

## ALL NDIA

## RETIRED BHARAT SANCHAR NIGAM LIMITED EXECUTIVE'S WELFARE ASSOCIATION CENTRAL HEAD QUARTERS, NEW DELHI

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17. Auditor

No. AIRBSNLEWA/17-18/

dated 17th August 2017

To

Shri Manoi Sinha. Hon'ble Minister of Communications, Sanchar Bhavan, New Delhi-110001

Sub:- Exemption in affordability clause for BSNL at par with other CPSEs like Food Corporation of India, formed under a statute to perform a specific agenda / regulatory function of the Government, for implementation of 3rd PRC in BSNL.

Respected Sir.

It is brought to your kind notice that several CPSEs have been formed by GOI by converting Govt. Departments into independent Government companies under a statute/ policy to perform a specific agenda / regulatory function.

DPE OM dated 03/08/2017 vide Annexure-II Para II of Page No 19, dealing with implementation of 3<sup>rd</sup> PRC report has recommended exemption from affordability clause for these CPSEs while implementing the 3rd PRC report, as quoted below:-

"c) There are also certain CPSEs which have been formed into independent Government companies under a statute to perform a specific agenda / regulatory functions. The revenue stream of such CPSEs are not linked to profits from the open market in a competitive scenario but are governed through the fees & charges, as prescribed and amended from time to time by the Government. There is no budgetary support provided by the Government to such CPSEs. In consideration that the impact of the revised compensation structure (including Performance Related Pay) would supposedly form the part of revenue stream for such CPSEs, the affordability condition shall not be applicable to these CPSEs. ...."

One such CPSE which was formed by converting Govt. Department i.e. Food and Civil Supplies Department into Food Corporation of India under the Food Corporation's Act 1964, in order to fulfill the objectives of the Food Policy.

Terms and conditions for formation of Food Corporation of India, and absorption of Government Employees in IDA scale in Food Corporation of India, were exactly similar to that of Conversion of Department of Telecom./ Department of Telecom. Services into BSNL. Pay and pension revision in Food Corporation of India has always been exempt from affordability clause right from its very inception.

BSNL also needs to be exempted from affordability clause because BSNL was formed under Government Policy to perform specific agenda of the Government in Telecom. Sector and carry out Government . Agenda/ regulatory functions.

You are requested to kindly look into the matter and do the needful.

Thanking you,

(Kishan Singh) General Secretary

Copy for kind information and necessary action to:-

- (1) Smt. Aruna Sundararajan, Secretary(T),, Sanchar Bhavan, New Delhi-110001
- (2) Sri Anupam Srivastava, CMD, BSNL, Bharat Sanchar Bhavan, New Delhi.