



ALL INDIA BHARAT SANCHAR NIGAM LIMITED RETIRED EXECUTIVES' ASSOCIATION

Central Headquarters

Flat No.6, Second Floor, Subiksha Apartment,
10/41, Sowrashtranagar 7th Cross Street, Choolaimedu, Chennai – 600094
Email: gensecaibsnlrea@yahoo.com

President

V. Chinnappiah
(M) 9444003300

General Secretary

R.R.Balasubramanian
(M) 9486100613

Financial Secretary

Awadesh Sharma
(M) 9968630008

No.AIBSNLREA/CHQ/2023/52

Dated: 9th June 2023

To

Shri Narendra Modi,
Hon'ble Prime Minister of India,
South Block,
New Delhi-110001

Sub: Unjustifiably forcing BSNL to pay Pension contribution on maximum of pay scale instead of existing pay in respect of the BSNL absorbed Employees – Request for intervention

Hon'ble Sir,

We are grateful that under your Leadership, the Government has again come out with a Revival Package for BSNL, the third one in the last few years, this time amounting to Rs.89047 crore, **in view of the strategic importance of BSNL as a 100% Government PSU, discharging the social obligations of the Government of India despite incurring huge losses due to the unviable services provided by it in rural and remote areas.** The Press Release announcing the Third Revival Package claims that “As a result of these (previous) two packages, BSNL has started earning operating profits since FY 2021-22. Total debt of BSNL has reduced from Rs. 32,944 Crore to Rs. 22,289 Crore.” With allotment of required spectrum, BSNL will shortly commence 4G services eagerly awaited by lakhs of mobile customers which is expected to result in its turnaround.

2. We are only surprised that the Cabinet has not been apprised of another financial distress inflicted on BSNL by unjustly forcing it to pay Pension Contribution in respect of its absorbed employees on the basis of maximum of the pay scales under FR 116, while calculating pension contribution under FR 116 has been modified w.e.f. 1.1.2006 as “on the basis of existing pay of the Government servants on deputation.” Had due importance been given to this issue, BSNL would have been spared the unnecessary drain of hundreds of crores of rupees every year from its resources.

3. FR 116 pertains to payment of pension contribution in respect of Government servants on deputation to other departments/PSUs payable by the borrowing department. The rate of

pension contribution will be calculated as per DoP&T orders issued from time to time. While the rate was being calculated based on the maximum of the pay scale till 31.12.2005, it was modified vide DoP&T OM No.2/34/2008-Estt (Pay-II) dated 19.11.2009 as “based on existing basic pay” w.e.f. 1.1.2006. **This change of rate of pension contribution is yet to be implemented in respect of BSNL absorbed employees, with BSNL still continuing to pay pension contribution on the maximum of the pay scale.**

4. This modified order of DoP&T was issued in consultation with Department of Expenditure vide its ID No. MoF (DoE) ID No.228 (SO)(E-III(A))/08 dated 19th December 2008, which stated that “With the introduction of Modified ACP Scheme under which an employee will now get financial upgradation to the next higher grade pay on completion of 10 years of service, under normal circumstances, no government servant is likely to remain in a particular grade for more than 10 years. In the light of this position, it is proposed that instead of the present practice of basing the calculation of pension contribution during the active period of foreign service on the basis of the maximum of the pay scale plus dearness pay appropriate to such maximum plus interim relief appropriate to such maximum, such calculations may now be based on the existing basic pay of the Government Servant.” **The above justification, as advanced by Department of Expenditure in respect of CG employees on foreign service, in fact is more applicable to the BSNL employees since all the BSNL Executives are covered under time bound financial upgradation Scheme after every 4/5 years and the non-executive employees after 7/8 years.** Since none of the BSNL Executives remain on the maximum of the scale in their respective grade for more than 4/5 years and similarly the non-executives for more than 7/8 years, calculation of pension contribution, thus, basing on ‘existing pay’ of the BSNL employees needs to be implemented w.e.f. 1.1.2006 as in the case of the CG employees or even earlier as the time bound financial upgradations in BSNL were made effective w.e.f. 1.10.2004.

5. Subsequently, **DoT had committed at least in three of its Memorandum of Understanding with BSNL to ensure that “Pension Contribution is collected on the maximum of the scale in IDA instead of on actual pay drawn which is contrary to the procedure followed in respect of CDA scales.”** This commitment was not followed up with action as required. DoP&PW had long back in the year 2013 concurred with a GoM decision to extend this methodology to MTNL/BSNL employees w.e.f. 1.1.2006. But Cabinet approval for the same was put on hold in the last minute. Later while extending the benefit of Rule 37A for MTNL employees, a proposal for change in methodology in pension contribution - as per FR-116 upto 31.12.2005 on the maximum of the IDA pay scales and with effect from 01.01.2006 on the actual pay drawn in the IDA pay scales, was mooted but again it was dropped before final approval of the Cabinet. **There can be no justification for treating BSNL differently when pension contribution is collected from it under the same FR 116.**

6. All through the years, BSNL has stood for the People of India, making telecom facilities most affordable, compelling other operators too to fall in line, reaching to people in rural, remote and terrorism-prone areas, providing services to the forces guarding the Nation, remaining as the only reliable network during natural calamities and emergencies. **Even during the recent tragic train accident in Odisha it was only BSNL which had immediately set up an Emergency mobile tower and had offered free connectivity to the traumatized passengers and their families.**

7. We therefore request your personal intervention in this matter for impressing upon the Minister of Finance and the Department of Expenditure, so that BSNL is also allowed to pay pension contribution in respect of its absorbed employees on 'existing pay' w.e.f. 1.1.2006 and the excess amount paid by BSNL all these years is refunded. This will go a long way in resurrecting the financial position of BSNL.

With kind regards,

Yours sincerely,



(R.R. Balasubramanian)
General Secretary

Copy to:

1. Smt. Nirmala Sitharaman,
Minister of Finance, GOI
2. Shri Ashwini Vaishnaw,
Minister of Communications, GOI
3. Dr. T V Somanathan,
Secretary (Expenditure), DoE
4. Shri K Rajaraman,
Secretary, DoT
5. Shri P K Purwar,
CMD BSNL