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No. AIBSNLEA/CHQ/CMD/2014

DATED: 13.02.2014

To

**Sh. R.K. Upadhyay,
CMD BSNL,
New Delhi-110001**

Subject: Views/ comments on the issue of merger of BSNL and MTNL- regarding

Ref.: BSNL/20-2/SR/2014 dated 04.02.2014.

Respected Sir,

We would like to draw your kind attention in the above cited reference and subject matter wherein it has been informed that DOT has constituted a steering group to examine different aspects of merger of BSNL & MTNL under the Chairmanship of Addl. Secretary (Telecom.) Further, four groups have been formed to study the aspects related to HR system, financial and corporate integration. We welcome the Govt.'s move for the merger of BSNL and MTNL as the matter of synergy to have PAN India presence in Telecom Sector.

The fact remains that we all the employees of BSNL & MTNL were basically the employees of erstwhile DOT. At the time of corporatization of the then DTS/DTO to BSNL and earlier MTNL and their fragmentation we strongly opposed the Govt. decision but finally it was imposed. Now again Govt. has started the move to merge BSNL and MTNL but during the last 13-14 years many issues have cropped up due to wrong decision of the Govt. which needs immediate settlement for the smooth sailing of merger of BSNL & MTNL.

The following views/ comments are submitted to be considered before taking any decision in this regard:

- 1. Pay Scale disparity:** The MTNL employees are getting one scale above from the BSNL employees. MTNL executives' pay scale starts from E-2 scale whereas BSNL executives' pay scales started from E-1A which is an intermediate lower scale. To bring parity between the two sets of employees (of MTNL & BSNL) the employees of BSNL should be given fixation in the MTNL scale with effect from 01.10.2000 with arrears. The arrear portion may be taken care of by the Government/BSNL. There should be same pay scale for same cadre and same pay for same job in an organization. Pay scale parity is to be implemented prior to merger. It is not acceptable to postpone this process till next pay revision in 2017. Equalization is to be done by enhancing the pay in BSNL.
- 2. IDA neutralization @ 78.2 % in MTNL:** It is to be implemented in MTNL also before the merger as done in the BSNL.

Contd.. 2

- 3. Time Bound Promotion (EPP/NEPP):-** Time-bound Promotion in BSNL should be retained as such. Conventional bench marks prescribed for this should not be altered. This entitlement must not be surrendered for any sort of post-based promotion.
- 4. Inter-se seniority of different cadres having all India Seniority:** It should also be studied deeply and clear guidelines should be issued to avoid litigation and heart burning among the BSNL executives in future. It is also understood that MTNL Group A&B Officers stand already regularized whereas in BSNL ad-hoc status prevail. This anomaly should be reconciled in fixation of inter-se seniority including financial implication, if any.
- 5. Ensuring Promotion of BSNL Group “B” Officers:** The MTNL has shown 3445 Group A officers out of the strength of 5185 of Group A&B officers. After merger of both these entities, the large number of Group “A” officers in MTNL will adversely affect the future promotions of Group “B” officers to the Group A level. There should be some protection to the Group “B” officers of BSNL for timely promotion to the Group “A” level. Also all the CPCs in pipeline to fill-up vacant HAG/JAG/STS/Gr”B” grades should be expedited in BSNL/MTNL before merger to avoid litigations.
- 6. Inter transferability between BSNL & MTNL:** Group A&B officers of BSNL/MTNL should be permitted / allowed for transfer to MTNL vis-a-vis BSNL
- 7. BSNL MRS Policy:** BSNL MRS policy has to continue even after merger.
- 8. Compassionate Ground Appointment in BSNL:** It has to continue in the merged company also.
- 9. Revised option to BSNL employees:** In case, if the merger takes place, BSNL employees should be given a fresh chance to reconsider their option for MTNL before merger.
- 10. Hurdles related to merger of the 100% government owned PSU with a listed company:** The 44% shares of MTNL which were already sold in the market but for BSNL no disinvestment has been done so far. These are to be sorted out by the authorities in consultation with all concerned. The merger should not be taken as a way for implementing disinvestment in BSNL. We strongly oppose disinvestment of shares of BSNL to facilitate the so called merger.
- 11. BSNL should not accept any LOAN liability of MTNL:** It is understood that MTNL has huge loan liability, which - after merger of both the entities - is likely to be the liability of the merged entity. The Government should take necessary steps to protect BSNL from any such unwanted liability of MTNL.
- 12. Pension Parity to BSNL absorbed officials with MTNL employees due to one scale higher in MTNL**
- 13. The perks and allowances structure of BSNL should be retained after merger. Also the GSLI policy of BSNL employees should continue after merger.**
- 14. Leave encashment fund of BSNL:** Govt./MTNL should contribute additional funds in BSNL's leave encashment fund deposited in the LIC on pro-rata basis for MTNL employees.

15. GPF management: GPF of BSNL employees should continue to be managed by DoT even after the merger.

16. Operation of BSNL (Recognition of Executives Association) Rules-2014: It is to be kept pending and revised rule is to be framed after merger. Till then the proposed referendum for electing majority executives' associations in BSNL, need to be kept in abeyance.

It is, therefore, requested to kindly take up all the above mentioned issues with the concerned steering groups of DoT for consideration while taking any decision for the merger of BSNL and MTNL. We are confident that incase, all above mentioned HR system, Financial and Corporate integration related issues are settled before merger of BSNL and MTNL, it will provide smooth sailing of merger in the interest of both the PSUs and the Nation.

With kind regards,

Yours sincerely,
-sd-
(Prahlad Rai)
General Secretary

Copy to:

1. Shri Kapil Sibal, Hon'ble Minister for C & IT, Govt. of India, New Delhi.
2. Shri Millind Deora, Hon'ble MoS for C & IT, Govt. of India, New Delhi.
3. Smt. Kruparani killi, Hon'ble MoS for C & IT, Govt. of India, New Delhi.
4. Shri M.F. Farooqui, Chairman TC and Secretary (T), DoT, Govt. of India, New Delhi.
5. Smt. Rita Teotia, Addl Secy (T), DoT, Govt. of India, New Delhi.
6. All the Board of Directors, BSNL Board – HR / ENT / CFA / CM / Finance.
7. Shri Neeraj Verma, GM (SR), BSNL CO, New Delhi.