

No. 21-T/2015-SU  
Government of India  
Ministry of Communications  
Department of Telecommunications

Annexure I

Sanchar Bhawan, New Delhi-110001  
Dated 30<sup>th</sup> March, 2017

To

The Chairman and Managing Director  
Bharat Sanchar Nigam Limited  
Bharat Sanchar Bhawan  
Janpath, New Delhi-110001.

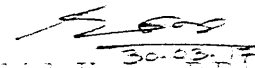
Subject: Pay fixation matters relating to BSNL employees- Date of increment on regular promotion to a scale - Reg.

Sir,


I am directed to forward a copy of the proceedings of the meeting chaired by Additional Secretary (T) on 17.03.2017 regarding fixation of date of increment on regular promotion to a scale in BSNL, for further necessary action.

2. This has the approval of Additional Secretary (T).

Yours faithfully

  
(Rathish Kumar P.P.)  
Section Officer (SU)  
Tel: 2303 6256

Copy to:

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- (i) Shri N Sivasailam, Additional Secretary (T), DoT
  - (ii) Shri Amit Yadav, JS(A), DoT
  - (iii) Shri Rajiv Kumar, DDG (B&PEF), DoT
  - (iv) Smt. T.L. Yaden, DDG (Accounts), DoT
  - (v) Smt. Vandana Sethi, Director (Estt.), DoT
  - (vi) Shri Pawan Gupta, Director (PSU-I), DoT
  - (vii) Shri R.S. Manjunath, ADG(Accounts-II), DoT
  - (viii) Smt. Madhu Arora, PGM, BSNL
  - (ix) Shri Manish Kumar, Jt. GM, BSNL
  - (x) Shri Sheo Shankar Prasad, DGM, BSNL

Issued (By hand)  
30/3/17

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D/C.

Proceedings of meeting chaired by AS(T) on 17.03.2017 regarding date of increment on regular promotion to a scale.

1. The list of participants is at Annexure.
2. P&T Audit team while reviewing the accounts of Pr. CCA, Delhi observed that the time bound promotion to the executives of BSNL has given the double advantage of the fixation of pay i.e. one at the time of time bound promotion and another at the time of regular promotion to the post. Further increment has been accorded based on the date of time bound promotion.
3. The fixation of next increment based on the time bound promotion date after grant of increment on post based promotion has not been accepted by Government and hence has resulted in pension claims of several employees of BSNL remaining provisional and unsettled.
4. BSNL has a scheme for granting time bound promotion upto E6. In this regard, approval for executive promotion policy for granting B level employees of BSNL was granted vide order 40-25/2006-Pen(T), dated 05/01/2007 subject to the condition that, in the implementation of the said policy, additional liability, if any, will be borne by BSNL. BSNL has submitted that this condition has subsequently been withdrawn vide letter No. 40-12/04-Pen(T) dated 23.05.2008. Anyway, condition regarding bearing of additional financial liability is not the subject matter of the matter under consideration at this stage and it could be dealt with at a later stage, if need be.
5. The key issue involved at this stage is the date of fixation of the next increment pursuant to the grant of post based promotion under the Executive Promotion Policy (EPP). This is illustrated by an example:

“BSNL employee under EPP policy has been granted time bound promotion on 1/10/2007. He obtained his time bound increment on 1/10/2008. He gets his post based promotion in that cadre on 1/2/2009. The issue for consideration is whether the date of increment is on 1/2/2010 or 1/10/2009.”

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“BSNL’s contention is that increment falls on 1/10/2009 because additional increment on post based promotion, does not alter his date of increment which is determined based on the time bound promotion to that scale”.

6. The contention of the Department of Telecommunications (DoT) Finance Division is that on being granted post based promotion, he advances by an increment in that scale, his date of increment shall be one year from the date of post based promotion on 1/2/2010 because increments are granted annually. An employee can have only one increment in a year and if that increment is advanced on being accorded formal promotion, the next increment can only be one year following the grant of the increment.

7. Finance Division in O.M. No.6-1676/2014-PFP(Part-I) dated 22/08/2016 have while considering the matter generally, have observed that:

“It was intimated that the procedure of allowing increment on promotion/upgradation under the said scheme before completion of 12 months needs a review to keep it in consonance with Government of India Rules.”

8. However, in absence of any finality on this issue, this has led to problem in BSNL as pension has been held up based on internal circular of BSNL No. 400-55/2016-Pers.I dated 25.07.2016.

9. Based on the meeting held by Addl. Secy(T) on 12.01.2016, the minutes of which were issued vide No. 61-7/2015-SU dated 09.02.2016, pension continued to be fixed without addressing this impasse which resulted in several claims not being processed at all.

10. During the meeting it was informed by BSNL that pension in several cases are being fixed based on according increment one year after increment in post based promotion whereas in several other cases this is not so and different norms have been followed by various pension sanctioning authorities. The points brought forward by BSNL in the meeting are as follows:

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- 1) EPP of time bound financial up-gradation and post based promotion was approved under terms and condition of absorption for Gr. B officers (to give time bound up-gradation up to DGM N.F. Grade). The policy after detailed deliberation was issued on 18<sup>th</sup> January 2007 and time bound up-gradation was allowed from E1 Scale to E6 Scale.
  - 2) that the provision of Para II (v) under EPP Policy allows benefit of extra increment on getting post based promotion if the executive has already been granted same scale under time bound promotion and no increment is allowed in case he is granted higher scale than the promoted scale.
  - 3) Subsequently, the clarification letter No. 400-175/2007-Pers.I issued on 23.06.2009 (letter in question) was issued on the basis of clarification called by many circles regarding the impact of Date of Next Increment (DNI) when increment is given on post based promotion. After detailed deliberations in BSNL it was clarified that the additional increment given on post based promotion is not a fixation under FR22(1)(a)(I), rather it is an incentive given in the form of advance increment to the executive for shouldering higher responsibilities and is also not covered under any FRSR. So, the DNI allowed under time bound promotion will remain unaltered which is fixed under the proviso of FRSR.
  - 4) As per DoT order No. 40-12/04-Pen(T) dated 17.01.2005, BSNL was asked to consult DoT whenever any order is issued by BSNL which has implication on pension and pensionary benefits. However this order was modified vide order No. 40-12/04-Pen(T) dated 23.05.2008 to the extent that only intimation of the order was required to be sent to DoT instead of consultation or prior approval. Accordingly the clarification order of BSNL No. 400-175/2007-Pers.I dated 23.06.2009 was endorsed to DoT and no query was raised by DoT on this clarification until 2016.
  - 5) However as per the instruction of DoT, the BSNL order dated 23.06.2009 has been provisionally withdrawn by BSNL vide its order dated 25<sup>th</sup> July 2016.

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- 6) In similar condition, during DoT regime from 1996 to 2006, two fixations were allowed, one under lateral Advancement to JTO / SDE grade and then subsequently on getting the vertical promotion. Lateral Advancement is same as time bound promotion. However this provision was discontinued after order of DoT dated 05.05.2006 but no recovery was made from the executives who got the benefits.
  - 7) Further in DoT/Govt of India in some of the cadres, an advance increment (an incentive) was given to the officer who passes the departmental qualifying exam prior to period specified and the DNI remains the same.

11. According to BSNL, the withdrawing of the above clarification will result in the following:

- a) The impact will be applicable on many executives who have already retired now, as the policy is applicable from 1.10.2000.
- b) There will be huge manpower required while making correction in pay of large number of executives.
- c) Any modification in the policy from retrospective date will result in people going to court as the policy was earlier approved by BSNL Board and DoT and thereby resulting into huge loss of time, money and energy.
- d) Associations will agitate and industrial unrest may prevail.

12. In order to avoid any confusion until the issue of DNI is addressed, it is hereby instructed that in BSNL case of pay fixation may be processed for grant of next increment based on increment being granted 12 months from the date of post based promotion. Existing pension cases which are held up may be processed accordingly till a final order is issued in this regard.

13. As the P&T Audit had taken up this issue with Finance Wing with their observations regarding double advantage of the fixation of pay for BSNL executives, it is requested that Member(S) and Member(F) may give their final order on this matter within a month.

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List of participants of the meeting chaired by Additional Secretary (T) on 17.03.2017 regarding date of increment on regular promotion to a scale.

1. Shri N. Sivasailam, Additional Secretary (T), DoT – In chair
2. Shri Amit Yadav, Joint Secretary (A), DoT
3. Shri Rajiv Kumar, DDG (B&PEF), DoT
4. Smt. T.L. Yaden, DDG (Accounts), DoT
5. Smt. Vandana Sethi, Director (Estt.), DoT
6. Shri Pawan Gupta, Dir (PSU-I), DoT
7. Shri R.S. Manjunath, ADG (Accounts-II), DoT
8. Smt. Madhu Arora, PGM, BSNL
9. Shri Manish Kumar, Jt.GM, BSNL
10. Shri Sheo Shankar Prasad, DGM, BSNL