

UNIONS AND ASSOCIATIONS OF THE NON-EXECUTIVES & EXECUTIVES IN BSNL

Date: 29.03.2017

To,

(1) Ms. Seema Bahuguna,
Secretary,
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New Delhi-110 003

(2) Shri Pradeep Kumar Pujari,
Secretary,
Department of Telecommunications,
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New Delhi – 110 001

Sub: - Wage Revision of the Non-Executives and Executives of BSNL w.e.f. 01.01.2017 – req.

A meeting of all the Unions and Associations of representing the Non-Executives and Executives of BSNL, was held at New Delhi, on 15.03.2017. After threadbare discussions, the meeting decided to convey the following views to the government, on the matter of revision of wages of the Non-Executives and Executives w.e.f. 01.01.2017, as well as certain related matters.

(i) *Exempt BSNL from the 'Affordability/profitability Clause' of the 3rd PRC.*

The 3rd PRC has laid down the following, as the criterion for eligibility to wage revision for the employees of the PSUs.

“Additional financial impact should not be more than 20% of the average PBT of the last 3 financial years preceding the year of implementation.”

If this Affordability Clause is implemented in the case of BSNL, then the Non-Executives and Executives of BSNL will not be getting wage revision w.e.f. 01.01.2017. Hence, it is demanded that, BSNL should be exempted from the Affordability Clause of the 3rd PRC. The BSNL has become a loss making PSU, due to the policies of the government. BSNL was not allowed to procure equipments from 2007 to 2012, for the expansion of it's mobile networks. One after another, the tenders floated by BSNL, for procuring equipments, were cancelled under one pretext or the other. BSNL was not able to expand it's mobile networks during the above mentioned period, when the mobile sector was growing exponentially, as a result of which the Company could not benefit from the exponential growth witnessed in the mobile segment during this period.

In this regard, we wish to quote the statement made by Shri Ravi Shankar Prasadji, former Minister of Communications, in his interview given to the CNBC-TV18 on 28.02.2015, wherein he has stated on record as, *“Both BSNL and MTNL were in profit by the year 2005-2006, thousands and thousands of crore. What happened in the subsequent years that they have come under such a critical state? Something which I can openly tell you today that every attempt was made that they are not allowed to expand.”*

However, the situation has totally changed now. From the year 2013 onwards, BSNL has made considerable expansion of it's mobile networks. Together with this, the Non-Executives and Executives

are also putting in extraordinary efforts, to increase the revenue of the Company. They have conducted very successful movements like “**Customer Delight Year**”, “**Service With A Smile**”, etc., to improve the quality of the services as well as to increase the revenue of the Company. As a result of the combined efforts taken by the Management and the employees, BSNL’s revenue, as well as customer base, have increased considerably. For example, BSNL’s loss stood at Rs.8,234 crore in 2014 – 15, whereas it has come down to Rs.3,880 crore in 2015 – 16. BSNL has made operational profits of Rs 672 Cr and Rs 3854 Cr during last two years but the balance sheet is still negative due to the huge amount of Rs 8,817 Cr to Rs 7,135 Cr accounted as depreciation. Year by year, revenue also increases. BSNL has also advanced from 6th position to the 4th position, in terms of market share. Everyone agrees that BSNL is steadily moving in the revival path. Non-implementation of pay revision will demoralize the Employees and will seriously affect the productivity and revival of the CPSU. Now BSNL is on the revival mode and the employees are to be motivated at this point of time.

Considering all the above factors, we requests that BSNL should be exempted from the Affordability Clause of the 3rd PRC, and that the Non-Executives and Executives should be given wage revision w.e.f. 01.01.2017. The basic components of the Pay revision like Revision of Pay and Superannuation benefits should be extended to all the Employees of BSNL. BSNL didn’t implement the 30% Superannuation benefits fully as per the 2nd PRC recommendation. Contribution towards full 30% Superannuation benefits should be made mandatory on the part of the CPSU.

(II) Periodicity should be 5 years from 01.01.2012 with minimum 15% fitment.

In some CPSUs like Coal India, Neyveli Lignates, HAL etc wage revision for the Non-Executives done in 2012, after 5 years. However 3rd PRC recommended a periodicity of 10 years comparing with Govt. sector. When the pay and pay revision is compared with other sectors including private sector, 10 year periodicity is not at all appreciable. More precisely, the periodicity of pay revision for the Non-Executives as well as Executives should be 5 years. Both the pay revision of Non-Executives and Executives should be co-terminus with same periodicity. In the CPSUs like Coal India, Neyveli Lignates, HAL etc, Executives are drawing much lower pay, allowances etc than their juniors who have continued as workmen. Non revision of pay in BSNL in 2012 has created in serious discontent, de-motivation and dissolution among the Employees in BSNL. So Govt. should atleast implement pay revision from 01.01.2012 notionally with 15% fitment and next wage revision should be implemented from 01.01.2017 onwards on actual basis with another 10% fitment.

(III) Pension Revision to BSNL retirees.

The pension revision of BSNL pensioners (DoT recruitees) has become due. They are covered by Govt. pension. However there is no mention about the pension revision for the BSNL employees either in VII CPC or in 3rd PRC. VII CPC didn’t cover them on the plea that BSNL employees are having IDA. But 3rd PRC didn’t touch this aspect at all. Their earlier pension revision was done w.e.f. 01.01.2007. It is demanded that the government should take immediate steps for the revision of pension of BSNL pensioners. It is pertinent to bring to your kind notice that, at the time of last wage revision, i.e., w.e.f. 01.01.2007, the orders for wage revision of the BSNL Executives were issued on 27.02.2009 and the orders for wage revision of the Non-Executives were issued on 07.05.2010. However, order for revision of pension of the BSNL retirees was issued much belatedly, i.e., only on 15.03.2011. Such a delay should not take place this time. Hence, it is requested that the government may immediately take necessary steps for the timely pension revision of BSNL retirees.

(IV) Pension Contribution should be on the actual basic pay and not on the maximum of the pay scale.

As per the recommendations of the 6th Central Pay Commission, pension contribution is being collected for the entire Central Government Employees, based on their basic pay (Pay in the Pay Band plus Grade Pay) only, as per the provisions of FR 116. This is implemented w.e.f. 01.01.2006 as per DOP&T Order No. 2/34/2008-Estt. (Pay II) dated 19.11.2009. Whereas, in the case of the DoT employees who are absorbed in BSNL, still pension contribution is being collected based on the maximum of their payscale. As a result of this, BSNL is paying around Rs.400 crore in excess to the government every year. On retirement, both the Central Government employees, as well as the DoT employees absorbed in BSNL,

are eligible for the same government pension and pension is 50% of the last pay drawn. As such, the pension contribution, to be paid in respect of both these sections of employees, should also be the same.

A serious offshoot of this wrong method of calculation of pension contribution is the problem of stagnation, being faced by almost 65% of BSNL employees in the categories of Regular Mazdoor, Group 'D', etc. This is because, in the last Wage Revision, the Management had kept the maximum of the pay scales of the employees as low as possible, with a view to lessen the burden of pension contribution to be paid to the government. As a result of this, an abnormally large number of employees have reached the maximum of their pay scales and are suffering from the problem of stagnation. They do not get their annual increment every year. Similarly Executives also got stagnated.

To address the issue of stagnation, 3rd PRC recommend pay scales with large span, almost double of the 2nd PRC pay scales. This will result in huge payment of pension contribution, almost three times if BSNL is again forced to pay the pension contribution on maximum of the pay scale.

The chart below illustrates the new pay scale structure.

Scale	Span of each scale in years								
	E1	E2	E3	E4	E5	E6	E7	E8	E9
1st PRC	24	20	15	12	12	12	12	12	8
2nd PRC	30	27	23	21	19	17	14	11	8
3rd PRC	42	39	37	35	34	33	32	28	23

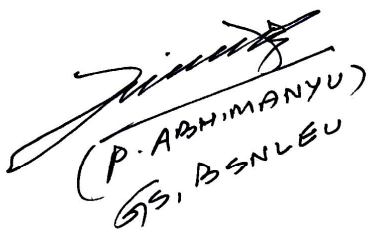
To solve this problem, pension contribution of BSNL employees should also be calculated based on the actual basic pay and not based on the maximum of the pay scale.

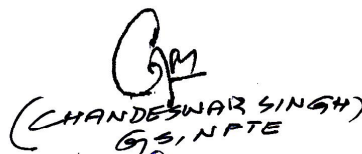
(V) Uniform increment date:


There is no specific recommendation about the increment date. This created huge anomalies in CPSUs like BSNL where juniors drawing increments in earlier months got higher pay than the seniors having increment in subsequent months, after pay revision. In several CPSUs, already uniform increment date is followed. VII CPC recommended two uniform increment dates, 1st January and 1st July. So Govt. may take a decision for uniform increment dates when 3rd PRC report is considered for implementation.

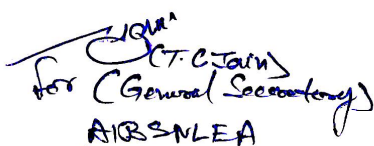
Thanking you,

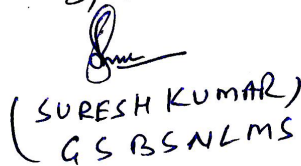
Yours sincerely,

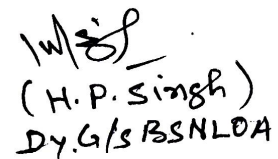

(P. ASHIMANYU)
G/S, BSNLEU

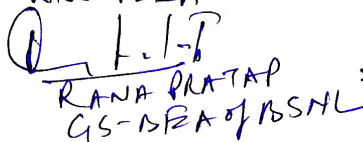

(CHANDESWAR SINGH)
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G/S, SNEA.


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for (General Secretary)
AIR BSNLEA


(SURESH KUMAR)
G/S BSNLMS


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