



**BHARAT SANCHAR NIGAM LIMITED**  
**(A GOVERNMENT OF INDIA ENTERPRISE)**

SR Cell, Corporate Office  
8th Floor, Bharat Sanchar Bhawan,  
Harish Chander Mathur Lane,  
Janpath, New Delhi-110 001

F. No. BSNL/20-2/SR/2014

Dated, the 4<sup>th</sup> February, 2014

To

GSs of all Unions and Associations in BSNL

Sub: **Merger of BSNL and MTNL - meeting of Steering Group to look after various HR aspects of merger - regarding**

Ref: Restg. Cell UO Note No. 4-3/2014-Restg. Dated 31<sup>st</sup> January, 2014

It has been informed by Restg. Cell that DOT has constituted a Steering Group to examine different aspects of merger of BSNL and MTNL, under the chairmanship of AS(T), copy enclosed for ready reference. Further, four groups have been formed to study aspects related to HR, System, Financial and Corporate integration. Some of the issues relating to HR have also been identified, as per Annexure attached to the letter received from Restg. Cell, referred to above. In addition to identified issues, possibility of more issues of significant nature cannot be ruled out.

2. You are requested to submit your views within three days' time, if any, direct to the concerned Sections in the Corporate Office for their consideration and onward transmission to Restg. Cell and DOT.

Yours faithfully,

*Satish Wadhwa*  
4.2.2014

(Satish Wadhwa)  
DGM (SR), BSNL C.O.

Encl: As above.



भारत संचार निगम लिमिटेड

(भारत सरकार का उपक्रम)

BHARAT SANCHAR NIGAM LIMITED

(A Govt. of India Enterprise)

Restructuring Section

804, Bharat Sanchar Bhawan, N.Delhi

**Subject:- Meeting of Steering Group to look after various aspects of merger of BSNL & MTNL.**

DoT has constituted a Steering Group to examine different aspects of merger of BSNL & MTNL. The Steering Group is chaired by AS (T), DOT. Four separate groups to study aspects relating to HR, System, financial and corporate integration have also been constituted which are required to make their representation/recommendation to the Steering Committee.

2. Directors (HR) of MTNL & BSNL are the members in the group constituted to study HR integrations issues. A presentation was made by Director (HR) MTNL to the steering group on this subject on 30<sup>th</sup> Jan., 2014. Various HR issues identified along with comments of MTNL are given in the enclosures.

3. You are requested to examine all these aspects and any other issues of importance which are not covered in the enclosure and give your comments from the view point of BSNL. Comments may sent latest by 6<sup>th</sup> Feb., 2014 for further discussion with Director (HR)/CMD.

(Madhu Arora)  
GM(Restg./WS&I)  
Tel. No.23734343

**Sr.GM(Recruitment)/GM(Pers.)/GM(Estt.)/GM(SR)**

**U.O. No. 4-3/2014-Restg.**

**Dated 31<sup>st</sup> Jan., 2014.**

*Priority*

*Pl. Review & discuss*

DGM(R)

*3/2*

*17/3/14  
8/20  
2/2*

## Annexure - I

SN	Name of the Item	Status - BSNL	Status - MTNL	Type of Issue	Likely solutions
1	<b>Top Management</b>				
	CMD	1	1	Major	Two Boards need to be merged in single Board
	Board of Directors	3 : 2 Vacant	2 ; 1 Vacant	Major	
2	<b>Employee Strength</b>				
A	ITS Deployed	874	70	Minor	As mentioned below
	Group 'A'	5131	3445		
	Group 'B'	42264	1740		
	Group 'C'	157753	9968		
	Group 'D'	33945	22080		
	Industrial Worker	1729	--		
	<b>Total</b>	<b>241700</b>	<b>37303</b>		
B	E 1	9573	1	Minor	Erstwhile DOT employees absorbed in MTNL and company recruited executives all have all india transfer liability
	E 2	7377	612		
	E 3	17812	967		
	E 4	10986	1935		
	E 5	811	1510		
	E 6	474	122		
	E 7	418	77		
	E 8	N/A	2		
	E 9	713 (SAG/HAG)	29		
	NE 1	4916	299	No Issue	Non-Executives are SSA Cadre Hence no difficulty is anticipated post merger of the organizations
	NE 2	10427	1487		
	NE 3	12032	5218		
	NE 4	2329	1945		
	NE 5	4293	1019		
	NE 6	9995	382		
	NE 7	28982	6638		
	NE 8	50947	5571		
	NE 9	28537	2191		
	NE 10	14819	2826		
NE 11	25115	4472			
NE 12	1144	--			
<b>Total</b>	<b>241700</b>	<b>37303</b>			
C	<b>Types of Staff</b>				

	ITS Deployed	Yes	Yes	No Issue	No Action
	Executives – Absorbed	Yes	Yes	Minor	
	Non-Executives – Absorbed	Yes	Yes	No Issue	
	Direct Recruit – Executive	11967	E2, E5, E6 and Rule 37	Major	
	Direct Recruit – Non-Executives	20016 (including CGA cases)	Compassionate Ground. Stenographer, Hindi Officers		
	Others (Casual Labour/ Ty. Status Mmazardoor)	3300	19 TSMs working		
3	<b>Rules</b>				
A	Recruitment rules	Yes	Yes, Direct recruitment is done at E2, E5, NE1, NE5 levels.	Major	Very Similar in Nature. Can be fine tuned for future course of action.
B	Pay Scales Executives	Difference in pay scales up to DGM level i.e. up to E-6 *	MTNL has one scale higher.	Major	Details as per annexure II. As per GoM decision pay scale parity will be achieved at the time of next pay revision in 2017.
	Pay Scales Non - Executives	Difference in Pay scales at each Non-Executive grade.	MTNL has higher grade than BSNL	Major	
C	IDA neutralization	IDA neutralization @ 78.2% has been implemented in BSNL.	IDA neutralization @ 68.8% has been implemented in MTNL	Major	In MTNL while negotiating wage decision was taken for 68.8% as circular of 78.2% was also available. After implementation in BSNL some persons and unions have approached court. Moving as per BSNL scale and 78.2% IDA neutralization could also be an option, subject to union approval.

D	Designations	By and Large Same.	Some Minor Differences. Like Head of Metro Circle in MTNL is called ED, whereas in BSNL it is CGM.	Minor	BSNL nomenclature can be adopted.
E	Promotion Issues	BSNL Promotion Policy Time bound.	MTNL Promotion Policy	Minor	By and Large same Minor differences can be sorted out.
		Conventional Benchmarking as per government.	Strict Benchmarking as per DPE guidelines	Minor	
F	Inter-se seniority - Executives	The executives have all India transfer liability so inter se seniority is applicable.	The executives have all India transfer liability so inter se seniority is applicable.	Major	<p>Earlier majority were DOT employees for which seniority lists are there. Based on these specific seniority list has been followed by each organization based on promotion policy, which are similar. Efforts can be made to streamline for future cases.</p> <p>New recruits will be fit in as per their R/R</p> <p>Efforts can also be made to allow co-existence of both groups with some parity for their career progression.</p>

	Inter-se seniority - Non-Executives	Circle / SSA Cadre - NA	Circle / SSA Cadre - NA	No Issue	No Action
G	Perks and Allowances	Policy Exists	Policy Exists.	Minor	By and large same. Both organizations have curtailed / stopped some perks and allowances. The differences can be sorted out amicably.
H	Medical Policy	BSNL MRS Company Policy (Hospitals empanelled at CGHS rates)	Health Insurance	Minor	We can continue with same arrangement. A broad consensus can be arrived for future course of action.
I	Leave Rules	BSNL Leave Rules	MTNL Leave Rules	Minor	By and Large Same. Some variations like Sabbatical leave, Child Care Leave etc. are there which can be sorted out amicably. Exceptions as mentioned below.
J	Policy for Compassionate Ground Appointment	Policy exists in BSNL	Recruitment Banned	Minor	
K	Earned Leave encashment on retirement/VRS-Fund managed by LIC	Exists in BSNL	Does not exist		
L	Work Days in CO.	5 days working	2 <sup>nd</sup> & 4 <sup>th</sup> Saturday holiday. As per Union agreement it should be 5 days.	Minor	Can be made uniform.
M	Industrial Relations Issues	Recognized Union and Association – Pan India	MTNL has two unions recognized, one for Mumbai and other for Delhi. No Association Recognized.	Minor	

## Annexure – II

### Equivalent PAY SCALES of MTNL vis-a-vis BSNL

Before Revision (WEF: 01/01/1997)		After Revision (WEF:01/01/2007)			
Scale	MTNL	BSNL	MTNL		BSNL
<b>Non-executives</b>					
NE-1	4400-125-6275	4000-120-5800	NE-1	7800-17000	7760-13320
NE-2	4500-140-6600	4060-125-5935	NE-2	8400-18350	7840-14700
NE-3	4600-150-6850	4100-125-5975	NE-3	8900-19410	7900-14880
NE-4	4700-170-7250	4250-130-6200	NE-4	9500-20710	8150-15340
NE-5	5000-185-7775	4550-140-6650	NE-5	10500-22830	8700-16840
NE-6	5200-210-8350	4720-150-6970	NE-6	11500-24970	9020-17430
NE-7	6700-220-10000	5700-160-8100	NE-7	12500-27170	10900-20400
NE-8	7150-225-10525	6550-185-9325	NE-8	13500-29300	12520-23440
NE-9	7700-230-11150	7100-200-10100	NE-9	14500-31500	13600-25420
NE-10	8300-235-11825	7800-225-11175	NE-10	16000-34650	14900-27850
NE-11	8575-245-12250	8570-245-12245	NE-11	17500-37950	16370-30630
NE-12			NE-12	19000-41180*	16390-33830
<b>Executives</b>					
Before Revision (WEF: 01/01/1997)		After Revision (WEF:01/01/2007)			
Scale	MTNL	BSNL	MTNL		BSNL
E-1	8600-250-14600		E-1	16400-40500	
E-2	10750-300-16750	9850-250-14600	E-2	AM	20600-46500
E-3	13000-350-18250	11875-300-17275	E-3	DM	24900-50500
E-4	14500-350-18700	13000-350-18250	E-4	Mgr	29100-54500
E-5	16000-400-20800	14500-350-18700	E-5	Sr.Mgr	32900-58000
E-6	17500-400-22300	16000-400-20800	E-6	DGM	36600-62000
E-7	18500-450-23900	17500-400-22300	E-7	JGM	43200-66000
E-8	20500-500-26500	18500-400-22300	E-8	SGM	51300-73000
E-9	23750-600-28550	23750-600-28550	E-9	GM	62000-80000
E-9+	25000-650-30200	25000-650-30200	E-9+	--	62000-80000