ALL INDIA BHARAT SANCHAR NIGAM LIMITED EXECUTIVES' ASSOCIATION



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DATED: 22.03.2016

President P. Venugopal

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No. AIBSNLEA/CHQ/MOC/2016-17

To,

Shri Ravi Shankar Prasad, Hon'ble Minister of Communication & IT, Govt. of India, New Delhi 110001

Subject: Request for approving certain measures for turnaround of BSNL- Reg.

Procurement of external works of Ministry of C&IT / HRD etc. by BSNL Civil Wing.

Hon'ble Sir,

We are extremely thankful to you Sir, that you are very keen to restore the pristine glory of BSNL. We feel proud to state that BSNL is making relentless efforts to revive itself under your kind and visionary leadership. BSNL has taken various customer centric initiatives such as free night calling, free national roaming and providing a minimum broadband speed of 2Mbps to all customers and many more. That BSNL posted an operating profit of Rs 672 crore in FY14-15 as compared to an operating loss of Rs 691 crore in FY13-14 is encouraging and raises hope of its eventual revival, which is what your esteemed self often said is one of your main priorities.

But Sir, getting from operational profitability to full-fledged profitability is not going to be easy for a company like BSNL who is mandated to provide rural telephony and to undertake government's social obligations without keeping the profit factor in mind. Turning around BSNL will require some bold incentives from government. BSNL has been taking various measures to come back to profitability and is focusing on data services to improve revenues. But, BSNL is a multi-discipline organization and innovation and regulatory actions in telecom technology is challenging the growth. So the need arises that BSNL should expand its business into diversified areas by utilizing the available human capital.

BSNL has also ventured into New Business like leasing out of passive infrastructures i.e towers/ renting out spare-able office space/ installing of ATMs in BSNL premises/ procuring external Civil/Electrical/Architectural works from various departments of Central Govt./ State Govt and their PSUs etc. to generate additional revenues. You will appreciate the fact that commercial exploitation of BSNL's prime lands in major cities and PWO (Public Works Organization) Status to BSNL Civil Wing are some major ways of creating a new revenue-stream which will supplement BSNL's turn around.

In this context, we would like to bring to your kind notice the following few facts for your kind consideration and favorable order please:

1) BSNL Civil Wing is undertaking Project Management Consultancy (PMC) for infrastructure works for outside clients and earning a good amount of revenue by way of departmental charges at a lower rate than CPWD. Many of the central government organizations are insisting whether BSNL is a PWO (Public Works Organization) of the central government in

general or of DOT in particular. The General Financial Rule (GFR) para 126(2) says that "a Ministry or Department may assign works to any PWO such as CPWD, MES etc. and the PSUs set up by the Central & State Government to carry out civil or electrical works." The Memorandum/ Articles of Association of BSNL (Point No. 8, Page 5) has a mention about this. Though some organizations are satisfied with that some others want a certificate that BSNL Civil wing fulfills the requirement of PWO under GFR 126(2)". In case full PWO status is not conferred on BSNL Civil Wing at least a certificate in this regard will, no doubt, be helpful in procuring more of central government works and thereby generating additional revenue by the experienced & talented team of Civil/Electrical/ Architectural engineers of BSNL.

- It is also a matter of regret that DOT has allotted the work of "Construction of new DOT Headquarter at Netaji Nagar, New Delhi (the land belongs to BSNL)" to the CPWD whereas its own PSU's full-fledged BSNLCivil Wing is ignored despite of the fact that the later is maintaining DOT's field offices like CCA, TERM cell etc. on pan India basis. As BSNL Civil Wing has no justified work load, it is begging external works from other departments and our own ministry is disfavoring us.
- 3) It is also observed that all the infrastructure projects of the Ministry of Communication & IT like STPI etc. are being allotted to CPWD without considering the existence of BSNL Civil Wing and as such your priority for turnaround of BSNL is getting defeated. If a minor chunk of infrastructure work of IT department is given to BSNL, the situation will improve a lot.
- If opportunity is given, BSNL Civil Wing shall be able to provide all infrastructure services of newly established national educational institutions like IISER/IIM/IITs etc. and will help commissioning of new campuses in a time bound manner. Hence the HRD ministry may kindly be requested to allot some infrastructure works to BSNL Civil Wing. This way BSNL can earn a sizeable revenue.

We are confident enough that your able leadership and priority for BSNL will be helpful in taking appropriate steps for approval of commercial exploitation of BSNL Lands, award of PWO status to BSNL Civil Wing and entrusting infrastructure works of Ministry of Communication & IT and HRD etc. to BSNL Civil Wing to restore the health of BSNL and making it profitable in coming financial year 2016-17.

We would be obliged if you could spare some of your precious time to discuss the matter with us at your convenient time.

With kind regards.

Yours sincerely.
-sd(Prahlad Rai)
General Secretary

Copy for kind information and necessary action to:

- 1) The Chairman TC and Secretary (T), DoT, Govt. of India, New Delhi.
- 2) The Secretary (IT), Govt. of India, New Delhi.
- 3) The CMD, BSNL, New Delhi.
- 4) The ED (NB), BSNL, New Delhi
- 5) The PGM (BW), BSNL, New Delhi.
- 6) The Heads of the Departments under ministry of C&IT.