

ORGANISATION OF BSNL UNIONS AND ASSOCIATIONS

(AIBSNLOA, BEA, TOA (BMS), BSNLWRU, FNTOBEA, BSNLSU,
TEU (BSNL), BTU of BSNL, AIBCTES, BEC, BAU)

ORG/BUA/23

Dated: 23rd May, 2018

To

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



Subject: Removal of aberration in DPE guidelines on affordability for pay revision of BSNL Employees – Request for intervention - regarding

Respected Sir,

We request you to kindly bestow a few minutes of your valuable time to order examination of the facts in our submission related to delinking affordability condition for pay revision of the Employees of the BSNL, which are created to implement the social obligations of Government of India and not as a profit-making entity.

2. Bharat Sanchar Nigam Limited is one of the CPSE which was formed in the year 2000 by corporatizing the service provision functions of the erstwhile Department of Telecommunications. This was done in pursuance of National Telecom Policy 1999. Availability of **affordable** and effective communications for the citizens was at the core of the vision and goal of the telecom policy. The other objectives were to strive to provide a balance between the **provision of universal service to all uncovered areas, including the rural areas**, and the provision of high-level services capable of meeting the needs of the country's economy and to encourage **development of telecommunication facilities in remote, hilly and tribal areas of the country**.

3. BSNL has been discharging these objectives effectively ever since its formation and in the process has acquired some losses. However, it has survived and has stood its ground when a number of private telecom companies closed business being unable to face the cut-throat competition in the sector last year. When the other competitors are struggling with mounting debt, BSNL has negligible debt but has a vast network of assets.

4. While the Department of Public Enterprise guidelines for pay revision has stipulated an 'affordability' clause for revision of pay scales, it has also provided that "Expenditure on account of pay revision is to be entirely borne by the CPSEs out of their earning and no budgetary support will be provided by the Government."..."The Board of Director of each CPSE would be required to consider the proposal of pay revision based on their affordability to pay and submit the same to the administrative Ministry for approval. The administrative Ministry concerned will issue the Presidential Directive with the concurrence of its Financial Adviser in respect of each CPSE separately." We believe that Affordability **cannot be equated to profitability during any specific period**. The performance of the CPSE vis-à-vis its stated objectives can only be a yardstick to decide on the pay revision. The Employees of any CPSEs cannot be asked to bear the cross for no fault of theirs.

5. Based on the above guidelines, BSNL Board approved a proposal for pay revision of BSNL Executives with 15% fitment benefit w.e.f. 1.1.2017 and submitted to DoT for its approval. BSNL has also categorically said that the additional financial outgo will be met

from its own resources. The proposal is now pending with DoT and it is learnt that DPE has advised DoT to seek Cabinet approval for relaxing the 'affordability' clause, which we feel is totally unnecessary and out of context. Because earlier also based on similar guidelines existing during second pay revision, Executives of Mahanagar Telephone Nigam Limited (MTNL), were granted pay revision w.e.f. 1.1.2007 with the highest fitment benefit of 30% although the Second PRC had also stipulated a similar 'affordability' clause, despite the fact that MTNL was incurring losses for many years then. **This was approved by none other than the then Minister of Communications & IT in consultation with the financial wing of DoT.** In addition to this BSNL has also communicated its ability to meet the additional expenditure from its own resources and has not asked for any support from Government/DoT.

6. In this regard, **it is pertinent to note that BSNL has good scores and rating in the annual Memoranda of Undertaking with DOT, which is a measure of financial and physical performance of BSNL in achieving the targets set by the administrative department, the DoT. It will also be appropriate to point out that BSNL has been achieving 'Excellent' rating every year in the Corporate Governance Grading Report compiled by DPE.**

7. We, therefore, request to your honour to kindly take necessary steps so that recommendation of 3rd PRC can be implemented for BSNL employees also, at the earliest as it has already been delayed by more than one year.

With high regards,

Yours sincerely,

S. P. Sharma, Chairman, OBUA
Rakesh Sethi
Rana Pratap
Zile Singh
B. D. Sharma
Ram Prakash
D.P. Patwa
Bishwanath Dutt

GS, BSNLWRU
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Dy G.S. AIBSNLOA

G.S. TEL(BSNL)

[Handwritten signatures and initials in blue ink, including "Pub" and "Datta"]

Copy to:

1. Shri Manoj Sinha,
Hon'ble Minister of State for Communications,
Government of India
2. Smt. Aruna Sundararajan,
Secretary, DoT
3. Shri Anupam Shrivastava,
CMD BSNL

o/c

All Communication to

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