



ALL INDIA BHARAT SANCHAR NIGAM LIMITED RETIRED EXECUTIVES' ASSOCIATION

Central Headquarters

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Flat No.6, Second Floor, 10/41, Sowrashtranagar 7th Cross Street, Choolaimedu, Chennai – 600094

Email: gensecaibsnlrea@yahoo.com

Website: <https://www.aibsnlrea.org>

President

V. Chinnappiah
(M) 9444003300

General Secretary

R.R.Balasubramanian
(M) 9486100613

Financial Secretary

Awadesh Sharma
(M) 9968630008

No. AIBSNLREA/CHQ/2025/30

Date: 29th March 2025

To

Shri Narendra Modi,
Hon'ble Prime Minister of India,
New Delhi

Sub: PART IV OF THE FINANCE BILL 2025 - VALIDATION OF THE CENTRAL CIVIL SERVICES (PENSION) RULES AND PRINCIPLES FOR EXPENDITURE ON PENSION LIABILITES FROM THE CONSOLIDATED FUND OF INDIA - REQUEST FOR RE-EXMINATION AND DROPPING OF PART IV BEFORE FURTHER PROCESSING FOR CONSENT BY HON'BLE PRESIDENT OF INDIA

Respected Sir,

With deep anguish, concern, and profound disappointment, we express our strong resentment to the provisions of Part IV of the Finance Bill 2025 which was recently passed in the Lok Sabha. Inclusion of Part IV in the Finance Bill which seeks to validate CCS (Pension) Rules, 1972 and 2021, seems to be out of place in the Bill, which predominantly discusses Income Tax and GST. Mere mention of Expenditure of Pension liabilities from consolidated fund of India in the title does not give any justification for inclusion in the Finance Bill, as the Part IV only reiterates the authority of the Government of India to establish distinctions among pensioners as a general principle. But this authority has never been accepted by the courts, especially the Hon'ble Supreme Court of India to be absolute.

2. We strongly believe that the Government has been misled into accepting inclusion of Part IV in the Finance Bill 2025 by providing incomplete and unrelated information, as is obvious from the reply of Hon'ble Finance Minister in Lok Sabha that *"for the first time this Government has implemented the full parity between pensioners of pre and post VII CPC"* and that *"by this amendment that we are bringing in, the Government is actually restoring what it was accepted March 2008 and the sixth pay commission recommendation therefore is being honoured and respecting it as an expert body that is what is the objective and aim of this amendment. Why is it*

(implemented) after sixteen years Sir, several court cases were going on and we had to wait for the verdict to come and then we have gone back to saying yes now all the hearings are over, verdicts are received, we are going back to honouring the decision which was taken in 2008." This is reflected in Lines 34 onwards in Page 50 of the Finance Bill.

3. As the Hon'ble Finance Minister mentions about several court cases going on and now that all the hearings are over, the decision taken in 2008 (the decision of the Government of India on the recommendations of VI Central Pay Commission) are honoured, **it is to be assumed that it pertains to the case of only a section of pensioners viz. S-30 pay scale pensioners**, which has attained finality in Union of India and Ors. Vs All India S-30 Pensioners Association and Ors. by Hon'ble Supreme Court of India in SLP (Civil) No.29124 of 2024, which is mentioned in the amendment. **All the other Pre-2006 Central Government pensioners have got their pension revised in the year 2008 itself. In fact, the Central Government Pensioners have been availing parity right from the implementation of the Fifth Central Pay Commission** which had provided for revision of pension of pre-1986 pensioners too as a follow-up of the basic objective of parity.

4. While Fourth Central Pay Commission had recommended additional relief and graded relief to the pre-1986 pensioners, the Fifth Central Pay Commission framed the concept under Para 137.7 of its report that **"The concept of parity, which is also known by the term Equalisation of Pension, means that past pensioners should get the same amount of pension which their counterparts retiring on or after 1.1.1996 from the same post will get irrespective of the date of retirement or the emoluments drawn at the time of retirement of the past pensioners."**

5. Its recommendations under Para 137.14 of the report was that **"As a follow up of our basic objective of parity, we would recommend that the pension of all the pre-1986 retirees may be updated by notional fixation of their pay as on 1.1.1986 by adopting the same formula as for the serving employees. This step would bring all the pensioners who have been brought on to the Fourth CPC pay scales by notional fixation of their pay and those who have retired on or after 1.1.1986 can be treated alike in regard to consolidation of their pension as on 1.1.1996 by allowing the same fitment weightage as may be allowed to the serving employees. However the consolidated pension shall not be less than 50% of the minimum pay of the post, as revised by Fifth CPC, held by the pensioner at the time of retirement."** This recommendation was duly accepted and implemented by the Government. The Sixth and Seventh Pay Commission continued with this concept and recommended revision of pension of those who retired prior to the date of implementation of revised pay scales, providing total parity in pension between the past and future pensioners. These recommendations have also been accepted by the Government and implemented in the year 2008 and 2017.

6. While in her speech Hon'ble Finance Minister emphasized honouring the earlier decisions with continuing parity, the amendment proposed unequivocally declares its intention not to continue with the parity stating that **"(a) it is hereby clarified that the Central Government has the authority and shall always deemed to have had the authority, to classify its pensioners, and may**

create or maintain distinction amongst pensioners as deemed expedient for implementing the recommendations of the Central Pay Commissions under this Part;

(b) it is also clarified that the date of retirement of pensioners shall be the basis of distinctions and for classification in regard to pension entitlement.

7. This is in complete contravention of the landmark Supreme Court judgment in D.S. Nakara & Others vs Union Of India on 17 December, 1982. This judgment had established the principle of parity in pension for past and future pensioners, ensuring fairness and justice for all retirees. Under Para 13 of the Judgment, it had said *“the pensioners for the purpose of pension benefits form a class, would its upward revision permit a homogeneous class to be divided by arbitrarily fixing an eligibility criteria unrelated to purpose of revision, and would such classification be founded on some rational principle ? **The classification has to be based, as is well settled, on some rational principle and the rational principle must have nexus to the objects sought to be achieved [emphasis added].** We have set out the objects underlying the payment of pension. If the State considered it necessary to liberalise the pension scheme, we find no rational principle behind it for granting these benefits only to those who retired subsequent to that date simultaneously denying the same to those who retired prior to that date. If the liberalisation was considered necessary for augmenting social security in old age to government servants then those who retired earlier cannot be worst off than those who retire later. Therefore, this division which classified pensioners into two classes is not based on any rational principle and if the rational principle is the one of dividing pensioners with a view to giving something more to persons otherwise equally placed, it would be discriminatory”*.

8. It further said, *“**To illustrate, take two persons, one retired just a day prior and another a day just succeeding the specified date. Both were in the same pay bracket, the average emolument was the same and both had put in equal number of years of service. How does a fortuitous circumstance of retiring a day earlier or a day later will permit totally unequal treatment in the matter of pension? One retiring a day earlier will have to be subject to ceiling of Rs. 8,100 p a. and average emolument to be worked out on 36 months' salary while the other will have a ceiling of Rs. 12,000 p.a. and average emolument will be computed on the basis of last ten months average**” [Emphasis added].* It further added that *“The equal treatment guaranteed in Art. 14 is wholly violated inasmuch as the pension rules being statutory in character, since the specified date, the rules accord differential and discriminatory treatment to equals in the matter of commutation of pension. A 48 hours difference in matter of retirement would have a traumatic effect. Division is thus both arbitrary and unprincipled. Therefore the classification does not stand the test of Art.14”*.

9. **If the Government proposes to continue with complete parity, as stated by the Hon'ble Finance Minister, there is no need for this amendment which gives the Government the authority to classify the pensioners based on their date of retirement.** Also, there is no need to reiterate the authority as the Government already has the same and used it in situations when the ceiling on gratuity is enhanced or DA is merged with basic pay, allowing the benefit only to those who retired after issue of orders for such benefits. This has been accepted as falling within the standards

of a rational principle. **But any attempt to deny revision of pension by classifying the pensioners based on the date of retirement will be against any rational principle.**

10. The timing of the amendment has added to the concern among the pensioners since the Government is about to constitute the Eighth Central Pay Commission with expectation of revision of pension for pre-2026 pensioners running high. The amendment not only undermines the hard-fought victory of parity in pension achieved 30 years back, but also disregards the legitimate expectations and rights of countless pensioners who have dedicated their lives to public service. As the principle of parity is not restricted only to the Central Government employees but has also been extended to several other pensioners across the length and breadth of the country, this has created an all-around resentment.

11. In order that the principles of equity and justice enshrined under Article 14 of the Constitution as upheld by the Hon'ble Supreme Court of India are not tampered with, we request that the Part IV of the Finance Bill 2025 be dropped before consideration by the Upper House and in case it is cleared by the Upper House by the time this representation reaches you, not to further process it for consent by the Hon'ble President of India, till the entire matter is re-examined.

With kind regards,

Yours sincerely,



29/3/25

(R.R. Balasubramanian)
General Secretary

- Copy to: 1. Smt. Nirmala Sitharaman,
Minister of Finance, GoI
2. Shri V. Srinivas,
Secretary (Pension), DoP&PW
3. Dr. Manoj Govil,
Secretary, DoE