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VRS for MTNL, BSNL employees likely soon

Eligibility criteria may be capped for the beneficiaries who have either completed 31 yrs of total service or attained an age of 55 yrs in the organisation

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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

□ MTNL and BSNL have prepared VRS for around 1.15 lakh employees - 15,000 for MTNL and 1 lakh for BSNL - which may cost the Govt around Rs 24,000 cr only.

□ MTNL has alone given Rs 60,000 cr to the Govt from its funds through licence, taxes, dividends and other forms, claims the company.

□ The Govt has to spend only Rs 23,600 cr - Rs 3,600 cr for MTNL and Rs 20,000 cr for BSNL for this scheme, says MTNL official.

□ BSNL's unaudited loss for the year ended March 2015 stood at Rs 7,265 cr, while MTNL posted a loss of Rs 2,893.39 cr.

Government has to spend only ₹23,600 crore - ₹3,600 crore for MTNL and ₹20,000 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 ₹24,000 crore on VRS will be problem for the concerned ministry. MTNL has alone given ₹60,000 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."

Government has approved giving 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 ₹6,27.20 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.

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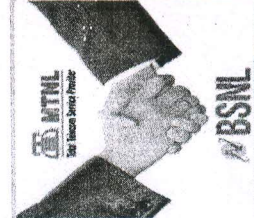
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completion of 31 years of total service or attaining the age of 55 years in the service. It is still in the works and it will be considered soon in consultation with a select panel in the Government."

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