

ALL INDIA BHARAT SANCHAR NIGAM LIMITED OFFICERS' ASSOCIATION

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Dated: 25th January 2018

To

Shri Narendra Modi, Prime Minister of India, New Delhi

Subject: Violation of Government decision and rules by Department of Telecommunications in registering BSNL Tower Corporation Limited – request for intervention

Hon'ble Sir,

We seek to draw your kind attention towards illegality committed by Department of Telecommunications in violation of the Cabinet decision and the laws of the country while registering BSNL Tower Corporation Limited.

- 2. When the proposal to hive off BSNL Towers into separate tower company was floated a few years back, all the BSNL employees expressed their strong concern and protest over the proposal since it was viewed as a precursor to disinvestment, apart from HR and pension issues involved. It was repeatedly assured by DoT officials that the proposed tower company will be a subsidiary of BSNL, fully owned and controlled by BSNL and that an independent, dedicated tower business of BSNL with a focused approach is also expected to lead to more external tenancies and, thereby, higher revenue.
- 3. The Union Cabinet on 12.9.2017 gave its approval for 'for hiving off mobile tower assets of Bharat Sanchar Nigam Limited (BSNL) into a separate company, fully owned by BSNL.' Consequent to this approval, the DoT was authorised to constitute an inter-ministerial group for working out the capital and organisational structure of the new company after market valuation of its tower assets for consideration of the Union Cabinet.
- 4. But suddenly on 4.1.2018, DoT has registered a company viz. BSNL Tower Corporation Limited, appointing Shri Amit Yadav, Joint Secretary (Admin), DoT as CMD of the new company. The irony of it is that CMD BSNL Shri Anupam Shrivastava is shown as one of the Directors of the newly formed BSNL Tower Corporation Limited along with Ms. Sujata Ray, Shri N.K.Mehta and Shri R.K.Mittal, who are already Directors of BSNL Board.
- 5. It is not known if this was the decision of the inter-ministerial group and subsequently the Union Cabinet. But we believe that neither the inter-ministerial group nor the Union Cabinet would have taken such a hasty decision, which would not stand legal scrutiny.
- 6. According to the Cabinet Decision dated 12.9.2017, the separate company is 'fully owned by BSNL', which means BSNL is the holding company and the new Tower company is the 'subsidiary of BSNL'. According to Companies Act 1956 as well as Companies Act 2013,

the ability to control the conduct of the subsidiary company is the hallmark of the holding company. Showing the CMD of the holding company, here, the BSNL, as a Director of the subsidiary company under another CMD is not known in the history of India.

- 7. We would like to state the fact that Coal India Limited (CIL) is the largest Maharatna Company which is a holding company with seven wholly owned coal producing subsidiary companies viz. Eastern Coalfields Limited (ECL), Sanctoria, West Bengal, Bharat Coking Coal Limited (BCCL), Dhanbad, Jharkhand, Central Coalfields Limited (CCL), Ranchi, Jharkhand, South Eastern Coalfields Limited (SECL), Bilaspur, Chattisgarh, Western Coalfields Limited (WCL), Nagpur, Maharashtra, Northern Coalfields Limited (NCL), Singrauli, Madhya Pradesh and Mahanadi Coalfields Limited (MCL), Sambalpur, Orissa. None of these seven subsidiary companies is having the CMD, Coal India Ltd. as its Director.
- 8. The action by DoT to reverse the Cabinet decision to hive off mobile tower assets of BSNL into a separate company, **fully owned by BSNL**, creates an impression that BSNL has become a subsidiary company fully owned by BSNL Tower Corporation Ltd. This has renewed the concern among BSNL employees that DoT ultimately intends to disinvest BSNL.
- 9. We therefore request you to kindly intervene immediately and to ensure that Cabinet decision is not tampered with by the Department of Telecommunications according to its whims and wishes.

With high regards,

Yours sincerely,

(Rakesh Sethi)

General Secretary

Copy to:

- 1. Shri Pradeep Kumar Sinha, Cabinet Secretary, GOI.
- 2. Shri Injeti Srinivas, Secretary, Ministry of Corporate Affairs, GOI.
- 3. Smt. Seema Bahuguna, Secretary, DPE
- 4. Shri K.V.Eapen, Secretary (Pension), DoP&PW
- 5. Smt. Aruna Sundararajan, Secretary, DoT
- 6. Shri Anupam Shrivastava, CMD, BSNL