



ALL INDIA BSNL PENSIONERS' WELFARE ASSOCIATION

CHQ [Regd. No. T 1833/09]

Identified & Registered under 'Pensioners Portal'

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Resolution on the Finance Act 2025 (Validation of Pension Rules) and Its Adverse Impact on Pensioners

After passing the Finance Act 2025 by Parliament and after getting the assent from Hon President of India, Ministry of Law and Justice issued a gazette notification on 29th March 2025. This Act comes into effect retrospectively from 1st June 1972.

Part IV of that Act stated "Validation of the Central Civil Services (Pension) Rules and Principles for Expenditure on pension Liabilities from the Consolidated Fund of India".

DoT employees absorbed in BSNL are getting their retirement benefits including pension in accordance with CCS (Pension) Rules. Their pension is paid from the consolidated fund of India by the Government.

The All India Conference of the All India BSNL Pensioners' Welfare Association (AIBSNLPWA), held on 8th & 9th November 2025 under the presidentship of D Gopalakrishnan at Ernakulam, (Kerala), unanimously adopted the following resolution:

This Conference expresses its deep anguish and firm opposition to the amendments introduced through the Finance Act 2025, hereinafter referred to as the *Validation Act*, which retrospectively validates the Government's power to classify and distinguish among pensioners, including those governed under the CCS (Pension) Rules, 1972/2021, whose pensions are drawn from the Consolidated Fund of India.

Section 149 and 150 explicitly states "The Central Government has the authority and shall always be 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;

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"

1. Through this Act, the Government seeks to nullify the effect of all judicial pronouncements, including the landmark D.S. Nakara vs. Union of India (1982) judgment, which had held that any differentiation among pensioners based solely on retirement date was unconstitutional.
2. The Statement of Objects and Reasons attached to the Bill cites the rising pension liability on the Consolidated Fund of India and the need to ensure fiscal sustainability, thereby portraying pension expenditure as a burden rather than a statutory obligation.
3. Pension expenditure cannot be considered as a burden and non-developmental expenditure. Pensioners are spending the money for purchasing consumer articles which helps to generate the demand thereby helps for production growth. Some pensioners are saving a part of their pension in banks and post-offices which also helps for industrial growth and national economy as a whole.
4. The amendments also restrict the scope for future judicial remedies, by declaring that any action, policy, or rule made by the Government in respect of pension revision or entitlement shall be deemed valid notwithstanding any judgment, decree, or order of any court.

As a consequence of this Act, the Terms of Reference of 8th CPC did not mention about pension revision of past pensioners, contrary to the ToR of earlier CPCs.

Its consequences include:

- Permanent division among pensioners based on the date of retirement;
- The division is against the judgement of constitutional bench of the Apex Court;
- Denial of legal right guaranteed under the Constitution of India against arbitrary executive action;
- Against “separation of powers between three pillars of Indian Democracy” specified in Indian Constitution; and
- Justification of pension cuts or freezes on fiscal grounds, setting a dangerous precedent for future revisions.

The Conference Resolves:

1. The Government of India should withdraw Part IV of the Finance Act 2025 (Validation Act)
2. The pre-existing provisions and rights under the CCS (Pension) Rules, 1972/2021 should be fully restored, ensuring parity in pension revision for all retirees irrespective of the date of retirement.

3. The principle of equality upheld in the *D.S. Nakara* judgment must remain the guiding basis for all pension revisions and entitlements.
4. The Government must recognize pension expenditure not as a financial burden but as a deferred wage and statutory obligation owed to those who have served the nation.
5. Pensions paid to the lakhs of pensioners is not non-developmental expenditure but helps for industrial growth and national economy.
6. The Central Headquarters (CHQ) of AIBSNLPWA is hereby authorised to pursue this issue through organisational mobilization, political advocacy, and legal recourse, jointly with other national pensioners' organisations, until justice is restored.

Copies of this Resolution be forwarded to:

- Hon'ble Prime Minister of India
- Hon'ble Minister of Finance
- Secretary, Department of Expenditure, Ministry of Finance
- Secretary, Department of Pension & Pensioners' Welfare

Adopted unanimously at the All India Conference of the All India BSNL Pensioners' Welfare Association, held on 8th & 9th November 2025 at Ernakulam, Kerala.

(President)
AIBSNLPWA

(General Secretary)
AIBSNLPWA