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INDIAN TELECOM EMPLOYEES FEDERATION

**(An industrial Unit of Bharatiya Mazdoor Sangh)
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NO: ITEF/Memorandum/2017

Dated 17th November 2017

To,
Shri Narendra Modi Ji
Hon'ble Prime Minister of India
New Delhi

Subject: Issues concerning employees working in the Central Public Sector
Enterprises under Ministry of Telecommunications

Respected Sir,

In Telecom Sector the following Central Public Sector Enterprises are functioning and are craving for your kind attention for their revival and the employees working therein are looking forward to get the benefits of the 3rd Pay Revision Commission whose implementation has already commenced in many other CPSEs. The issues concerning these CPSEs are detailed below please.

1. Bharat Sanchar Nigam Limitd
2. Mahanagar Telephone Nigam Limited catering to New Delhi and Mumbai customers
3. Indian Telephone Industries Limited

1) Implementation of 3rd PRC recommendations in BSNL & MTNL:

BSNL & MTNL are CPSEs in Telecom sector which is a service industry. While BSNL has a pan India presence, MTNL is catering to the customers of Delhi and Mumbai Metros. They are facing competition from a large number of private players of the industry. Being a CPSE they are fulfilling the obligations of the Government by providing services in such areas also where the private players do not offer services because of absence of profit. The infrastructure cost in providing services in high terrains, Left Wing Extremists area are much more and it does not make business sense.

BSNL being a CPSE and "State" in terms of Article 12 of the Constitution of India is building and maintaining infrastructure in such areas too. It is noteworthy that in cases of natural calamity the services of BSNL & MTNL only become available to the general public who are in distress. The tariffs of these CPSEs are significantly low and one of the cheapest in the world, resulting in low ARPUs. BSNL is executing important Government Projects of national importance like Bharat-Net, Network for Spectrum, LWE Areas Project and Comprehensive Telecom Development Plan for North East states etc.

BSNL & MTNL have strategic, social and economic importance for the nation as It addresses market imperfections in telecom sector, functions as a reference point for getting more reliable information for the sector regulator, works as tariff balancer so as to ensure availability of reliable and affordable telecom service to the masses, provides telecom services in the uneconomic, unviable, rural, far-flung areas and difficult terrains and plays vital role in providing connectivity during emergencies, natural calamities etc.

The Executive Summary / Recommendations of 3rd PRC vide Para 5 provides that CPSEs which have been formed to perform specific agenda of the Government and where there is no budgetary support provided by the Government to such CPSEs, the affordability condition shall not be applicable to that CPSE. BSNL & MTNL were formed as Government Companies to perform specific agenda of the Government with regard to Telecom Sector. The man power of these two CPSEs is a legacy as they were recruited by the DOT. The Unabsorbed Government officers deployed in BSNL & MTNL have already been granted the benefits of 7th CPC w.e.f. 01.01.2016. Thus it is a very peculiar situation in these CPSEs that already one segment of employees are given the benefit of 7th CPC while the absorbed employees who are more than 95% of the staff strength are denied the benefit of wage revision. Turnaround of a non-profitable CPSU working in stiff competition needs more motivated employees than an organization already running in profit in a lesser competitive market.

In view of the above, it is requested to kindly intervene in the matter and see that the recommendations of 3rd PRC are implemented in BSNL & MTNL with full 15% fitment benefit.

2) Implementation of 3rd PRC recommendations in Indian Telephone Industries Ltd:

Sir the Indian Telephone Industries Ltd., the first CPSE to be founded in India is craving for the attention of the Government of India. The CPSE has 6 units in the country at various places viz., Srinagar, Naini, Rae Bareli, Mankapur, Palghat and Bengaluru. The ITI was a premier CPSE catering to the requirements of the Telecom Sector and was a house hold name for decades with their telephone instruments being the best in the world. Presently the ITI units are desparately in search of work to sustain. The staff working in these units are highly skilled and a dedicated lot. The last wage revision in the ITI was way back in the year 1997 and the employees working therein are denied the benefit of 2 PRC in 2007.

In all fairness they deserve to be given the benefit of the 3rd PRC irrespective of the fact that they are at the bottom of the table in terms of profit making. The staff working in the ITI units can be utilised for the Skill Development projects of the Government of India and also the vast real estate of the CPSE can be monetised to sustain the ITI. The ITI also has to be given preference in terms of allotment of more work orders from the BSNL & MTNL.

3) Monthly Pension contribution in respect of absorbed employees of BSNL

The Government of India has taken a conscious decision at the time of formation of BSNL to provide for Govt. scheme of pension/family pension to all the employees who have taken absorption into BSNL and accordingly a notification was issued on 30.9.2000 to this effect wherein the pension frame wok was made part of the CCS (Pension) Rules by amending Rule 37 and introducing a new Rule 37A there under Sub Rule 22 of Rule 37A reads. "In this regard decision of the Government of India was conveyed that in respect of officials/officers absorbed in BSNL, BSNL will be liable to pay the pension contribution in accordance with FR 116."

At present the BSNL is paying pension contribution on maximum of the pay scales for all the absorbed employees. Whereas the monthly pension contribution for absorbed employees also should have been changed as per guidelines of DOP&T after revision of pay scale on the actual basic pay.

This has assumed urgency in view of the implementation of pay revision to the PSU employees. According to 3rd PRC recommendations, the liability on the part of BSNL in respect of pension contribution will manifold several time and it will further jeopardize the profitability of BSNL. It may not be out of place to state here that the Government of India has taken a decision in the year 2014 to give Government pension to the employees of MTNL Delhi and Mumbai at par with the BSNL employees and in that Presidential directive it is clearly mentioned that the pension contribution will be on the actual pay drawn instead of maximum of the scale.

In view of the above it is requested that the DOT may kindly be directed to ensure that the pension contribution is taken from the absorbed BSNL employees on the actual pay drawn instead of maximum of the scale and also that the amount collected from the BSNL over the years be refunded back so that most of the financial ills affecting BSNL would end with this and that the BSNL employees are also given the benefit of the recommendations of the 3 PRC.

4)Formation of a Subsidiary tower company under BSNL:

We are given to understand that the Government has taken a decision to form a separate tower company under BSNL and that all the towers functioning under the BSNL would stand transferred to the proposed new company. Sir in this connection we would like to state that this would ultimately lead to disinvestment of the proposed tower company in the long run. At a time when the government is trying to separate BSNL's 70,000 mobile towers, despite severe opposition from the employees, and hand it over to a Subsidiary Tower Company, the following position is haunting the BSNL employees as to what is happening in the Telecom tower business. "Indus Towers" is the Indian telecom infrastructure company, and it is one among the biggest tower companies in the world, having 1,23,000 towers. It is being jointly owned by Bharti Infratel (42% shares), Vodafone India (42% shares) and Idea Cellular (11.15% shares). Airtel, India's largest telecom company, is the owner of Bharti Infratel. On its own, Bharti Infratel is already having 39,264 towers. Now, Bharti Infratel has initiated the process of buying out the remaining 52% shares in Indus Towers. Thus, Indus Towers is going to be taken over by Airtel soon. If this acquisition materialises, then, almost the entire Indian tower business will go into the hands of Airtel. But, experts say that, this is only the first part of a two part deal. The second part of the deal is coming soon. In that second part, the entire tower business of Airtel will be taken over by a multinational consortium, for 11 billion US dollars. That multinational consortium is being led by an US company called KKR, Canada Pension Plan Investment Board(CPPIB), Abu Dhabi Investment Authority and GIC of Singapore. So, it is very clear that, the telecom tower business in India is going to slip into the hands of multinational companies. In such a scenario, it is not difficult to understand that, the so called BSNL's Subsidiary Tower Company, will also be taken over by multinational giants at a later date. Sir this would be detrimental to the interests of the BSNL and also to the Nation as a whole and as such it is requested that the government may kindly revisit their decision to form a separate Telecom tower company under BSNL.

5)Extend Benefit of merger of 50% IDA effectively amounting to 78.2% as on 1.1.2007 for MTNL employees.

The 2nd PRC was implemented for the MTNL employees w.e.f.1.1.2007. At the time of implementation of the 2nd PRC the IDA was 68.8%. Subsequently the Union cabinet has approved for an additional IDA of 9.4% thus totaling to 78.2%. The DPE has communicated this decision to all the CPSEs vide their OM no 2(70)/08-DPE(WC) GL -VII/09 Dated 2.4.2009. This additional increase of IDA of 9.4% has not been implemented for the employees working in the MTNL units of Mumbai and Delhi so far. The MTNL employees have been relentlessly fighting with the management and also DOT for the implementation of this additional IDA of 9.4%. It is therefore requested that necessary instructions may please be issued to the Department of Telecommunications to ensure that the MTNL employees are also given the benefit of the full IDA of 78.2% w.e.f. 1.1.2007.

6)Revision of Perks and allowances for the MTNL employees:

The MTNL Corporate office vide their letter no MTNL/CO/IRW/22/22(90)/07/NE/260 Dated 14.5.2010 have intimated that the perks and allowances shall be reviewed for the employees of MTNL after 31.3.2012 and the same has not been done so far despite representing the issue with the management of MTNL at various levels since then. The issue was also brought to the notice of the DOT several times. It is needless to state that the un-absorbed ITS officers working in MTNL are given all the benefits of the 7th CPC and other allowances and perks as and when they are revised by the GOI while the same benefit is withheld for the absorbed employees of MTNL.

It is therefore requested that necessary instructions may be given to the DOT for immediate revision of the perks and allowances to all the absorbed MTNL employees.

7) Counting of Casual Service for Pension:

The question whether casual service paid from contingencies should be allowed to count for pension has been considered in National council of JCM and in pursuance of recommendations of the council, it was decided by the Government that service paid from contingencies will be allowed to count towards pension at the time of regularisation to the extent provided in the Govt of India Ministry of Finance OM No F.12(1)/E.V/68 Dated 14.5.1968 subject to the condition stipulated therein.

As such DOT employees who have been casual workers under DOT employment and paid from contingencies were also transferred en mas to MTNL and subsequently absorbed in MTNL should be allowed to cultivate casual service benefits for pension under proviso to aforesaid OM of 14.5.1968 to the extent they are entitled in the larger interest of Industrial jurisprudence. The aforesaid OM of Ministry of Finance has been laid down as GOI decision no 2 under Rule 14 of CCS Pension Rules 1972 for information and ready reference for all concerned. This may also satisfy the legal requirement to implement the agreement conducted between DOT GOI and BTEF vide DOT letter no 32-14/2000-SR Dated 6.9.2000.

Hence it can be safely concluded that MOF OM of 14.5.1968 and aforesaid agreement Dated 6.9.2000 are intertwined with each other and now it is not open for DOT to deny the legitimate rights of casual workers under DOT employment at the time of regularisation. It is therefore requested that the DOT & MTNL may be advised to act accordingly and avoid industrial strife.

8) Merger of MTNL into BSNL :

The Mahanagar Telephone Nigam Ltd., was formed in the year 1984 to cater to the needs of the customers of Mumbai and Delhi and the BSNL was formed in the year 2000 for the rest of the Telecom Circles in India. The two CPSEs have progressed well for a better part of their life. But of late both the CPSEs have been making losses due to various reasons such as increased competition from private players and lower ARPU due to various reasons. The MTNL is partly divested while the BSNL is fully owned by the Government of India. The pay structure of both the CPSEs is different and also the HR policies of both the CPSEs also differ. However in order to have a single entity under the Government of India it is imperative that both the CPSEs should be merged to take on the private players aggressively. The BSNL will have a pan India presence with this merger. The issue of divestment of the MTNL can be overcome if the Government buys back the shares. The Government of India should take over the liabilities of the MTNL before the entity is merged into BSNL. The issue of pay structure of both the CPSEs can be addressed when the 3rd PRC recommendations are implemented. The HR policies of both the CPSEs can also be reworked. In view of the above it is desired that both the CPSEs be merged into a single entity to take on the private players.

9) Revision of Pension of BSNL & MTNL retirees, who are Central Service Pensioners drawing pension from Government of India on combined service rendered in DOT and BSNL, under Rule 37A of CCS Pension Rules 1972, in accordance with fitment formula given by the 7th CPC:

BSNL was formed on 01.10.2000 in pursuance of National Telecom. Policy by corporatization of DOT/ DTS i.e. Deptt. Of Telecom. Operations and Deptt. of Telecom. Services and more than 3.5 lakhs Govt employees were transferred to BSNL w.e.f. 01/10/2000 on as is where is basis. Out of these 3.5 lakh employees, 2 lakh have already retired from the service as on date. All of them got absorbed in BSNL based on the firm commitment given from the Govt that they will be paid Govt pension on combined service rendered in DOT/ BSNL on IDA pay scales as per the provisions

of CCS Pension Rules 1972. For this very purpose, Govt amended the CCS Pension Rules 1972 by inserting Rule 37A, specifically for BSNL Pensioners. Like other Central Govt pensioners, pension for the BSNL pensioners also is to be paid by the Govt. of India.

Similarly the MTNL was formed in the year 1986 for the 2 metro cities of Mumbai and New Delhi. All the staff working in the Delhi and Mumbai Telecom circles were transferred to the MTNL. However the pension scheme was different to the MTNL employees until the year 2014. In 2014, MTNL employees after a prolonged and heroic struggle were given the benefit of Government pension on the lines of BSNL employees.

The last pension revision for BSNL Pensioners was done w.e.f. 01.01.2007, co-terminus with the date of pay revision for the Executives and Non Executives of the CPSUs. Next pension revision for the BSNL & in case of MTNL pensioners who opted for Government pension is due from 01.01.2017. Pension revision for the BSNL & MTNL pensioners was neither covered under the terms of reference of 7th CPC nor it was covered under the terms of reference of 3rd PRC dealing with pay revision of the serving CPSEs' Executives, including serving BSNL & MTNL Executives and hence no recommendation is given by 3rd PRC in this regard. But it may however, be indicated that the pension revision of these two CPSEs pensioners is in no way linked with the 3rd PRC or pay revision of the serving BSNL & MTNL Executives due to the following reasons:

BSNL & MTNL Retirees who are drawing Government pension are different from other CPSE retirees. According to DPE guidelines for other CPSE retirees, the superannuation benefit (Pension, Gratuity, PF etc.) are limited to 30% of emoluments drawn. All the PRC recommendations are in conformity with that. Further CPSE retirees have defined contributory pension scheme. No PRC had 'Pension Revision' in their Terms of Reference because all the CPSEs have contributory Pension Scheme only. They are covered under Payment of Gratuity Act, 1972. The Government does not provide any budgetary support to these CPSEs for retirement benefits. PRC recommendations are applicable only for pay revision of the Executives unlike Central Pay Commission (CPC) where pay revision and pension revision of all cadres of Central Government Employees/ Pensioners ie Group A / B / C/ D are covered under the terms of reference of respective CPCs.

In contrast, BSNL & MTNL Retirees, who were Government servants for most part of their service, are covered under CCS (Pension) Rules, 1972, and they draw their pension on combined service in DOT, BSNL & MTNL, and the liability of paying Pension fully lies with the Government of India under statutory provision and not with BSNL or MTNL. Pension for the BSNL & MTNL Pensioners is governed by Rule 37A of the CCS Pension Rules, 1972. Since Pension is to be paid by the Govt. of India, affordability clause or the profitability clause of these two CPSEs does not come into the picture, because they are in no way responsible for payment / revision of the pension. While revising the pension of IDA Pensioners, it is revised on the basis of Existing Pension+DA+Weightage as is done for the CG Pensioners. The lower and upper ceiling of Pension/Family Pension are at par with the Central Government Pensioners. 6th Pay Commission's recommendations like emoluments for the purpose of all pensionary benefits, Gratuity ceiling, DCRG, new Commutation table, enhanced family pension for 10 years for those who die in harness, age related pensionary benefits and minimum pensions etc. were implemented by DOT for all BSNL & MTNL retirees / IDA Pensioners after getting approval from DOP&PW on the lines of Central Government Pensioners.

Moreover, for these pensioners, the pension contribution as decided by the Govt. of India has already been paid in full by the CPSEs to the Govt. of India till their retirement. The last pension revision for BSNL pensioner's w.e.f 01.01.2007 was done through a Union Cabinet decision. Pension revision for BSNL & MTNL Pensioners becomes due w.e.f 01.01.2017 i.e 10 years after the earlier revision as in the case of Central Government retirees. It can be revised on the basis of 7th CPC formula.

In view of the above submissions, your kind personal intervention is solicited to take urgent steps to get the pension revision implemented for BSNL & MTNL retirees, who are Central Service Pensioners drawing pension from Government of India on combined service rendered in DOT and the respective PSUs, under Rule 37-A of CCS Pension Rules 1972. Pension revision for BSNL & MTNL Pensioners needs to be implemented w.e.f. 01.01.2017 based on 7th CPC fitment formula after the due approval of the Union Cabinet.

With kind regards,

Yours Sincerely

S.V.S. Subrahmanyam

(S.V.S.SUBRAHMANYAM)
Secretary General

Copy for kind information to:

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