

# FORUM OF MTNL UNIONS AND ASSOCIATIONS

T-28A, Atul Grove Road New Delhi-110001

**V.K. TOMAR**

Chairman & Genl. Secy. (MEA)

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MS-54/Forum/2021/42

Date: 14.10.2021

To

**Shri K.Rajaraman Ji,**  
**Chairman DCC & Secretary (Telecom),**  
Government of India,  
Sanchar Bhavan, 20-Ashoka Road  
New Delhi-110 001

**Subject: Issues concerning MTNL and its work force - regarding**

Hon'ble Sir,

MTNL MAZDOOR SANGH majority union in MTNL an affiliate of the Bharatiya Mazdoor Sangh (BMS) the largest Central Trade Union in the country & MTNL Executives Association constituents of Forum of MTNL Unions and Associations heartily welcome Hon'ble Chairman DCC & Secretary (Telecom) of the Ministry of Communications.

On behalf of all employees and officers of MTNL, we submit this memorandum for your kind perusal and consideration

At outset, we welcome and appreciate your efforts to reform the telecom sector in general and MTNL/BSNL in particular. We earnestly hope that under your dynamic leadership, clouds over failing revival programme for obvious reasons of lack of proper planning, non-availability of resources and thirst of leadership to pilot the historic change will be removed and these companies will be back to their glorious hights. We assure our full support and cooperation in your endeavors.

Globe trotting state-run 'Novratana' Telecom Company MTNL was incorporated as a PSU in the year 1986 with an authorized share Capital of Rs 800 crore to serve the cities of Delhi and Mumbai with the objective to provide world class Telecommunication services at affordable tariffs. Company got Novratana status in 1997. MTNL was cash rich and debt free company till May 2010 and held significant cash reserves of about Rs 5000 crore and was earning interest to the tune of Rs 450 crore annually. Till date MTNL has contributed Rs. 45,850 crore to the Government exchequer through various levies, dividends and taxes etc.

But in June - July 2010, MTNL was crucified by upfront payment of Rs 11097.97 crore towards one time Spectrum fee for 3G and BWA on the directions of the UPA Government as per auction determined prices in which MTNL was not a party. This amount was paid by taking loans of Rs. 7533.97 crore after exhausting the cash reserves and thus the company was pushed into the debt trap. Thereafter, MTNL incurred huge losses due to high finance cost and declining revenue due to capital crunch for leverage of competencies. Hence the company has been slandered as sick industry due to inappropriate policies of UPA Government.

Hon'ble Sir, we are thankful to the Hon'ble Prime Minister, Government of India for approval of 69,000 Cr. Revival package for MTNL & BSNL on 23<sup>rd</sup> Oct.2019 but also highlight that no improvement is made towards revival even after passage of about two years except for implementation of the VRS. Also, no hope is visible in present environment. This way, entire efforts and initiative of Hon'ble Prime Minister and hefty package is seemingly going into black hole.

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Sir, main ingredients of Revival package were Downsizing the manpower through VRS to reduce staff cost and Monetization of Non-Core Assets for discharge of debt and degrading infrastructure for improvement of services. We supported Hon'ble Prime Minister initiative on assurance and in the hope of better days, but it is unfortunate that despite overwhelming support for VRS, other revival elements are still in doldrums, as a result, condition of company and its services are deteriorating faster after VRS.

We have pondered over the issue in depth and have come to a conclusion that the following few steps are needed from the government to put the MTNL back on track so that the citizens of Delhi and Mumbai can get the best of the Telecom services at a very affordable rate. The private operators are only to make money and leave the consumers to lurch as can be seen recently as to how so many of them fled from the market.

**1. Net work improvement:**

The then Department of Telecom has laid down copper cable and OFC throughout the two metro cities. Now the same is not sufficient to meet the requirements of the day. At some places it is very difficult to attend to the faults in these cables as it is very difficult to retrieve it and in some places there is no trace of the same also. In the era of smart city environment it is imperative that utmost care should be taken to service the existing cables where ever they are available and also to lay emphasis on laying of new cables on a massive scale to meet the requirements of the present day.

**2. Allotment of 4G Spectrum:**

MTNL is left behind without 4G spectrum, with all the other operators having been allowed. Being the owner of the company, Govt. of India has to own the responsibility of safe guarding the interests of the MTNL and action should be taken for immediate allotment of 4G spectrum and also ensure that MTNL gets the first mover advantage in 5G also as is done in the case of 3G.

**3. Professional Management:**

The Management of the MTNL barring a few lacks vision, decision making, will and leadership qualities to lead the team in the competition. Especially the circle heads lack will to take decision either for personal reasons like fear of near reaching retirement and other reasons. Lack of competitive and technical skills to envision the market scenario, customer requirement and innovative ways of offering services with changing technology leads to failure. Further a large number of the managers at the apex are all on deemed deputation from the DOT. These officers are enjoying all the perks and allowances of the GOI and have no interest to take the legacy of MTNL forward. They are all behaving as if they are in a Government Office and lack the killer instinct to lead from the front.

**4. Recruitment of man power for external plant:**

A large of number of employees in the Telecom Mechanic cadre, Office Superintendent cadre and Jr Engineer cadre have retired from service on superannuation and also a majority of them availed VRS. Fresh man power to meet the requirements of the network is very much needed. At present the network related issues are all outsourced and the staff engaged therein does not know what cable means. Thus, it is imperative that sufficient number of employees are recruited to service the net work.

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**5. Capital Infusion into MTNL:**

The MTNL needs an immediate capital infusion of at least 10,000 crores to Procure equipment and improve upon its external plant to meet the barest minimum equipment to survive.

**6. Surrender of visible / invisible assets to Government:**

The MTNL management may be directed to surrender all its visible and invisible assets which are not being used at present and also some of the buildings can be vacated by readjustment of the infrastructure held within them. A thorough audit of the available infrastructure of MTNL must be held so that they can be disposed in order repay the loans taken from financial institutions. The entire process of sale of vacant lands and buildings should be put at the disposal of the Special Purpose Vehicle specially to be created and should not put at the disposal of the DIPAM, which cannot do it in a time bound manner as DIPAM is entrusted with several other disinvestment proposals of the government.

**7. Recovery of outstanding amount:**

At present a large chunk of MTNL money is held with the customers and other institutions and a time bound recovery should be launched so that the company gets useful cash for day to day works.

**8. Refund of huge amounts from DOT / BSNL:**

At present the DOT / BSNL are to refund an amount of Rs. 8314.32 crores and 2724.24 crores respectively to MTNL. This amount is quite huge in volume and an immediate action plan should be there to get these amounts refunded to MTNL.

**9. Merger of MTNL into BSNL:**

The issue of merger MTNL into BSNL was discussed widely for the past several years and the Revival package announced in the year 2019 also found a mention therein. But so far no concrete steps are taken in this direction and the sooner the merger takes place it would be better for both the entities. However, before merging MTNL into BSNL, the Government should take steps to clear all the outstanding amount of the MTNL so that MTNL merges itself into BSNL with a clean slate.

**10. Implementation of the recommendations of the 3 PRC for MTNL employees:**

The recommendations of the 3 PRC for CPSU employees is implemented in all the CPSEs. But the MTNL employees are denied of the same so far. There is still no word from the MTNL management over this aspect. Since more than 90 % of the MTNL employees have retired from service and this is the last wage revision for the MTNL employees and as such it would be just and fair to give them the benefit of the 3<sup>rd</sup> PRC. Another issue to be brought to your kind notice is that in MTNL the un absorbed officers who are on deputation are enjoying the benefits of 7<sup>th</sup> CPC while the absorbed employees are denied the benefit of 3<sup>rd</sup> PRC. Thus there are 2 different pay structures which perhaps no other PSU other than MTNL and BSNL can boast of.

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**11. Revision of Pension for Retired employees of MTNL:**

Sir, the retired employees of MTNL are also denied the benefit of revision of their pension as the 3<sup>rd</sup> PRC is not yet implemented. The retired employees who have all put in more than 30 to 40 years of service are drawing a very low pension. As such it is essential that their pension is to be revised on the basis of the recommendations of the 3<sup>rd</sup> PRC for CPSE employees.

**12. Counting of casual service for the purpose of Pensionary benefits:**

At the time of corporatisation of BSNL, the DOT has entered into an agreement with the unions regarding counting of casual service for the purpose of pensionary benefits. Vide DOT letter No 32-14/2000-SR Dated 6.9.2000, the DOT and the BTEF entered into an agreement in the presence of the then Hon'ble MOC and also Minister for Labour and Employment GOI wherein it was stated that the employees who have worked as casual labourers in the DOT and subsequently are to be transferred into BSNL would be given the benefit of Pension for the casual service rendered by them. Subsequently the MTNL Mazdoor Sangh filed an OA in the Hon'ble High court of Delhi over this issue and the Hon'ble High Court ruled in favour of the MTNL employees. Later on the MTNL management also agreed to implement the same but the same has not been do so far. It is just and fair that the Judgement of hon'ble High court of Delhi is to be implemented immediately.

**13. 5% IDA neutralization of retirees:**

After all approval at various level this left out fitment of 2<sup>nd</sup> PRC is pending for quite long time. It has already been implemented in BSNL for working and retired employees and in MTNL for working employees. Retired employees at the feg end of their life are fighting for their legitimate right helplessly.

**14. 30% Corpus for post retirement benefits to MTNL employees:**

Corpus for post retirement benefits is to be created as per 2<sup>nd</sup> PRC recommendation and DPE OM w.e.f 01-01-2017. It has been created in BSNL and all other CPSEs, But still pending in MTNL. Your kind intervention is required.


We earnestly believe that with the above measures, the MTNL would definitely bounce back and regain its lost glory and provide world class Telecom services to the consumers at affordable prices.

With profound regards,

Yours Sincerely,



(V.K. TOMAR)  
(Chairman & Genl. Secy. (MEA))



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(Convener & Genl. Secy. (MTNL-MS))