

An Open Letter to All BSNL Employees, Unions/Associations & Management of BSNL

3rd PRC & BSNL: Overview, Need, Feasibility & Viability

Overview:

This is the season of Agitations, Dharnas and Strikes in BSNL ahead of 3rd implementation. Mighty Unions and Associations of Non-Executive and Executives are getting ready and preparing their members for long fights to extract maximum benefits out of 3rd PRC. And what is this maximum possible benefit i.e. maximum fitment? We all know the maximum possible fitment is 15%, but for whom? For this, I would like to put some light on 3rd PRC recommendations, which says:-

If the additional financial impact in the year of implementing the revised pay-package is more than 20% of the average PBT (Profit Before Tax) of last 3 financial years (FYs), then the revised pay-package with recommended fitment benefit of 15% of BP+DA should not be implemented in full but only partly, as per the part-stages recommended below:-

<i>Part Stages</i>	<i>Additional Financial Impact of the full revised pay package as a % of average PBT of last 3 Financial Years</i>	<i>Fitment Benefit (% of BP+DA)</i>
<i>I</i>	<i>More than 20% but upto 30% of average PBT of last 3 FYs</i>	<i>10%</i>
<i>II</i>	<i>More than 30% but upto 40% of average PBT of last 3 FYs</i>	<i>5%</i>
<i>III</i>	<i>More than 40% of average PBT of last 3 FYs</i>	<i>Nil</i>

Further, in case of improvement in future years in the average PBT of the last 3 FYs, the Board of Directors may decide to implement the full pay package or the higher stage of the pay-package, as the case may be, upon ensuring that additional financial impact of the revised pay package (i.e. sum total of the part stages pay-package already implemented in the earlier year and the remaining pay-package) do not exceed 20% of the average PBT of the last 3 FYs preceding the year of implementation.

BSNL is in continuous losses from last many years and it is very clear that it is not eligible for even 5% fitment and only IDA merger in Basic salary may be adopted in present situation. Though the losses of BSNL are marginally reducing but it still has long way to go and good thing is that 3rd PRC recommendations have given sufficient provision to make pay hike and provide fitment when a PSU come in profits, as mentioned above.

Feasibility & Survival:

Telecom market, now a days is on boil. All companies have shown negative trends with launch of Reliance Jio. Small and medium Telecom companies quit business or merged with bigger one and still there is big question mark on viability. Impact on BSNL is also visible. Our Landline is already in slumps and even Broadband has been impacted in last two quarters and worst hit is mobile ARPU. It means we have been hit in all segments and future is also not very hopeful. Latest example came in Broadband segment, where against the National targets assigned by Corporate Office to achieve 2 Lakh new BB connections in first quarter of FY 2017-18, we could achieved MINUS 2.5 Lakh connections and all (except Andaman & Nicobar) Circles were negative. On the other hand, reliance Jio on its launch, has added 100 Million means 10 Crore customers and is now eyeing 50 crore more customers with free 4G feature phone with Plans starting as low as Rs 153 with unlimited data, voice and SMS.

Where is viability & survival for the company which is already in huge losses. Our losses in year 2015-16 were Rs 3879 Crores. And if 3rd PRC is implemented in full as demanded by all Unions/Associations, BSNL

need Rs 4200 Crores. Even if Pension Contribution issue (on actual basic pay) got resolved this figure will still stands at whopping Rs 2800 Crores. Already roughly 50% of BSNL income goes in Employees Salary and Pension. Do you think some magic will happen and BSNL will automatically turn around and will bear existing losses PLUS increasing competition PLUS increased Employees Salary/Pension contribution?

Any able minded person can answer this question as clear "No". What will happen then, if still 3rd PRC implemented. The following may be possible scenarios:-

- A. BSNL expenditure to its employees salary & pension (where pension share will be more) will rise above 70% and BSNL will need to take bank loans to pay for salary/pensions.
- B. Gradually BSNL will start stumbling to its loan repayments and the payment of salary/pension will become irregular. That means we will not get salaries regularly but may be after gap of few months, as happens in cash ridden states.
- C. Finally full break down may happen and BSNL may be declared a sick company or may be sold out to relieve the burden on Government.
- D. Future of BSNL employees and pensioners will be in dark and no union leader will come to save your family.

And please don't take these things lightly because this very thing has been submitted by DOT in CAT Chandigarh for E2 E3 Standard Pay Scale Court Case. Reproducing as it is:-

"Still further, it is brought to the notice of this Hon'ble Court that BSNL is one of the highest loss making CPSE in India and continuously making losses of more than Rs. 5000 crores every year since the last 7-8 years and may be categorized as incipient sick CPSE as per DPE guidelines."

Government has other short term solutions also i.e. to reduce the retirement age to 58 or reduce it further to 56 or to bring VRS or Compulsory Retirement Schemes to reduce Salary burden. In this case those who are in 50+ age today will be badly affected. This thing DOT has already proposed for MTNL i.e. bringing retirement age to 58 and then implements VRS.

Need of PRC in BSNL:

Do BSNL Employees really need 3rd PRC implementation or they can survive higher cost of living in current scenario. This is question of prime importance. To understand this, we need to divide BSNL employees into two categories, not on the basis of cadre or position but on the basis of a cut off joining date and that date is 01.01.2007 i.e. date of implementation of 2nd PRC.

Category I: Recruited before 01.01.2007:

Fortunately the formation of BSNL coincided with implementation of 1st PRC and BSNL absorbees got best deals in terms of salary, scales and pension. Thereafter 2nd PRC provided best ever fitment of 30% and BSNL employees also got benefits of 78.2% IDA merger resulting in effective increase of 37%. Absorption in BSNL plus these two PRCs resulted in huge pay packages for BSNL employees/executives.

Our group C & D employees including Drivers, Erstwhile Regular Majdoors, Erstwhile Phone Mechanics, Clerks etc. are now drawing handsome salaries in tune of Rs. 50,000 to 90,000 and Group B executives who joined DOT/BSNL as operators and phone inspectors have salary in range of Rs 80,000 to 1,60,000 and Group A have much more. These salary ranges are much more than any other central/state Govt/PSUs.

It is worthwhile to mention that more than 90% employees are recruited before 01.01.2007 and got benefits of 2nd PRC and already drawing handsome salaries.

Category II: Recruited after 01.01.2007:

On the other hand there are hardly 8-10% new employees who were recruited after 01.01.2007 and have not got the benefits of 2nd PRC fitment and have much lower salaries. For example a group B executive (B.Tech Engineer) recruited in 2011 on basic pay of 16400 may hardly getting 38000 in hand and a diploma holder JE recruited in same year on basic pay of 13600 may be getting 32000 in hand. So these young and talented Engineers are getting much less than Group D employees working under them, just because of the reason that they have joined after 01.01.2007 and not got the benefits of 2nd PRC. How much difficult would be for them to run their home, to get good education for their children and buy a decent home with this meager salary i.e. to lead a decent life-style at par with their education qualification and position/post.

Further there is one category among these executives from whom even the benefits of First PRC has been taken back. Shocked; but its true, JTO batch 2007 & 2008 were recruited on Ist PRC approved E1A scale of 9850/- but after implementation of 2nd PRC, they were given E1+5 increments to compensate their loss but the loss is not fully compensated and they are still drawing approximately Rs 4000 less than their salary in 9850/-. So it is clear that instead of giving the benefits of 2nd PRC, the existing benefits of Ist PRC have also been partially taken back from these young executives and they are still struggling from last eight years to get back even the benefits of Ist PRC (i.e. salary of pre-revised 9850/- scale) and IInd PRC (starting basic of 22820/-). So what should be the first target of an honest person/employee of BSNL to get 3rd PRC and de-stabalise BSNL or fight for the rights for the deprived young lot who were denied even Ist and 2nd PRC benefits.

And what is the expected expenditure needed to resolve the issues of this IInd Category of post 2007 employees? It is merelly Rs 100 Crores and what will be output of this investment, it will definitely be manifolds. So where BSNL need to invest in Category I, which is already drawing handsome salaries and where huge investment required, which may de-stabilize BSNL or you will agree with me that to keep BSNL survival as our first priority and keep our home and family safe we must not destabilize BSNL by implementation of 3rd PRC immediately but wait for its coming into profit, and instead please bless your younger brothers and sisters and supports us to first get benefits of Ist & IInd PRC first, so that we can have enough motivation to serve BSNL with our 200% and 400% output and take it to new heights and will surely get you 3rd PRC to the fullest.

Once BSNL will come to profits, 3rd PRC will automatically be implemented as per 3rd PRC report. Remember the famous saying "*a bird in the hand is worth two in the bush*" so its our request with folded hands that don't become part of conspiracy to kill BSNL in greed of few more bucks. Regular salary in 30th of every month is far more important for survival of our families, paying back our home-loan EMI, paying our children's school fees regularly, than some 10-15% increase in salary for a one or two years and then looking for some job in private sector. Those who are still young and are below 40 years of age may switch to others job but those who have already crossed 40 or say 45 years will be real victims of this conspiracy because they will have nowhere to go if something happens to BSNL. So please wake up and open your eyes.

Long live BSNL.

We also ask support from all non executives brothers and sisters recruited post 2007 on this appeal.

TEAM AITEEA

SEPARATE NOTE: Though it is not related to 3rd PRC, you may have a glance on following note:-

All CPSE pay special attention to the young recruit as they are the future of the company and on their motivation levels, growth and competitiveness of a company depends. In last 8 years we have seen a very different trend in BSNL.

To cover up the losses of 2nd PRC, many PSU declared E1 scale as 20600 and even higher and further promoted new recruits to next scale of 24900 merely after completing one year or two years of service. But here in BSNL conditions are made such that a engineers/executives are made to struggle for 8-15 years to get even first promotion. We were thrown out of LDCE at last moment in 2015 and now even DPC is being denied to us even after eight years of service, for which even three years of service is sufficient. Such is the state of affairs of HR in BSNL, where new recruits are denied all three Ps i.e. Pay, Promotion and Pension, which is resulting in huge unrest and demotivation of young lot and results are also quite visible. These things require immediate attention from higher HR Managers of company.