

# BSNL EMPLOYEES UNION

**Recognised Union in BSNL**

**(Registered Under Indian Trade Union Act 1926. Regn.No.4896)**

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**BSNLEU / 413(Pension)**

**06.08.2009**

To

**Shri Sidhartha Behura,**  
**Secretary,**  
**Department of Telecommunications,**  
**Sanchar Bhavan**  
**New Delhi – 110 001**

Sub: **Financial viability of BSNL – Waiving of Licence Fee, Divident, taxes etc. to government.**

Sir,

Kindly recall our discussion on several occasions on the weakening financial viability of BSNL.

The annual report for 2008 – 2009 gives a very alarming picture of the financial condition of BSNL.

As per reports, it is seen that BSNL's Earning Before Interest, Depredation, Taxation and Amortisation (EBIDTA) for 2008-2009 is Rs.7000 crore and the profit is only Rs.572 crore. At the same time, it is stated that even this profit is shown not due to operational profit but due to Bank Interest of Rs.3900 crore from the savings in the bank to the tune of Rs.35,337 crore. It is also stated that the Revenue has come down from Rs.40,000 crore in 2007-2008 to Rs.35,337 crore in 2008-2009.

One of the major reasons for the downfall is the lack of mobile lines with BSNL for more than six months during 2008-2009 as the tender order was reduced from \$ 45.5 million to half. Further, there was intolerable delay in supply also.

Another reason is the non-settlement of absorption issue of ITS officers, who are the officers at top level management like CGMs, GMs etc. and who have lost motivation and interest in the development and expansion of the company due to their Trisanku status.

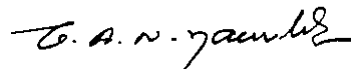
While the revenue has come down due to less development and expansion as also lack of mobile lines and unsatisfactory service, the expenditure has grown on many counts. Unnecessary expenditure to the tune of Rs.10 to 20 lakhs SSA wise is only a moderate estimate. Office buildings are taken on rent while BSNL buildings are available, More number of vehicles rented without any justification / requirement, lakhs of rupees are misappropriated in the name of advance etc. Unnecessary tours are conducted without any benefit to company. At least a minimum Rs.100 crore can be saved if the wasteful expenditure is curtailed.

In this context, a detailed study of the entire financial position and situation of BSNL is also necessary to find out, that when all the private telecos are increasing their market-share & profit, why BSNL is trailing behind.

However, to tide over the present crisis, it is of utmost necessary to help the BSNL financially by the government.

We, therefore, request the government to waive the Licence Fee, as also forego the dividend and taxes which are due to the Central govt. from BSNL for at least 3 years. At present, BSNL is paying more than Rs.10,000 yearly to government on the above counts. This will help BSNL to tide over the present crises and improve its financial position and market share.

*Yours Faithfully,*



**[V.A.N.Namboodiri]**  
**General Secretary.**