

BSNL & MTNL staff taking VRS need to wait for their dues

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Employees of Bharat Sanchar Nigam (BSNL) and Mahanagar Telephone Nigam (MTNL), who have opted for voluntary retirement scheme (VRS), will have to wait for the next fiscal year (2020-21) to receive their dues.

This is because the Union Budget does not have provision for any expenditure towards the programme in the current fiscal year.

According to the Budget, payment worth ₹37,268.42 crore due to voluntarily retirement of staff, capital infusion in BSNL and MTNL for 4G spectrum and grant for payment of GST have been budgeted for the next financial year. Barely, ₹528 crore has been provisioned in the current fiscal year by the government for payment towards 'implementation of the VRS'. On October 24, the Centre approved a package of nearly ₹70,000 crore for BSNL and MTNL and also drew up a timeline to merge them.

Monetising real estate assets worth ₹37,500 crore is part of the overall relief package that would be used to retire debt, upgrade networks and offer a VRS aimed at reducing the companies' employee strength by half.

The relief package includes a sovereign bond issue worth ₹15,000 crore, to be serviced by the two telcos.

Also, BSNL and MTNL will be allotted 4G spectrum at an administered price, pegged at

CALLING CARD

Budget provisions FY21 (₹ cr)

Capital infusion in BSNL for 4G spectrum

14,115

Capital infusion in MTNL for 4G spectrum

6,295

Ex gratia payment for VRS to BSNL/MTNL staff

9,889

Implementation of VRS

3,295

Grant to BSNL for GST payment

2,541

Grant to MTNL for GST payment

1,133

Source: Budget

the 2016 auction value. The two firms would be allotted 4G spectrum worth ₹20,140 crore, ₹29,937 crore for VRS, covering 50 per cent of their employees and ₹3,674 crore for goods and services tax (GST) that will be levied on allocation of radio waves. The ex gratia component of VRS, to be offered to employees aged 50 years and above, will require ₹17,169 crore budgetary support. The 4G spectrum to be allocated to BSNL and the railways has been excluded from the 2020 auctions.