

# BSNL EMPLOYEES UNION

## Recognised Union in BSNL

(Registered Under Indian Trade Union Act 1926. Regn.No.4896)

CHQ:Dada Ghosh Bhawan, Opp. Shadipur Bus Depot., New Delhi – 110008

Email: chqbsnleu@sify.com, website: bsnleuchq.com

Phone: (O) 011-25705385

(R) 011- 23342848

Fax: 011- 25894862

V.A.N. Namboodiri  
General Secretary

BSNLEU/422 (Wage)

11.01.2010

To

Shri Kuldeep Goyal,  
CMD, BSNL,  
Bharat Sanchar Bhawan  
New Delhi – 110001

Sub: *Date of effect of HRA, allowances and perks on revised pay for Non-Executives—Req.*

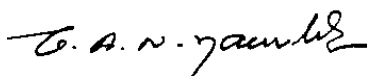
1. It is painful to note that the BSNL management is now taking a different stand regarding the date of effect of Allowances and Perks on revised pay for Non-Executives. It is stated that it can not be granted from 27-2-2009 on par with the executives and can be prospective only. There is no reason for such discrimination against non-executives. If at all some difference has to be there, it has to be in favour of the low paid non-executives and the date of effect for them has to be earlier than that of Executives. This is because the non-executives are low paid employees compared to executives.
2. In the minutes issued by the management side on the meeting of the wage negotiation committee held on 4-12-2009 (which was supplied to the Staff Side on 7-1-2010), it was reported that the management side stated in the meeting that the allowances were always paid from a prospective date. But this statement was not at all correct and was refuted by the Staff Side in that meeting, although it was not reported in the minutes.
3. The absorption of Executives in BSNL took place later than that of Non-Executives. But the date of absorption and date of implementation of IDA pay scales was 1-10-2000 on par with Non-Executives. Although the absorption in BSNL was agreed by the Executives two years later compared to the non-executives, and the orders for revising their pay scales from CDA to IDA were issued on 18-3-2004 only, in that orders it was prescribed to pay HRA for them on revised pay with effect from 1-10-2000 itself on par with non-executives. Thus the HRA on revised pay was paid for BSNL executives retrospectively, from a date more than 3 years before the date of the order. The Agreement for revision of Perks and allowances for BSNL Non-Executives was signed on 14-2-2005 whereas the date of effect was retrospective from 1-1-2005. In case of BSNL Executives the order for revision of perks and allowances was issued on 23-8-2006 whereas the date of effect was retrospective from 1-1-2005, on par with Non-Executives. Thus when the absorption as well as revision of perks and allowances took place for executives later than that of non-executives, the date of effect for executives was retrospective, on par with non-executives. There was no discrimination against the Executives on both occasions. This was the correct stand.
4. Therefore when the HRA, Allowances and perks are revised now first for the executives, it is not proper on the part of BSNL management to try to discriminate against the non-executives by making incorrect statements that the allowances are paid always from a prospective date only. The facts detailed in para 3 above and in the para 13 below clearly

establish that the statement of the Official Side that allowances are always paid prospectively, is not correct. Instead of trying to deny the due benefits to the non-executives on the basis of such incorrect statements, it should be the duty of the management to see that the same date of effect is implemented for non-executives without any discrimination.

5. In the draft of the "Recommendations of the Wage Revision Committee" handed over by the management side to the Staff Side, in Para 1.2 it was mentioned "Wages under this settlement shall be effective from 1<sup>st</sup> January 2007 and will be revised as and when wage revision of executives takes place". In para 2.5 of this draft it was mentioned " The house rent allowance to the non-executive employees of BSNL will be at the following rates and will be payable on revised pay:-"These two clauses read together mean that the HRA as per the revised rates has to be paid on revised pay with effect from 1-1-2007. But the understanding reached is that the revised rates of HRA are to be paid on revised pay with effect from 27-2-2009 only and not earlier. Hence in the amendments proposed by us to the draft this was mentioned and management side did not dispute it.
6. When the DPE circular dated 26-11-2008 prescribed the same rates of HRA for all the employees of CPSEs, the same date for affecting these HRA rates on revised pay is applicable for both Executives and Non-Executives with out discrimination. Keeping this in view, Orders were already issued by BSNL management vide 1-22/2009-PAT(BSNL) dated 20-5-2009 for classification of cities and payment of revised HRA rates as prescribed by DPE, for the non-executives also, with effect from 27-2-2009. Since the pay scales were not yet revised for non-executives, the revised HRA rates were paid initially on pre-revised pay only, with effect from 27-2-2009. It is implied that these HRA rates are to be implemented on revised pay also with effect from 27-2-2009 once the revised pay scales for non-executives come into effect from 1-1-2007.
7. When the HRA at revised rates was applicable for executives on revised pay with effect from 27-2-2009, for Non-Executives also the revised HRA rates are applicable on revised pay with effect from 27-2-2009, without restricting it to pre-revised pay. On 27-2-2009 the Executives have drawn pay in pre-revised scale only, and arrears of pay for the period January 2007 to February 2009 were paid later in two installments. But the revised rates of HRA were paid on revised pay with effect from 27-2-2009 although they have not drawn revised pay on that date. Hence no different yardstick can be applied for Non-Executives now and the revised HRA rates can not be restricted to pre-revised pay on 27-2-2009.
8. Moreover, when the CCA for Non-Executives stands abolished with effect from 27-2-2009, it is automatic to grant revised HRA rates with effect from 27-2-2009 on revised pay. Management can not say that the executives can have abolition of CCA linked along with the benefit of revised HRA rates on revised pay with effect from 27-2-2009 whereas the abolition of CCA for non-executives need not be linked with the same benefit of revised HRA rates on revised pay with effect from 27-2-2009.
9. The classification of cities as per DPE guidelines came into effect for Non-Executives from 27-2-2009 on par with the Executives and hence it is automatic that the HRA as per revised rates on revised pay prescribed as per this classification has to be effected from 27-2-2009 itself.
10. After implementing DPE guideline on classification of cities, revision of HRA rates and abolition of CCA for non-executives with effect from 27-2-2009 on par with executives, the Management has no reason to restrict the benefit of revised HRA rates to pre-revised pay for them. It has to fully implement the benefit and pay the revised HRA rates on revised pay with effect from 27-2-2009. It can not prescribe revised HRA rates differently, on revised pay for executives and on pre-revised pay for Non-Executives, with effect from 27-2-2009.

11. Therefore under any circumstance, the revised HRA rates have to be paid to the non-executives on their revised pay with effect from 27-2-2009.
12. Regarding perks and allowances the DPE circular dated 26-11-2008 stipulated that the revised rates automatically come into effect from the date of issual of Presidential Directive by the Administrative Ministry concerned. Since the Presidential Directive in case of BSNL Executives was issued by DoT on 27-2-2009, the revised rates of allowances and perks on revised pay for BSNL Executives was automatically declared as 27-2-2009 by the management. Hence the same date is applicable automatically for non-executives also without discrimination.
13. Other PSUs have implemented the same date of effect for Executives and Non-Executives without discrimination and it was retrospective for Non-Executives. In the Food Corporation of India the Agreement was signed on 9-11-2009 whereas the date of effect for HRA and all allowances was from 1-12-2008. In the ECIL, the Agreement was signed on 24-9-2009 whereas the date of effect for HRA on revised pay was with effect from 26-11-2008. In BHEL the Agreement was signed on 30-12-2009 whereas the HRA, allowances and perks were revised with effect from 26-11-2008.
14. Thus all precedents, facts, and practices support and justify the same date of effect for Executives and Non-Executives without discrimination and every where it was retrospective for Non-Executives.
15. Hence under any circumstance, the HRA, allowances like Skill upgradation allowance @ 2 % of revised pay and the agreed rates of special compensatory allowances like remote locality allowance, special duty allowance etc and other allowances and perks are to be paid on revised pay with effect from 27-2-2009 for non-executives on par with executives.
16. The Non-Executives in BSNL can not be discriminated in this regard. They are already highly agitated against the delay in the Wage Revision. Under these circumstances such discrimination against them will amount to adding fuel to the fire. It will lead to a serious industrial unrest. Therefore it is requested to kindly intervene so that the date of effect for implementing the HRA, allowances and perks on revised pay for non-executives is accepted as 27-2-2009 on par with executives without any discrimination. We shall be thankful for considering this request favorably so that the Wage Revision Agreement is signed without any conflict and controversy, on 15-01-2010.

*Yours Sincerely*



**(V.A.N.NAMBOODIRI)**  
**GENERAL SECRETARY**

*Copy for favor of information and necessary action, to:*

1. Sri Gopal Das, Director(HR), BSNL, New Delhi
2. Sri S.R.Kapoor, Executive Director(Finance) and Chairman, Wage Revision Committee, BSNL, New Delhi