

# THE HINDU Business Line

## BSNL offers to set up co-op for VRS staff; outsource work

Thomas K Thomas

**GOLDEN HANDSHAKE OFFER**



- Employees who take VRS can be part of the cooperative
- BSNL will outsource projects to the cooperative for 5-10 years
- The cooperative will be free to take projects from private players as well.

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- PSU wants to downsize by one lakh
- BSNL has more than ten times the employee base of private operators.
- Estimated cost of proposed VRS is Rs 17,500 crore.

*Outfit can take work from private players too: CMD*

New Delhi, Oct. 4:

Bharat Sanchar Nigam Ltd has sweetened its Voluntary Retirement Scheme by proposing to help set up an outsourcing cooperative for all employees who take the offer. The telecom PSU will farm out work contracts on a 5/10-year basis to the proposed cooperative.

The cash-strapped BSNL has three lakh employees and is looking at getting about one lakh people off its payroll in a bid to cut down costs. By contrast, one its private counterparts Bharti Airtel has just about 23,000 employees.

"This VRS is extremely important for BSNL's survival as over one-third of our costs are due to wages. We have worked out a scheme that is a win-win situation for those who take the VRS. Not only do they get the monetary benefit from the VRS but they also can earn a steady income from the cooperative," Mr R. K. Upadhyay, Chairman and Managing Director, BSNL, told *Business Line*. The cooperative will be free to take up turnkey projects from private telecom players as well.

BSNL's losses have mounted to around Rs.6,000 crore in 2010-11 from Rs1,822 crore the previous fiscal. "The increase in wage cost is dragging us down. No company can survive at such high cost levels. Though the VRS will also result in financial outgo, we are ready to do our part," the Chairman said.

### EMPLOYEES UNIMPRESSED

However, the various employees associations in BSNL are not impressed. "The plan to set up a VRS-linked cooperative is not attractive because in effect it means that a worker who is getting Rs 25,000 as salary will be asked to do the same job for Rs 6,000," Mr V.A.N. Namboodiri, President, BSNL Employees Union, said. "The Government is trying to project as though BSNL's losses are due to its employees, when in reality it is due to mismanagement and political interference," he added.

The Joint Action Committee of eight BSNL worker's unions is planning a one-day strike on October 10 to protest against this scheme.

Keywords: [Bharat Sanchar Nigam Ltd](#), [Voluntary Retirement Scheme](#), [outsourcing cooperative](#), [R. K. Upadhyay](#)

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