

**ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
EXECUTIVES' ASSOCIATION**



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No. AIBSNLEA/CHQ/MOSC/2017-18

dated 21.11.2017

To,

**Shri Manoj Sinha Ji,
Hon'ble MoSC (I/C),
Govt. of India, Sanchar Bhawan,
New Delhi - 110001**

MEMORANDUM

Subject: Request for kind intervention and recommendation on implementation of 3rd PRC report with 15% fitment benefit to BSNL executives - reg.

Hon'ble Sir,

We are extremely thankful for your kind honour for granting us a meeting despite your very busy schedule of programs. Further, we would like to submit the following points for your kind consideration in respect of implementation of the 3rd PRC recommendations with 15% fitment benefit in Bharat Sanchar Nigam Limited (BSNL).

Sir,

BSNL is a CPSE in telecom sector which is a service industry. It has pan India presence. It is facing competition from a large number of private players of the industry. Being a CPSE it is fulfilling the obligations of the Government by providing services in such areas also where the private players do not offer services because of absence of profit. The infrastructure cost in providing services in high terrains, Left Wing Extremists area are much more and it does not make business sense.

BSNL being a CPSE and "State" in terms of Article 12 of the Constitution of India is building and maintaining infrastructure in such areas too. It is noteworthy that in cases of natural calamity the services of BSNL only become available to the general public who are in distress. Furthermore, the decisions are also influenced by the stringent policies and frequent Government interferences, fear of CVC and all statutory bodies. BSNL's tariffs are significantly low and one of the cheapest in the world, resulting in low ARPUs.

BSNL has been identified by 14th Finance Commission as "Priority Sector" CPSU. BSNL is executing important Government Projects of national importance like Bharat-Net, Network for Spectrum, LWE Areas Project and Comprehensive Telecom Development Plan for North East states etc.

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BSNL has strategic, social and economic importance for the nation as It addresses market imperfections in telecom sector, functions as a reference point for getting more reliable information for the sector regulator, works as tariff balancer so as to ensure availability of reliable and affordable telecom service to the masses, provides telecom services in the uneconomic, unviable, rural, far-flung areas and difficult terrains and plays vital role in providing connectivity during emergencies, natural calamities etc.

Looking to these odds BSNL is on the path of turn-around and so far have shown positive trends, as is evident in Company being EBIDTA Positive.

The Executive Summary / Recommendations of 3rd PRC vide Para 5 provides that CPSEs which have been formed to perform specific agenda of the Government and where there is no budgetary support provided by the Government to such CPSEs, the affordability condition shall not be applicable to that CPSE. Whereas, pursuant to National Telecom Policy-1999 (NTP-1999) BSNL was formed to take over the service providing function of DoT. Thus, BSNL was formed as a Government Company to perform specific agenda of the Government with regard to Telecom Sector.

Huge legacy manpower, as a result about 55% of the total revenue goes to employees' remuneration; as these employees were en-mass transferred and absorbed in BSNL without any functional considerations and justifications. While seeking their options for absorption in BSNL, Government gave them assurances for better prospects. Had they not opted for absorption, they would have got the benefits of 7th CPC. Unabsorbed Government officers deployed in BSNL have already been granted the benefits of 7th CPC w.e.f. 01.01.2016.

About 2 lakh retired employees' pension revision is linked with implementation of 3rd PRC recommendations. About 25,000 employees are stagnating in their pay scales.

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. Further, to remain vibrant and to add to its competitive edge, BSNL has recruited about 30,000 Engineering Graduates. To retain this talent, pay revision is imperative.

In view of the above, it is requested to kindly approve implementation of 3rd PRC recommendations in BSNL with full 15% fitment benefit.

We believe that your kind honour will appreciate our feelings and render justice to all the executives and in the interest of viability of BSNL.

With kind regards,

Yours Sincerely
Sd/-
(Prahlad Rai)
General Secretary