

Telecom Editorials on Wage Revision

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The Importance of Third Pay Committee

After the lapse of ten years Government of India has agreed to review the salary structure of Executives of the PSUs by appointing a committee headed by Retired Justice Satish Chandra. The committee is now known as 3rd PRC. The earlier committees were Justice Mohan Committee and Jagan Nath Rao committee for 1997 and 2007 wage revisions.

As usual the Terms of Reference are having loaded factors like desirable, feasible and affordable pay structures and linking the same with efficiency, productivity and profitability of the company. The recommendations should be submitted by the end of six months that is at least by December. Earlier Rao Committee has taken 18 months to submit its recommendations. We don't know whether Satish committee sought any extension of time for submission

The expectations amongst the Executives are high as their counterparts in Central government have already got their pay hike through 7th CPC. In our case, the 3rd PRC recommendations are not only going to have impact on our Executives but on Non Executives also, considering the previous experiences of Rao committee. The fitment formula is naturally going to be the same. In case if any struggle call is given by Executive Unions for fair implementation of PRC, then it is our bounden duty to stand with them in support of the cause. The joint conventions of Officers unions have already warned the Executive folk for protracted struggles on seeing the implementations of 7th CPC by the Modi Government.

During the time of Rao, 2nd PRC the broad note of Managements of Various PSUs have advocated the following as their views.

- Committee should take into account the capacity of the Company to pay.
- DA Merger can be done
- Retirement age may be 62 years
- Double Increment at the time of Promotions
- Periodicity may be 5 years instead of 10 years
- Facility of ESOP(stock option)
- Autonomy for deciding VRS

Neither the committee nor the GOI has accepted the positive views of the Managements. Instead, Rao Committee has given importance to the concept of Cost To Company as in the lines of Private sectors. Condition was also attached that there should not be any dip in the Profit beyond 20 % comparing 2007-08. GOI has accepted most of the recommendations of Rao and decided to give uniform 30 % hike to the Executives and the same was implemented in our BSNL by 2009 March.

This time also both the Officers' Associations and Management have sent their notes to the Satish committee demanding fair fitment, 5 years periodicity, DA merger, Double Increment on Promotion, etc. Regarding Uniform Pay scales, we observe some differences as profit making Maharatna want higher pay scales than other PSUs. The 7th CPC has given 2.57 as the Multiplication factor. AIBSNLEA has demanded 4.14 as multiplication factor and SNEA has demanded 2.75 as the factor.

In the earlier years, DPE normally issued guidelines for Wage Negotiation for the Non Executive workers first and then only PRCs were announced. This time this practice was changed. Till this date no guidelines were issued by the DPE for Wage negotiations for workmen. This attitude of DPE and Government is most Unfair.

NFTE and AITUC have insisted DPE to issue the guidelines without further delay. There is another factor that needs to be addressed as early as we all can. The PSUs that incurred loss in the consecutive three years are also permitted to appoint BWNC (Bilateral Wage Negotiation committee) provided they project the resources to manage the extra expenditure to the concerned Ministry. This condition may apply to our BSNL case also. Last time CMD appointed Officers Committee only was there to negotiate with the recognized Union. This time we should seek that the Board should appoint the BWNC comprising both official and staff side as in other PSUs to have greater value to the committee.

If 3rd PRC is recommending Uniform Pay scales then our Executives will also get the same. In both MTNL and BSNL the Executives have the same Uniform scales as on today. *But in our case MTNL is having one scale higher than BSNL scales. This discrimination should be settled before the next wage revision.* The issue of stagnation may be one of the serious issue which confront us while constructing our scales. The tasks galore in the coming year 2017. Let us stand together and face the challenges of Wage Revision, safeguarding our Networks etc. CHQ convey its New Year wishes to all. Let us strive together to achieve the goals. (Jan 2017)

Perils of Pay Revision in Public Sector Enterprises

The Lakhs of Central Government Employees have been getting their periodic wage revision of course once in ten years since 1946 thro Central Pay Commission. The present 7th CPC was implemented with effect from January 2016 and the disappointed Employees are still waiting for the revision of their allowances. The present BJP Government has given an attack in their own style by appointing allowance committee and not only delayed their case but forfeited their dues of various benefits of allowances of the past eighteen months.

In the case of Public sector Officers, the practice of appointing a centralized Pay Revision committee has been in vogue since their 1997 pay revision. The first such committee appointed for the Executives of PSUs viz., Mohan Committee made some fundamental changes by bringing uniform standard pay scales, 100 % neutralization of cost of Index viz., Dearness allowance and brought regress changes in the periodicity from 5 years to 10 years as that of Central government Employees. The workmen of the various PSUs have been getting their wage revision thro bilateral negotiations as per DPE guidelines issued then and there and the last one issued was '7th Round of Bilateral Wage Revision for workmen'. The workmen are greatly disappointed, as the 8th round guidelines are unnecessarily delayed and not issued by the DPE till this date with the trick of linking 3rd PRC major clauses like affordability, periodicity .

Second PRC namely Rao Committee for the Executives was implemented for 2007 revision of scales thro DPE guidelines during 2008-09. Even loss making units were allowed to get the pay revision on the review of the concerned ministry in these two earlier Committees, though affordability clause was mentioned. The Third Pay Revision committee was constituted on June 9th of 2016 by the GOI for the Executives of PSUs. The committee was directed with the terms of reference to recommend pay scale changes that are desirable, feasible, affordable and linking the same to promoting efficiency, productivity and profitability. The Report of 3rd PRC Chaired by Satish Chandra with other members, including the Secretary DPE as member submitted its report on 21st November 2016 well within the stipulated period of time given to the committee. Unfortunately the report was kept in dark for two full months and put in public domain only on Jan 27th of 2017.

The Satish Chandra committee recommended 15 % increase in pay only to the companies that are profit earning that also with a condition of financial impact linked with PBT(profit before tax). The affordability factor is fully linked with PBT factor not mere one year but with 3 previous years. The financial impact for full 15 % wage hike is also restricted with

the financial impact of 20% of PBT. A company having profit of say 1000 crores (PBT) may be allowed to implement 15 % hike only when the expenditure for the wage revision is well within 200 crores that is 20 % of PBT. If the expenditure is higher, then the hike is reduced to 10 %, 5 % and even to nil(no benefit).

Satish Chandra committee has gone beyond its terms of reference by completely linking the affordability with profitability and restricting with 20% of PBT. Unfortunately the committee meddles with the affairs of Non Executive Wage Revision also and making the bilateral negotiation meaningless. The committee has recommended that the Non Executive wage revision should not create any conflict with that of Executives and the periodicity should not be less than that of Executives. The fact that Affordability is not synonym to Profitability was not cared.

The Guidelines issued by DPE dated 25th June 1999 at the behest of the First PRC Mohan Committee was also ignored by this committee. Even PSUs that incurred loss in the last 3 years were allowed to adopt new revised wages with the approval of the concerned ministry by getting an estimate how resources would be generated by the PSUs to meet the extra expenditure. These guidelines were again reiterated by DPE for workmen in 7th Round. Unfortunately 3rd PRC has not taken this into consideration while recommending the affordability clause. The exemption is given only to those PSUs which are statutorily formed.

The Executive Folk of PSUs under various classification have been advancing different demands that suit their concerns but failed to fight this discrepancy with the fond hope that out of 244 PSUs 165 are in the profit making mode. The profit making flagship companies and the associations are demanding 30% fitment for them and changes in the cafeteria of allowances, and the ambit definition of ceiling of superannuation benefits. Even in profit making companies, it is difficult to get the said uniform fitment 15% as the PBT clause of 3rd PRC is so regress. Even a company though having profit may not get its pay revision, if the expenditure calculated goes beyond 40% of Profit Before Tax (PBT). *The question of wage revision of loss making units which are on the revival mode is at stake.*

There are more than 70 PSUs that are loss making. More than 60 PSUs are coming under the bracket of Sick Units. *The old BRPSE system is over now. The BJP government has winded up that entity during November 2015. The monitoring duty is entrusted to the ministry concerned. The DPE has issued 2 major guidelines regarding Revival/ Restructuring/Closure of Sick/Incipient Sick/Weak PSUs. In each financial year the administrative ministry should analyze the status and suggests if closure is needed. Definition for Sick, Incipient Sick, and Weak PSUs are also given in the SICA act 2013. DPE has issued another guideline for time bound closure of sick/ loss making PSUs during September 2016. The closure process will start after getting in principal approval of CCEA/Cabinet. The attacks are now severe not only for wage revision,*

but for protection of jobs and the PSUs itself. The land property of all PSUs now becomes cynosure. Even for this DPE has issued guidelines.

Unfortunately in the list of Air India, BSNL, MTNL - companies like BHEL, SAIL, ONGC Videsh have also joined as loss making entities. These companies have their own glorious past and the employees and Officers made them prominent by their sweat. *Denial of Pay Revision in the name of profit- affordability clause will bring serious industrial unrest in these companies. But this fact was ignored when the meeting of Committee of secretaries under the chairmanship of Cabinet Secretary held on may 12th 2017. The Secretaries who should take responsibility for the industrial peace in the concerned ministry unfortunately remained silent and failed to impress the Government thro Cabinet Secretary on the lines of DPE guidelines / orders issued for the first PRC . The responsibility is mainly on the shoulders of DPE Secretary preparing cabinet note for the implementation of 3rd PRC .*

The telecom behemoth BSNL, defined as a priority sector as per 14th Finance commission, is struggling to have positive turnover in the stiff competition with the giant privates like Airtel, Idea, Reliance. It is already in the operational profit side but net profit is negative. In the name of loss making, BSNL Officers may be denied the benefits of Pay Revision as per 3rd PRC. This will have serious repercussion on the 2 lakh workmen of BSNL when they enter wage negotiation with the management.

Unfortunately a teeth less unilateral Wage Revision committee of higher Officers was set up by BSNL on Dec 26th 2016 without any power to call the unions to negotiate. There is no terms of reference given because of absence of the relevant DPE guidelines. NFTE BSNL , one of the recognized union has been struggling to bring the necessary DPE guidelines for the Non Executives. DPE should issue the guidelines for the 8th round of negotiations at the earliest. A letter is addressed to NFTE by DPE saying that the same is under serious consideration. Even for issuing guidelines, so much fuss is going on.

In the 7th round guidelines, the Non Executives got favourable guidelines for the loss making units also. The guidelines were issued on 9th Nov 2006. The workmen of PSUs that are loss making but revival mode need a similar guidelines for this wage negotiations also.

“(vii) CPSEs which incurred net loss during any of the three financial years preceding the proposed wage negotiation, but not referred to BIFR/BRPSE may also be allowed to enter into wage negotiation, provided they give an estimate to their administrative Ministry/Department as to how resources would be generated by them to meet the extra expenditure arising out of implementation of wage revision.

(vi) In case of sick/incipient sick CPSEs referred to Board for Reconstruction of Public Sector Enterprises (BRPSE), the wage revision would be considered on the basis of final decision on the recommendations of BRPSE.”

Unfortunately the 3rd PRC not mentioned in its recommendations any relief to Incipient Sick Units like BSNL. As per 7th Round of Wage negotiation guidelines issued by DPE, even consecutively 3 years loss making company was also permitted to revise the wages of their employees provided they should show their estimate about the resources to meet the expenditure on account of wage revision. Unfortunately 3rd PRC is not taking these guidelines into consideration.

One cannot fail to appreciate the stand of the Management of BSNL for seeking permission from the administrative Ministry and DPE by showing their estimate and resources to meet the expenditure on account of 15 % wage revision (without any increase in perks and allowances) on the leverage of debt equity ratio. Similar appeals from concerned BHEL, SAIL managements are also the need of the hour.

If in the name of incipient sickness or in the name of profitability, the wage revision is avoided to these loss making Executives like BSNL, it will create serious repercussion on workmen unions also in their bilateral negotiations. The PSU employees are in the hope that all the Central Unions should take these aspects into consideration and try their best to unify all the forces to face the onslaught coming from the Government. It seems that struggle is inevitable. It is time to be more vigilant and let employees and officers of PSUs be ready to observe any call or direct action to safeguard the interests of lakhs of employees and Officers.(Aug 2017)

Affordability Not Synonym for Profitability

The Third Pay Revision committee was constituted on June 9th of 2016 by the GOI for the Executives of PSUs. The committee was directed with the terms of reference to recommend pay scale changes that are desirable, feasible, affordable and linking the same to promoting efficiency, productivity and profitability. The Report of 3rdPRC Chaired by Satish Chandra with other members, including the Secretary DPE as member submitted the same on 21st November 2016 well within the stipulated period given to the committee. Unfortunately the report was kept in dark for two full months and thereafter on Jan 27th of 2017 only put in public domain only.

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Unfortunately a toothless unilateral Wage Revision committee was set up by BSNL on Dec 26th 2016 without any power to call the unions to negotiate. There is no terms of reference given because of absence of the relevant DPE guidelines .NFTE BSNL has been struggling to bring the necessary DPE guidelines for the Non Executives. DPE should issue the guidelines for the 8th round of negotiations. In the 7th round guidelines, the Non Executives got favourable guidelines for the loss making units also. The guidelines were issued on 9th Nov 2006. We need a similar guidelines for this wage negotiations also.

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administrative Ministry/Department as to how resources would be generated by them to meet the extra expenditure arising out of implementation of wage revision.

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One cannot fail to appreciate the stand of the Management of BSNL for seeking permission from the administrative Ministry and DPE by showing their estimate and resources to meet the expenditure on account of 15 % wage revision (without any increase in perks and allowances).

If in the name of incipient sickness or in the name of profitability and if the wage revision is avoided to our Executives after the cabinet approval, it will create serious repercussion on our bilateral negotiations.. The CHQ will try its best to unify all the forces to face the onslaught if any coming from the Government. It seems that struggle is inevitable . It is time to be more vigilant and let us be ready to observe any call or direct action to safeguard the interests of 2 lakhs employees and Officers.

The Contour of the Affordability and Our Tasks

The Executives and Employees of Public Sector Enterprises had their wage revision once in 5 years before the advent of New Economic Policy introduced by Shri Narasimha Rao - Man Mohan Ministry during 1991. Even today the workmen of some PSUs like Coal and SAIL are getting their wage revision once in 5 years period. Workmen unions are having two types of settlements one for 5 years and other for 10 years. But no PSU is revising the salary of Executives in 5 years after 1997. BSNL comes under the category of 10 years for both Executives and Non Executives as Pension by Govt is involved.

The first Guidelines issued after the announcement of LPG Policy is the ban on any wage revision in PSUs during October 1991. The 5th round for the workmen (Non Executives) were due from Jan 1992. The protracted and serious strike struggles of PSU Unions only made the Government to yield and the result was withdrawal of the ban order. The guidelines issued in 1993 for next round of wage revision did two good things. The periodicity was announced as 5 years (1992 to 96) for the workmen and the affordability condition was very subtle with a liberal clause not fully linking with profit and relaxing it with resources. Wage negotiations were allowed if resources found even not profit . Another positive clause was that the agreement between Unions and Management need not be sent for the approval of the Ministry or DPE.

The Executives were also allowed to get their wage revision from 1992 for 5 years vide DPE guidelines issued during July 1995. But a different clause was inserted that loss making Units could go for wage revision after approval of the Ministry in concurrence with DPE. After this wage revision there 5 years periodicity was put an end and they were made to fall on the 10 years periodicity by appointing Government Pay Revision committees. As on date three such PRCs were announced by the GOI and the recommendations were mostly implemented. These recommendations and the subsequent guidelines issued on that basis started affecting the settlements of workmen also.

The guidelines for 6th round for the workmen were issued in 1999 but with a caution of first PRC Mohan committee. **In this round also, the 'resources or profit 'clause was there on the question of affordability.** When PSUs pronounced their resources, wage revisions were allowed for the Workmen of various PSUs even not earned profit. But the new clause of approval of Ministry and DPE was introduced for the settlement of workmen also. Indication of 10 years periodicity was there. Another clause was about 'no conflict with Executives' pay revision'.

The recommendations of Mohan Committee were implemented by the DPE guidelines issued on 25th June 1999 , the one after 5 months of 6th round guidelines. Executives of PSUs with 3 years profit making were allowed to have their wage revision with 10 years periodicity. **The non profit making PSUs were also allowed with the approval of Govt in consultation with DPE.**

The struggles of workmen of some PSUs compelled the GOI to issue part 2 Guidelines for the 6th round to have 5 years wage revision with IDA restriction in higher basics for the period 2002-2006 and here also the **same 'resources or profit clause'** was provided.

The next 7th round of wage negotiation for workmen were allowed for the period from 2007 with the same resources or profit clause. But a condition was added that the loss making units should give estimate to the administrative ministry how resources would be generated by the concerned PSU to meet the extra expenditure arising out of the wage revision. The revision was allowed after approval of the ministry.

The recommendations of second PRC Rao committee for Executives were implemented by the DPE guidelines issued during November 2008. **The PBT clause was inserted for the affordability and the expenditure was also linked restricting 20 % of PBT to have full fitment formula and if more than that then reduced fitment implementation was allowed. Thus the affordability clause was limited strict to PBT and no relaxation to any loss making units found in that guidelines.**

This limitation was extended to the workmen when guidelines issued during 2013 for the second part of 7th round when the workmen of 5 years periodicity demanded their next wage revision due from 2012. In the guidelines we found the affordability restrictive clause first time for the workmen (non executives). **Instead of 'resources or profit', the clause was changed as 'affordability and financial sustainability'.**

Now the workmen who had their 7th round in 2007 has been waiting for the 8th round of negotiations to get their revision from 2017. Unfortunately DPE is delaying the same and the unions are also not vociferous in demanding the same except NFTE and its forum. Against the practice in vogue, not only the 3rd PRC was constituted earlier to the guidelines of workmen (having due from the same 2017) but the recommendations were also accepted and guidelines issued on 3rd Aug 2017 for the executives. The affordability clause has been made more stringent and rigid by linking with PBT of three years and restricting the financial impact with 20 %. There is no relaxation for loss making units this time which one found place in earlier guidelines.

Because of these rigid guidelines issued for Executives, the workmen would get the same rigid affordability clause in the 8th round which may cause even affecting the bilateral negotiations in the non-profit making PSUs like BSNL. The task of wage revision becomes difficult but should be executed and realized at any cost.

BSNL management is updating the unions that they would try their best to get exemption from the affordability clause for the Executives at present. As per the 3rd PRC DPE guidelines, the Board alone is having power to send the proposal after examining the affordability clause to the concerned ministry not any Management committee. We do not know in what way they are going to convince the DOT/ ministry to seek the same. It is the responsibility of Unions and associations to create a sense of urgency to get either exemption to BSNL from the clause or sought amendment in the DPE guidelines to have wage revision for the loss making units also by uniting the PSUs of similar nature as that of BSNL. We do not know whether it is possible without amending the present DPE guidelines as per the Cabinet decision. The broadest Platform of all unions and associations is a necessary step to discuss, guide and monitor the uphill task of the wage revision in BSNL.

What is the way out and what are the tasks of Non executive Unions? The following points need to be discussed to have consensus for rallying the workers for Wage revision.

1. Seeking exemption individually by every PSU from the affordability clause or seeking amendment for all the PSUs which are loss making but able to find resources for pay revision
2. Demanding DPE to issue guidelines for Non executives enabling BSNL to negotiate with us
3. Demanding BSNL to setup BWNC(Bilateral Wage Negotiating Committee) instead of the mere Officers Committee
4. Is there two phases of wage revision one for Executives and the second for Non Executives or single phase only?
5. Whether implementations of wage Revision in one phase itself is possible or in two phases? Because two different approvals one for Executives on the basis of PRC and another for Non Executives on the basis of agreement is needed.
6. For executives the new scales are known- (Wage revision or not their Scales are already decided) if pay revision is allowed everything is ready to implement.. no stagnation question is there because of lengthy span of scales

7. What are the new Pay scales of Non Executives? On which scales they will be placed on getting 15% fitment.. You can cook your scales only when negotiation is started.. why the unions and associations are not demanding that.. Do we think the stage is premature? We should demand that also.
8. *In the case of Non Executives, already we are having 25000 employees suffering on account of stagnation.. We must be doubly careful while crafting the new scales.. It is going to be a big issue once BWNC started sitting.. so we need a lot of reserve energy in the coming days for Non Executive Wage Negotiation*
9. The inflationary factor comparing 1997-2007 is higher in the period 2007-2017 (In 2017 It is 119.50 % IDA comparing 68.8 in 2007). Restoration of real wages by merging the IDA to all the PSUs as on 1-1-2017 is a must without further delay as the IDA has gone beyond 100 percent even.

So the tasks of the Non executives Unions are

- Demand DPE to issue guideline with enabling clause of negotiation with loss making units also
- Demand BSNL to form BWNC consisting both Official and staff side members
- *Forming staff side wage negotiating committee comprising of all the General secretaries of all the Non Executive Unions to help the BWNC members to start negotiation, discussing pay revision and constructing new scales to avoid future stagnation with the management*
- Support the calls / agitations of Executives to have their pay revision with the said 15 % Benefit so that to get the same fitment benefit for Non executives also
- Build solidarity movement with other PSUs having no PBT or affordability to amend the 3rd PRC DPE Memo as well as to get DPE guidelines with an enabled clause for loss making units

There may be delay to bring the expected changes but NFTE is firm to rally all the Unions / Associations and force the authorities concerned to feel their responsibility of maintaining Industrial peace in telecom. Let us move together and find ways and means to solve the great task of wage revision.

The Issue of Revival of BSNL

The issue of wage revision is now seriously linked with the issue of revival of BSNL. The recent guideline issued by DPE for the 8th round on 24th Nov, 2017 speaks about this condition. The wage revision for those PSUs for which the Government has approved a restructuring/revival plan, will be done as per the provisions of the approved restructuring/revival plan only. This type of condition is not explicitly found in the DPE Guidelines issued for Executives. The DPE guidelines issued for Executives speaks about Sick industries only.

Satish Chandra committee and the DPE guidelines on the basis of its recommendations do not specify anything for the incipient sick units. *But in the case of Non executives the question of revival of incipient sick unit is linked with the question of wage revision. Earlier the institutions like BIFR/BRPSE were all there to study about the health of PSUs and to recommend the Government the proper package for sick units and revival plan for those PSUs which can be restructured. The BJP Government headed by Shri Modi has dismantled the BRPSE and entrusted the task of monitoring the PSUs to the concerned administrative ministries.*

As per the instructions of the Government, broader guidelines were issued by DPE on 29-10-15 for streamlining the mechanism for restructuring / revival or closure of sick or incipient sick CPSEs. *This guideline empower the administrative ministry , in the public interest, prepare a revival or restructuring plan for a CPSE which may involve comprehensive restructuring, disinvestment, closure etc of the sick and incipient sick CPSE and take it directly to the competent authority for appropriate decision.*

The administrative ministry shall, at the end of the each financial year, analyse the performance of its CPSEs to classify them by a specific order within 6 months of the closure of the financial year. The administrative ministry shall initiate the process for preparation of restructuring/ revival plan, which may include disinvestment or privatization or closure options, for sick / incipient sick CPSEs and the same, should be prepared within 9 months.

A CPSE would be considered incipient sick if it meets one of the following criteria:

- a. If its net worth is less than 50% of its paid-up capital in any financial year.*
- b. If it had incurred losses consecutively for three years.*

As per the above criteria BSNL comes under the category of Incipient Sick Unit. As per the 14th Finance commission BSNL comes under Priority sector though not in the 'Higher priority' category. This aspect and the strategic importance of BSNL should be taken care of while preparing revival plan by the ministry.

After all these DPE guidelines, the question before us is *whether DOT is preparing any revival plan to place the same for the approval of Government. If so what is that plan ?*. The plan cannot be for closure as NFTE has got a reply from NITI Aayog and PM office that as on date there is no such proposal for closure of BSNL. Then *what is in the road map*. It is the duty of BSNL and DOT to clarify the same to the Unions and Associations as the future of the employees are very much linked with that.

Earlier DOT reported to the parliamentary committee that refund of spectrum charges to BSNL and MTNL, notional loan waiver, and pension liability to MTNL all part of revival process. Even BSNL and MTNL merger was thought of as one of the steps but a caution was given to take the experience of merger of AirIndia and Indian Airlines. DOT has informed the parliamentary committee that since the CPSEs are loss making, steps are being taken as per the DPE guidelines. The parliamentary committee report published during august 2017 expressed its desire that DOT should prepare a final concrete action plan/proposals for the revival of BSNL and MTNL and place the same before the competent authority for approval at the earliest. *The issue of 78.2 for MTNL is now made as part of revival process by DOT. DOT has set up an internal committee for the same.*

In this scenario it is our bounden duty to bring the concerned BSNL and DOT to the negotiating table with utmost transparency. BSNL is replying to the striking employees that the management is taking initiatives for non executive wage revision as they received the guidelines for negotiations with workmen. The question is whether the management is ready for any negotiated agreement for 15 % with new pay scales with the non executive unions and submits the same to DOT as it claims in the case of Executives. The road to wage revision may be a difficult task but not an impossible one, if appropriate strategy for struggles and dialogue is found by one and all.

Satyagraha Soul Force Movement

Everyone knows that Satyagraha is a form of struggle with the non cooperation and civil disobedience piloted by Mahatma Gandhi in South Africa and experimented intensely in India to achieve freedom by making our people to move in lakhs. This kind of struggle makes one so courageous to undergo any sort of self suffering to get justifiable returns. The idea is to bring the truth out *and in our case the truth is that the loss of BSNL is not because of two lakh dedicated workers.* The loss is because of Government policies, hyper competition at the cost of public assets and mismanagement. The legacy of workforce is not the fault of the employees. They are willing and cooperating to do any job assigned in the changed telecom scenario even without any proper training.

The Unions and Associations after some discussion have given the call of Satyagraha and march to parliament for the settlement of demands like wage revision, rolling back the decision of separate tower company and stopping the idea of VRS and reduction of retirement age to 58.

The settlement of wage revision with 15 % fitment from Jan 2017 denotes a lot of things. Though BSNL is clarifying that the management has sent its recommendations for the Executives to DOT, we do not know the basis and grounds of that recommendations. As per the present DPE guidelines the BSNL Board is not empowered to act on that and we do not know whether DOT endorsed those DPE guidelines to BSNL to work on that. Even if any recommendation from BSNL, DOT is not empowered to issue any Presidential Directive to BSNL to go ahead ignoring the Cabinet Decision and the relevant DPE guidelines. DOT thro cabinet note should seek exemption for BSNL on two clauses one for average PBT for wage revision and the other for linking the expenditure with the PBT clause for 15 % fitment.

In the case of Non-Executives also the settlement of wage revision with 15 % fitment means a lot of procedures. BSNL should form Bilateral Wage Negotiating Council or should permit the existing Wage committee of Officers to start negotiation with the recognized unions. It was told that the BSNL sought endorsement for the same from DOT. *After negotiations with unions an agreement should be signed with New Pay Scales with 15 % fitment benefit and the same should be sent to DOT for Presidential Directive. Unfortunately for any incipient sick company the wage revision is linked with the approved revival plan by the concerned ministry, in our case the DOT. We do not know about any revival plan for BSNL or its status whether approved or not, though the management and DOT both are saying about revival plan since BRPSE desire to have one such plan and Deloitte consultant recommendations on revival.*

The Government initiatives on the formation of Tower Company have raised many apprehensions about the future of Public Tower Assets of BSNL. Appointing CMD with IAS status sends us worrying signals that the new subsidiary company will act independently with its new board by passing the powers of BSNL Board. It seems that with IAS as head, it will not be under direct control of parent company and look to orders of the parent company though it is owned fully by BSNL. Both DOT and BSNL are not transparent in discharging proper information and bothering to conduct healthy negotiations with the service unions and associations. This kind of unhealthy industrial relations provokes us a lot.

In the case of MTNL the question of VRS/ Reduction of retirement age was much debated matter at DOT level and even statements were laid about the same. But in the case of BSNL, it is not clear whether the idea of reduction of retirement age to 58 is part of any revival plan or a separate initiative. But both BSNL and DOT are not having power to do the same unless cabinet sanction is obtained.

Everything is now at the level of cabinet. The cluster of confusion can be cleared only when there is continuous dialogue with BSNL and DOT level. NFTE-BSNL is always for the united actions of workers, the surest way to bring the desirable results. But at the same time workers will not appreciate united actions for nothing in the long run. Bringing BSNL and DOT to the negotiating table becomes the foremost task of the unions. Negotiations and struggle for Negotiation and settlement are the tested ways of our movement.

Let us observe the call with all dedication by organizing the workers in various corners and make it every success to bring the DOT and BSNL to terms.

Performance of BSNL

The performance of BSNL on financial and physical parameters has been in the arena of discussion since it becomes loss making. Hectic and continuous efforts have been taken by the various agencies including Trade Unions for the revival and better performance of BSNL. An internal core committee was formed during May 2011 to study and give detailed report. The committee has focused and recommended many valuable decisions.

Correcting and revitalizing our value chain- capacity constraints, laxity in maintenance, inadequate distribution, non focused marketing and sales, apathy towards customer care were identified some of the areas that need attention. BSNL management addressed these problems with all commitment in the last 6 years and corrected the course to a large extent. Suggestions for the Improvement in fixed line where revenue potential declining year after year has been addressed like night free calling, Sunday free measures. The question of prepaid in fixed services is not felt seriously but unlimited calls bundled with data service is executed.

Suggestions like Device flexibility, simplified plans, improving customer interface are all implemented to a great extent. Organizational restructuring on the basis of Business verticals and rationalising staff to the business units are also almost done fairly. BSNL should report us back about the NGN architecture of consolidating 35000 exchanges and Offices into 100 Central Office Aggregation Units. We were told that NGN would be cost effective.

The other ideas suggested were 'separation of profitable Business from social obligation part' 'separation of infra part' and jobs of installation and commissioning only by BSNL staff. BSNL should report us back about the implementation of these ideas. Franchise, marketing, sales team, upgradation of Customer service centers are implemented in a better way.

Regarding manpower cost the suggestions were attractive VRS, outsourcing our technical expertise, sabbatical leave, option to become franchisee, performance assessment, rationalization of staff in top 25 cities, functional restructuring of small SSAs, reward for outstanding work and we do not know what is being cooked at Board room. Recommendations like Branding, e tendering, enterprise business are all implemented.

It was told to us that the expected result of implementing the entire recommendations would fetch revenue in CFA 45000 cr, CM 37000 cr, Enterprise 15000 cr and New Business 4600 cr and thereby our business would touch one lakh crore. We do not know what happened to these expectations and where the lacunae lie. Unfortunately our great edifice started heading to losses since 2009-10 onwards. The year wise losses since that period up to 2014-15 stated in the financial statements are 1823 cr, 6384 cr, 8851 cr, 7884 cr, 7019 cr & 8324 cr .

Regarding the year 15-16, the company's loss of Rs 8324 is somewhat heightened due to amendment in companies act 2013 and if calculated without taking the provisions of 2013 amendment, the loss would be 5370 cr. BSNL revenue as per TRAI report for FY 2016-17 is 28018 cr where as the total revenue of telecom industry is 2.74 lakh crores. Our revenue increased 0.45% comparing last year.

The Committee of public sector Undertaking through LS secretariat has questioned the wisdom of forming separate tower corporation to improve the financial condition of BSNL. The BSNL management has rightly rejected the recommendations of BRPSE regarding merger of ITI and MTNL with BSNL and recently MOC has also stated that there is no proposal as on date the merger of MTNL though the unions of MTNL are agitating for the merger.

To the report of Committee for Public sector Undertakings the reasons stated for losses in BSNL are

- a. uneconomical landline business inherited from DOT, , unviable rural wireline*
- b. Legacy of huge manpower from DOT and increase of cost on wages*
- c. procedural requirements and time lags giving edge to Private Telcos,*
- d. under utilisation of equipped capacity and procedural wrangles for further expansion*

The COPU questioned the responsibility of DOT by asking 'is it not the responsibility of DOT to identify problems beyond the control of BSNL and provide possible solutions'. The parliamentary Committee also concluded that the performance review meetings of DOT have been ineffective and the DOT has failed in its responsibility of ensuring desired level of performance of BSNL.

The PRCs set up by GOI for the Executives of PSUs have been linking pay revision with Profits and restricting the same with 20% dip of PBT in the name of affordability clause. This time in 3rd PRC a serious paradigm shift in defining affordability and completely synchronizing with profitability is exercised that is the state of yielding future profit is now matched presently with ability to be afforded. Thro Sathish Chandra 3rd PRC, the GOI is telling point blank that the workers of PSUs are eligible to any pay revision that after 10 years only if they show and earn profit to the concerned PSUs. Neither the management nor the ministry concerned are taking any blame or responsibility for the sordid affairs of the particular PSU. The entire blame is squarely placed on workers and they become victims of the neo liberal economic system.

Let all the Unions and associations sit together and dispassionately understand the situation and design our future course of actions. Even one step with all is the surest way and help us move together. NFTE BSNL has been doing and will do its best to use all means available to bring pay revision by forging unity of all forces. Let us hope for the better by echoing in one voice.