



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

CENTRAL HEAD QUARTERS

37, Laxmibainagar, New Delhi-110023

General Secretary
V.P. ARYA

Mobile : 9868210478

No. AIBSNLOA/CHQ/2 108/01

Dated 18th February 2008

To

Dr A Raja,
Hon'ble Minister of Communications & IT,
Government of India,
New Delhi.

Subject: Proposal for issue of Initial Public Offer (IPO) by BSNL

Hon'ble Sir,

Members of our Association are very much perturbed by the proposal of BSNL Management to issue Initial Public Offer of BSNL's share on the pretext of raising fund for its developmental and expansion work. We are unable to appreciate this move by BSNL Management. All these days, it was being told that BSNL is having enough funds to utilize for its developmental and expansion activities and in fact BSNL is in the process of procuring huge quantities of equipments for its mega expansion work in GSM. At that point of time it was never told that BSNL is not having fund. Till this day, that much talked about expansion work has not taken place since the tendering process took much longer time. As we understand, even the required quantities of equipments could not be ordered since there was no tender. Thus BSNL is having sufficient fund for the present for its immediate need. If the Management increases capacity as per the earlier plan, we are sure that with increased number of customers, revenue will also increase sharply. Moreover, BSNL is a profit making PSU.

We have reasons to believe that the proposal for issue of IPO is with the sole intention to push BSNL on the path of disinvestment and privatization. We are strongly against this move. The present UPA Government had earlier announced that profit making PSUs will not be disinvested. Thus the move of BSNL Management is against the policy of the Government.

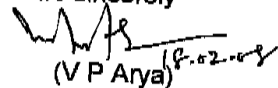
DoT itself had earlier declared that it is in the strategic interest of the country to retain BSNL under Government control. It had said that it is crucial to have at least one telecom service providing company as Government owned so that in the event of any emergency the telecommunication services will be completely under its control.

We would like to submit that there will be no necessity for issue of IPO for the purpose of generating funds, either in the present or in the future, if only BSNL is allowed to function with real autonomy and is allowed to plan and execute its expansion expeditiously.

We shall, therefore, request you to kindly intervene in this matter and get the proposal dropped immediately.

With high regards,

Yours sincerely



(V P Arya)
General Secretary

Copy to:

- 1) Shri Siddhartha Behlra,
Secretary, DoT, New Delhi
- 2) Shri Kuldeep Goyal,
CMD, BSNL, New Delhi