



**MEMORANDUM  
OF  
UNDERSTANDING**

**Between**

**Department of Telecommunications**

**GOVT. OF INDIA**

**And**

**Bharat Sanchar Nigam Ltd.**

**For the Year 2012-13**

**PART-IV**  
**COMMITMENT/ASSISTANCE FROM THE**  
**DEPARTMENT OF TELECOMMUNICATION,**  
**GOVT.OF INDIA**

Government shall endeavor to assist BSNL in the following matters:

- i. Re-imburement of deficit on account of commercially non-viable services.
- ii. Refund of upfront BWA spectrum License fee.
- iii. Issue of a soft loan which has been requested by BSNL for an actual loan of Rs. 15000 crores for 10 years with a moratorium of 5 years.
- iv. Center/State governments and PSUs should give priority to BSNL for their telecom service requirement.
- v. 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 CDA scales.
- vi. Funding Support for VRS

**PART-V**

**ACTION PLAN FOR  
IMPLEMENTATION AND MONITORING OF THE MOU**

Performance of BSNL will be monitored quarterly and evaluated at the end of the year by DoT against the targets given as per MoU.



**(R.K.Upadhyay)** 4/3/2012

CHAIRMAN & MANAGING DIRECTOR

BSNL



**(R.Chandrashekhar)**

SECRETARY, DOT &

CHAIRMAN TELECOM COMMISSION

## Annexure IX

Sub:- Income-Expenditure Statement (as on 31st March)											
Sl. No.	Particulars	Unit	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12			2012-13
			Actual Achmt	Actual Achmt	Actual Achmt	Actual Achmt	Actual Achmt	MOU Target 2011-12 (Very Good)	Achmt 30-09-2011	Anticipated Achmt 31-03-2012	MOU Target 2012-13 (Very Good)
1	<b>Total Income</b>	Rs in crore	<b>39,715</b>	<b>38,053</b>	<b>35,812</b>	<b>32,045</b>	<b>29,698</b>	<b>37,925</b>	<b>14,671</b>	<b>29,341</b>	<b>31,581</b>
2	Gross Sales	Rs in crore	34,616	32,360	30,269	27,513	27,045	37,000	14118	28237	31061
3	Less: Excise duties & others	Rs in crore	-	-	-	-	-	-	-	-	-
4	Net sales / Operating Income	Rs in crore	34,616	32,360	30,269	27,513	27,045	37,000	14118	28237	31061
5	Accretion / Depletion to finished stocks to WIP	Rs in crore	-	-	-	-	-	0	0	0	0
6	Other Income	Rs in crore	5,099	5,694	5,543	4,192	2,643	925	552	1104	500
7	<b>Total Expenditure</b>	Rs in crore	<b>31,466</b>	<b>33,636</b>	<b>34,364</b>	<b>34,078</b>	<b>36,002</b>	<b>40,305</b>	<b>19166</b>	<b>37054</b>	<b>37647</b>
8	Raw material / Purchase of products for resale	Rs in crore						0.00			
9	Manufacturing Expenses/ Direct Expenses/Operational Expenses	Rs in crore	9,394	9,510	9,598	8,168	7,896	8,262	3542	7085	8540
10	Power, Fuel & Water etc.	Rs in crore	1,523	1,607	1,780	2,031	2,228	1,890	900	2000	2500
11	Salaries & Wages	Rs in crore	7,309	8,808	11,363	13,455	13,791	14,157	7027	12054	14044
12	Other Expenses (I.F.&S.C)	Rs in crore	3,312	3,152	2,616	876	1,972	2,650	2742	3084	2477
13	<b>Gross Margin (PBDIT)</b>	Rs in crore	<b>18,178</b>	<b>14,976</b>	<b>10,424</b>	<b>7,516</b>	<b>3,801</b>	<b>10,670</b>	<b>459</b>	<b>2319</b>	<b>4000</b>
14	Depreciation	Rs in crore	9,149	9,696	8,523	9,197	9,725	11,410	4863	9725	9040
15	<b>Gross Profit (Operating Income) / PBIT</b>	Rs in crore	<b>9,029</b>	<b>5,280</b>	<b>1,901</b>	<b>-1,681</b>	<b>-5,924</b>	<b>-740</b>	<b>-4403</b>	<b>-7407</b>	<b>-5040</b>
16	Profit/ Loss on sale of assets	Rs in crore	8.00								
17	Minor Period Adjustments	Rs in crore	(5,64)	35	-186	-165	-285	0	9	9	0
18	Extraordinary Items (Net)	Rs in crore	-	-	-	-	-	-	-	-	-
19	Interest (expenses)	Rs in crore	779	863	743	352	390	1,640	82	305	1016
20	Provision for Tax (including Deferred Tax)	Rs in crore	348	1,442	657	-375	-135	0.00	0	0	0
21	<b>Net Profit</b>	Rs in crore	<b>7,806</b>	<b>3,009</b>	<b>576</b>	<b>-1,823</b>	<b>-6,384</b>	<b>-2,380</b>	<b>-4477</b>	<b>-7704</b>	<b>-6086</b>
22	Dividend Paid	Rs in crore	1,775	1,500	0	0	0	0	0	0	0
23	Tax on dividend	Rs in crore	185	252	0	0	0	0	0	0	0
24	Retained profits	Rs in crore	6,416	1,254	576	-1,823	-6,384	-2,380	-4477	-7704	-6086
25	Return to capital @ 10%	Rs in crore	8,729	8,957	8,785	8,245	7,500	8,685	3293	3093	5507
26	Added Value (13-25)	Rs in crore	9,449	6,017	1,639	-829	-3,639	1,985	-2934	-775	-1507
27	No. of Employees	Nos	320,506	308,086	299,840	292,100	281,635	271,002	274588	269023	256414
28	<b>Average No. of Employees</b>	Nos	<b>323,727</b>	<b>314,286</b>	<b>303,867</b>	<b>295,870</b>	<b>286,360</b>	<b>276,640</b>	<b>270,117</b>	<b>275329</b>	<b>262719</b>

C	<b>Recruitment, Retention &amp; Talent Management</b>					
13	Manpower Rationalization through	% of Employees % of Employees	15 5			
	- Voluntary retirements			15 (See Note 2)		
	- Redeployment			2 (See Note 2)		
	- Any other					
14	Attrition as % of total employees	%	5	0.5 (See Note 2)		
15	Presence of Mentorship Development Programme - Nos. of Mentors & Mentees	Yes / No ; Numbers	0	No (Not planned for this year)		
16	Formulation / Implementation of systems for management of Talent such as - Job rotation system, reward system, sponsoring sr. executives for Advanced Management Programme, growth opportunities etc	Schemes / Initiatives & their details. See Note [3]	10	1500		
				150		
	<b>Total</b>		<b>35</b>			

**Note:**

[1] All Targets are for Very Good.

[2] The total Number of Employees as on 31.12.2011 is 2.71 lakhs. The Voluntary retirement is planned for 15% of the Employees which comes to 40,650. The redeployment is planned for 2% of the Employees which comes to 5420. The Attrition is expected for 0.5% of Employees which comes to 1355.

[3] The schemes which are in operation are: (a) Annual employee Excellence / Reward at National / State / District Level and (b) Deputation of top management officers in Advanced management programme