

**ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
EXECUTIVES' ASSOCIATION**



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No. AIBSNLEA/CHQ/MOS (Finance)/2019

Dated 24.09.2019

To,

**Shri. Anurag Thakur ji,
Hon'ble Minister of State for Finance,
Govt. of India,
New Delhi -110001.**

Subject: Revival of BSNL and immediate Financial Support and Grant of Soft Loan to BSNL/Sovereign Guarantee - Request for your kind intervention

Hon'ble Sir,

All India Bharat Sanchar Nigam Limited Executives' Association (AIBSNLEA) representing over 20000 Executives in BSNL welcomes and felicitates your good-self on assuming the High office of the Minister of State for Finance. We are Confident that under your dynamic Leadership Indian Economy will touch the new heights.

We would like to draw your kind attention towards the Revival of BSNL and immediate Financial Support to BSNL facing severe financial crisis and not able to pay even Electricity Bills, Towers Rent, Vehicle Running Expenses, Fuel Expenses, Contractual Labour Bills, Payment to Vendors, Dues of telecom Infra Service Providers and Local Cable TV Operators. Further, Bank EMI Payments, GPF Contribution Payments and Reimbursement of Medical Claims in respect of the Employees and BSNL Pensioners are delayed. It has caused serious demoralization and frustration to all the concerns. The OPEX, CAPEX, Statutory and other Liabilities are also more than Rs.15,000 Crores and it is likely to increase in the months to come.

BSNL has earned profit up to the F.Y. 2008-09. During the F:Y 2004-05, BSNL earned the profit to the tune of more than Rs.10, 000 Crs. However, the previous UPA Govt. has not allowed BSNL to procure equipments for 7 years for the expansion of its Mobile Network. All the tenders floated by BSNL were cancelled one after another, which has severely affected the BSNL's growth as well as revenue. Despite the sabotage, BSNL started making Operational Profit in the F.Y. 2014-15 and 2015-16 to the tune of Rs.672 crore and Rs.3855 crore respectively and till Sept. 2016. But the entry of Reliance-Jio with free calls and predatory pricing from September 2016 created heavy tariff war and cut throat competition in Telecom Sector in India which severely affected the BSNL revenue. Similarly, all other Private Telecom Service Providers are also facing revenue losses.

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The Access Deficit Charges (ADC) paid to BSNL at the rate of Rs.2000 crore per annum towards the maintenance of Services in NE Region/Rural/Hilly/Far flung/Tribal areas was withdrawn on the basis of TRAI recommendations from July 2011 onwards whereas, BSNL is still maintaining the services with huge expenses in these areas. As per the decision taken by the previous UPA Govt., BSNL's reserves were also exhausted by paying Rs.18,500 Crs. for 3G Spectrum and BWA Spectrum charges on the highest bidding prices to DoT. The 4G Spectrum to BSNL has also not yet been allotted for the last 2-years which is very much essential for the existence of BSNL. These are reasons for BSNL making continuous losses.

It is reported that all other three Private Telecom Service Providers are having a debt of more than Rs.1.00 lakh crore each and total debt of Telecom Sector alone is more than Rs.6.00 lakh crores wherein BSNL is having debt to the tune of Rs.20, 000 Crs only.

It is learnt that the Govt. is working out the Revival and Restructuring plan of BSNL which includes Monetization of Assets, allotment of 4G Spectrum etc., The entire 1,57,275 BSNL Employees are eagerly waiting for more than 4 months with a fond hope that the Revival Plan of BSNL will be approved by the Union Cabinet shortly as per the assurance given by the Hon'ble MOC Shri Ravi Shankar Prasad ji in the Parliament. As per the recommendation of GOM chaired by Hon'ble Home Minister and PMO, a Revised Draft Cabinet Memo has been sent to Finance Ministry, which needs the approval of the Cabinet with your blessings.

Hon'ble Sir, We feel that even after the Cabinet approval of the revival plan, it will take at least 6 months to one year to get the financial support to BSNL through monetization. Due to non availability of Working Capital, the quality of services of BSNL is deteriorating day by day. Hence the Company urgently needs immediate Financial Support for Short term and Soft Loan for Long term Capital Expenditure from the Govt. for its survival

It is further submitted that the earlier NDA Govt. (NDA-I regime led by Shri A.B. Vajpai ji) assured through Cabinet decision on 29.09.2000 (i.e. at the time of formation of BSNL) and through Terms & Conditions of Presidential Orders at the time of Absorption in BSNL to make the BSNL Financially viable, Job security and Govt. Pension to the BSNL employees in the days to come.

This is our humble submission that

(A)To honour the commitment given by the Union Cabinet in the year 2000, to ensure Financial Viability for the survival of the BSNL, in the larger interest of the Nation and the People, following may kindly be acted upon:-

- 1) Extending immediate Financial Support to BSNL, for the maintenance of Services.
- 2) Payment of Claims Recoverable from DoT: Rs. 3300 Crores.
- 3) Payment of Interest on Unutilized BWA Spectrum : Rs. 2200 Crores.
- 4) Refund of excess paid Pension Contribution: Rs. 2800 Crores
- 5) Compensation for Maintenance of 17000 Rural Telephone Exchanges to the tune of Rs.19,000 Crs.
- 6) Issuance of Sovereign Guarantee by the Finance Ministry to avail CAPEX Loan from the Banks towards the Expansion and Developmental activities of BSNL.

(B) The following actions are required to be taken immediately for the revival of BSNL by Govt.

- (a) 4-G Spectrum allotment to BSNL.
- (b) Monetization of BSNL's non-Core Lands.
- (c) Payment of Pension contribution on actual basic Pay instead of the Maximum of the Pay scale as per Govt. Rules(FR.116)
- (d) Financial support to BSNL by refunding Rs.58000/- Crores already paid by BSNL in terms of various Taxes to DOT.
- (e) Payment of Salary to BSNL employees from Govt. as majority of them were recruited by DOT and were transferred to BSNL.

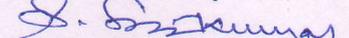
(C) Some HR issues are also required to be settled for the Revival of BSNL and motivation to employees:-

- (a) Wage revision of BSNL employees with effect from 01.01.2017 as per 3rd PRC recommendation.
- (b) Delinking of Pension Revision of BSNL Pensioners from Pay revision of BSNL Employees as their Pension contribution was already paid to DOT during their service Period.

In view of the foregoing, we would, therefore, earnestly urge upon your kind honour to kindly intervene in the matter and take immediate necessary steps as mentioned above for the **Revival of BSNL and immediate financial support to BSNL** to honour the commitment given by the Union Cabinet in the year 2000, to ensure Financial Viability for the survival of the BSNL, in the larger interest of the Nation

With kind regards,

Yours sincerely


(S.Sivakumar)
General Secretary

Copy for kind information and necessary action to-

1. Shri Ravi Shankar Prasad ji, Hon'ble MoC, Govt.of India, New Delhi-110001.
2. Shri Dr. P.K. Mishra, Principal Secretary to PM, PMO, South Block, New Delhi-110001.
3. Shri. Anshu Prakash, Secretary (T) Govt.of India, New Delhi -110001.
4. Shri. P. K. Purwar, CMD, BSNL New Delhi- 110001.