FORUM OF ASSOCIATIONS OF BSNL

(AIGETOA, SNEA, SEWA, AIBSNLEA, TOA & AIBSNLOA)

No. Forum/BSNL/Corr/2022/12

Dated: 3rd March 2023.

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Shri. Pravin Kumar Purwar ji, Chairman and Managing Director, Bharat Sanchar Nigam Ltd, Janpath, New Delhi-110001.

Subject: Reservations/observation and Suggestions from Forum of Associations of BSNL on Proposal of Operational Merger of MTNL with BSNL. - Regarding.

Respected Sir,

Please refer to the presentation made by BSNL management with respect to the latest developments in BSNL post 2nd revival package and issues related to BSNL-MTNL Merger. It was indeed a good interaction and we sincerely feel that management must do such type of interactions with unions and associations on a monthly basis instead of doing it once in 7-8 months period. Regular interactions amongst management and representatives of employees keep all the employees aware about the changes happening in organisation, the initiatives taken by government to keep the organisation afloat, healthy and living.

Such type of initiatives are a key tool which develops a sense of belongingness in each and every employee not only towards our organisation but also towards the efforts made by the Government of India and Hon. Prime Minister. Its our humble request to keep this momentum on by holding such interactions on at least monthly basis, so that the messages and good initiatives taken by the Government and management reaches to the last employee on ground.

We would like to congratulate and convey sincere thanks to you once again along with other board members on the firm initiatives taken for the revival and survival of our beloved organisation BSNL and we extend our firm cooperation and support to all the initiatives exclusively taken to improve the health of the organisation. We sincerely feel that together we will definitely achieve the objective of regaining the pristine glory of BSNL.

As far as the issue of Merger of MTNL into BSNL is concerned, we register our strong reservation on the manner in which the whole issue has been brought before the representatives of executive fraternity of BSNL and also before the unions. The committee for merger of MTNL and BSNL has been formed many months back and despite our repeated requests to have deliberation with representatives of employees before finalisation of any such proposal, no such deliberations were ever held with representatives of any union or association on this.

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The presentation given on 28/02/2023, was the first interaction on this issue where management has shared their finalised proposal which more or less appeared as one-sided communication. Such type of unilateral approach by management is not good for any organisation and we sincerely feel that critical issues which are pertaining to the future prospects of not only organisation but also of employees must be addressed with due care, diligence and involvement of all concerned in the process.

It seems, management is more interested in showing its authoritarian approach and trying to down play the relevance of unions and associations on the critical issues of importance. It will be pertinent to mention that this is second such attempt by management in last three months, first one being one sided implementation of MSRRs without any deliberations with any of the association. Though it is projected that discussions were held by the committee, but the members of committee have not clarified any doubts, rather only noted it neither any reply/respond nor included but directly MSRRs have been published in the midnight of 31/12/2022, which was holiday for BSNL by neglecting about all suggestions given by individual associations as well as on the platform of Forum of Associations.

We wish to highlight, such unfortunate and unilateral approach of management will give rise to only dissatisfaction and unrest amongst employees and all the good efforts taken by Government of India for BSNL will loose its sheen. We are sure that neither management nor the associations want to convert the positive steps taken by government to turn into negative in eyes of employees as well as general public at large.

Hence, at this crucial juncture, we would like to appeal the BSNL management to remain more participative and reconciling towards associations of BSNL, so that the efforts and initiatives taken by our Government of India reaches the last person on ground and the great initiative of Aatmanirbhar Bharat in Telecom Sector taken by the visionary leadership of our Hon'ble Prime Minister Shri. Narendra Modi Ji accomplishes its desired objectives.

Though meeting was specially proposed for update on Operational merger of MTNL with BSNL, but we were updated about the ongoing development of BSNL different projects and certain concrete picture was presented on development related issues and mainly on procurement of different equipments and stores requirement by field units. This has cleared certain doubts and we convey our sincere thanks for such exhaustive presentation on developmental issues. We would have been most happy, if certain burning issues of executives also would have been included in the presentation with clear road map from management side to resolve the long pending burning HR issues. We are hopeful that similar presentation on pending HR issues also will be arranged shortly.

In this backdrop, we the representatives of almost 100 percent executive fraternity of BSNL, hereby submit our observations, reservations and suggestions on the proposal of Merger of MTNL to BSNL shared by management on 28th February 2023 which is enclosed herewith as **Annexure-I to this letter.**

We would like to put it on record that before finalising any such proposal for merger of MTNL with BSNL, long term viability of the proposal from the anticipated revenue Vs expenditure involved at least for ten years must be examined and it should be ensured that no liability on account of operational expenditure or capital expenditure is placed on BSNL's head and all such expenditure must be borne by Government.

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Government must indemnify BSNL against all such liabilities at least for a period of 10 years. Though, we stand firmly with our MTNL brothers and sisters, However, at the same time, we would also like to convey firmly that without considering the resolution of our genuine apprehensions shared as attached annexure-I, no such merger proposal shall be accepted by us.

We would highly appreciate that management instead of simply forwarding it to the concerned group of secretaries, examines the same and include in the proposal and recommendations being submitted by BSNL to DOT.

With Regards,



Adasul N. D. Ram GS SNEA GS SEWA

Shaji. V GS AIBSNLEA

R. K. Upadhyay

GS TOA



Copy to:

- 1. Shri Ashwini Vaishnav Ji, Hon'ble MoC for kind information please.
- 2. Shri K Rajaraman Ji, Secretary DoT for kind information please.
- 3. Shri Arvind Vadnerkar, Director (HR), BSNL Board, New Delhi.
- 4. All Directors, BSNL Board for kind information please.
- 5. Smt Anita Johri, PGM (SR), BSNL CO, New Delhi with a request to act as a bridge between staff and management and arrange regular dialogues between associations and management.

Reservations/Observations/Suggestions on the Management's proposal of MTNL Merger into BSNL

- A. The brief of Management's proposal with respect to merger of MTNL into BSNL can be summarised as below:
 - 1. The Shares of MTNL to be delisted for which necessary action to be taken by government to acquire the threshold value of 90% of shares.
 - 2. MTNL to be demerged into 2 entities:
 - a. MTNL operations along with staff and operational assets.
 - b. Other Assets and Liabilities including the Spectrum held by MTNL

The operational entity to be taken over by BSNL along with staff and assets holding these operational entities. Other Assets and Liabilities shall remain with MTNL and government to take care of what necessary action to be taken for further resolution the debts and liabilities of MTNL.

Wireline, Wireless and the Enterprise Business of MTNL along with operational assets to be taken over by BSNL.

- 3. The following options to be given to the employees of MTNL for absorbing into BSNL:
 - a. Option to absorb in BSNL at corresponding Pay Scales of BSNL with gap in salary be compensated in the form of personal pay with the additional pay getting absorbed from future increments till the salary comes at par with that of corresponding BSNL employee.
 - b. Option for VRS to be floated by government for employee of MTNL
 - c. Option to remain in MTNL and face the uncertainty with respect to closure policy of PSU by government in respect of closing down MTNL.
- 4. The Inter-Se-Seniority to be decided by taking the date of absorption or Recruitment Year as criteria. The Senior Executive of MTNL to be promoted at Par if any Junior Executive of BSNL is promoted in that grade.
- 5. It is understood that difference in Salary of MTNL employee shall be around 10-20% higher vis-à-vis the corresponding employee of BSNL. As per calculation of management, this difference shall be compensated in a period of 1.5 to 2 years.

B. The comments of Forum of Associations of BSNL are as stated below:

1. First of all, we would like to convey that owing to legacy, already there is a lot of problems in BSNL with respect to the sustainability issues, HR issues, Pay related issues, Pension related issues etc. We are very much apprehensive that with introduction of this proposal, a new set of problems may get introduced in BSNL. Despite management's version that none of the problems will be allowed to enter into BSNL, we are very much sure that underlying problems associated with the proposal which has been ignored while presenting shall definitely make things more complex unless it is suitability taken care of.

We also cannot agree with management's version that starting a new network in Delhi/Mumbai Areas by BSNL shall be more cumbersome than acquiring the MTNL

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network. We firmly believe that given the current status of MTNL Network health, rejuvenating it will as good as creating an entirely new network.

Further, taking the revenue vis-à-vis the operational expenditure including the salary of MTNL staff aspect in mind, we are very much apprehensive, how much profitable this acquisition shall be.

We are of the view that overburdening BSNL with further liability in the name of taking over operations of MTNL will not be a prudent move unless government takes care of the gap in revenue vs expenditure for a minimum period of 10 years and indemnifies BSNL against any such loss.

2. Secondly, asking the staff to work on a lower salary than what they are getting currently will not sustain the legal scrutiny from the court of law and making them subject to increment freeze without any fault on their part is not at all legally sustainable. Even from the humanitarian aspect, such coercive action on the part of management in the name of fulfilling the government vision will nullify the impact of all the good steps which our government is taking for the revival of BSNL and MTNL. Moreover, it will give rise to the issue of equal work equal pay for a substantial period for similarly placed employees of BSNL who will be getting less pay than their Counter Part in MTNL.

We the associations of BSNL are of the view that as responsible association and representative of employees, such cold hearted treatment of lowering the scale of Pay, degrading the status of employees, freezing their increment in salary should not be allowed at all. Hence, we oppose this merger on such retrograde terms and instead feel that BSNL Executives pay and pension should be brought at par with MTNL.

3. Thirdly, the issue of Inter-Se-Seniority shall always remain and merely determining the same on the basis of date of Joining is not at all feasible. There are multidimensional aspects to this seniority issue. Already BSNL is a hub of seniority related issues and creating another set of anomalies with respect to Inter-Se-Seniority between BSNL executives and MTNL executives will give rise to a new complexity. This anomaly can only be resolved if those coming in the organisation are placed en-block Junior to BSNL Executives working in similar grades

On this aspect, we the associations are of the view that determining the inter-seseniority is not that simple as has been projected by Management. We sincerely feel that issue can be sorted out by keeping the incoming executives en-bloc junior to those working in BSNL. Such terms may not be acceptable to the incoming executives and hence this merger is bound to fail on this aspect also.

In view of the facts stated above and other underlying problems which are associated with BSNL with respect to pay, pension, promotion, seniority, viability etc, we are of the view that this merger can not take place unless the issues mentioned herein after are taken care of. In the absence of management's intent of resolving the pending issues and trying to bulldoze the view of associations, may result into categorical rejection of this merger proposal by all the employees and huge unrest and dissatisfaction shall be prevalent in our organisation as the offshoot of the proposal.

C. Hence at the outset, we request that first management may initiate the resolution of the following issues on immediate basis and then initiate a fresh dialogue with all the unions and

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associations of BSNL and MTNL by forming a joint committee to come at a solution which is mutually acceptable to one and all. Unless until the long pending HR issues of BSNL are settled, we can not accept a fresh set of problems in BSNL in the name of merger of MTNL into BSNL:

- 1. Implementation of 3rd PRC in BSNL: The key to resolution of all the above issues lies in Implementation of 3rd PRC in BSNL. Affordability criteria has been stated as a key factor for denying the 3rd PRC in BSNL despite the fact that arms and ammunitions in the form of 4G and Network expansion for earning revenue has been denied to BSNL. Hence management must extend 3rd PRC to the employees of BSNL firstly before exploring any such proposal. This will also be in line with the agreement of government made with the employees of MTNL for extension of 3rd PRC.
- 2. Implementation of residual issues of 2nd PRC pertaining to replacement of intermediate Pay Scales E1A and E2A by Standard pay scales of E2-E3 to JTO/JAO/Equivalent and SDE/AO/Equivalent respectively and Resolution of Pay Loss issue of executives recruited in E1A by extending them initial basic of 22820: During implementation of 2nd PRC, while all the replacement scales have been defined, the replacement scales of initial two scales of BSNL were never notified. Its indeed an irony that initially BSNL tried to get approved an impossible task of approving the scales and now not even taking up matter in similar lines as done earlier to implement the upgraded standard Pay scales and just pointing out figures towards DoT stating that we are ready but DoT is not ready.

After strong pursuance of associations, BSNL finally approved E2 and E3 scales as replacement scales of JTO/JAO and SDE/AO cadre respectively. An erroneous Notification was proposed by DoT which was rejected by BSNL. The final notification of Replacement scale is yet to be notified. **BSNL is currently having multiple entry level initial basics for different set of employees and it can be sorted out only by extending E2 as replacement scale of JTOs/JAOs as part of implementation of 2nd PRC benefits.**

Another aspect of peculiar state of affairs in BSNL is that while recommendations of Pay Revision Committee generally increase the emoluments of executives post implementation, perhaps BSNL may be the only organisation where the emoluments of executives have been lowered post implementation of 2nd PRC.

The state of affairs is so serious that executives are getting almost 26000 Rupees less than the similarly placed executives in the cadre. Even in the scenario, if these executives would have been allowed to continue in previous scales, then also they would have been getting much more than what they are getting today as part of 2nd PRC.

It means as of now, the JTOs/JAOs, SDEs/AOs are facing huge loss of Rs 25000 Per month due to not grant of Standard Pay Scales, if we add about Rs. 17000 additional difference of payment of MTNL executives, the BSNL Executive will get less pay by about Rs. Rs 42000 per month and this loss will be increasing day by day.

This anomaly can only be resolved by extending 22820/- as initial basic pay to the executives recruited in pre-revised E1A pay scales of 9850/-. Hence Management must immediately take care of this important pay scale and pay loss related issues and the same must be resolved now without any further delay. It will be pertinent to mention that this issue affects the livelihood of the youngest set of executives who have a very

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long way to go in organisation and are to carry the load of running this organisation in future for many years. We request to give priority to this issue while giving further and final shape to proposal for merger of MTNL with BSNL.

3. Extension of Complete 30% Superannuation Benefit to the BSNL Recruits which is also a pending residual issue of 2nd PRC and creation of Post-Retirement Medical benefit fund for BSNL Recruits: During the implementation of 2nd PRC benefits, a major recommendation was left out to be implemented was creation of Superannuation Fund for the remaining balance contribution for the BSNL Recruits. Creation of a separate Pensionary Scheme for BSNL Recruits was part of the rules during formation of BSNL also. While all the recommendations of 2nd PRC were implemented in totality including the maximum 30 percent fitment as BSNL was in profit at that time, this issue was never taken care of by BSNL management. After prolonged struggles and persuasions by associations, management finally started with 3 percent contribution in 2016 which was later increased to 5 percent in 2017. However, the balance contribution of 30% is still to be contributed and added to that the contribution for all these years have been lost. Management has consistently been denying this and have been comparing the defined benefits to defined contribution which is not at all correct. Employees recruited by BSNL are governed by DPE rules but those DPE Recommendations have never been implemented in totality by BSNL.

The impact of this crucial issue was felt in the recent covid crisis when many of our young colleagues left for their heavenly abode at a very young age. Their families have been facing the hand to mouth situation after the demise of their only bread earning member. Similarly, another major recommendation of implementation of Post-Retirement Medical Benefit Fund for BSNL Recruits has also been ignored by BSNL.

It is high time that management recognises the relevance of this important issue pertaining to the social security benefits of BSNL recruited employees and extends the complete 30 percent contribution towards superannuation benefits for BSNL recruits from the date of their joining in BSNL.

- 4. Issue of Pay Parity and parity for promotion/Seniority of BSNL Executives vis-à-vis the corresponding executives of DoT and extension of one promotion to all the executives who have completed their residency in the incumbent grade: During formation of BSNL in the year 2000, all the executives who blindly followed the directions of government and opted for BSNL are getting less pay than those who preferred to not to opt in BSNL. Not only pay, even in terms of promotions also, they are placed in lower grade than their erstwhile Juniors. This is a gross injustice to the executives who obeyed the orders of government. Hence, we request management to kind consider extending Pay as well as parity in promotion/Seniority of BSNL Executives at par with corresponding executives of DoT. Also, management must consider extending one promotion to all the executives who have completed their residency period in the incumbent grade to extend uniform justice to all the executives of BSNL.
- 5. Revision in MSRRs-2023 as demanded by Associations and postponing the implementation of the same to at least 01.01.2024: Associations have been demanding to stop the implementation of new MSRRs and requesting for revisiting the retrograde clauses including the postponement of date of effect for new MSRR-2023 to at least Here zimi NAPR

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01.01.2024. It is indeed a sad state of affairs that the day major chunk of employees became eligible for their next promotion, the very same day management changed the MSRRs and in the process hampered the promotional avenues of thousands and thousands of executives. This has been strongly opposed by the Associations and the Forum of Associations already communicated repeatedly to BSNL Management that MSRR-2023 are unacceptable to the Forum in it's present shape. Further, if MTNL executives are added and promotions are processed by considering these added officers, many of the existing officers will be deprived from the AGM/DGM Promotions. Hence, we once again request to revisit the clauses of MSRRs as per the inputs suggested by the forum of associations of BSNL and make it widely acceptable MSRRs. We further request for postponing the cut-off date from 01.01.2023 to 01.01.2024 for smooth and litigation free change over to the next regime.

- 6. Further recently, DoT has created one more disparity by promoting DEs working in DoT as DGM(Regular) against the post of BSNL and all are deputed to BSNL form same day of promotion order. As per the rules of DoPT, the deputation is allowed only when the incumbents to the post are not available in sufficient numbers. But still ITS officers have been promoted against the posts of BSNL, despite having sufficient incumbents to be promoted to the posts of DGMs. It is heartburning matter to similarly placed DoT recruited but BSNL absorbed officers who are serving in BSNL as all these officers are juniors to many similarly placed officers who have accepted absorption in BSNL. Here BSNL absorbed officers are denied the Promotions though they are seniors by changing the MSRRs in midnight of the day they become eligible and juniors are posted against their vacancy as their controlling officers as DGMs. This is deliberate disrespect of the officers who have shown faith on BSNL and undue benefits to officers who did not show faith on BSNL. Thus heartburning will further intensify if the more MTNL officers who are already promoted by MTNL will join BSNL on proposed absorption. The officers absorbed in BSNL is getting Salary as per pay scales of 2nd PRC and the officers on Deputation are getting Salary as per 7th CPC and there is difference of multy-thousands of rupees. With joining of MTNL officers, one more disparity will be created and this will intensify the pains and hardship of officers who are already absorbed in BSNL. With this for same work there will be three pay scales in BSNL and only BSNLs own officers will get lowest salary while officer who denied absorption either in MTNL or BSNL will be getting highest salary and Officers who opted for MTNL will get second highest salary. This is against the principal of Equal work Equal pay and this is a gross violation of the Constitution of India. Hence this disparity also needs to be cleared by BSNL and DoT before decision on merge of MTNL.
- 7. Review of the restructuring norms and strength in various promotional grades: Associations have been consistently demanding that the strength decided by BSNL management in various grades is not at all sufficient to take care of career aspirations of BSNL Executives belonging to various cadres. As per the restructuring guidelines issued by BSNL in 2020, its review is due as on 2022, Further in view of the BBNL merger with BSNL and also important government projects like 4G saturation, Extending FTTH services to rural areas etc, there is a huge need for revisiting the staffing strength so that the sufficient managerial, supervisory and execution staff can be posted at these

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important projects which are catering to the vision of government to bridge the digital divide between the rural and urban India. Hence it is once again requested to revisit the restructuring norms and revise the staff strength. It will be pertinent to mention that through this review, there shall be no financial burden on BSNL. It will not only fulfil the career aspirations of BSNL executives but will also ensure deployment of suitable, experienced and qualified manpower on the important government projects.

Above are few HR issues which are needed to be taken care of before exploring any proposal for Merger of MTNL with BSNL. It's a well-known fact and your good self also has agreed during presentation that house must be in order to take care of any external turbulences.

We once again reaffirm our firm support and commitment to the endeavours taken by Government of India but at the same time we are of the strong opinion and view that without considering the resolution of above-mentioned HR issues, merger of MTNL into BSNL cannot take place.

- D. Further since suggestions have been invited from Associations on the proposed merger, assuming but not agreeing to the fact that MTNL is getting merged with BSNL, we hereby submit our below mentioned suggestions:
 - 1. No liability should be borne by BSNL for this merger. Support must be ensured to BSNL for compensating the loss arising out of running MTNL operations for a minimum period of at least 10 years.
 - 2. Methodology for taking over the operations and running the operations must be decided and intimated in advance like whether new circles shall be created or they shall be merged into existing Circles etc.
 - 3. 3rd PRC must be implemented to settle all the pay related anomalies and also satisfying the clauses of the agreement which was done between government and MTNL employees at the time of Pension revision.
 - 4. Pay Scales of MTNL Executives should not be degraded. Instead, long pending proposal for replacement of Intermediate Pay scales E1A and E2 A with Standard Pay scales E2 and E3 for JTO/JAO and SDE/AO Equivalent duly approved and recommended by BSNL Board must be approved by DoT and extended to executives of BSNL.
 - 5. The pay of incoming MTNL Executive must not be decreased and BSNL's executives must get the pay at par with MTNL executives. Issue of initial basic of 22820 to the executives recruited in pre revised E1A must be resolved as a part of this exercise.
 - 6. The MSRR and staffing strength must be revised to take care of this merger. No executive of BSNL should become Junior to any executive of MTNL in same grade and Seniority of BSNL executive must be protected.
 - 7. One promotion must be extended to all the executives of BSNL who have completed their residency in the incumbent grade.
 - 8. All willing BSNL Executives should also be extended the facility to opt for VRS without any barrier of years of service/ age at par with MTNL.

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- 9. All the facilities of MTNL Executives like GHI, Sabbatical leave etc must be extended to BSNL Executives,
- 10.Uniform HR policy must be adopted for all the employees including those incoming from MTNL. All India transfer liability must be there for all including those incoming from MTNL.
- 11.Sufficient spectrum must be ensured for running the operations smoothly across all the applicable bands. All assets should be handed over to BSNL except those needed for taking care of the liability by the government.

12. Association structure post-merger must be decided and intimated in advance.

In nut shell we would like to reproduce that there are so many HR and financial issues existing in BSNL and there will be multiple increase in these disparities if MTNL merger with BSNL takes place without resolving the pending issues of BSNL Executives as mentioned above. The existing disparity in pay among BSNL executives which will increase in multifold with the absorption of MTNL executives in BSNL as per present proposal of operational merger. We find that HR issues can be resolved by forming a committee and discussions with Associations of BSNL and MTNL and we are confident that we will resolve all HR issues through this approach.

Further major issues are related to denial of financial benefits to the Executives in BSNL, which have already been approved by BSNL Board and submitted to DoT for administrative approval. There is need of action on part of DoT to convey the necessary approval, which is awaited since last five years. It will attract the attention of DoT/Gol, if BSNL makes these financial issues of BSNL Executives as a part of the proposal for merger of MTNL with BSNL, and favourable action can resolve all the issues. This will settle the Majority of the issues & disparities. Thus, for resolving all financial issues of Executives in BSNL and MTNL, it is the need of the hour that BSNL management should add the proposal of implementation of 3rd PRC with left out issues of 2nd PRC for all the executives in BSNL with suitable fixation over the Executives of MTNL so as to overcome the pay parity existing between BSNL and MTNL similarly placed executives.

In conclusion, we reproduce that we welcome operational mergers of MTNL with BSNL as it is need for providing BSNL services on PAN India basis and mainly in area of National and Economical capitals of India. But before that major financial disparities should be settled through the implementation of 3rd PRC in BSNL and none of the executive either from MTNL and BSNL is compelled to accept lower pay scales as being proposed now.

We sincerely hope that reservations, observations and suggestions posted by the forum of associations of BSNL representing almost 100 percent of the executives shall find its due weightage and consideration. Further we suggest for creating a Joint committee consisting of management's representatives and associations & unions representatives from both the organisations for a well discussed, mutually agreeable and best path for future of both the companies in question i.e. BSNL and MTNL.

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Thanks & Regards,

N. D. Ram GS SEWA GS AIBSN

R. K. Upadhyay GS TOA

Janardan Yadav GS AIBSNLOA