

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:4539
ANSWERED ON:11.08.2014
PENSION TO MTNL EMPLOYEES
Sawant Shri Arvind Ganpat

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government has proposed to grant pension to employees of the Mahanagar Telephone Nigam Limited (MTNL) from the Government Exchequer;
- (b) if so, the details thereof;
- (c) whether the Government has given assurance for refund of payment to MTNL for Broadband Wireless Access (BWA) Licence;
- (d) if so, the time-frame for refund of payment;
- (e) whether the Government has any proposal for merger of Mahanagar Telephone Nigam Limited (MTNL) and Bharat Sanchar Nigam Limited (BSNL); and
- (f) if so, the details thereof and the steps taken by the Government in this regard?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY & LAW AND JUSTICE (SHRI RAVI SHANKAR PRASAD)

(a) & (b) The proposal for disbursement of pensionary benefits to all the combined service optee absorbed employees of MTNL in the same manner as in Bharat Sanchar Nigam Limited (BSNL) w.e.f. 01.10.2000 was approved by the Cabinet in its meeting held on 9th January, 2014. In implementation thereof, the Gazette Notification was issued by Department of Pension and Pensioners' Welfare on 3.3.2014. Necessary instructions were subsequently issued vide this Office O.M. dated 28.4.2014.

(c) & (d) The Government, on 9th January, 2014, has already approved, inter-alia, the proposal for financial support to MTNL equivalent to one-time upfront charges paid (Rs. 4533.97 crore) on surrender of BWA spectrum. The modalities of the refund, as approved by the Government, are that Government may authorize MTNL to raise bonds with sovereign guarantee equal to the BWA refund amount without any sovereign guarantee fee. Further, the total liability of bonds, including principal and interest will be discharged by the Government on behalf of MTNL.

MTNL has already issued bonds of Rs. 765 crores against the sovereign guarantee given by the Government. Proposal for Sovereign Guarantee for balance amount of Rs. 3768.97 crore has been submitted to Ministry of Finance for approval.

(e) & (f) Government is in the process of revival and revitalization of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) through various short term, medium term and long term measures.

The long-term measures, including merger of BSNL and MTNL, would attempt to position these PSUs to emerge as market leaders in the converged telecommunication market. For an in-depth study on the implications of merger of the two PSUs, three groups have been constituted to study issues of human resources integration, technology integration and corporate integration.