

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



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No. AIBSNLEA/CHQ/PMO/2019

Dated 14.08.2019.

To,

Shri. Narendra Modi ji,
Hon'ble Prime Minister of India,
Govt. of India,
New Delhi-110001.

Subject: Request for immediate Financial Support and Grant of Soft Loan to BSNL- reg.

Reference: Letter No: AIBSNLEA/CHQ/PMO/2019 dated 26.06.2019.

Hon'ble Sir,

All India Bharat Sanchar Nigam Limited Executives' Association (AIBSNLEA) Representing over 20000 Executives in BSNL congratulating the Hon'ble Prime Minister of India on the auspicious occasion of the 73rd Independence Day of India on 15th August 2019. We, the BSNL Employees also take a pledge to provide uninterrupted Telecom Services at an affordable rate to the People of our great Nation INDIA.

Sir, we would like to draw your kind attention towards the Revival of BSNL and Immediate Financial Support. BSNL is facing severe financial crisis and not able to pay even Electricity Bills, Towers Rent, Vehicle Running Expenses, Fuel Expenses, Contractual Labour Bills, Payment to Vendors, Telecom Infra Service Providers and Local Cable TV Operators. Further, Bank EMI Payments, GPF Contribution Payments and Reimbursement of Medical Claims in respect of the Employees and BSNL Pensioners are delayed. It has caused serious demoralization and frustration to all the concerns. The OPEX, CAPEX, Statutory and other Liabilities are also more than Rs.13, 000 Crores and it is likely to increase in the months to come.

It would be very difficult for BSNL to meet even its fund requirement for monthly salary due to heavy dip in cash flow for the past one year. The salary for the month of July 2019 has been paid on 5th August 2019 only. Further, the gap between monthly revenues and bare expenses to continue operations as a going concern has reached a level where continuing with BSNL operations could be nearly impossible without immediate infusion of adequate liquidity.

Due to non-payment of Electricity bills and Towers/Buildings rent, more than 3500 Mobile BTS were down and electricity connections were disconnected in many of the Exchanges throughout the Nation and severally affected the Telecom Services which results in decline in revenue of BSNL.

S. SivaKumar

Hon'ble Sir,

BSNL has earned profit up to the F.Y. 2008-09. During the F.Y 2004-05, BSNL earned the profit to the tune of more than Rs.10,000 Crs. However, the previous UPA Govt. has not allowed BSNL to procure equipments for 7 years for the expansion of its Mobile Network. All the tenders floated by BSNL were cancelled one after another, which has severely affected the BSNL's growth as well as revenue. Despite the sabotage, BSNL started making Operational Profit in the F.Y. 2014-15 and 2015-16 to the tune of Rs.672 crore and Rs.3855 crore respectively and till Sept. 2016. But the entry of Reliance-Jio with free calls and predatory pricing from September 2016 created heavy tariff war in Telecom Sector in India which severely affected the BSNL revenue. Similarly, all other Private Telecom Service Providers are also facing revenue losses.

The Access Deficit Charges (ADC) paid to BSNL at the rate of Rs.2000 crore per annum towards the maintenance of Services in NE Region/Rural/Hilly/Far flung/Tribal areas was withdrawn on the basis of TRAI recommendations from July 2011 onwards whereas, BSNL is still maintaining the services with huge expenses in these areas. As per the decision taken by the previous UPA Govt., BSNL's reserves were also exhausted by paying Rs.18,500 Crs. for 3G Spectrum and BWA Spectrum charges on the highest bidding prices to DoT. The 4G Spectrum to BSNL has also not yet been allotted for the last 2-years which is very much essential for the existence of BSNL. These are reasons for BSNL making continuous losses.

It is reported that all other three Private Telecom Service Providers are having a debt of more than Rs.1.00 lakh crore each and total debt of Telecom Sector alone is more than Rs.6.00 lakh crores wherein BSNL is having debt to the tune of Rs.20,000 Crs only. It is learnt that the Govt. is working out the Revival and Restructuring plan of BSNL which includes Monetization of Assets, allotment of 4G Spectrum etc., and Hon'ble MOC Shri Ravi Shankar Prasad ji is making his best efforts for the revival of BSNL and a Cabinet Memo has been circulated in this regard to all the concerned Nodal Ministries for comments which needs the approval of the Cabinet with your blessings.

Hon'ble Sir, We feel that even after the Cabinet approval of the revival plan, it will take at least 6 months to one year to get the financial support to BSNL through monetization. Due to non-availability of Working Capital, the quality of services of BSNL is deteriorating day by day. Hence the Company urgently needs immediate Financial Support for short term and Soft Loan for long term Capital Expenditure from the Govt. for its survival. It is further submitted that the earlier NDA Govt. assured through Cabinet decision on 29.09.2000 i.e. at the time of formation of BSNL, to make the BSNL financially viable, Job security and Govt. Pension to the BSNL employees in the days to come

S. Sankaranarayanan

In view of the foregoing, we would therefore, earnestly urge upon your kind Honor to kindly intervene in this matter and take necessary steps to honour the commitment given by the Union Cabinet in the year 2000, to ensure Financial Viability for the survival of the BSNL, in the larger interest of the Nation and the People by:-

- 1) Extending immediate Financial Support to BSNL, for the maintenance of Services.
- 2) Refunding of Govt. dues to BSNL viz.-
 - a) Interest paid on BWA Spectrum.
 - b) Excess payment of Pension contribution to the tune of Rs. 2700 Crs.
 - c) Compensation for Maintenance of 17000 Rural Telephone Exchanges to the tune of Rs.19,000 Crs.
- 3) Extending Soft Loan to BSNL for its Capital Expenditure till the Monetization of Assets is effected.

Hon'ble Sir, We assure to strengthen your hands, in all your endeavors to strengthen BSNL.

With kind regards,

Yours sincerely



(S.Sivakumar)

General Secretary

Copy for kind information and necessary action to:

1. Shri Ravi Shankar Prasad ji, Hon'ble MoC, Govt.of India, New Delhi-110001.
2. Smt. Nirmala Sitharaman, Hon'ble Minister of Finance, Govt. of India, New Delhi-110001
3. Shri Sanjay Shamrao Dhotreji, Hon'ble MoSC, Govt.of India, New Delhi-110001
4. Shri. Nripendra Misra ji, Principal Secretary to PM, PMO, South Block, New Delhi-110001.
5. Shri. Anshu Prakash, Secretary (T) Govt. of India, New Delhi -110001.
6. Shri P.K. Sinha, Member (Fin.), DCC, DoT, New Delhi- 110001
7. Shri. P. K. Purwar, CMD, BSNL New Delhi- 110001.
8. Shri. S. K. Gupta, Director (Fin), BSNL Board New Delhi- 110001.
9. Shri. Vivek Banzal, Director (CFA), BSNL Board New Delhi-110001.
10. Shri. Sheetla Prasad, Director (CM), BSNL Board New Delhi- 110001.
11. Shri. B. L. Varshney, Director (EB), BSNL Board New Delhi- 110001.