

ALL UNIONS AND ASSOCIATIONS OF BSNL

No: UA/2017/8

06.02.2018

To,

**Shri Narendra Modi ji,
Hon'ble Prime Minister,
Government of India
South Block, Raisina Hill
New Delhi - 110 011**

Respected Sir,

Sub: - **Proposed merger of BSNL and MTNL - req.**

We, the unions and associations of BSNL, wish to submit the following for favour of your kind consideration.

It is being reported by the media that the proposal for the merger of MTNL with BSNL is under the active consideration of the government. We learn that, the Management of MTNL is also sending a proposal to the government, for it's merger with BSNL. The unions and associations of BSNL have already demanded that, the government should fulfill certain conditions, before proceeding with the merger of MTNL with BSNL.

However, we are disappointed that the government has not considered the demands of the unions and associations so far, but is proceeding with the merger proposal. Under these circumstances, we once again earnestly request you to kindly consider the following demands, so that the merger of MTNL with BSNL does not become a catastrophe for BSNL.

(1) MTNL should be delisted from the share market.

BSNL is not a listed company, with the government controlling 100% of it's stake. At the same time, MTNL is listed in the share market, and 46.5% of it's shares are already sold in the market. The BSNL employees are having a genuine apprehension in their minds that, the merger of BSNL and MTNL is being contemplated by the government, as a prelude to start disinvestment / strategic sale in BSNL. Under these circumstances, BSNL employees are strongly opposed to any merger of MTNL with BSNL. Hence, we demand that the government should delist MTNL first from the share market, before merger.

(2) Government should take over the financial liability of MTNL.

MTNL is having a huge financial liability. It's asset value is very less, compared to it's financial liability. It is pertinent to mention that the net worth of MTNL for the year 2016 – 17 is Rs.(-)3,366 crore. BSNL's financial position is too fragile to absorb the huge financial liability that MTNL is having. Hence, it is demanded that the government should take over the entire financial liability of MTNL, before merger.

(3) Government should provide financial assistance to BSNL to revamp the networks in MTNL areas.

MTNL has not made any investment in the recent years, to strengthen it's networks. As a result, MTNL's networks, both mobile and landline, are in shambles. If MTNL is merged with BSNL, the latter has to invest a huge amount, to revamp the networks. In the present situation, BSNL is not having the wherewithal to make such huge investment. As it was rightly pointed out by the then Hon'ble Minister of Communications, shri Ravi Shankar Prasad ji, BSNL was not allowed to procure equipments for it's network expansions, during the UPA regime. Only for the past three years, BSNL has started making network expansions, and is heading towards it's financial revival. Under these circumstances, BSNL cannot afford to make big investments to revamp the networks in MTNL areas.

If sufficient revamping of MTNL's networks is not done expeditiously, the merger will further weaken BSNL's financial condition. Hence, it is demanded that the government should provide sufficient financial assistance to BSNL to revamp MTNL's networks on a war foot measure.

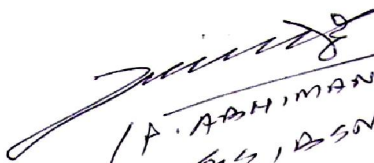
(4) Salary structure of the employees of BSNL and MTNL should be one on the same.


At present, the salary structures of employees of BSNL and MTNL are different. The pay scales of the MTNL employees are one step above. If both the companies are to be merged, then the salary structure of the employees of BSNL and MTNL should be made one and the same.


We earnestly request you to kindly look into the issues raised above in the proper perspective, and to sort them out, before any step is taken in the direction of merger of BSNL and MTNL.


Thanking you,


Yours sincerely,

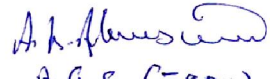

(A. ABHIMANYU)
G.S. BSNLEU

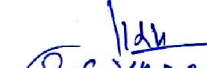

(C. SINHA)
G.S. NFTE



(PRAKASH RAI)
G.S. PIBSNLEA

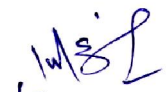

K. SEBASTIAN
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(Suresh Kumar)
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BTEU BSNL


(B.C. Pathak)
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(N. Ramesh Day)
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- Copy to: (1) Shri Manoj Sinha ji, Hon'ble Minister of State for Communications, Sanchar Bhawan, New Delhi - 01
(2) Shri Nripendra Mishra ji, Principal Secretary to the Prime Minister, PM Office, South Block, New Delhi - 01
(3) Shri Pradeep Kumar Sinha, Cabinet Secretary, Government of India, PM Office, South Block, New Delhi - 01
(4) Ms. Aruna Sundararajan, Secretary, DoT, Sanchar Bhawan, 20, Ashoka Road, New Delhi - 01
(5) Shri N. Sivasailam, Additional Secretary, DoT, Sanchar Bhawan, 20, Ashoka Road, New Delhi - 01
(6) Shri Anupam Shrivastava, CMD BSNL, Bharat Sanchar Bhawan, New Delhi - 01