

FORUM OF MTNL UNIONS AND ASSOCIATIONS

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V.K. TOMAR

Chairman & Genl. Secy. (MEA)

Mob. 9868133336

NO:MS-54/Forum/2019/41

To

DHARM RAJ SINGH

Convener & Genl. Secy. (MTNL MS)

Mob. 9868136466

Dated the 20th February 2019

The Secretary (Telecom)
Ministry of Communications,
Government Of India,
Sanchar Bhavan, 20-Ashoka Road
New Delhi-110 001

Sub: Issues concerning legitimate right of MTNL Employees and revival of the MTNL-regarding.

Reference: Our letter No MS-54/Forum/2019/40 Dated 06-02-2019

Respected Madam,

A kind reference is invited to the letter cited above from the Forum of MTNL Unions and Associations wherein we have drawn your kind attention to the issues plaguing the MTNL and the casual attitude of the authorities be it MTNL management or the DOT in resolving them and thereby ensuring a vibrant MTNL. With no other alternative we are forced to launch this agitation to draw the attention of the highest authorities in the Government so that a lasting solution can be found, we have some suggestions to make for the revival of the MTNL which is our bread and butter and settle the charter of demands. Before that we would like to present to your kind honor the facts of the matter please.

Our Charter of demands

1. Revival of MTNL.
2. Ensure salary payment to the MTNL employees every month on due date.
3. Implementation of 3rd PRC/Wage Revision for MTNL employees.
4. Pension Revision for retired MTNL employees as per 7th CPC.
5. Counting of casual service period for pensionary benefits.
6. VRS after implementation of 3rd PRC with 15% fitment benefit.
7. 30% corpus for post retirement benefit to MTNL employees.

The MTNL was established by the Government in the year 1986 by corporatising the Delhi and Mumbai Telecom Circles which were functioning under the Department of Telecommunications with an authorized share capital of 800 crores and was granted Navaratna status in the year 1997. The MTNL was listed in the stock exchange and was giving the best possible Telecom Services to the consumers of Delhi and Mumbai Metropolitan cities and was touted as the life line of these two mega metros for a very long time. The MTNL was cash rich in all senses and was debt free till May 2010. The MTNL have a cash reserve of about 5000 crore rupees and was in fact earning an interest of Rs. 450 crores annually. The MTNL has been a major contributor to the Government of India by way of taxes, dividend etc to the extent of Rs. 45,850 crores.

The MTNL faced its major test in the year 2010 when it was made to cough up 11097.97 crore rupees for 3G and BWA spectrum as per the dictates of the then UPA 2 Government even though MTNL did not participate in the auction. MTNL was forced to pay this huge amount by taking loan from financial institutions to the extent of Rs. 7533.97 crores after having completely exhausted its cash reserves. This was a huge blow to the MTNL and after this the company has never recovered.

The Government also on its part has been showing a nelson's eye towards MTNL and has not been supporting it appropriately in terms of finances and material. The telecom sector is a high technology area, with cutthroat competition and obsolescence of the older technology, which happens every three years. This calls for a more intense relationship from the Government to the Corporation. We have a set of professional individuals in MTNL and the role of the government is to give financial independence and have checks and balances to ensure accountability. It is worth pointing out in another two years a large work force would have retired, and the government would be looking at an organisation which is quite lean and not bloated as it was earlier. The management of MTNL must make itself very efficient in every way for the government to look at MTNL as a high technology sector and not just a PSU. Looking around the Indian scene, the numbers of Operators have reduced. The Quarter earnings of all private companies are negative, including massive losses by 9.6 billion by the largest operator Airtel. Telecom sector in the two mega Metros without MTNL would be very bleak indeed.

In the Parliament the Hon'ble MOC has replied in the year 2017 that all the Telecom Companies put together owe the Indian banks an amount of Rs. 6,10,475 crores of rupees. It is worth mentioning here that the share of MTNL out of this huge huge money is very meager to be precise is just 18,000 crores i.e. just 2.95%.

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 both the mega metros 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. The entry of Jio is only a temporary phase and it is also surely going to meet the same fate as that of other telecom operators who have fled from the scene.

Suggestions to make for the revival of the MTNL

No	Issue	Purpose	Proposal of Forum	Effect of the proposal
1	Pending Loans of Rs.20,000 crores	These loans were taken by MTNL for paying statutory dues to Govt from time to time.	Govt must convert these loans by sovereign guarantee with full responsibility of principle and interest payment	MTNL will save Rs. 2,000 crores annually
2	3 PRC	This is the minimum genuine expectation of the employees. The PSU is in bad shape because of the conscious decision of the Govt to introduce cut throat competition	Implementation of 3 PRC with 15% fitment	MTNL employees will be benefitted, However, expenses will increase by Rs. 300 crores annually
3	Reduction in employee expenses	VRS after implementation of 3 PRC with 15% fitment	Around 10,000 employees are expected to take VRS. Alternatively Govt can give salary support of 50% to all employees till their retirement	MTNL wage bill will reduce by Rs.1,000 crores
4	Mobile services 2G	2 G services	Govt should extend MTNL license upto 2021	2 G basic mobile services will be available

5	Mobile services 3G	3 G services	MTNL to surrender 3 G license and get refund for balance period of license.	MTNL will get Rs.3,500 crores which can be used by MTNL for running services and capital investment in fibre based business.
6	Mobile services 4G	4 G Services	MTNL to venture only when Govt wants 4 G services and fully finances cost of 4 G spectrum	MTNL will provide 4G services on Govt demand, other wise there is no commercial sense for the same
7	Enhancing business	Optical fibre based company	MTNL to focus on fibre based business and enterprise business	To gain annually around Rs.500 crores.

Madam, 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. Otherwise we demand that all the MTNL employees be reverted back to DOT so that we can work and live peacefully.

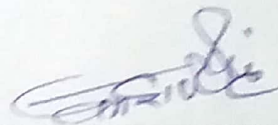
With kind Regards,

Yours Sincerely,



V.K. TOMAR

Chairman & General Secretary (MEA)



DHARAM RAJ SINGH

Convener And General Secretary (MTNL-MS)

Copy to:

1. Minister of Communication for info. & N/A please.
2. Hon'ble Minister of Labour & Employment, Ministry of Labour & Employment, Government of India, New Delhi-110001
3. Secretary (Labour & Employment), Ministry of Labour & Employment, Government of India, New Delhi-110001
4. Additional Secretary (T), Department of Telecommunications, Ministry of Communications, Sanchar Bhawan, 20 Ashoka Road, New Delhi-110001
5. CMD, MTNL-Corporate office, CGO Complex, Lodi Road New Delhi-110003
6. General Secretary-Bhartiya Mazdoor Sangh