



ALL INDIA BSNL PENSIONERS' WELFARE ASSOCIATION

Central Head Quarters

[Regd. T1833/09]

H. No 6, G No 12th Street, Jogupalya, Halasuru, Bangalore 560008

Website: www.bsnlpensioner.in

eMail: bsnlpensioner@gmail.com

President: P S Ramankutty

General Secretary: P Gangadhara Rao

Phone: 9447551555

Phone: 9448088404

Date: 10/7/2020

To
Shri Ravi Shankar Prasad,
Hon. Minister for Communications & IT,
Sanchar Bhawan, 20, Asoka Road,
New Delhi-110001

Sir,

Sub: **Partial Payment of Ex-gratia to VRS-19 optees – Breach of contract - Request intervention**

We would like to draw your kind attention to our previous letter dated 14/5/2020 on the above subject.

2. In accordance with cabinet decision dated **23/10/2019**, BSNL corporate office announced the scheme of 'VRS-2019' vide its order dated 04/11/2019. Para 6(e) of Annexure I of that order clearly states "**An employee retiring voluntarily under the scheme shall be paid the amount of Ex-gratia in two equal instalments of 50% each. The first instalment shall be paid in FY 2019-20 and the second instalment in first quarter of FY 2020-21**". *Based on this only, employees opted for VRS; hence it is a contract between the parties.*

3. Demand No. 13 for Department of Telecommunications was voted by Parliament. **For revival plan for FY 2019-20 Parliament approved the R/E for Rs.7301.62 crore. For payment of Ex-gratia alone for 2020-21 Parliament voted for Rs.9890 crore. As per the agreement 100% ex-gratia should have been paid by this time.**

4. But, Department of Economic Affairs (Budget Division), Ministry of finance issued an order dated **8/4/20** for 'cash management system' restricting the expenditure to 15% of B/E for Q1 (Apr-June) for several departments including DoT which comes under category 'C'. Again vide its order dated **23/6/20** the same 15% restriction was extended to Q2 (Jul-Sep) in view of covid-19 situation and lock-down.

5. It is economically prudent to give the money in the hands of VRS-2019 retirees who in turn either spend in the market which would generate demand or use towards 'saving' which would help the national economy.

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6. As per the settled legal position

- **VRS is an invitation to treat**
- **Application filed by the employees constituted "offer"**
- **Since the order accepting the voluntary retirement was a conditional one, the conditions ought to have been complied with**
- **As per section 2(e) of 'The Indian Contract Act 1872' – Every promise and every set of promises, forming the consideration for each other, is an agreement; section 2(h) states that 'An agreement enforceable by law is a contract'**

7. As on date only 53.8% of Ex-gratia (in two instalments) is paid. Non-payment of 100% Ex-gratia before 30/6/2020 as per the agreement is a breach of contract. As a legal luminary and Hon. Minister for Law & Justice you are pretty well aware about the legality. The commitment has to be honoured as per the agreement. We hope and trust that your intervention would avoid any litigation by the employees.

Thanking you

Yours faithfully.


P. Gangadhara Rao,
General Secretary.