

shortage of power. I would like to ask the hon. Minister whether the Government of India have any short-term plan to help the State of Kerala to get rid of the present predicament.

SHRI YOGINDER K. ALAGH : Mr. Deputy-Speaker, Sir, we have a set of projects which are mainly hydel and small projects. I can give the names of the projects to the hon. Member separately for which we are making financial provisions in this year for modernisation and completion. On the transmission side, I will be very happy to look into those projects which need expeditious completion. We will be very happy to look into it. (*Interruptions*)

[*Translation*]

MR. DEPUTY SPEAKER : Hon. Member may please listen to my one point. 12 supplementaries have already been asked. There are so many States, which had not been referred.

... (*Interruptions*)

MR. DEPUTY SPEAKER : Please keep quiet and listen to me. I am expressing your feeling. Nothing has been said about Rajasthan. The Members from Goa are also raising their hands.

... (*Interruptions*)

MR. DEPUTY SPEAKER : I am sorry, you are not listening to me. Please listen, what I say. It would be better to start half an hour discussion on this matter so that all Members may take part in the discussion. Those who are interested may give notices.

[*English*]

Restructuring of DOT

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*223. SHRI MOHAN RAWALE :
SHRI SANAT KUMAR MANDAL :

Will the Minister of COMMUNICATIONS be pleased to state :

(a) whether some committees were set up on the question of restructuring the Department of Telecommunication;

(b) if so, the details thereof;

(c) whether one of the recommendations of these committees was to declare the Mahanagar Telephone Nigam Limited a full-fledged public sector enterprise with full autonomy; and

(d) if so, the action taken by the Government in this regard?

[*Translation*]

THE MINISTER OF COMMUNICATIONS (SHRI BENI PRASAD VARMA) : (a) to (d) A Statement is laid on the Table of the House.

Statement

In December, 1990 a Committee headed by Dr. M.B. Athreya was set up to recommend the most appropriate organizational structure for management of telecom services in the country. In its report, the Committee recognised the need for separating the "policy and regulation" tier from the "operations" tier. While there was unanimity on ending the duality of structure of the Mahanagar Telephone Nigam Ltd. (MTNL), the committee was divided on the form of future organisation of the Department of Telecommunications (DOT). The recommendations (reflecting the majority opinion) in respect of corporatisation were not pursued, at that stage, in view, *inter-alia*, of the financial implications involved and reservations expressed by telecom staff.

2. Subsequently, during 1995, a Committee chaired by a retired Member of the Telecom Commission went into the question of restructuring of DOT headquarters and recommended separation of the functions of operations (which were suggested for being undertaken by a new entity to be called "India Telecom") from those of policy and planning as also an independent corporate status for the MTNL. In the same year, a Committee headed by the then Chief General Manager, Calcutta Telephones reported, *inter-alia*, on ways and means designed to enable DOT to compete effectively in the emerging scenario of privatisation of basic services.

3. It may be mentioned that the MTNL is already a Corporation registered under the Indian Companies Act, 1956.

4. In the light of implementation of the National Telecom Policy, 1994, the future requirements of telecommunications growth and other relevant factors, the various issues involved in DOT's restructuring and reorganisation require to be examined and assessed in detail for a further view to be taken in this regard.

[*Translation*]

SHRI MOHAN RAWALE : Mr. Deputy Speaker, Sir, I have been raising this question for the last five years. In the reply given to unstarred question No. 7929 on April 27, 1992, the Minister of Communications had told me that the MTNL had been declared a full fledged public sector company on 1.4.1986. Today when we are celebrating the golden jubilee of Independence, 65,000 employees of the MTNL have not been paid deputation allowance for the last 11 years and the MTNL do not consider them as its employees. Not only that out of the 34 percent shares which were disinvested without taking employees into

confidence, not even a single share was sold to its employees. Whether the MTNL will provide shares to those 65,000 employees by absorbing them into the organisation applying all conditions? If so, by what time because you have already said that this is wholly a public sector undertaking.

SHRI BENI PRASAD VARMA : After restructuring the DOT and the MTNL, these have to be given the status of corporation. Both these cases are very important. Earlier the Department constituted many committees to examine the issue. First of all the Attare Committee was constituted which submitted its report and later on the D.K. Gupta Committee was constituted, who had also submitted its report. The Khan Committee had also submitted its report. Meanwhile the Government of India adopted the policy of liberalisation in the telecommunication sector. To make it more competitive and to provide better services, the restructuring of the department has become necessary. The nature of work of the employees of the MTNL and DOT is same. Therefore it has to be carried out cautiously. Its one phase has been completed. It was mentioned in the report that regulation and operation should be done separately and only the policy making work should be with the Ministry. We are agreed to it in principle. A regulatory authority has been set up and it has started functioning also. Now there is the question of operation. Restructuring of the DOT and granting full fledged status of corporation to the MTNL, we think that both these things should be done very cautiously and simultaneously. We have told the Telegram Commission today. And employees have been told today morning that this matter should be taken up as expeditiously as possible. Now, when the work of restructuring has been completed all over the world, it is high time that the service part should not be with the Government for which restructuring of our department should be done and simultaneously the MTNL should be given the status of a corporation. Recently on July 15, all financial powers have been given to the MTNL. These powers were not with it earlier. It could not do purchasing. The DOT used to do purchasing and thereafter supply used to be made. We have given full financial powers to it from July 15. We are doing it in a phased manner and it should be granted full fledged status of a corporation, we agree to this point in principle. Both these decisions should be taken simultaneously so as to avoid resentment among the employees. And thereafter the action should be taken expeditiously. We have issued such directions to the officers.

SHRI MOHAN RAWALE : Sir, the chairman of the disinvestment commission has said about separating the MTNL and the DOT to raise a handsome amount through shares and granting autonomy to the MTNL by providing full assistance to it and absorbing the employees in the MTNL. He has agreed to it. You have said about discontentment among employees. The employees of MTNL in Mumbai have already started their agitation, they will go on strike in August. I would like to ask whether the

Government will accept the recommendations and grant autonomy to it before August 15 this year. When we are going to celebrate golden jubilee of Independence and before the employees bring this service to a standstill and whether those 65 thousand employees would be absorbed in the MTNL?

SHRI BENI PRASAD VARMA : Sir, as I have said earlier, we are agreed in principle to grant a full-fledged status of corporation to MTNL but simultaneously the work of restructuring the DOT....

SHRI MOHAN RAWALE : Eleven years have elapsed.

SHRI BENI PRASAD VARMA : We have completed only one year in power.

SHRI MOHAN RAWALE : You have completed one year but they have completed 11 years. If your Government goes today and any other Government comes to power then they would say that they have come today only. How this would do?

SHRI BENI PRASAD VARMA : The policy of liberalisation has also come in these 11 years.

SHRI MOHAN RAWALE : We have respects for you but you should do it before 15 August.

SHRI BENI PRASAD VARMA : We admit that after the advent of liberalisation the MTNL should get the status of a full fledged corporation and the operation part of the DOT should have a separate identity and it should also get full autonomy. And both these things should be done simultaneously and expeditiously.

SHRI MOHAN RAWALE : Expeditiously, but by what time?

SHRI BENI PRASAD VARMA : The Telecom will submit its report as soon as possible after examining all the aspects in this regard and then it would be referred to the cabinet for approval.

[English]

SHRI SANAT KUMAR MANDAL : May I know from the hon. Minister as to whether the Government has decided to disinvest and issue fresh equity in Mahanagar Telephone Nigam Limited to the extent of 107 million shares? If so, how would the major part of the proceeds of the proposed equity sale be utilised?

The second part of my question is this. How do the MTNL propose to speed up the major work of network consolidation and introducing new services?

[*Translation*]

SHRI BENI PRASAD VARMA : Sir, the decision of disinvestment has been taken and the proceeds from disinvestment will be utilized by the MTNL in the projects already drawn up by it.

SHRI SURESH PRABHU : Sir, what the Minister has just said would be a very good thing. The work of restructuring should be carried out keeping in view the interests of the employees. The number of employees working under the MTNL as my colleague has told, is more than 78 thousand and these employees have been working therein for the last 11 years and have been demanding the status of a corporation for it. The Government should keep in mind the feelings of the employees at the time of restructuring. I do not know why the Government are not taking action as soon as possible you have replied to the question of my colleague. Keeping that in view, will you formulate a time bound policy within which that action will be completed?

You would remember that MTNL is going to introduce the DGR issue. The prospectus of the issue has been brought out. It has been said that we have trained manpower but this trained manpower is not working therein so far and they are the employees of the DOT and what is mentioned in the prospectus, that is far from reality.

It is in the interest of the Government to include these employees in MTNL, at the earliest. I want to know, whether the action would be taken within 15-20 days, so that they may also get freedom. You will celebrate the 50th Anniversary of the Independence on 15th August. Whether these employees will also get the freedom on that day.

SHRI BENI PRASAD VARMA : On the occasion of Golden Jubilee of freedom, we can say only this much that in principle we have already agreed to give a full-fledged status to the MTNL and to expedite the actions. We will give instructions to the Telecom that if their employees seek deputation in DOT, they may be permitted to do so. If they liked to become the full time employees, they may be deputed on the same. But it would be better if the Corporation is accorded the status of a corporation in the process of restructuring. We have decided it in our discussion we do not have any objection if the quick action is taken. There would not be more delay in it. More delays will definitely be harmful.

SHRI HARIN PATHAK : Sir, branches of MTNL have been declared to be established in metropolitans only. Through you, I raise a direct question to the Government as to which are the cities, where MTNL are to be established. What criterion is adopted for the same. There are many metropolitan cities in the country, where DOT has been working, but MTNL has not got the autonomy there. Through you, I would like to ask as to what is the criterion behind opening branches of MTNL and whether big cities like Ahmedabad, Hyderabad, Bangalore will also be covered by it?

SHRI BENI PRASAD VARMA : At present, MTNL is working in Delhi and Mumbai only and its extension is under consideration.

MR. DEPUTY SPEAKER : He has asked about the criterion.

SHRI BENI PRASAD VARMA : We have no information regarding the criterion, when it was established, there were many consumers. Keeping in view the convenience of the consumers, branches of this corporation had been established in these two cities. We are considering to increase the no. of corporations to two more cities i.e. Calcutta and Chennai.

SHRI RAM NAIK : Sir, these questions mainly concern Mumbai and Delhi. It is true that you are discussing restructuring of the organisations with their respective employees whatever you decide, you get the consent of the employees for the same, which would remove the dissentment among the employees and they would feel easy. Before taking the final decision, would you elicit the opinion of the Members of Parliament from Mumbai by arranging a discussion?

SHRI BENI PRASAD VARMA : Sir, it is good suggestion but besides the Member from Mumbai, the opinion of the Members of Parliament from Delhi should also be consulted, I will give the instructions to our officers and would also like to attend that meeting.

[*English*]

DR. RAM CHANDRA DOME : Sir, the Government is thinking of re-structuring the Mahanagar Telephone Nigam Limited. It is good. But there are so many hurdles regarding the rural telecommunication facilities. Presently, the District Telecom Circles are facing so many problems in implementing the rural telecommunication services.

My pointed question to the hon. Minister is that whether the Government is thinking of revamping or re-structuring the District Telecom Circles for expediting the work of expanding the rural telecommunication network in this country or not.

[*Translation*]

SHRI BENI PRASAD VARMA : Sir, restructuring is needed because it had already been done in all the countries of the world. Ministry has only policy making power, there is a separate wing to deal with the operational power. Ours is a big country, therefore having a holding company with wings in rest of the circles can be considered, so that after this decentralization they may improve their services.