



BHARAT SANCHAR NIGAM LTD.
(A GOVERNMENT OF INDIA ENTERPRISE)
BSNL Corporate Office
Bharat Sanchar Bhawan,
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Janpath, New Delhi-110 001

No. BSNL/38-1/SR/2009

Dated, the 07.05.2010

**AGREEMENT BETWEEN MANAGEMENT OF BSNL AND REPRESENTATIVES OF
RECOGNIZED UNION OF NON-EXECUTIVE EMPLOYEES IN BSNL ON REVISION
OF PAY SCALES AND ALLOWANCES FOR NON-EXECUTIVE EMPLOYEES
IN BSNL- REGARDING**

PREAMBLE

- 1 After formation of BSNL, an agreement was signed on 26.04.2002 between Management of BSNL and Representatives of new applicants unions and IDA pay scales were introduced w.e.f. 1.10.2000 which were effective for the period ending 31.12.2006. After the expiry of this period, the next pay revision fell due from 1.1.2007.
- 2 Department of Public Enterprises vide its OM No. 2(7)/2006-DPE (WC)-GL-XIV dated 9.11.2006 conveyed the guidelines for the commencement of wage negotiation by the Managements of CPSEs. Further vide OM dated 01.05.2008 , DPE conveyed that the validity of wage settlement can be for a period less than 10 years but not less than 5 years.
- 3 Accordingly "Wage Revision Committee" was constituted in BSNL for recommending new IDA pay scales & Perks/Allowances for Non-executive employees of BSNL. The "Wage Revision Committee" held number of meetings with the representatives of BSNL Employees Union, the majority representative union of non-executives in BSNL, and finalised recommendations on Pay & Allowances on 15.01.2010 and submitted to BSNL Management for consideration.
- 4 The recommendations of Wage Revision Committee were sent to DOT as per the decision of BSNL board. DOT, while conveying its approval indicated that the revised wages may be implemented if these conform to DPE guidelines and if the limit of pension liability is within 60% of the annual receipt to the Government, as is elaborated in DOT's letter no. 1-45/2003-B dated 15th June, 2006 read with letter of

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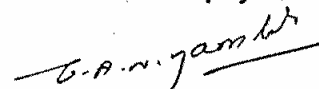
even number dated 5th January 2009, BSNL can go ahead with the pay revision of non-executives.

- 5 Based upon Wage Revision Committee's recommendations, DPE guidelines and DoT's directives, the Wage Agreement is reached and copy is enclosed at Annexure-A.
- 6 In addition, the following was also agreed:
- 6.1 Revised pay scales, corresponding to pre-revised pay scales Rs. 9200-250-13200 & Rs. 9850-250-14600 for non-executives proposed under Non-executive Promotion Policy, will be notified after approval by DOT.
- 6.2 The issue of applicability of classification of cities for HRA to BSNL employees based on the orders for the Central Govt. Employees stands referred to DoT. The final decision on this issue will be applicable to all employees of BSNL.
- 6.3 The issues of revision of IDA Pension in respect of employees absorbed in BSNL and retired before 1.1.2007 and Pension anomaly in respect of BSNL absorbed employees retired prior to 31.7.2001 already stand referred to DOT and will be further pursued by BSNL.
- 6.4 Appropriate decisions on issues of pay scale upgradation of certain cadres of non-executives which is beyond the ambit of wage revision, will be taken up separately by BSNL management.

On behalf of BSNL Management


(Gopal Das)
Director (HR)
BSNL Board

On behalf of Non-executive Employees


(V.A.N. Namboodiri)
General Secretary,
BSNL Employees Union

ANNEXURE-A

**WAGE AGREEMENT BETWEEN MANAGEMENT OF BSNL AND REPRESENTATIVES OF
RECOGNIZED UNION OF NON-EXECUTIVE EMPLOYEES IN BSNL ON REVISION OF PAY
SCALES AND ALLOWANCES FOR NON-EXECUTIVE EMPLOYEES IN BSNL**

1. TERMS OF AGREEMENT

- 1.1 This agreement will be applicable to non-executives who were on the rolls of BSNL as on 1.1.2007 including those non-executives who are presently drawing executive pay scales due to grant of ACP. It will also be applicable to non-executives who have subsequently joined the Company. The non-executives drawing executive pay scales on adhoc/officiating basis, according to post based promotion, will be eligible for perks and allowances as per the rates given to executives for the period of such adhoc/officiating arrangement.
- 1.2 New revised IDA pay scales under this agreement shall be effective from 1st January 2007. The period of validity of this agreement will be co-terminus with the period of wage revision of executive employees of BSNL.

2. WAGE STRUCTURE

2.1 Scales of Pay for Non-executives

Sl. No.	Grade	Existing IDA pay scales(Rs.)	Revised pay scales(Rs.)
1	NE1	4000-120-5800	7760-13320
2	NE2	4060-125-5935	7840-14700
3	NE3	4100-125-5975	7900-14880
4	NE4	4250-130-6200	8150-15340
5	NE5	4550-140-6650	8700-16840
6	NE6	4720-150-6970	9020-17430
7	NE7	5700-160-8100	10900-20400
8	NE8	6550-185-9325	12520-23440
9	NE9	7100-200-10100	13600-25420
10	NE10	7800-225-11175	14900-27850
11	NE11	8570-245-12245	16370-30630

2.2 Industrial Dearness Allowance (IDA)

100% DA neutralisation will be adopted for all the non-executives, who are on IDA pattern of scales of pay w.e.f. 01.01.2007 as done in case of executives of BSNL. Thus, DA as on 01.01.2007 will become zero with link point of All India Consumer Price Index (AICPI) 2001 = 100 which is 126.33 as on 01.01.2007. The periodicity of adjustment will

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be once in three months as per the existing practice for these categories. The quarterly DA from 01.01.2007 will be as per new DA scheme. The IDA payable w.e.f. 01.04.2007 onwards shall be as per the IDA rates circulated by DPE from time to time.

2.3 Fitment Method:

2.3.1 Non-executives who were in the pre-revised non-executive pay scales before 1.1.07 will be placed in the corresponding revised non-executive pay scales as per the fitment formula given in para 2.3.3.

2.3.2 Non-executives joining BSNL on or after 1.1.2007 will be placed at the initial stage of the revised pay scale in which they are appointed. In cases where emoluments in the pre-revised pay scale(s) on the date of joining BSNL [i.e. Basic Pay + DP+DA applicable on the date of joining] exceeds the sum of the pay fixed in the revised pay scale and applicable IDA thereon on the same date, the difference will be allowed as Personal Pay and it will be absorbed in future increments.

2.3.3 Fitment in the revised scale shall be made applicable as per following formula:

- a) Basic Pay in the Pre Revised pay scale as on 01.01.2007
Plus
- b) IDA neutralisation @ 68.8% on Basic Pay
Plus
- c) Fitment benefit @30% on [Basic Pay +IDA (68.8%)]
- d) The amount so arrived at, rounded off to the next multiple of 10 Rupees, shall be the Basic Pay in the revised pay scale.

2.4 Annual Increment/Stagnation Increment/Pay Fixation on Promotion

2.4.1 Annual increment will be at the rate of 3% of the revised basic pay and will be rounded off to the next 10 Rupees.

2.4.2 Stagnation increment will be @3% of the revised basic pay and the non-executive will be allowed to draw maximum 3 stagnation increments, one increment after every two years upon reaching the maximum of the revised pay scales.

2.4.3 On promotion, one notional increment equal to 3% of the existing basic pay rounded off to the next multiple of Rs. 10/- would be granted and pay fixed in the promoted scale.

2.4.4 The annual increment which falls on 01.01.2007 will be granted in the revised pay scale on 01.01.2007.

2.4.5 The extra increment granted to those non-executives who were unable to get BCR 10% promotion one year prior to their retirement, in terms of BSNL CO order no. 27-8/2003-TE-II(i) dt. 18.11.2003, before 01.01.2007, shall be added to the pre-revised basic pay for calculating the revised pay. In case this extra increment falls on or after 01.01.2007, this increment will be granted in the revised pay scale @ 3% of the revised basic pay.

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2.4.6 The non-executives can opt for the revision of pay on 01.01.2007, or from the date of promotion after 01.01.2007, or from the date of next increment in the existing scale.

2.4.7 Where non-executives drawing pay at two or more consecutive stages in the existing pay scales get bunched, then, for every two stages so bunched, benefit of one increment will be given.

2.5 House Rent Allowance:

The house rent allowance to the non-executive employees of BSNL will be at the following rates and will be payable on revised pay w.e.f. 27th February, 2009:-

Cities and population	Rates of HRA
50 Lakhs & above	30% of basic pay
5 to 50 Lakhs	20% of basic pay
Less than 5 Lakhs	10% of basic pay

2.6 City Compensatory Allowance (CCA)

CCA stands dispensed w.e.f. 27.02.2009.

3. PERKS & ALLOWANCES

3.1 The perks & allowances applicable to non-executive employees as contained in Paras 3.2 to 3.4 will be revised with effect from the date of signing of this wage agreement, i.e. today the 7th May, 2010.

3.2 Allowances:

3.2.1	Transport Allowance	Existing amount will continue. It will be reviewed on 01.01.2012 or as and when Transport Allowance for executives in general in BSNL is revised, which ever is earlier.
3.2.2	Transport Allowance for handicapped employees	Existing higher rate will continue. It will be reviewed on 01.01.2012 or as and when Transport Allowance for executives in general in BSNL is revised, which ever is earlier.
3.2.3	Special (Duty) Allowance, Island Special Duty Allowance, Hard Area Allowance	Existing percentages will continue on revised basic pay. The eligibilities and attendant conditions will be applicable as in the case of BSNL Executives.

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3.2.4	Special Compensatory (Remote Locality) Allowance, Special Compensatory (bad climate) Allowance, Special Compensatory (Hill Area) Allowance, and Scheduled/Tribal Area Allowance	Existing amount of allowance as applicable to the relevant pre-revised pay slabs will be increased by 75%. The eligibilities and attendant conditions will be applicable as in the case of BSNL Executives.
3.2.5	Cycle Maintenance Allowance	Existing amount of allowance will be increased by 50%
3.2.6	Cash Handling Allowance	Existing amount of allowance will be increased by 50%
3.2.7	Escort Allowance (Gr. D accompanying Cashier)	Existing amount of allowance will be increased by 50%.
3.2.8	Children Education Allowance and Hostel Subsidy	Existing rates & amounts will continue.

3.3 Perks specific in BSNL:

3.3.1	Food allowance	Discontinued.
3.3.2	Skill Upgradation allowance	In order to help non-executive employees of BSNL upgrade their skills, a new allowance @ 2% of revised basic pay per month will be paid.
3.3.3	Rural Duty Allowance	Existing amount will continue

3.4 Other Misc. Allowances:

3.4.1	OTA	Existing rates will continue. It will be reviewed on 01.01.2012
3.4.2	TA, DA and Hotel rates	Existing amount will continue. It will be reviewed on 01.01.2012 or as and when these allowances are revised for executives in general in BSNL, whichever is earlier.
3.4.3	Training Allowance	The rate of Training allowance will be modified to 7.5% of revised basic pay.

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3.4.4	Fixed Conveyance Allowance	Existing amount of allowance will be increased by 50%.
3.4.5	Special Allowance for Child Care for non-executive women employees with minimum 40% disability	A new allowance of Rs. 1000/- per month per child for a maximum of two children from the time of child birth till the child attains the age of 2 years, will be introduced.

3.5 Holidays, Leave, Working Hours and LTC

3.5.1	Holidays and Casual Leave	Existing arrangement will continue
3.5.2	Earned Leave, Half pay leave, commuted leave	Existing arrangement will continue
3.5.3	Maternity Leave	Will be enhanced from 135 to 180 days as in case of executives in BSNL.
3.5.4	Paternity Leave	Existing arrangement will continue
3.5.5	Working hours	Existing arrangement will continue
3.5.6	LTC	Existing arrangement will continue
3.5.7	EL encashment	Existing arrangement will continue
3.5.8	Uniform, Stitching Charges, Rain Coats, Chappals, Shoes, Washing Allowance etc	Existing arrangement will continue till an alternate policy is worked out by a joint committee of management and staff side.
3.5.9	Family planning increment	Existing amount on corresponding pre-revised scale will continue. It will be revised as and when such revision takes place as for Executives.
3.5.10	Other Special pay existing in BSNL	Existing rates/amount on corresponding pre-revised scale will continue. It will be revised as and when such revision takes place for Executives.

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3.6 Advances

The existing advances in BSNL will continue as per the existing rates / amounts till revised keeping in view the relevant orders of Central Government. Separate orders will be issued for eligibility conditions etc. as per revised pay scales.

4. BONUS / PLI

A new scheme is to be worked out expeditiously through negotiations between the management and the recognised union taking into consideration the Performance Management System.

5. RETIREMENT BENEFITS

5.1 Pension:

The DoT/DTS/DTO employees absorbed in BSNL are eligible for pension from Central Govt. as per provisions under Rule 37-A of CCS (Pension) Rule 1972. The BSNL recruited/regularised employees are governed by provisions of Employees Provident Funds and Miscellaneous Provisions Act 1952.

5.2 Gratuity

Payment of Gratuity will be regulated-

- As per orders of Central Government/ DoT for Central Govt. employees, in case of Central Government employees absorbed in BSNL.
- As per provisions under Gratuity Act 1972, in case of BSNL recruited employees.

6. GENERAL

- 6.1 Six months interest free Salary Advance paid to the non-executive employees in accordance with BSNL C.O. letters No. 1-22/2009-PAT (BSNL) dated 30.4.2009 and 20.5.2009, and amount equal to CCA being paid to some employees in accordance with BSNL C.O. letters No. 1-22/2009-PAT (BSNL) dated 4.6.2009, shall be adjusted against the pay revision arrears. In case an employee is in receipt of amounts more than his entitlement, the excess amount on adjustment of arrears shall be recovered.
- 6.2 Anomalies/aberrations, if any, arising out of this Wage revision will be addressed separately.
- 6.3 Other allowances / perquisites / advances / facilities etc. not mentioned in this agreement will remain unchanged, subject to eligibility/admissibility.
- 6.4 As and when BSNL management decides for 78.2% IDA merger for executives, the same benefit will be extended to non-executives also.

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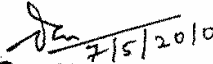
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7. WORK CULTURE & TRAINING

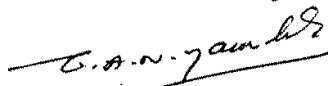
- 7.1 The recognised union has agreed to extend full support to all initiatives taken by the management for further improving the work culture.
- 7.2 Management and representative union agree to cooperate for creating a harmonious industrial relationship conducive to the growth of BSNL's share in the Telecom. Services market. It has also been agreed that re-training of its employees consistent with skills and technology will be undertaken, wherever necessary, especially in the context of technological changes.

SIGNED AT BSNL CO, BHARAT SANCHAR BHAVAN, NEW DELHI ON 7th DAY OF MAY 2010.

On behalf of BSNL Management


(Gopal Das)
Director (HR)
BSNL Board

On behalf of Non-executive Employees


(V.A.N. Namboodiri)
General Secretary,
BSNL Employees Union