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भारत संचार निगम लिमिटेड

(भारत सरकार का उद्यम)

BHARAT SANGHAR NIGAM LTD.

(Government of India Enterprises)

अनुपम श्रीवास्तव

अध्यक्ष एवं प्रबन्ध निदेशक

ANUPAM SHRIVASTAVA

Chairman & Managing Director

DO No. BSNL/38-2/SR/2016

Dated : 01.06.2017

Respected Madam,

I would like to bring to your kind notice my earlier letter dated 14.03.2017 wherein BSNL had proposed for implementation of 3rd PRC recommendations with 15% fitment benefit on Basic + DA along with the reasons necessitating such pay revision. A copy of the same is enclosed. However, the following salient points are reiterated for consideration :

1. BSNL has Strategic, Social & Economic Relevance in Telecom Sector and is rendering telecom services in a fiercely competitive market dominated by large Private Sector Telecom Service Providers. Its main role are as follows :

- (i) It addresses market imperfections in telecom sector;
- (ii) It is functioning as a reference point for getting more reliable information for the sector regulator;
- (iii) It is working as tariff balancer so as to ensure availability of reliable and affordable telecom service to the masses;
- (iv) It is providing telecom services in the uneconomic, unviable, rural, far flung areas and difficult hilly terrains;
- (v) It plays vital role in providing connectivity during emergencies, natural calamities etc.

2. BSNL has been identified by 14th Finance Commission as 'Priority Sector' CPSU, due to reasons mentioned above.

- (i) The financial position in the report of 14th Finance Commission has been shown for the period upto 2012-2013. However, the financial position thereafter has been on rising trend as seen from the table below.

Revenue statement (in Crores) for the last five years is as follows :

FY	2011-12	2012-13	2013-14	2014-15	2015-16
From Operation	25,982	25,654	26,153	27,242	28,449
Total Revenue	27,933	27,127	27,996	28,645	32,918

- (ii) The result of various initiatives taken by BSNL Management for turnaround, so far has shown positive trends, which is evident from the EBITDA detailed below :

EBITDA (in Crores) for the last three years is as follows:

2013-14	2014-15	2015-16
(-) 691	+672	+3856

- (iii) BSNL is executing Government Projects of national importance like Bharat-Net, Network for Spectrum, LWE Areas Project, Comprehensive Telecom Development Plan for North Eastern States, etc.

3. BSNL has huge legacy manpower, as these employees were en-masse transferred and absorbed in it without any functional considerations and justifications. The legacy manpower in general has now been retrained and redeployed. While seeking their options for absorption in BSNL, Government gave them assurances for better prospects.

In case they had not opted for absorption, they would have got the benefits of 7th CPC. Unabsorbed Government officers deployed in BSNL have already been granted the benefit of 7th CPC w.e.f. 01.01.2016. The pension revision of about 2 lakh retired employees' is directly linked with implementation of 3rd PRC recommendations. There are about 25,000 employees who are stagnating in their pay scales and this would end only on implementation of 3rd PRC.

4. You would appreciate that to make turnaround of a non-profitable CPSU working in stiff competition needs more motivated employees than an organization already running in profit in a lesser competitive market. Apart from above it is also worth mentioning that to remain vibrant and add to its competitive edge, BSNL has recruited about 30,000 Engineering Graduates. Pay revision is imperative to retain this young talent.

5. I would also like to draw your attention to the Recommendations of the 3rd PRC (Para 5 of the Executive Summary) wherein the committee has recommended that affordability conditions shall not be applicable to such CPSEs which are formed to perform specific agenda of the Govt. BSNL was formed in pursuance of specific agenda of the Govt of India to meet the objectives of the National Telecom Policy 1999. Therefore, the condition of affordability may not be insisted in case of BSNL.

6. It is learnt that based on our previous letter dated 14.03.2017(referred above), DOT has already forwarded its comments on similar lines to Cabinet Secretariat and meetings of Committee Of Secretaries (COS) on the same have been held. I would call upon you to kindly bestow your personal attention and impress upon the COS about the desirability of implementation of 3rd PRC recommendation for BSNL as proposed below :

- (i) Pay revision with 15% fitment benefit on Basic + DA be allowed to BSNL employees.
- (ii) The 15% fitment is reasonable and is in commensurate with inflation.
- (iii) Revision of the variable component that is perks and PRP would be considered subsequently on improvement of financial position of the Company.
- (iv) The resource mobilization for its implementation may be left to the Board of Directors of BSNL.

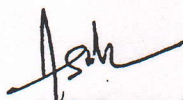
With regards,

Yours sincerely,


(Anupam Shrivastava)

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Copy to : Smt Seema Bahuguna, Secretary,
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(A M Gupta)
GM (SR)