



ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
OFFICERS' ASSOCIATION

CENTRAL HEAD QUARTERS

AD-87B, Pitampura, Delhi-110034

President

K. BALASUBRAMANIAN

Mobile : 09444000562

Finance Secretary

V. GURUMOORTHY

Mobile : 09444979555

General Secretary

RAKESH SETHI

Mobile : 9868210449

No.AIBSNLOA/CHQ/2014/100

Dated: 22nd October, 2014

To

✓ Shri Narendra Modi,
Hon'ble Prime Minister of India,
New Delhi.

Subject: Implementation of commitment by Government of India in ensuring the financial viability of BSNL - reg

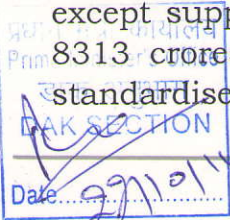
Respected Sir,

We are thankful that after his announcement in the Parliament that, "Government is committed to the revival of BSNL. I want to assure the House that BSNL will not be allowed to die", Shri Ravi Shankar Prasad, Hon'ble Minister of Communications & IT has got down to business by taking various steps towards fulfillment of your dream of reviving loss making PSUs.

2. Recently he is reported to have exhorted the finance ministry to hasten a pending Rs 7,000-crore income tax refund to BSNL. This relates to the TDS recovered by the private telecom operators while making IUC payment to BSNL. Earlier in 2008, the Delhi High Court had ruled that no tax would be deducted at source on payments to be made by private players like Bharti and Vodafone and others to PSUs, MTNL or BSNL, for getting interconnection. The court in its order had pointed out that, "the interconnect charges/port access charges cannot be regarded as fees for technical services".

3. We strongly believe that this refund will become a reality only through your kind personal intervention, since it involves the Finance Ministry and the IT department has been delaying the matter for many long years.

4. It may kindly be recalled that the NDA Government had assured at the time of formation of BSNL in October 2000 that BSNL will be compensated for any loss making services in remote and rural areas and the financial viability of BSNL will be ensured through ADC, reimbursement of licence fee and support through USO fund. After a few years, the UPA government had stopped all these financial assistances, except support through USO Fund. Meanwhile in 2010, BSNL had to cough up Rs 8313 crores to the government as BWA spectrum charges and was allotted non-standardised band of BWA spectrum for 21 circles.



5. In this regard, we would again like to draw your kind attention to the Memorandum of Understanding between DoT and BSNL for the years 2012-13 and 2013-14, which pinpointed the Government's commitment towards the following.

i. Re-imburement of deficit on account of commercially non-viable services:

ii. Refund of upfront BWA spectrum License fee.

iii. Center/State governments and PSUs should give priority to BSNL for their telecom service requirement.

iv. Pension Contribution is collected on the maximum of the scale in IDA instead of on actual pay drawn which is contrary to the procedure followed in respect of CDAscales.

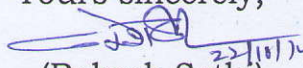
6. Although a Group of Ministers recommended refund of BWA spectrum fee, the recommendation is yet to be implemented. There has been no determination on the part of the DoT to get BSNL compensated for the unviable services. No directive has been issued by the Government of India to the Central/State Government departments and PSUs that they should give priority to BSNL for their telecom service requirement. Pension Contribution continues to be collected on the maximum of the scale in IDA, instead of on actual pay drawn as in the case of CG Employees. Thus, the MOU between DOT and BSNL remains only in paper.

7. We would also like to make it clear that highlighting these issues should not be seen as seeking any favour from the Government for improving BSNL's finance. It is the responsibility of the Government to ensure that BSNL is duly compensated and protected as BSNL alone implements the social obligations of the Government of India and only because of BSNL's presence in the arena, the private operators are providing the customers with the telecom services at affordable rates.

8. We therefore seek your personal attention towards these points so that early action is taken to ensure financial viability of BSNL.

With kind regards,

Yours sincerely,


(Rakesh Sethi)

General Secretary

Copy to: (1) Shri Ravi Shankar Prasad,
Hon'ble Minister of Communications & IT,
Government of India,
New Delhi 110001.
(2) Shri Arun Jaitley,
Hon'ble Minister of Finance,
Government of India,
New Delhi 110001
(3) Shri Ananth Geete,
Minister of Heavy Industries & Public Enterprises,
Government of India,
New Delhi 110001