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GS/AIGETOA/2019/51

Dated 10.08.2019

To,
Shri Ravi Shankar Prasad Ji,
Hon'ble Cabinet Minister for Communications,
Government of India, New Delhi.

Subject: Revival & Survival of BSNL – Request for a complete revival plan along with full emphasis on future road map of BSNL, future procurement policies, future standard operating procedures, future HR policies to be adopted by this company post implementation of measures like VRS & rolling back the retirement age to 58 etc. - regarding.

Respected Sir,

We have come to know that the government is actively considering revival plan for BSNL to resolve its long-standing problems and for a glorious future of our beloved company. In this regard, we would like to put forth some points for your kind consideration pertaining to revival program of BSNL. **Members of our association consist mostly of BSNL Recruited executives, who are professionally qualified and have to serve the company for the next 20-30 years. As our future totally depends upon the success of this revival process and hence we are deeply concerned about the status of the company post implementation of measures like VRS & rolling back the retirement age to 58. We would like to emphasize that AIGETOA is the only major association of BSNL, which has extended its unconditional support for the revival measures taken by Government as we feel that need to pull the company out of red is an absolute necessity than anything else.**

Sir, we would like to submit that any revival measure taken for betterment of the company will be strong and durable only **if the legacy setup of the company is replaced with a contemporary professional setup coupled with accountability at all levels where management as well as employees are made accountable for each and every penny spent by them.** BSNL is still following the age-old practices for running the company, which is one of the main reasons for current state of affairs. Lack of performance-oriented policy is another major reason for downfall. **From a company, which earned profit of Rs. 5000-10,000 Cr in initial years of its inception, BSNL has now become a company with loss of around Rs. 10,000 Cr in the last FY 2018-19.** The reasons for this state of affairs need to be thoroughly examined and corrective actions need to be taken up to ensure success of the revival process envisaged by government.

I - Operational Matters:

- We are aware that VRS is on offer for employees above 50 years to reduce the expenditure on account of salary. **However, along with the funds for VRS, there should be fund infusion to support our OPEX & CAPEX works also for a brief period to overcome this current crisis** and enduring fund availability to pay energy charges, HSD Charges, upkeep of Mobile Services, FTTH Services, day to day operation & maintenance to keep the network healthy to ensure best services, execution of new business of EB segment, Mobile Segment, FTTH segment, landline/broadband segment etc.
- The measures to reduce capital outgo on salary by downsizing is one of the welcome steps but continuing with the loss making exchanges will be a serious show stopper if not looked into. **Hence loss-making exchanges should be identified and they should be either shut down as early as possible to minimize the losses else if government feels it to continue for strategic importance, there should be a suitable compensation from the government for running these loss making exchanges.** It is also suggested that Government should consider budgetary support to BSNL for extending services in remote and far flung areas like A&N, Lakshadweep, J&K, NE-1, NE-2 etc, where there is no profitable business to maintain the services. Government may also explore possibility of advising all central & state government departments/ offices to mandatorily avail BSNL services to take this company out of red (*As BSNL is the only company which has given undisturbed services at the time of emergency situation/ natural calamities and its track record in this regard needs to be taken into consideration*).
- **BSNL should be asked to shift the focus from landline to FTTH:** Capital infusion in Copper based Landlines and leased lines should be completely stopped and they should be shifted to fiber immediately at least in major cities and towns. We can start by making all the proposed Smart Cities 100 percent Fiber enabled by BSNL. BSNL should be asked to buy sufficient OLTs and should develop own optical fiber access skeleton. If an exchange is replaced with one OLT, the electricity charge saving of couple of years will be equal to the expenditure on laying such OFCs and the break even will be achieved much earlier compared to investment in other technologies. **The purchase of CGNAT and MSAN equipment's should be stopped immediately. Instead BSNL should switch to IPV6 and purchase fiber based OLTs. Government should also consider temporary fund infusion on account of capital expenditure also for upgrading and expanding the infrastructure in same lines as being done in case of funding for VRS.**
- **The sustainability of BSNL Mobile Segment lies with allocation of 4G spectrums and this is the step towards 5G change over:** In the current telecom market, any operator not having 4G spectrum and not ready for adoption of 5G may be automatically forced to close down its operations. The market share and financial health of BSNL has already come down. **Non-allocation of 4G spectrum would make it impossible for BSNL to sustain in future and so allocation of 4G spectrums to BSNL is imperative.** Non-allocation, de-facto may make BSNL virtually defunct in next few years as far as mobile services are concerned. To be more precise, BSNL needs to get on the 4G bandwagon with minimum investment

and get ready for adoption of 5G at the earliest. **Hence allotment of 4G spectrum to BSNL needs to be done without further delay.**

- **BSNL should also be asked to venture out to new fields of IT and ITES:** We have sufficient qualified professionals who are well versed with development tools of the IT/ITES technologies. They should be given training and made equipped to make apps and software needed for in-house use as well as outside business. **We can make a good business by developing customize apps/software as per requirement of state and central government e.g. for e-governance projects etc.** It will be a cost effective and profitable business.

II Alleviation of Apprehensions associated with land monetization policy:

- **Alleviation of the apprehensions associated with the proposed Land Monetization Policy is a must and hence valuation of land assets should be done from the globally renowned and independent external auditors:** We are aware that land monetization of BSNL is on the cards and there is a strong and underlying apprehension in the minds of employees of BSNL that the land asset base of BSNL will be surrendered at throw away prices. To alleviate this apprehension from the general minds, it is requested to engage globally recognized and independent auditors to assess the land asset value so that the land transfer to the proposed SPV with an open mind and apprehensions associated with it can be put to rest.

III – Full autonomy to BSNL Board for running the company with accountability for investments:

- **Lack of autonomy for BSNL Board is an important issue clogging smooth functioning of BSNL.** Even after 19 years since the formation of BSNL, BSNL Board has to look towards the Department of Telecommunication in many ways. This restricts quick decision making ability of BSNL that is vital for survival for any company working in this sector, which is highly competitive, and rapidly changing. Hence BSNL Board needs to be granted more autonomy for its effective functioning. The granted autonomy can be balanced with more accountability, so that chances of its misuse remains minimized.
- **Redefining procurement policy with strong emphasis on accountability:** The procurement policy, planning of new projects, capital expenditure made for augmenting capacity, **all such things needs to be defined thoroughly in Standard Operating Practices and guidelines which should be an essential part of this revival package.** For all the Projects, which are worth above Rs. 100 Cr, Performance audit should be made mandatory to assess whether the money, which has been invested, is giving fruitful returns or not. Further, there should be an audit vis-à-vis expenditure made and returns gained for all the projects above Rs 500 Cr plus implemented in BSNL in last ten years.

IV – HR and Administrative matters:

- We would like to state that any revival process would not be complete, if the major stakeholders of the company are not being taken care of in uniform manner. **While, there**

is a golden handshake in offer for those above 50 years in the form of VRS and they shall be getting huge sum of money, the youngsters of BSNL will be left with nothing in their hand except work and liabilities associated with this VRS provisions. BSNL has to pay the price for this VRS by keeping a substantial part of its land asset to an SPV for monetization of the same. The youngsters of this company will have to bear the entire burden in terms of increased workload, increased liabilities, increased pressure etc. **To handle this, they need to be kept motivated.**

- When the government is planning to make BSNL a lean and flat organization, *it's high time that Employees of BSNL should be considered as a resource and there should be investment in Human Resource also to reap the profits in future.* Major problems of HR needs to be brought to an absolute zero to keep operations of company in a salubrious state. **The thrust of HR Policy should be on performance with due weight to professionalism & qualification.** Outperformers should be rewarded in order to motivate the non-performer.
- There should be complete overhaul/restructuring of the administrative setup of BSNL at all levels and BSNL should be asked to follow contemporary and professional HR practices as being done by the leading organizations across the country. ***The young officers of BSNL should be posted at key HR/Admin/Planning/Marketing posts for a smooth takeover and turnaround of the system.*** Right now, the professionals recruited by BSNL have been mostly delegated to outdoor duties while the planning and administrative posts are being monopolistically handed over to the persons who do not have much service left, which brings in an element of inertia to the whole system.
- **The long pending HR issues of BSNL executives should be sorted out to keep the focus on one and only thing that is work and growth of our organization:** The youngsters of BSNL have been facing pay loss for last 10 years after implementation of 2nd PRC in BSNL. These youngsters need to be suitably compensated to remove the pay loss, which they are facing since last 10 years vis-à-vis their counter parts. Standard Pay Scales for the back bone cadre of BSNL i.e. JTO & SDE equivalent is still pending at DoT end and executives of these cadres have been working in provisional scales for last 10 years giving rise to extreme dissatisfaction in the young minds of BSNL. **So, Pay Scales of E2-E3 as recommended by BSNL for JTO-SDE equivalent should be approved by the DoT as part the revival process.**
- **BSNL recruited executives are not covered under regular pension scheme** i.e. Rule 37A vis-à-vis the DoT absorbed employees of BSNL. *BSNL recruited executives are covered under 30% Superannuation Benefits Scheme as per recommendation of 2nd PRC recommendations but the same has yet not been implemented fully in BSNL despite assurances from the highest level.* The pension scheme, which was to be devised by BSNL since 2000 as mentioned in rule 37(A), has not been implemented so far. **So, BSNL Recruited Executives needs to be extended 30% Superannuation Benefits scheme in totality since their joining to keep them stress free and their families secure in case of any eventuality as well as post retirement period.** Also, the Post Retirement Medical Benefit (PRMB), which is mandatory for any PSU, has yet not been implemented in BSNL and so it should be implemented immediately.
- **Promotions of BSNL Recruits have been kept pending citing non-existent court complications** while management never hesitated in promoting other groups even by

creating new posts without following the due norms assigned for the same. ***So, there should be clear directions to BSNL to promote talent and performance in work and extend promotions to youngsters well in time to groom them to take higher responsibilities.***

Above are some of examples, which have kept the youngest, professionally qualified and most talented lot of BSNL in an extremely dissatisfied state and the revival measures should definitely address this aspect also for fruitful and lasting results. A direction may kindly be issued to BSNL for immediate resolution of these long pending HR issues to keep the motivation level and work environment in healthy state so that the total emphasis of employees should be on work front and not on pendency of HR issues. *The very basic purpose of the revival process will be incomplete without addressing the problems associated with HR in BSNL.*

To summarize the whole submissions as mentioned above, AIGETOA is of the firm view that more professionalism and accountability needs to be brought in BSNL's systems after pruning its staff size, to ensure its survival in market. This needs to be ensured in revival process. Hence, we are requesting for a revival package of BSNL, which should be complete in terms of future road map for BSNL, in terms of future HR policies, in terms of future procurement policies and in terms of future standard operating procedures of this company. Sir, we are very hopeful towards firm decisions from the government to revive the ailing PSU and we stand by all actions to be taken in the interest of BSNL.

With warm regards,

Dated: 10-08-2019

Yours Sincerely,

--Sd/--

**[MD. WASI AHMAD]
General Secretary**

Copy for kind information to:

1. Shri Anshu Prakash Ji, Secretary (Telecom), Govt of India, New Delhi.
2. Shri P. K. Purwar, Chairman & Managing Director, BSNL, New Delhi.
3. Shri Vivek Banzal, Director (CFA) BSNL, New Delhi.
4. Shri Sheetla Prasad Tripathi, Director (CM & HR) BSNL, New Delhi.
5. Shri B. L. Varshney, Director (EB) BSNL, New Delhi.
6. Shri S. K. Gupta, Director (Finance) BSNL, New Delhi.
7. Shri A. M. Gupta, GM (SR), BSNL CO, New Delhi.