

# ALL UNIONS AND ASSOCIATIONS OF BSNL

To

Shri -----  
Hon Member of Parliament,  
-----,

## Memorandum

**Subject: Implementation of 3<sup>rd</sup> Pay Revision for BSNL employees w.e.f 01.01.2017, left over issues of 2<sup>nd</sup> PRC and abandon the move for creation of separate Tower Subsidiary formation.**

**Respected Sir,**

BSNL was formed in 2000, with the motto "**World class service to the Telecom Users of the country at affordable rates**". BSNL is the only Telecom Operator meeting the social obligations of the Govt by providing services to the far flung Rural areas, Naxal affected areas, Hilly terrain, North East region, Jammu & Kashmir, Andaman & Nicobar Islands, Lakshadweep etc. All other Private Operators concentrated their business in potential urban areas, leaving the difficult terrains and loss making areas mentioned above to the CPSU, BSNL. **BSNL is meeting the service obligation in far flung and Rural areas, Hilly terrains, North East regions etc, incurring huge losses to the tune of thousands of Crores of rupees without any financial support from the Govt.** Due to social obligation, huge manpower is employed in rural sector. In spite of this huge expenditure on social obligation, BSNL has earned operational profit since last three consecutive years.

Since 2002-03, BSNL should be seen as a tariff regulator vis-à-vis exploitation of telecom users by private operators. Till the entry of BSNL and MTNL into mobile sector in 2002-03, Private Operators charged Rs 16/- per minute for outgoing calls and Rs. 8/- per minute for incoming calls. They were slashed to Rs. 2.40/- per minute for outgoing call with free incoming call when MTNL and BSNL launched mobile services.

During natural calamity, BSNL is the sole operator, the Govt and public can rely upon for providing services and to help relief works. BSNL provides services without looking into profitability. This has been established during the recent flood at Chennai, flash flood at Leh, flood at Uttarakhand and Kashmir, Cyclone at Vizhakhapatnam, Odisha and Tsunami in A&N etc.

BSNL is having huge optical Fibre network at the nook and corner of the country. BSNL OF cable is passing through all Dist HQs, Taluk HQs, Block HQs and even remote Panchayaths. On this strength of BSNL, having maximum OF cable connectivity in the Rural areas, the prestigious Govt project of Digital India is getting implemented in the country. Considering the maximum OF cable connectivity in the Rural areas, majority of the NOFN Project (BhartNet) is allotted to BSNL. In addition to the NOFN work, Network For Spectrum (NFS) project for the Defense, Left Wing Extremism (LWE) Project and North East Project is executed by BSNL. BSNL employees are playing vital and prominent role in the completion of these prestigious projects of the Govt like planning, survey, project execution, testing and acceptance, maintenance of the network etc.

Last few years, BSNL is in the revival path and growing with the continuous support of the Govt. The employees fully dedicated for the growth and revival of BSNL and supporting the management in its every initiative. BSNL employees observed "**Customer Delight year**" and "**Service With A Smile (SWAS)**" programmes with special focus on quality of service, customer satisfaction and growth of the company. As a result, **BSNL recorded operational profit for the last three years, i.e. 2014-15 and 2015-16 for Rs 672 Cr and Rs 3854 Cr. During 2016-17 also, BSNL is in operational profit.** Due to the huge depreciation of about 7,000 to 8,000 Crores on the value of its assets, balance sheet of BSNL will continue to be negative. Even last financial year, when all other telecom operators recorded dip in the revenue by 30% to 40%, BSNL could improve the market share, without any dip in the revenue. All operators suffered badly on business due to demonetization, entry of Reliance Jio with illegal free offers and predated pricing etc.

**BSNL seeks support from the Government in the following areas which will accelerate the growth and BSNL can be once again positioned as a strategic and profit making CPSU.**

**I. 3<sup>rd</sup> Pay Revision for the BSNL employees with full 15% fitment. BSNL is in revival mode and the employees should be further motivated. Considering the strategic importance of BSNL which meets the social obligations of the Govt., the affordability clause of 3<sup>rd</sup> PRC needs to be exempted for BSNL.**

BSNL employees will not be eligible for the 3<sup>rd</sup> Pay Revision due to affordability clause even after a span of 10 years where as no such conditions exists in respect of Govt employees, employees of banking sector, Insurance sector etc. Even for loss making banks, wage revision taken place. In other sectors like banking sector, Insurance sector and Govt sector, profitability or affordability are not at all a criteria to decide the pay revision.

We feel that BSNL requires special consideration at this stage when it is under revival mode, under fierce competition. **BSNL Board recommended 3<sup>rd</sup> Pay Revision with 15% fitment and sent the proposal to the Govt for approval. BSNL management expressed its readiness to meet the additional expenditure on account of pay revision through internal resources, without any support from the Govt.** Pay Revision is absolutely required to motivate the BSNL employees who are fully involved in the revival of BSNL. Out of 1.85 lakh employees, 1.5 lakh employees of BSNL are Govt employees absorbed in BSNL after the formation of BSNL on 01.10.2000. After BSNL formation, BSNL paid about 1.76 lakh Crores as salary to the employees from its own resources and saved that much money for the Govt exchequer. Thus the implementation of 3<sup>rd</sup> Pay Revision, with 15% fitment benefit in BSNL, is must to keep the employees motivated and to turn around BSNL.

**II. Abandon the move for Tower Subsidiary formation:**

The decision of Government to off load most powerful and potential assets of BSNL, 66,000 mobile towers, gravely threatens to decelerate an otherwise accelerating growth of BSNL, besides endangering its very existence. It will lead to disinvestment and eventually privatization of the most strategic and prestigious CPSU which enable the Government to successfully and effectively implement telecom policies, maintain competitiveness in the telecom market and defeat cartelization of private operators and also to meet social obligations of the telecom policies of the Government in an extraordinary and exemplary manner. In the name of monetization of assets, BSNL cannot be allowed to get disintegrated. Tower sharing growth of BSNL is accelerating at satisfactory proportion of 25% and this can be significantly increased without fiddling with the existing structure of BSNL in any way whatsoever. This move of the Government to form Tower Subsidiary will

disintegrate and weaken BSNL. The creation of BSNL's Tower subsidiary should immediately be abandoned.

With kind regards,

*Yours faithfully,*