradation from E1A to E2A). Similarly, for 2nd time bound up-gradation under EPP, the combined residency period in E2A and E3 scale will be considered. Therefore, the question of EPP up-gradation without requisite period of service in the scale will not be attracted in this case. As this is mere replacement of non-standard pay scales of E1A & E2A with the standard pay scales of E2 & E3 in line with DPE guidelines, therefore, no legal or administrative issue are envisaged. Rather, it will be quite helpful in settling the pending court cases including various representations / Grievances on CPGRMS etc. which are being defended by BSNL.

vii) In the erstwhile DoT, the scales in existence for different grade of officers were as under:

- JTO and equivalent grades- Rs.6500-200-10500
- SDE and equivalent grades- Rs. 7500-250-12000
- Sr. SDE and equivalent grades - Rs. 8000-275-13500
(Sr. SDE and Sr. AO are non-functional grades)
- ADG/DE and equivalent grades- Rs. 10000-325-15200
- JAG and equivalent grades- Rs. 12000-375-16500

On corporatization w.e.f 1.10.2000, the officers working there were absorbed in BSNL in the corresponding IDA scale as conveyed vide DoT order no. 61-



6/2002-SU dated 28.7.2003. As per this order, the IDA scales corresponding to the CDA scales are as under:

Existing CDA scale	Corresponding IDA scale
6500-200-10500	9850-14600
7500-250-12000	11875-17275
8000-275-13500	13000-350-18250
10000-325-15200	14500-350-18700
12000-375-16500	16000-400-20800

From the above, it is clear that each designation has a definite link to the pay scale or the grade for that matter.

Further, in BSNL, designation is linked with the substantive post held by the Executive. As per the DOT approved BSNL EPP, two tier promotions are prescribed - (a) time bound up-gradation and (b) post based promotions. With time bound up-gradations, the pay scale is upgraded to the next higher scale after the prescribed qualifying service in the scale. However, with this up-gradation of scale no change of designation takes place. For example, a JTO recruited in E1A scale on grant of time bound up-gradation may be placed in higher scales of E2A, E3 and so on. His designation will, however, change only on his post based promotion to the post of SDE. This arrangement is in accordance with the terms & conditions of absorption of Group-B officers of erstwhile DOT in BSNL w.e.f. 01.10.2000. The terms and conditions of absorption states that '*on absorption in BSNL, the officers will be allowed up-gradation to the next higher pay scale on time bound basis varying between four to six years upto the level of JAG-SG*'. As per EPP, the time bound up-gradation to next higher scales is personal to the employee and no such data with regard the designations with the corresponding grades, is being maintained.

Encl: As above.

Yours faithfully,

[Sheo Shankar Prasad]
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21/6/2003
JPC