

**UNITED FORUM OF UNIONS & ASSOCIATIONS OF MTNL MUMBAI**

**(FORUM OF NON-EXECUTIVES' UNIONS & EXECUTIVES 'ASSOCIATIONS)**

(II Floor, Naigaon Telephone Exchange Bldg., Mumbai-400014)

No. UFUAMTNLMBI/10-11/1

Dt.18/10/2010

To:

Dr.Manmohan Singh ji,  
Hon'ble Prime Minister.  
Union of India,  
New Delhi-110 001

**Sub: Payment of Pension by Government to all staff absorbed in MTNL from DOT at par with staff absorbed in BSNL from DOT and financial health of MTNL.**

Respected Sir,

We represent all the employees, viz., executives and non executives of MTNL Mumbai. We also represent similarly placed officers and staff who have since retired from service after their absorption in MTNL. Most respectfully, We submit the following to resolve the aforesaid issues.

Sir, when Government of India initiated the process of restructuring the DOT to provide efficient and affordable services in Mumbai and Delhi under the leadership of **visionary Prime Minister Shri Rajiv Gandhi**, the employees stood by the government and got absorbed in MTNL shedding their Government status without creating any hurdles. In fact, to a starred question on 7<sup>th</sup> August 1997, raised in the Parliament, the then Hon'ble Min. for Communications answered that **absorption of DOT employees in MTNL has to be done cautiously and simultaneously with restructuring of DOT (Exhibit -1)**

However, Government deviated from its commitment and took a decision for granting permanent absorption of employees and officers in phases in 1998 without completing restructuring. They formed another PSU viz., BSNL in Oct' 2000 covering rest of the country other than Mumbai and Delhi

In the first phase, DOT non executive staff (the then Group 'C' & 'D') working in MTNL were absorbed from 01.11.98. **Presidential orders for their permanent absorption were issued in the year 2001 simultaneously with the non executive DOT staff working in the rest of the country for their absorption in BSNL.**

In the second phase, **the process of simultaneous absorption of Group 'A' & 'B' officers in MTNL was taken up in May' 2000.** But, DOT in their wisdom again deviated from this decision. This time, they had kept Group'A' officers out of the purview and issued notification in 2003 restricting the process of absorption only to Group B officers **simultaneously either in MTNL or in BSNL.** For the absorbed officers both in BSNL and MTNL, the Presidential orders were issued in 2004.



**Sir, though the absorption of DOT employees in MTNL or BSNL were concluded simultaneously, employees absorbed in MTNL were discriminated against employees absorbed in BSNL with regard to payment of pension and pensionary benefits.**

Government of India brought out an amendment to CCS (Pension) Rules 1972 by inserting Rule 37-A on 30.9.2000 on the eve of formation of BSNL. An exclusive provision **for payment of pension and pensionary benefits by Government to all the staff absorbed in BSNL** (from DOT) was made whereas **no such provision was made for the staff absorbed in MTNL** from the same organization viz., the DOT. Most of the staff and officers absorbed in MTNL from DOT have rendered about 25 years of service in the Government at the time of their absorption. Government, being a model employer should not evade from its responsibilities of payment of pension as all absorbed employees entered the service in DOT with pension by Govt. as a condition of their service.

The third phase of absorption covering all Group 'A' officers in DOT is in disarray due to non settlement of pension issue by Government. DOT and MTNL Management are fully aware that completion of absorption process of Group A shall bring in better sense of belonging and decision making at the helm of affairs. **But they continue to work on "deemed deputation" even when MTNL is in its 25<sup>th</sup> year.** It appears that Govt. is not keen in completing the absorption process and the restructuring of DOT.

While on one hand a section of such officers continue to work in the PSU indefinitely on deemed deputation status with all the attended benefits of Government by frustrating the process of absorption and on the other hand the absorbed employees who faithfully co-operated with the initiatives of the Government have been discriminated against.

The absorbed employees all along supported the Government in all their endeavours concerning the PSU such as listing its stocks in all Stock Exchanges, unloading of shares held by Government and listing in NYSE. Despite abiding by the Government policies, we have not got fair treatment from Government.

**MTNL was used as a fund raising vehicle for the development of Telecom Infra Structure in the rest of the country by DOT in the initial years of its inception. But after the formation of BSNL, MTNL was left to fend for itself and directed by DOT to pay all the pensionary benefits to the absorbed employees from its resources as an interim measure. The interim measure still continues without a resolution.**

Intervening in an agitational programme by MTN Kamgar Sangh, Mumbai and MTNL Staff Union, Delhi (**INTUC**), pressing for the removal of discrimination to the employees of DOT absorbed in MTNL with the employees absorbed in BSNL, Hon'ble Minister of Communications & IT assured the representatives that the discrimination would be removed. This assurance was conveyed by DOT vide their letter No 40-29/2002-Pen(T) dated 29<sup>th</sup> Aug'2002 to CMD, MTNL as under:-

**"The matter was taken up by DOT with Department of Personnel & Training and Ministry of Finance. This is to inform you that it has been agreed in principle that the payment of pensionary benefits including the family pension to the Government employees absorbed in MTNL and who have opted for the Government Scheme of pension shall be paid by the Government. The exact modalities in this regard are being worked out by Department of Pension and Pensioner's Welfare." (Exhibit-2)**



Sir, all the concerned Departments in Government have been appraised of the issue from time to time by Unions, Executives' Associations and by MTNL Management. Govt. of India as early in Nov' 2002 has gone on record and assured **on the floor of Rajya Sabha during its 197<sup>th</sup> session (while answering Unstarred Question No 241) agreeing in principle that there should not be any discrimination with regard to payment of pension and pensionary benefits between two sets of erstwhile DOT employees, one seeking absorption in BSNL and another in MTNL. (Exhibit -3)**

MTNL vide their No.MTNL/30-111/HQO/2000-2001 dt.04.09.2003 communicating the DOT approved terms and conditions for absorption of Group B Officers has stated the following:-

**" Payments of pension:- The Issue of payment of government scheme of pension to be paid by the government is pending for notification from Ministry of Finance." (Exhibit - 4)**

MTNL continues to convey the above commitment of DOT every year in their Annual Report filed with **SECURITIES AND EXCHANGE COMMISSION (SEC), Washington, D.C.** MTNL states in the report **" Once these terms are finalized and the payments are made to DOT for the period of employment of these employees with us, we expect that our liability for post retirement obligations would be limited to monthly contributions on the basis of the rules to be prescribed by the Government of India."**

Further, in MOU document signed every year with Secretary DOT, MTNL continues to exhibit under the caption **" Commitments/Assistance from the Government"** that DOT will assist in the matter of resolving of pension issues of all absorbed employees.

Sir, from the above declarations and commitments, it may be seen that the intention of the Government is for removal of the discrimination. But the stated intent is yet to be translated into action in the form of issue of orders and instructions by the Ministries concerned

MTNL, which has paid to exchequer since its inception in 1986 to the tune of more than Rs 35,000 crore in form of various taxes/levies/duties and dividends, **is in red now primarily due to the burden of pension thrust on it which should have been borne by the Government as in the case of BSNL.** The financial health of MTNL is deteriorating fast causing great anxiety and fear in the minds of more than 50,000 employees and their families about their terminal benefits. The retired employees and the family pensioners are threatened with the consequences of their pension being stopped as continued payment of pension from the resources of MTNL is impossible in future. MTNL has started borrowing even for payment of its salaries to the working employees.

While the Navratna PSU is giving affordable services to the common man in both the metros by pricing the services below its cost, Government is turning a blind eye to the burden it carries to the tune of more than Rs.1000 crore per annum towards mandatory provisions and payment of pensionary benefits of retiring and retired employees.

The spirit and substance of the terms and conditions for absorption of both non executives and executives is that the onus of payment of pension rests with the government. The internal arrangement between government and the PSUs should be such that the uninterrupted payment of pension and its revision from time to time

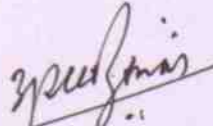
Sir, under these circumstances, we have come to your door step to appeal to your kindness to intervene immediately and to cause action on the following:-

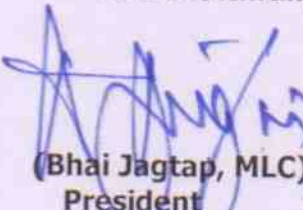
- To direct the concerned ministries to implement the commitments/assurances given by Govt. Of India for payment of Pension and Pensionary benefits to all the staff absorbed in MTNL on par with BSNL without further delay.
- To frame and notify a procedure for revision of pension and family pension from time to time to the retirees of the DOT employees absorbed in MTNL & who have opted for Govt. Pension as is happening to Central Government Pensioners. The pension and family pension of absorbed staff and officers retired/died before 01.01.2007 have not yet been revised.


Sir, the employees and officers absorbed in MTNL fervently hope that the Government under your able leadership will remove the discrimination and undo the step motherly treatment meted out to them by fulfilling the assurances and commitments.

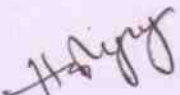
With high regards,

Yours faithfully,

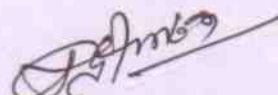
  
(Arvind Sawant, Ex MLC)  
President  
MTNL Kamgar Sangh

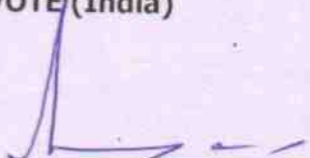
  
(Bhai Jagtap, MLC)  
President  
MTNL Workers union

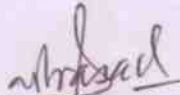
  
( Pradeep Salve)  
General Secretary  
MTNL Karmachari Front

  
(H.S. Upadhyay)  
General Secretary  
VOTE (India)

  
(Bal Pujare)  
General Secretary  
SUN of MTNL

  
(Badri R. Pathak)  
General Secretary  
RTOWA MTNL Mumbai

  
(V. Raghavan)  
General Secretary  
MTNL OA, MUMBAI

  
(S.N. Prasad)  
General Secretary  
MEA, MUMBAI

  
(J.S. Yadav)  
Circle Secretary  
TEAM, MUMBAI



**Copy of this Memorandum is submitted to:**

- 1. Thiru A.Raja,  
Hon. Minister of Communications & IT**
- 2. Hon.Prithviraj Chavan ji,  
Minister of State for PMO & P&PW**
- 3. Hon.Gurudasji Kamath ji,  
Minister of state for Communications & IT**
- 4. Hon.Sanchin Pilot ji,  
Minister of State for Communications & IT**
- 5. Shri.R.Chandrashekhar, Secretary, DOT.**
- 6. Shri.Kuldip Singh, CMD,MTNL**
- 7. Shri.R.K.Pachori, Director (HR), MTNL**
- 8. Ms.Anita Soni, Director(Finance), MTNL**
- 9. Shri.J.Gopal, Executive Director, MTNL Mumbai**