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VRS FOR MTNL, BSNL EMPLOYEES LIKELY SOON

Wednesday, 12 August 2015 | MADHUSUDAN SAHOO | NEW DELHI

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In a move to revive the cash-strapped State-run Mahanagar Telephone Nigam Ltd (MTNL) and Bharat Sanchar Nigam Ltd (BSNL), the Government is likely to announce Voluntary Retirement Scheme (VRS) for their employees soon. Those employees who are willing to avail such benefits must come under an eligibility criteria in which the beneficiary must have completed 31 years of total service or must have attained an age of 55 years in the organisation.

“The long-pending demand has been in Department of Telecom (DoT) for long time now. During the previous Government regime, the representatives of both MTNL and BSNL had submitted their request to avail the VRS benefits. At present, keeping the Government’s revival mode in view for these two State-owned telcos, the DoT is examining such proposal minutely. I think the VRS is a viable option to cut costs for which we are planning a favourable VRS plan for their employees soon,” a Government functionary involved in the process told The Pioneer on Tuesday.

When asked about the criteria of the scheme, he added, “We are not sure about the age cap or number of years in service which is yet to be fixed by the Government, but we expect the age criteria would be either completion of 31 years of total service or attaining the age of 55 years in the service. It is still in the works and it will be considered soon in consultation with a select panel in the Government.”

In a bid to generate good revenue and set off losses, MTNL and BSNL have prepared the VRS for around 1.15 lakh employees -15,000 for MTNL and 1 lakh for BSNL - which may cost the Government around Rs24,000 crore only. Besides, it has already taken slew of other measures to cut costs.

When contacted on this issue, a senior MTNL official said, “We have prepared a VRS for our employees, aimed at reducing its workforce by around 15,000 at present. As for BSNL, around 1 lakh out of total 3 lakh employees will be benefitted in the scheme. Though the estimated Government expenditure likely to be incurred on VRS, MTNL will reduce pressure on its huge wage and salary pay-out per annum”, he said.

MTNL is hopeful that the Government will consider it as soon as possible. “The Government has to spend only Rs23, 600 crore - Rs3,600 crore for MTNL and Rs20,000 crore for BSNL for this scheme. We expect that there is revival plan for the MTNL in few months as the Government is taking all possible measures for these two telcos in particular,” he added.

When asked about the Government’s concern that it is facing huge fund crunch in almost all departments, the MTNL official said, “The Government is earning huge money on auctions and other means. So, I do not think mere spending Rs24,000 crore on VRS will be problem for the concerned ministry. MTNL has alone given Rs60,000 crore to the Government from its funds through licence, taxes, dividends and other forms. So the scheme will help Government revival and cutting costs as well.”

The VRS move of the Government has been welcomed by the MTNL, but it has been opposed by BSNL staff association for long. “We welcome the Government’s move, but BSNL employees are not happy because they have huge number of staff and they oppose the staff cut, fearing a job loss. They feel that the VRS would not benefit them much in some way or the other,” the official said.

The debate on saving state-run BSNL and MTNL has been going on for the past several years by merging them together to synergise operations, is one approach amongst many.

Recently, the Union Cabinet has approved hiving off BSNL’s tower assets into a separate company in order to provide huge financial relief to State-run telecom companies. The Government has offered Rs6,27.20 crore as compensation to BSNL and its metro counterpart MTNL for surrendering CDMA spectrum that was auctioned in March this year.

The Cabinet green signal to the proposals is set to alleviate financial situations of the two public sector units that had posted massive losses in the previous financial year. BSNL’s unaudited loss for the year ended March 2015 stood at Rs7,265 crore, while MTNL posted a loss of Rs2,893.39 crore.