

## BRIEF REPORTS ON THE MEETING WITH C.M.D./MTNL

### ON MTNL PENSION ISSUE ON 15/02/2013

Consequent upon being advised to hold meeting with the Unions/Associations on MTNL pension issue in presence of CMD,MTNL by Dy.CLC(C)/HQ during conciliation proceedings held on 28.01.2013 with Jt.Forum of BSNL & MTNL Unions & Associations, MTNL,Corporate management invited the following in a meeting under the Chairmanship of C.M.D./MTNL held on 15.02.2013 at 4=30 PM :-

1. Sh. M.K.Bagchi, Chairman Jt.Forum
2. Sh. Vrijesh Upadhayaya, GS/MTNL Mazdoor Sangh
3. Sh. V.K.Tomar, GS/MEA
4. Sh. A.K.Kaushik,GS/TEAM

The said meeting was also attended by Director(F),Director (T),GM (HR) and Jt.GM(HR) etc from MTNL Corporate Management. Sh.Mange Ram,GS/MTNL Staff Union,Sh.S.S.Nanda,GS/RTOWA,Delhi and President,MTNL Mazdoor Singh also attended the meeting. Sh.Vrijesh Upadhayaya,GS/MTNL Mazdoor Sangh could not attend the meeting as he reported sick.

CMD/MTNL informed that he approached DOT to ensure that the pension of both executive cadres and non-executive cadres are paid by the Pension Trust under Rule 37A and DOT is going ahead with the said proposal. He also said that MTNL has been bearing the burden of payment of pension for last twelve years with the hope that Government would agree to grant MTNL pension to be paid by DOT as in BSNL.

But despite all out efforts from all sides, the said proposal has not been agreed to. MTNL carried out with the responsibility of payment of pension singularly on its own. But in view of distressed financial condition, MTNL is not in a position to carry it further. He also informed that the provision of pension under Rule 37A may not be the "best option" but it is "second best". According to his perception, the pension provision for the non-executive cadres under Rules dated 5/7/89, is insecure and therefore, it is a good move to bring the pension of the non-executive cadres under Rule 37A.

From the side of the Unions and Associations, we refuted the claim of the CMD in this respect.Our first and foremost point is why there will be different treatment to MTNL absorbees in the matter of pension. There was clear assurance that there will be no difference between MTNL and BSNL pension. Only modalities are left to be decided. Why is Government back tracking from this assurance. We told that we don't accept the CMD's understanding of pension under Rule dated 5.7.89. There is no provision of Trust under Rule dated 5.7.89. The pension under Rule 5.7.89 is supposed to be paid by the Government. The provision of Trust came only in June,2000. By this time option was already exercised by the non-executive cadres of MTNL. Therefore under this rule, employees are entitled to get pension to be paid directly by the Government. There is no scope to read between the lines to deprive the employees of their legitimate pension entitlement. **We also pointed out that CMD is totally mistaken if he thinks that once Pension Trust takes over the task of payment of pension, MTNL will be free from this responsibility and be out of pension clutch.** By quoting the various crucial provisions enshrined in

the various Sub-rules of Rule 37A, we pointed out that while the Govt's liability towards Pension Fund under the Trust is one time and that too, amount to be paid by the Govt is limited to the amount accrued on the basis of commutation value till the date of absorption, the MTNL's liability towards Pension Trust is to the extent that is required to make Pension Fund "self-supporting". The plain meaning of this is that once the initial fund of Rs3800 Crores in the Trust is exhausted within next five to six years, the entire burden of pension liability ( minus the negligible amount to be collected as pension contributions under FR) will come on the shoulder of MTNL. If MTNL, by that time, is not in a position to fund the Trust from its revenue, MTNL will have to dispose its immovable property to arrange fund. **This is the clear provision under Rule 37A. Thus by agreeing to Pension Trust, CMD has neither served the interest of MTNL employees nor MTNL as the organization. MTNL and its employees will be trapped**

**by accepting this provision.** We also pointed out that the so called "sovereign guarantee" under Sub-Rule 20 is not at all sovereign guarantee. It is vague and it is full of "ifs" and "buts".

Say for example, if Trust fails to provide pension payment due to insolvency and MTNL also is not in a position to fund further, Sub-Rule 20 states that Govt will come forward to pay. But with the same breath, the said Sub-Rule states that the said amount will be debited against Trust or MTNL as the case may be. The point is, Trust is already insolvent to provide pension and MTNL is too insolvent to provide fund to Trust, how will this fund be debited against Trust or MTNL ? How long will this process continue under such circumstances? If MTNL is privatized and Trust is insolvent, where will Govt find the "head" to debit against ? There is no clarity in the so called guarantee in Sub-Rule 20.

Director (F) intervened at this stage to say that only plausible solution is to agree for Rule 37A in the scenario where Govt. is adamant not to grant BSNL type of pension and equalization of pay scales of BSNL and MTNL not possible before 2017 and that is what is done by MTNL. However, there is a chance to get BSNL type of pension after equalization of pay scales in 2007. She also urged that we may suggest suitable amendment in Rule 37 A so that even with Pension Trust, the pension is secured and guaranteed. CMD also hinted on the same line.

To this, our query was on what basis CMD feels that once Rule 37A is implemented as it is, it will be possible to raise and get the Pension to be paid by DOT as in BSNL in future i.e., in the year 2017 or so. There was no concrete reply to this. Our further query was, whether it is possible at this stage to rewrite the Sub-Rule 20 suitably and appropriately to ensure sovereign guarantee. To this, both Director (F) and CMD requested us to provide well thought of draft for this so that the same can be taken up with DOT.

While agreeing to provide suitable draft from our side, it was made amply clear that the existing Rule 37A is not acceptable to us and if it is tried to be implemented forcefully, MTNL employees will resist it by resuming the programme of agitation.

= M.K.Bagchi, Chairman/ Jt.Forum

15/02/2013