

24/12/18

25/12/2018
DIRE (HR)
G. GENERAL
Dy. No. 6611-2
Date: 24/12

No. 11-1/2017-SU.II
Government of India
Ministry of Communications
Department of Telecommunications
(PSU-I Division)

Sanchar Bhawan, New Delhi-110001
Dated 19th December, 2018

G.M. (S.A.)

on leave pt.

To
The Chairman & Managing Director
Bharat Sanchar Nigam Limited
Bharat Sanchar Bhawan, Janpath
New Delhi-110001.

Old Dir (HR)
Dy. No. 7401-1
Date: 21/12/18
BSNL Co.

Subject: Proposal for revision of pay of Board level and below Board level executives of BSNL under 3rd PRC.

Ref.: Letter No. 1-08/2017-PAT(BSNL) dated 26.11.2018.

Sir,

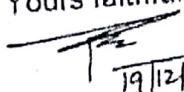
I am directed to refer to BSNL letter No. 1-08/2017-PAT (BSNL) dated 26th November, 2018 on the above cited subject.

2. The proposal has been examined in DoT in consultation with Internal Finance Division. It is requested to furnish the clarifications/inputs on the following points, for further consideration of the proposal:-

- (i) The reply furnished by BSNL does not address the issue as to how the BSNL will meet the extra burden on cash flow on account of 3rd PRC in spite of continuing huge decline in revenue from operation of BSNL.
- (ii) In the absence of specific Govt. directives towards refund of excess pension contribution by DoT as well as the projected working strength is based on assumption of reduced retirement age as 58 years instead of 60 years, the estimate of financial implication for implementation of 3rd PRC i.e. Rs. 2980 Cr annually could not be substantiated. Hence, it is requested to project the financial implication on account of 3rd PRC and estimate the same on the prevailing conditions only.
- (iii) The debt of BSNL as on 31.03.2018 i.e. 15,366 Cr do not support the financial health of BSNL to meet the extra burden on account of 3rd PRC, even though BSNL managed to sustain in the competition with a large work force.
- (iv) BSNL has projected post-commissioning annual operation maintenance as an alternate financial mechanism without quantifying estimates, the likely hood of revenue generation in this regard. BSNL has to quantify/workout/estimate the revenue generation.

- (v) Increasing trend of revenue from Rs. 11000^{cr} (2018-19) to Rs. 26095 Cr (2025-26) as shown by BSNL appears to be far stretched considering the cut throat competition especially conditions prevailing in Telecom Sector.
- (vi) The proposal submitted by BSNL is for revision of pay of Board Level and below Board Level executives of BSNL only. The status regarding wage negotiations for non-executives may please be intimated.

Yours faithfully,


19/12/18
(Pawan Gupta)
Director (PSU-I)