



**ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
OFFICERS' ASSOCIATION
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No.AIBSNLOA/CHQ/2011/1

Dated: 14th January 2011

To

Shri Gopal Das,
Chairman and Managing Director,
Bharat Sanchar Nigam Limited,
New Delhi

Sub: Reduction in expenditure and austerity measures – reg

Sir,

This is with reference to the discussions that we had with you on 21.12.2010. During the course of discussions you had asked us to communicate our suggestions on reduction in expenditure with a view to reducing cash deficit.

2. In our view, the way in which the Circles are implementing the various measures suggested by BSNL Corporate Office are far from achieving the desired result. The Circles are reported to be resorting to only cosmetic measures like curtailing expenditure on paper, postage, other stationeries and local purchase items. These are also not expected to bring about actual savings. On the other hand, over enthusiasm to project as if the Circles are really curtailing expenditure by virtual stoppage of procurement of many essential items, the efficiency and activity of the Organization is being sacrificed.

3. According to the financial results of BSNL for the year 2009-2010, *expenditure on 'Power and fuel' is the highest*, amounting to Rupees 203,057 lakhs, next only to expenditure on salary. *We believe that maximum effort should be focused in this area only. Unfortunately, the field units seek to curtail expenditure on fuel for engine alternators in BTS and other exchanges, which is only critically affecting operational efficiency. No effort appears to have been taken in curtailing fuel expenditure on departmental vehicles. Pooling of vehicle by senior officers remains only in paper. While vehicle use is restricted for important maintenance works, misuse of vehicle is reported to be continuing without any restraint. A system of checking and correcting bogus entries in vehicle log books is to be put in place urgently.*

4. As far as power consumption is concerned, *apart from efforts to reduce energy expenditure, emphasis should be on payment of electricity charges on industrial tariff instead of the commercial tariff as at present which will save*

thousand and crores of rupees. We have earlier brought this to the notice of the then CMD BSNL vide our letter No.AIBSNLOA/CHQ/2010/9 dated 5th February 2010 (copy enclosed). In our letter we had elaborated strong reasons in support of claiming change over to industrial tariff and had pointed out that the issue is to be sorted out with Central Electricity Regulatory Commission, New Delhi, since State level Regulatory commissions were reluctant to agree to it. It is high time that the issue is taken up with the Central Electricity Regulatory Commission at New Delhi immediately with a view to bringing the most wanted financial relief to BSNL.

5. We would also like to bring to your kind notice a few other factors affecting BSNL financially through a separate letter.

With kind regards,

Yours sincerely,



(V.P.Arya)
General Secretary