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No. AIBSNLEA/CHQ/MOS(C)/2017

DATED: 17.08.2017

To,

Shri Manoj Sinha Ji,
Hon'ble Minister of State for Communications (I/C),
Govt. of India,
New Delhi -110 001

Subject: Exemption in affordability clause for BSNL at par with other CPSEs like Food Corporation of India, formed under a statute to perform a specific agenda / regulatory function of the Government, for implementation of 3rd PRC in BSNL_

Hon'ble Sir,

It is bring to your kind notice that several CPSEs have been formed by GOI by converting Govt. Departments into independent Government companies under a statute / policy to perform a specific agenda / regulatory function.

Vide DPE OM no.W-002/0028/2017-DPE(WC)-GL-XIII/ 17 dated 03/08/2017 vide Para 5 (c) of Annexure-II, dealing with implementation of 3rd PRC report, DPE has recommended exemption from affordability clause for these CPSEs while implementing the 3rd PRC report, as quoted below:-

“c) There are also certain CPSEs which have been formed into independent Government companies under a statute to perform a specific agenda / regulatory functions. The revenue stream of such CPSEs are not linked to profits from the open market in a competitive scenario but are governed through the fees & charges, as prescribed and amended from time to time by the Government. There is no budgetary support provided by the Government to such CPSEs. In consideration that the impact of the revised compensation structure (including Performance Related Pay) would supposedly form the part of revenue stream for such CPSEs, the affordability condition shall not be applicable to these CPSEs.”

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One such CPSE which was formed by converting Govt. Department i.e. Food and Civil Supplies Department into Food Corporation of India under the Food Corporation's Act 1964 , in order to fulfill the objectives of the Food Policy.

Terms and conditions for formation of Food Corporation of India, and absorption of Government Employees of Food and Civil Supplies Department in IDA scale in Food Corporation of India, were exactly similar to that of Conversion of Department of Telecom. / Department of Telecom. Services into BSNL. Pay and pension revision in Food Corporation of India has always been exempt from affordability clause right from its very inception.

BSNL also needs to be exempted from affordability clause on similar lines, because BSNL was formed under implementation of National Telecom. Policy to carry out specific agenda of the Government and associated regulatory functions.

You are requested to kindly look into the matter and do the needful in this matter.

With Kind regards,

Yours Sincerely



(PRAHLAD RAI)
General Secretary

Copy for kind information to:

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2. Shri Anupam Shrivastava, CMD, BSNL, New Delhi – 110001