



**ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
EXECUTIVES' ASSOCIATION
Central Headquarters, New Delhi**

**Key Note Address delivered by Shri Prahlad Rai, General Secretary
in the Open Session of 6th All India Conference of AIBSNLEA
held on 15th July 2019 at Vijayawada, Andhra Pradesh**

It is indeed a matter of great pride and privilege for me to have such a distinguished gathering on the occasion of the Open Session of 6th All India Conference of the All India Bharat Sanchar Nigam Limited Executives' Association being held here in **Vijayawada, Andhra Pradesh** the "Business capital of Andhra Pradesh" located at the banks of the Krishna River. AIBSNLEA was formally launched on 1st May 2004 by integrating ten separate Associations which were earlier representing Group -'B' and promote source Group 'A' officers of different disciplines in the Department of Telecommunications. We, the members of AIBSNLEA belonging to various disciplines of BSNL i.e. Telecom Engineering, Telecom Finance & Accounts service, Telecom Civil, Electrical, Architectural Engineering and Telecom Factory Services, Telecom Personal Staff, Corporate Office Secretariat Staff, Telecom Official Language Officers etc., are playing the pivotal role in the development, maintenance and operation of Telecom. Our delegates in this AIC, who are the true representatives of plus 20,000 strong BSNL executives, have come to attend this AIC meeting from every nook & corner of the country from Kashmir to Kanyakumari and Lakshadweep to Andaman & Nicobar. We have assembled here, to discuss and find out ways and means for all out growth of BSNL which gives us our daily bread and also discuss the issues to our career prospects. I am sure that the Financial Year 2019-20 will give us a ray of hope for BSNL turn around and to achieve its pristine glory.

2. At the time of formation of BSNL from a Govt. Department to a Corporate entity, BSNL faced unique challenges, in which serious doubts were raised about its capability to sustain productivity and profitability. But with true grit determination, dedication and sincerity, BSNL has belied these misconceptions and sustained its position upto FY 2008-09 but from the FY 2009-10, BSNL has made losses of Rs. 1823 Crs. in the F.Y 2009-10, Rs.6384 Crs. in the F.Y 2010-11, Rs. 8851 Crs. in the

FY 2011-12, Rs. 7884 Crs. in the FY 2012-13, Rs. 7020 Crs. in the FY 2013-14 , Rs.8234 Crs. in the FY 2014-15, Rs. 4859 Crs. in the FY 2015-16, Rs. 4793 Crs. in the F.Y 2016-17, Rs.7993 Crs. in the F.Y 2017-18 and Rs.14202 Crs.(Un audited) in the F.Y 2018-19 respectively, this is a matter of serious concern for all of us.

3. India's telecom network is the third largest in the world on the basis of the customer base and it has one of the lowest tariffs in the world enabled by hyper competition in the market. The total telephone connections as on 31.03.2019 are 1183.49 million, out of which 126.89 million are provided by BSNL. BSNL has been at 04th position as an operator with Market share of 10.72%. BSNL market share has been increased 10.58% to 10.72% during the month of March 2019 and increased from 10.26% to 10.72% during 2018-19 (up to 31.03.2019).

The present tele-density in the country is 86.94 % and total broadband connections as on 31.03.2019 are 18.42 million, out of which 9.21 million are provided by BSNL. We have been at 1st position as an operator with wire-line broadband market share of 50.00% as on 31.03.2019. BSNL market share has decreased from 50.14% to 50.00% during the month of March 2019. We are also the leading service provider in fixed-line (with customer base of 11.16 million), Internet / Broadband and National Long distance Segment. BSNL is privileged to be the first service provider offering 3G Services to its customers. But, waiting now for the allocation of the 4G Spectrum.

4. Large number of disconnections of landline phones in the last few years is a matter of great concern to us. There is a need to overcome this problem sincerely and take corrective action. Broadband business can help us to bring back our landline customers and also retain our existing customers. BSNL has launched Wi-Fi hot spots, Fixed to Mobile convergence, International Wi-Fi services, Inmarsat services, Value added services like Digital wallet, Mobile TV and VSSD payment etc. BSNL has under taken projects like Bharatnet, NFS Army Network, LWE, Smart City etc.

BSNL announced some major initiatives for the benefit of its valued costumers which include unlimited free night calling facility on land line phones from 10.30 PM to 6.00 AM, free incoming calls on roaming, services of BSNL Buzz and Speed pay etc. There is an opportunity to increase our revenue through these initiatives. This AIC may suggest methods for making more popular to these schemes and to reduce the operational cost, and stoppage of unwanted expenditures. In addition to the above has been implemented, we need to improve our quality of service to not only to retain our customers but to attract new subscribers.

5. We are confident that under the leadership of **Shri P.K Purwar Ji, CMD, BSNL**, we will be achieving the targets set by the Govt. BSNL has installed Quality Telecom Network in the country & now focusing on improving it, expanding the network, introducing new telecom services with ICT applications in villages & winning customer's confidence. Today, it has about 36.42 million line basic telephone capacity, 7.13 million WLL capacity, 95.96 million GSM capacity, 34,727 fixed exchanges, 1,17,090 GSM BTSs, 9,594 CDMA Towers, 102 Satellite Stations, 7,73,976 RKm. of

OFC, 4751 Rkm. of microwave network connecting 646 districts, 4519 cities/towns & 6.25 lakhs villages .

BSNL is the only service provider, making focused efforts & planned initiatives to bridge the rural-urban digital divide in ICT sector. In fact there is no telecom operator in the country to beat its reach with its wide network giving services in every nook & corner of the country & operates across India except New Delhi & Mumbai. Whether it is inaccessible areas of Siachen glacier or North-Eastern regions of the country, BSNL serves its customers with a wide bouquet of telecom services namely Wireline, CDMA mobile, GSM mobile, Internet, Broadband, Carrier service, MPLS-VPN, VSAT, VoIP, IN Services, FTTH, etc.

6. AIBSNLEA is holding its 6th AIC here at Vijayawada, Andhra Pradesh when big changes in Telecom Sector are in the offing. In the rapidly changing scenario in telecom, the regulatory regime and competition in telecom are a fait accompli. We are not afraid of competition. With all the constraints around, our colleagues in BSNL in all major cities and other places are facing competitions with exemplary courage. In a bid to fall in line with the International standards, the Telecom Regulatory Authority of India (TRAI) has proposed certain standards to be ensured for quality of service along with provision of imposing penalties, if the prescribed quality of service is not maintained, technological innovation, the rise of the customer-driven markets and regulatory actions are dictating new management styles. Now, there is pressure on us not only to increase DELs i.e. number of telephone connections but also to retain the customer base, especially the creamy layer by rendering quality service & good customer care.

7. The Govt. based on TRAI recommendations, has completely phased out the Access Deficit Charges (ADC) by 30th Sept 2008. It was assured that BSNL would be suitably compensated in the form of ADC for meeting the obligations in respect of rural telephony or other un-economic services but it has been withdrawn in 2008 and only Rs.6000 Crores in lieu of different activities as subsidy was paid to BSNL in F.Y. 2008-09, 2009-10, 2010-11 and this was also withdrawn in July, 2011. BSNL, the major service provider of universal services in rural, remote, in-accessible and hilly areas, provided reliable service connectivity across the country including ice-lands, should be fully compensated for the losses in providing these services from the USO fund.

8. It is understood that certain authorities in Govt. believe that Rural Operation of BSNL are in fact profitable. It is with this laughable and irresponsible attitude that recommendation of TRAI for paying a compensation of rural deficit charges not being paid to BSNL from the year 2013, whereas BSNL has been incurring the expenditure even with borrowing at high interest cost. Similarly, Rs. 18,500 Crs. were arbitrarily and in an unfair manner taken away from BSNL for 3G and BWA spectrum allocation.

9. BSNL has been requesting to DoT for financial support in order to make its wired line services/rural telephony financially viable by compensating the losses of Rs.

44,000 Crores incurred by BSNL due to difference in ADC which was admissible to BSNL earlier. Despite repeated requests by BSNL Management to DoT, this has not been made good. BSNL has continued to render services in unviable rural remote and difficult areas. ADC has been stopped all together since July, 2011. BSNL being 100% control Govt. PSU, it can't go to the Govt. against Govt. decisions even if they are not favorable to BSNL. Whereas, the Private Operators have liberty to approach TDSAT against Govt. decisions. For example, Private operators have gone to TDSAT against the CAFs related penalties and have been given relief. Such reliefs have not been made applicable by DoT to BSNL. BSNL is not allowed by the DoT to get bank loan for Capital expenditure whereas the debt laden private Telecom Service Providers are allowed to get bank loan to the tune of more than 6 Lakh crores. The debt of BSNL as on date is Rs.19,000 crs (Rs.13,500 crs as on 31.3.2018). Whereas, Vodafone Idea's debt is Rs.1.18 Lakh crores. and Airtel's debt is Rs.1.08 Lakh crores. Even Reliance Jio is having a huge debt of Rs.1.12 Lakh crores.

Hence, the following actions are required to be taken immediately for the Revival of BSNL by the 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 maximum of the Pay Scales 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.
- (f) Grant of permission by the Govt. to avail CAPEX Loan from the Banks for Expansion and Developmental activities of BSNL.

(B) 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 Pay Revision Committee Recommendations.
- (b) Delinking of Pension revision of BSNL Pensioners from Pay revision of BSNL pensioners as their Pension contribution was already paid to DoT during their service Period.

10. In pursuance of New Telecom Policy 1999, the Govt. of India decided to corporatize the service provision functions of DoT. Accordingly Govt. of India decided to transfer the business of providing telecom services in the country presently run and entrusted with the DTS and DTO as was provided earlier by DoT to the newly formed company viz. Bharat Sanchar Nigam Limited w.e.f. 01.10.2000. The Assets and liabilities of erstwhile Department of Telecom Services and Department of Telecom Operations which earlier formed part of DoT were transferred to Bharat Sanchar Nigam Limited except Sanchar Bhawan and few other buildings but in true sense till date all these assets have not been transferred to BSNL rather DoT administration is

taking back the assets of BSNL on the pretext of opening TERM Cell / CCA Offices and Training Centers which is contrary to the Govt. of India orders and recently DoT has arbitrarily issued letter to takeover of ALTTC Campus, Ghaziabad from BSNL. Hence DoT should immediately transfer all the Assets to BSNL as per Govt. of India Order.

Land, building, A&P, Cable, experienced workforce are our assets. All these assets are to be gainfully deployed to fetch additional revenue. There are vacant lands and large vacant space in buildings. These spaces are to be commercially exploited to get hundreds of crores additional revenue every year. Formation of special task force for this purpose will speed up to achieve the objective. Commercial hoardings in CSCs and other BSNL buildings, commercial advertisement in the telephone bills will also fetch additional revenue.

11. BSNL Management has taken up the matter with DoT for modification in payment of Pension contribution from maximum of IDA pay scale to the actual basic pay from BSNL w.e.f 1.1.2017 as DPE Guidelines/Govt. Rule(As per FR.116). As the case was referred to DoP&PW and DoP&T by DoT and DoT submitted that Ministry of Finance (Deptt. of Expenditure) has not concurred the above proposal. Hence the excess paid Pension contribution to the tune of Rs.2500 Crs from 1.1.2007 to 31.3.2019 in respect of absorbed BSNL employees are to be refunded to BSNL as per the DoPT orders.

12. Poor After-Sales Service in Broadband Connections/ Irresponsible Call Centers / Poor Revenue Collection and strengthening of Marketing & Sales units of BSNL. These services have been outsourced to different vendors, who have no fear of losing their contract and they are not carrying out their job satisfactorily bringing bad name to BSNL. A committed management can take adequate care to solve these problems due to provision of inadequate service by these vendors/ outsourcing agents.

13. Huge amounts of dues are pending for recovery from the customers to the tune of several thousand crores of Revenue. BSNL has recently taken some steps for their recovery but more needs to be done by BSNL Management and the Government on this account so that defaulting customers cannot evade payment while they continue to receive Telecom Services from one operator or the other.

14. Private Service Providers are approaching to BSNL customers door to door and offering various attractive plans and taking away its creamy customers. Proper monitoring of franchisees / retailers, who should have all available brands of BSNL, is required. More and more retailers / outlets of BSNL are also required in the market. BSNL should create teams to bring Enterprise Business by way of door to door marketing and should concentrate to provide quality service.

15. Various illogical interests being paid by BSNL to Govt. of India, which is directly affecting the viability of BSNL. BSNL should be exempted from paying building tax,

paying excise duty on SIM cards, paying License Fee for the Annual Gross Revenue earned from other than the Telecom Services viz., Telecom Factory, Digital India Projects, NFS and Smart City Projects, paying exorbitant electricity bills by applying the logic of low usage of power instead of electricity being charged on the basis of power plant capacity, VTMs revised penalty charges and heavy charges being paid to municipality and panchayat for erecting towers whereas they are not charging anything from electricity companies.

16. Merger of BSNL & MTNL: In the UPA Government in the year 2014, the Empowered Group of Ministers (EGoM) suggested merger of BSNL & MTNL, which is now being sent by DoT to the Union Cabinet for approval. Meanwhile some study groups were formed in DoT to examine the issues related to financial matters, technical matters and HR issues. We have given our views on this issue that before the merger of BSNL and MTNL these issues needs settlement to avoid complications. Now Sh. P.K. Purwar CMD MTNL has been given additional charge of CMD BSNL, who is also of the opinion that as synergy point of view BSNL & MTNL merger will be beneficial. DoT has now circulated a Cabinet Note to Nodal Ministries for comments wherein BSNL & MTNL merger is also one of the points. Govt. may decide to merge BSNL & MTNL.

17. In the above backdrop, we would like to share our thoughts with this august gathering.

We are extremely thankful to the **Hon'ble MOC Shri Ravi Shankar Prasad ji** and **Shri Sanjay Shamrao Dhotre ji, Hon'ble MOSC** for their extra ordinary and sincere efforts for the Revival of BSNL & MTNL. At their instance DoT has proposed for the Revival of BSNL/MTNL as under:-

“The state-owned operator is in extreme debt and is looking at the government to keep it alive with financial aids. Being one of the country's biggest loss-making PSU, the government of India is working on a bailout plan that may cost almost Rs 74,000 crores.

As mentioned in a report from The Times of India, the government is now working on a bailout plan of exactly Rs 73,787 crores. With this plan, the government has worked out that it may be enough to bring both BSNL and MTNL back on track. With such a large amount of bailout package, BSNL and MTNL may cost the government a lot. However, the department of telecom says that the bailout package is cheaper and better than closing both the companies, which could amount to a sum of Rs 1.2 lakh crores.

Along with staff management, the government is also looking to fund the allotment of 4G to BSNL and MTNL, which will cost Rs 20,410 crores. Add in the Capex cost and the total figure goes up to Rs 73,787 crores.

While the cost is high, the bailout package could help BSNL and MTNL go aggressive with the prices for telecom plans. And with BSNL able to play in the 4G sector, it could draw more subscribers to its telecom plans as well as go aggressive with its broadband services to rival all the private players in the market.

It is to be noted that BSNL is among the least loss-making entities in the telecom sector. With aggressive pricing, all telecom operators are experiencing more losses than before.”

We acknowledge the comments of **Ex.CMD, BSNL Shri Anupam Srivastava Ji** that “BSNL has been doing its socio-economic duty, as always, and is committed to provide its services using all available technologies. Connection the whole country with mobile and broadband connectivity is an ambitious endeavor of the government and we are integrated part of it. With the passage of time many more projects will come and we shall do our best to serve this country”.

18. Despite having a definite edge over the Private Operators in many areas, BSNL has some weaknesses too. The main weakness lies in its structure itself i.e. the Management believes and possesses a work culture which does not suit the need of the hour. There is no denial that the dependency on other Departments/Organizations like Planning Commission, Department of Electronics, Department of Expenditure, Department of Telecommunications and Department of Public Enterprises delays the decisions. BSNL has to be given the freedom to decide its own issues. After all, it is the BSNL Management which is responsible and accountable to the Public whereas others are not. In this background, BSNL needs to be given the full autonomy in decision making both on functional and financial front. In the process of decision making, innovative ideas and bold initiatives need not be distrusted and overcome by the age old DoT systems and procedures of ensuring safety and propriety.

19. In the modern management concept, it is also necessary to decentralize the administrative and financial powers for not only reducing the burden on the top management but also to give adequate freedom to the lower formations. Unfortunately, a typical DoT work culture is still continuing in BSNL, which tends to keep the powers centralized and prevents any move in positive direction. The BSNL again suffers most in the absence of a sense of team spirit. The conviction of team leaders to live in isolation keeps them away from the realities. In the challenging current business scenario with highly competitive market conditions and customer expectations in terms of quality of service, BSNL will have to gear up itself to improve its performance in achieving excellent growth in all spheres. Accordingly, BSNL needs to take immediate steps to motivate its works force, their skills and profile through trainings, seminars, moral education and attractive incentive schemes etc. so that it meets the challenges and increases its profitability in future and also prevents the brain drain.

20. As a service Association we cannot remain silent spectator to the problems of our cadres. As already stated, our members are feeling demotivated due to non-settlement of the following pending grievances:

- Implementation of 3rd PRC recommendations with full 15% benefits in BSNL.
- Payment of pension contribution on actual basic pay instead of maximum of the pay.
- Revision of Pension of BSNL pensioners from 01.01.2017.
- Implementation of E-2, E-3 standard IDA Pay scales to JTO and SDE equivalent executives and subsequent pay scale up-gradation up to E-7 grade.
- Rs. 22820/- to be extended to all the JTOs/JAOs of 2007 & 2008 batch.
- First Time bound upgradation in four years in all the cases.
- 30% Superannuation benefit to BSNL recruited employees as per DPE guidelines.
- CPCs for all the eligible executives in all the disciplines are to be conducted by upgradation of posts to reduce stagnation in the cadres before implementation of CPSU CH.
- Date of effect of Implementation of revised IDA Pay Scales for the Executives (C/E/Arch./TF, PAs/PSSs) w.e.f. 01.10.2000 on notional basis.
- Restructuring of Assistant Directors (OL) cadre.
- BSNL Boards approval is needed on E1+5 increments to JTO (SRD), JAO (2013) batch and PA cadre.
- Diversion of 336 MT quota posts of CAO to seniority quota posts.
- Scrapping of MT RRs/DGM RRs.
- Pay fixation of Offg. JTOs under FR-22(1) (a) (i).
- Conduction of LICE from JE to JTO Cadre to fill up all vacant JTO posts.

The Group- 'B' officers and officers promoted there from are playing crucial role in the phenomenal growth by BSNL. But the Officers need motivation to perform tirelessly for the growth of the company because only a contended workforce can deliver upto the desired level of customer satisfaction. It is therefore, imperative that the DoT Administration & BSNL Management both should settle the HR issues concerning all the executives as enumerated above.

Hon'ble Sirs, our intention is definitely not to burden you with our cadre problems. What precisely we want to convey to our esteemed audience and the dignitaries sitting on the dais, is that telecom is moving towards faster growth and more and more customer friendly services and in the days to come we shall have to earn more and more confidence of our customers and make them delighted through our faultless, customer friendly services and BSNL at customer's doorstep etc. We assure all of our members will strive hard for this. We all together devote ourselves to the service.

Now, while concluding, I thank all of you for giving me a patient hearing and at the same time we reaffirm our resolve that we shall be discharging our responsibilities in the new environment and will move forward along with all of you to make BSNL of our dreams, a reality to turn around. We also reassure our esteemed customers that AIBSNLEA will do everything at their disposal to ensure the best possible telecom services in terms of **“affordability, quality and transparency”**.

Thank you all,



(Prahlad Rai)
General Secretary