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No.AIBSNLOA/CHQ/2019/5

Dated: 13th February 2019

To

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

Sub: BSNL being made victim of inaction and indifferent attitude of Department of Telecommunications – denial of pay revision to BSNL employees in the name of non-affordability – reg

Respected Sir,

We still recollect with gratitude, your Independence Day Speech last year from the ramparts of the Red Fort, wherein you had pointed out that *"in our country, the PSUs are formed to fall in a pit, to fail, to get locked or to be sold out. That has been the history"* and made specific reference to BSNL stating that, ***"At a time when telecom companies all over the world were earning, BSNL was falling in a pit. For the first time, BSNL has succeeded in earning operational profit."***

2. Unfortunately, the Department of Telecommunications, the administrative department for BSNL, looks like it wants to repeat the history, belying your efforts, by ensuring that BSNL falls in a pit, fails, gets locked or sold out.

3. At the time of formation of BSNL in the year 2000, in order to remove the concerns of the employees about financial viability of BSNL, the Government then assured that ***"under no circumstances the Government would allow BSNL to become non-viable as it has to be always kept in a strong and healthy condition."***

4. Since then, BSNL has been discharging the social obligations of the Government of India by providing services in remote, hilly, tribal and rural areas in spite of incurring losses. But the Government and the Department of Telecommunications (DoT) have never kept the assurance of ensuring financial viability of BSNL. It is a hard fact that, DoT which has to nurture and oversee the growth of BSNL, has

been using its power as the nodal department oppressively, unjustly and arbitrarily. BSNL Management has never been given the autonomy in decision making, with DoT controlling every decision.

5. But the same DoT, is now denying pay revision to BSNL employees citing the present financial position of BSNL, thus penalising the employees for no fault of theirs.

6. BSNL has been able to survive the onslaught of the new entrant in Telecom through predatory pricing, increasing its customer base and remaining MNP positive for more than a year now. In order to meet the challenge posed by the new entrant, BSNL had to reduce the tariffs resulting in decreased cash flow. This is a temporary phenomenon and all private operators now face such situation by raising loans from banks. But DoT has virtually refused to issue the letter of comfort required by banks to provide loan to BSNL to meet this temporary short of cash flow. This stance by DoT appears to be a calculated move to cripple BSNL. Consequently, BSNL could not make payments towards electricity bills, vendor bills, medical bills and even the employees' GPF contribution, bank loan instalments, insurance premium etc, although recoveries have been made from their salaries. This not only resulted in creating panic among the employees but also led to disconnection of electricity to thousands of tower sites, affecting BSNL services. We are afraid that DoT is using this ploy to create fear among BSNL employees and simultaneously to deny them the 3rd pay revision.

7. BSNL has been paying pension contribution in respect of employees absorbed from erstwhile DoT on the maximum of the pay scales, citing an irrelevant Fundamental Rule 116, which is meant for only those who are on deputation. DoT did not implement the DoP&T O.M. dated 19.11.2009, which allows payment of pension contribution on actual pay w.e.f. 1.1.2006. According to the Annual Report of BSNL for the year 2016-17 (Page 172 of the Report), the difference between these two methods of pension contribution payment up to 31 March 2017 is Rs. 595 crores, Rs. 644 crores up to 31 March 2016 and Rs. 776 crores up to 1 April 2015. These figures show that had BSNL been allowed to pay pension contribution on actual pay w.e.f.1.1.2007 (the effective date of second pay revision) in accordance with DoP&T OM dated 19.11.2009, and the excess payment made by BSNL from 1.1.2007 to 30.11.2011 and from 1.10.2014 to this date is refunded, BSNL will be able to implement its proposal for pay revision of its employees and executives with 15% fitment benefit without any financial constraints.

8. Also, in a blatant discrimination, those on deputation from DoT to BSNL and occupying key managerial and responsible positions are already drawing salary in revised pay scales as per the recommendations of Seventh Central Pay Commission w.e.f. 1.1.2016, with their entire salary and allowances being borne by BSNL. The same DoT did not find BSNL financial status a bar to their pay revision. This has led to a legally questionable anomaly wherein those on deputation are being getting the revised pay paid by BSNL, BSNL's own employees are denied the pay revision.

9. We therefore request your kind and immediate intervention and advice to the Department of Telecommunications to discharge its responsibility on behalf of the Government and to ensure that BSNL employees are not denied their due pay revision in the name of financial viability.

With kind regards,

Yours sincerely,



(Rakesh Sethi)
General Secretary

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