

**JOINT FORUM OF BSNL ASSOCIATIONS / UNIONS OF EXECUTIVES &
NON-EXECUTIVES**

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PRESS RELEASE

08.01.2010

BSNL UNIONS OPPOSE IPO IN BSNL

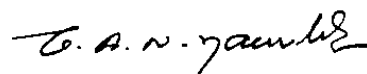
The Joint Forum of BSNL Associations / Unions of Executives and Non-Executives expresses its strong protest at the reported move of the government to disinvest BSNL. This is completely against the written assurances given to the employees and their unions that BSNL will not be disinvested or privatized. The present move is in violation of the said agreement.

BSNL is a behemoth PSU with an asset of more than Rs. 400,00,000/- (Four Hundred lakh crore) with more than thirty thousand offices / exchanges with lakhs of acres of land in the center of towns with invaluable infrastructure installed during the last so many decades. The private telcos and big business are trying to hijack these assets gradually through disinvestment, IPOs etc. as was done in the case of Videsh Sanchar Nigam Ltd.(VSNL) which was handed over to M/S. Tata for a paltry sum of Rs. 1320/- crore, which had assets more than Rs. 10,000 crore and liquid cash of Rs. 1,200 crore. More than 45% of shares of MTNL are already disinvested and it may be privatized at any movement as done in the case VSNL.

Disinvestment / IPO is the first step to privatization, which is the policy of the government. It was only because of BSNL & MTNL that the telecom charges have come down. The disappearance of PSUs in telecom sector will result in increased charges as in foreign countries. The employees in BSNL were government servants and have lost many of their rights & privileges in PSUs. If privatization takes place they will lose their pension and other benefits which they were having as government servants.

Listing has benefited neither VSNL nor MTNL, which were / are the other govt. owned telecom companies. Neither will it benefit BSNL or the people. Improving the financial viability and services is the immediate task. It is only due to the discriminatory attitude and policy of government to BSNL and MTNL compared with private companies that the financial viability of BSNL / MTNL has gone down. Assurances given on License Fee reimbursement, ADC etc. have been withdrawn by government. It is making all obstacles to procurement of 93 million mobile lines by BSNL resulting in capacity crunch due to which it has no lines to provide to the needy public.

Immediate task of the government is to clear the 93 million tender, finalization of absorption of ITS officers who are still on deputation to BSNL for the last 9 years, grant of exemption from license fee, dividend taxes etc. Disinvestment / IPO will only create further hurdles in the growth of BSNL. The Joint Forum will meet on 11th January 2010 to discuss the issues and plan its action programme.



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