



ALL INDIA BHARAT SANCHAR NIGAM LIMITED RETIRED EXECUTIVES' ASSOCIATION

Central Headquarters

Registered under Societies Registration Act XXI of 1860 vide Govt. of NCT Delhi No. S/RS/SW/1161/2014

[Registered under Pensioners Portal vide DoP&PW letter No. 4(4)/2021-P&PW(H)7311 dated 04.01.2024]

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No. AIBSNLREA/CHQ/2024/43

Dated 18th June 2024

To
Shri Jyotiraditya Scindia,
Minister of Communications,
Government of India,
New Delhi

Sir,

We are aware that after taking over as Cabinet Minister of Communications, you will be busy delving into the huge requirements and expectations of various stakeholders in the Telecom industry along with finding solutions to the unfinished agenda of your predecessors, like the revival of BSNL/MTNL. As BSNL pensioners who had served DoT and then BSNL for nearly four decades, we are genuinely concerned about the revival of BSNL and this association has been relentlessly pursuing some issues for betterment of BSNL, its employees and the BSNL pensioners.

2. We are submitting herewith a few of such issues in the Annexure, seeking your urgent attention and definitive action, as solutions to these issues are neither complex nor impossible.

With kind regards,

Yours sincerely,

(R.R. Balasubramanian)
General Secretary

Encl: As stated

Copy to: 1. Dr. Neeraj Mittal,
Secretary, DoT
2. Shri P.K.Purwar,
CMD, BSNL

1. Revision of pay of BSNL employees as per the recommendations of 3rd PRC by relaxing the affordability clause.

It is intriguing that both Department of Telecommunications and Bharat Sanchar Nigam Limited are repeatedly denying revision of Pay Scales of the BSNL Executives for the last seven years taking excuse of the financial constraints of BSNL and the “Affordability Clause” in the O.M issued by DPE vide its No.W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 03.08.2017 ordering revision of pay scales of Board level and below Board level Executives and Non-Executive Supervisors of BSNL w.e.f. 1.1.2017. We, would request you to re-examine the matter in the light of the following: -

i) Considerable reduction of staff-strength through VRS in the year 2019:

In the year 2019, nearly 80000 BSNL Employees, both Executives and Non-Executives, in response to an offer made by Government, took voluntary retirement. As a result, the expenditure of BSNL on salary has reduced by 50%. Thus, the old plea of the Management that huge employee cost has affected the finances of BSNL is no longer tenable.

ii) Unjust decision for calculation of pension contribution on ‘existing basic pay’ under FR-116 for the absorbed employees to be withdrawn:

At the time of formation of BSNL, the Government agreed to pay the pension of the erstwhile DoT employees opting for absorption in BSNL for the combined service in DoT & BSNL. An arrangement was made between DoT and BSNL that BSNL will pay pension contribution in respect of its absorbed employees under FR-116. The method of calculation of pension contribution under FR-116 then was based on “maximum of the pay scale” and BSNL was paying pension contribution on that basis. Later, vide DoP&T OM No.2/34/2008-Estt (Pay-II) dated 19.11.2009, the basis for method of calculation was changed to “existing basic pay” w.e.f. 1.1.2006. But BSNL has been forced to continue to pay pension contribution on the basis of “maximum of pay scale”, despite DoT’s efforts to allow BSNL to pay on the basis of “existing basic pay”. This has resulted in unjustified depletion of BSNL funds to hundreds of crores of rupees during the last 18 years. **According to BSNL Annual Report for 2017-18, “The actual difference between these two methods of pension contribution payment up to 31st March 2018 is INR 53,774 lakh (31st March 2017: INR 59,453 lakh)”**. DoT vide its letter **No.40-32/2011-Pen(T) dated 2nd January 2019 addressed to CMD BSNL** had listed five points on which DoE required clarification on the matter and had requested BSNL to get them examined and furnish clarifications to DoT for further deliberation in DoT and onward submission to DoE. While we believed that BSNL had submitted the clarifications and the matter was only pending with DoE, we were shocked to learn through a reply dated 11.11.2022 from DoT under, that **“reply from BSNL is still awaited.”** Our efforts to ascertain the status of further progress in the matter did not bear fruit.

- iii) **Relaxation of 'affordability clause' of DPE O.M No.W-02/0028/2017-DPE(WC)-GL-XIII/17 dated 03.08.2017 as BSNL has to meet the social obligation of the Government of India to provide services at affordable rates to the customers and thus cannot aim at profit: -**

DPE, in response to DOT's OM No. 11-1/2017-SU.II dated 20.03.2018 on the question of relaxation of affordability clause, had already clarified vide its No. W-02/0004/2018-DPE-WC dated 18.04.2018, that this would "require approval of Cabinet for which DOT may examine the issue at its end for necessary action". Keeping in view of the fact that BSNL is meeting the social obligations of the Government and also providing and maintaining telecommunication services, which are otherwise commercially non-viable, even in remote villages and hilly terrains and therefore is incurring huge losses on these counts, the DOT should immediately move a Cabinet Note seeking relaxation of affordability clause for BSNL. Moreover, it is the policy of the Government that did not allow BSNL to launch high speed 4-G services which resulted in its losing huge number of customers and revenue because of its inability to provide high speed data services. **After all, BSNL employees cannot be held responsible for the policy decisions of the Government and thus denied the legitimate revision of pay scale.**

- iv) **Glaring discrimination between BSNL employees and those on deputation in the matter of revision of pay:**

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.** DoT did not find the affordability clause a bar to their pay revision. **This has led to a legally questionable anomaly wherein those on deputation despite several opportunities provided to join BSNL are getting the revised pay paid by BSNL, but BSNL's own employees who had taken absorption in BSNL at the first provided opportunity are denied the pay revision on the plea of non-affordability.**

2. Revision of Pension of BSNL absorbed pensioners w.e.f. 1.1.2017:

BSNL absorbed pensioners very well understand that the concept of pension revision had its foundation laid in the Supreme Court judgment in D.S.Nakara case which was aimed at removing disparity in pension between the past and future pensioners, subsequently recommended by V CPC and accepted by the Government. With this understanding, the BSNL absorbed pensioners are eagerly waiting for the pay revision of BSNL employees as per 3rd PRC guidelines, with the clear understanding that their pension will also be revised with the same fitment benefit granted to the serving employees. This understanding is based on orders for revision of their pension after revision of pay of BSNL employees w.e.f. 1.1.2007 as per 2nd PRC guidelines.

Non-revision of pay scales of BSNL employees as per 3rd PRC guidelines till now, has therefore led to huge disappointment among the BSNL absorbed pensioners. They are also aware that revising pension without pay revision will result in disparity in pension between the present pensioners and future pensioners, wherein those retiring after 1.1.2017 will draw lesser pension, which is against the essence of the Supreme Court judgement in D.S.Nakara case.

DoT on its part, made some efforts to devise a formula for **pension revision of BSNL absorbed pensioners before pay revision of BSNL employees, consciously seeking to avoid any disparity in pension between those who retired before 1.1.2017 and those who retired after 1.1.2017, but with 'Nil' fitment benefit.** As DPE guidelines on 3rd PRC had provided only for "5%, 10% and 15%" fitment, our association had pointed out to DoT that **"there is no provision for 'Nil' fitment in DPE guidelines"** and had requested that **"In order that the entire effort by DoT, to find a solution for pension revision of pre-2017 BSNL absorbed pensioners without creating anomaly in respect of BSNL absorbed pensioners retired/retiring after 1.1.2017, does not become futile, corrective measures may be immediately caused to be taken before proceeding further."** All the BSNL pensioners' associations then rejected the DoT proposal with 'Nil' fitment.

Subsequently DoT worked out modified proposals, consuming several months and had sent to the DoE as part of consultation process, a few months back. Both DoT and DoE refused to give the details of the proposals, while DoE admitted that "the proposal in this regard is under examination." **We hope that DoT has worked out a proposal which would not create any disparity between the pre-2017 and post-2017 pensioners. In that case it would be just and fair on the part of DoT to share the proposal with the BSNL pensioners associations, in order that it can be further improved by removing any deficiencies and got approved by the Government, as all the BSNL absorbed pensioners are waiting for resolution of the issue, with fingers crossed.**

3. Launching of 4G mobile services by BSNL without further delay:

In its Note submitted for approval to the Union Cabinet on Revival of BSNL and MTNL, the DoT had rightly observed that "*The absence of 4G services by BSNL/MTNL has eroded their competitive strength in the currently evolving data centric telecom market. BSNL is providing limited 4G services in a few areas. Therefore, for MTNL/BSNL to retain and expand mobile subscriber base, and to remain competitive in the telecom market, it is imperative to provide 4G service at the earliest.*" This was in 2019, four years after Bharti Airtel rolled out its 4G LTE services in India followed by Vodafone the same year and Reliance Jio joining them in 2016 in a massive way.

DoT's fears have come true, as BSNL's inability to provide high speed mobile services in the age of data-centric connectivity has resulted in BSNL losing 2.14 crores subscribers in 22 consecutive months as of October 2023, according to the data provided by TRAI. BSNL's Mobile market share has come down from 10.14% in February 2021 to 8.08% in October 2023. CMD BSNL has also recently admitted that "*delay in launching 5G and 4G services has cost BSNL heavily. The company lost subscribers to its competitors*".

After missing several deadlines since the year 2022, amid ambitious statements by the MoC and the DoT every time, 4G launch by BSNL was yet again postponed to June 2024. This deadline has also now been breached. BSNL image has been seriously dented and launching of 4G, shortly followed by 5G, should be the topmost priority of the Communications Ministry.
