

# **BSNL EMPLOYEES UNION**

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BSNLEU / 400 (WR)

08.04.2009

To

**Shri R.K. Batra,  
PGM (IR), Chairman,  
Wage Revision Committee for  
Non-executives, BSNL,  
Eastern Court, Janpath,  
New Delhi – 110001**

Sub: **Wage revision for BSNL non-executives – Periodicity and fitment formula – req.**

Sir,

In the wage negotiation committee meeting held on 02.04.2009, the official side proposed two alternatives on periodicity for wage revision and fitment benefit – (a) 30% fitment benefit on par with executives with 10 year periodicity for wage revision, and (b) 10% fitment benefit with 5 year periodicity.

The official side stated that the periodicity for wage revision was 10 years and fitment benefit was 30% for the executives and hence for non-executives the same was proposed to maintain parity. The official side had further stated that in case 30% fitment benefit was to be given w.e.f. 01.01.2007 for non-executives with 5 year periodicity for wage revision, there after 5 years, from 01.01.2012, another 30% fitment benefit was to be given and in such case after 5 years, the fitment benefit would be 60% for non-executives and the executives would continue to have 30% fitment benefit only since their wage revision periodicity would be 10 years. The official side further stated that as per the guidelines issued by DPE on wage revision for non-executives, there should be no conflict between the pay scales of non-executives and executives and in case 30% fitment benefit was to be given now and another 30% after 5 years, then after 5 years, the highest non-executive pay scale would be more than the lowest executive scale and it would amount to conflict between the pay scales of non-executives and executives.

The staff side opposed these proposals and demanded 5 years periodicity with fitment benefit on par with executives. The staff side had stated that the proposals and arguments of the official side were based on assumptions without any basis.

In this connection, we submit the following points to make the issue clear:

1. The second Pay Revision Committee Report, the DPE orders given for implementing this report and the DoT and BSNL orders thereupon for implementing wage revision for executives have no where prescribed 10 year periodicity for the wage revision effected from 01.01.2007. Therefore the official side has no authority to assume 10 year periodicity for wage revision for executives. It is therefore requested not to bring in such assumptions not supported by any authority, in the wage negotiation.
2. The argument of the official side that the executives were given only 30% fitment benefit in the wage revision was only partly true. The minimum pay of the revised pay scale of CMD was Rs.80,000/-. Even after adding 30% fitment benefit on the emoluments (Pay + 68.8% DA) based on maximum pay of the CMD (Rs.31,500), it was only Rs.69124/- where as the minimum revised pay of the CMD was Rs.80,000/-. In fact at the minimum level, the

emoluments (Pay + 68.8% DA) were increased by 72.34%. This means for the CMD, at minimum level 72.34% fitment benefit was given.

3. The ratio between group D minimum (Rs.4000) and CMD's maximum (Rs.31500) was 1:7.875. In the revised pay scale of CMD, the maximum pay was Rs.1,25,000. Therefore to maintain the existing parity of 1:7.875, in the revised pay scales, the minimum pay of Gr.D (Non-executive minimum pay) has to be decided as Rs.15873/-. This is an increase of 135% in the emoluments on Rs.4000 pay (Pay + 68.8% DA). Therefore to maintain the existing parity between the minimum and maximum wage, the non-executives have to be given fitment benefit of 135%.
4. In the guidelines issued by the Government for the 6<sup>th</sup> wage revision in PSUs with effect from 01.01.2007, the same clause that there should be no conflict between the wage revision of executives and non-executives was there, as in the guidelines for 7<sup>th</sup> wage revision. This does not mean that the maximum pay scale of non-executive shall not be more than the minimum pay scale of the executives. We are giving below a few examples to prove that in several PSUs, some of the pay scales of non-executives were more than the pay scales of executives.
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| <b>ONGC (Pay Scales after 6<sup>th</sup> Wage Revision)</b> |               |               |                    |
|---|---------------|---------------|--------------------|
| Executive   |               | Non-Executive |                    |
| E 0   | 10750 – 16750 | S-II          | 11400 (Open ended) |
| E 1   | 12000 – 17500 | S-III         | 13070 (Open ended) |
| E 2   | 13750 – 18700 | S-IV          | 15200 (Open ended) |

| <b>BHEL (Pay Scales after 6<sup>th</sup> Wage Revision)</b> |               |               |               |
|---|---------------|---------------|---------------|
| Executive   |               | Non-Executive |               |
| E 1   | 8600 – 14600  | S-3A          | 8600 – 14600  |
| E 1A  | 10750 – 16750 | S-4           | 10750 – 16750 |

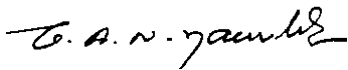
In this connection, it is to be noted that as per DPE orders, the E 0 scale after 6<sup>th</sup> wage revision was 6550 – 11350, E-1 scale was 8600 – 14600 where as in BSNL, the NE-II (8570 – 12245) and NE-12 (9200 – 250 – 13200) are higher than these scales.

Therefore the term “conflict” in the DPE guidelines does not mean that non-executive pay scale should not be more than executive pay scale.

The DPE has issued orders on 02.04.2009 for granting the fitment benefit based on Pay + 78.2% DA instead of Pay + 68.8% DA, after taking DA merger into consideration.

In view of all the above facts, we demand for 5 year periodicity and fitment benefit on par with the executives so that the existing parity 1:7.875 ratio is maintained between minimum pay of non-executive and maximum pay of CMD.

Yours Sincerely,



**(V.A.N. NAMBOODIRI)**  
**General Secretary**