

# MTNL EXECUTIVES' ASSOCIATION

## CENTRAL HEAD QUARTERS, NEW DELHI

[Affiliated to National Confederation of Officers' Associations of Central Govt. PSUs (NCOA)]

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Ref. No.: MEA/CHQ/DM/ *Moc*

DATE: *27-04-15*

To

Shri Ravishankar Prasad

Hon'ble Minister for IT & Communication,

Govt of India,

New Delhi.

Subject: Issues concerning revival of MTNL: need urgent attention of your good self

Sir,

We are very much concerned about the revival and survival of MTNL. It is the only source of bread earning to the families of more than 60 thousand working and retired employees of this company. But the recent news regarding declaring MTNL as a sick PSU has made us extremely worried about the future of the company and our families. As you know that MTNL has not reached to present condition because of employees but it has been made sick by Govt policies, which you have rightly explained on the floor of parliament. We are making all out efforts to improve the services and revenue of the company. But because of policy paralysis of old Govt and not much improvement in the present Govt coupled with managerial indecisiveness, the financial condition of the company is going from bad to worst.

As you know that main reason of today's worst financial condition of MTNL is Govt's policy to force MTNL to pay Rs 11000 crore for 3G & BWA spectrum charges without a business case. Today, MTNL is under heavy debt of Rs 12000/- crore for which we are paying about Rs 1200/- crore interests per annum and thereby left with no funds for development and maintenance of services. MTNL has paid about Rs 2500/- crore as interest on BWA spectrum charges but Govt has only refunded the basic price of BWA spectrum, while this spectrum has never been used by MTNL, so this Rs 2500/ crore is a extra burden on company.

In this condition of a company, there was a need of strong Govt will to put in place a strong board of company with a regular CMD to push a viable and effective revival strategy/plan and take some policy decisions to bring this strategically important company out of crisis to control the telecom market in two capital cities of country where there are many national and global companies whose prime motive is to earn profit not to meet the Govt obligation and provide services on affordable rates. But to our surprise, Govt has not taken even a basic and primary step of appointing a regular CMD.

We assure you that we the employees and officers are doing our best and will continue to do everything possible to give excellent services to our esteemed customers and fulfill your dream to make digital India where every citizen can get all Telecom and IT solutions at affordable rates and can play significant role in the overall development of the country.

We earnestly request your good self to consider the following points which are essentially required for the revival of MTNL.

1. **Appointment of regular CMD, Director (Tech) & Director (Mktg) into MTNL Board:** There is no regular CMD in MTNL for last 10 months, Director (Tech) for 2 years & Director (Mktg) never inducted on MTNL board . Kindly take early decision to appoint a regular CMD and board of Directors at the earliest to get the company revived.
2. **Shortage of funds for developmental and maintenance efforts :** Though company has pushed forward expansion plan for 2/3G network, but no such efforts have been made for landline, broadband and other services. With old and dilapidated infrastructure and equipments, it is not possible to pushup revenue figures. Efforts are immediately needed to plan for this area with allocation of adequate financial resources.
3. **Taking the responsibility of paying interest of MTNL loans—**MTNL is under heavy debt because of Govt decisions. About 35% revenue of the company is going to pay the interest on this loan. So, to bring out the company from deep crisis, Govt should take the responsibility to pay the interest of loans which were taken on the behest of the Govt to implement its policy of spectrum bidding.
4. **Refund of the interest of BWA spectrum charges---**MTNL was forced to pay Rs 4556/- Crore for BWA spectrum charges in 2010 and was allocated inferior spectrum than other private operators, which was not utilized and surrendered in 2014. Govt refunded the basic price of Rs 4556/- through sovereign guarantee, while MTNL had paid a interest of Rs 2500/- crore on the loan. We request your good self to get the interest amount refunded.
5. **Revisiting the product pricing and enhancing Marketing efforts:** MTNL is providing all types of Telecom services at lowest rates but lack in visibility of product so unable to take advantage of its cheaper rates due to lack of marketing efforts and strategies. There is dire need of revisiting the current price of its product and enhancing the marketing efforts.
6. **Creation of market research and analysis unit at corporate office:** Business environment, particularly the highly dynamic, technically advanced and competitiveness in, doing and remaining in business is highly volatile and fast changing. We at MTNL are highly deficient in scanning the not only environment proactively but even after impact we are unable to respond in true spirit. So it is inevitable to have formal unit headed by senior officer earmarked solely for business analysis and research accountable and reporting to Board member.
7. **Monetization of Land Assets:** In the way of fund raising MTNL can bank upon monetizing our unused/partially used land and building assets. This is universally accepted way to infuse capital in the company by its own means and resources. After all these assets have been created by MTNL out of its own resources. Earlier many Govt entities like LIC have done this in very effective manner. Railway is already monetizing its assets through creating separate company RLDA. MTNL should also be permitted to monetize its real estate.
8. **Infusing Young blood in the company:** It is well known to all that large number of employees in MTNL is retiring month to month and others are at verge of retirement. Average age of human resources is unacceptably high in MTNL. This is a universally unproductive condition for any

entity and sure sign of degradation as is directly concerning energy and enthusiasm in company. Therefore, there is a great need of recruitment of young employees in the company at par with current technology and demand of customers. It will also lower the average age of employee and average cost per employees.

9. **Full implementation of 2<sup>nd</sup> Pay Revision Committee's Report:** We have not been given full benefits of 2<sup>nd</sup> Pay Revision which is demoralizing the hard working employees/officers of the company. Implementation of 78.2% fitment is most concerning issue for employees. This is our legitimate right extended by govt. kindly do something from your powerful office.
10. Payment of Pension arrear to Retirees who retired prior to 2007 including those retirees who opted for VRS w.e.f. 1-1-2006 are to be paid by DOT. So their arrear must be paid immediately.
11. **Govt aided projects:** As being a Govt Company we should be given the preferential projects funded by the Govt like Free Wi-Fi, Digital India, e-governance, etc.
12. **Extension of CGHS facilities to the working & retired employees of MTNL---**CGHS facility is to be extended to the employees who are drawing or are eligible to draw pension from Govt. It may reduce considerable financial burden on MTNL towards health scheme.
13. **Compulsion of MTNL services to All Central Govt Employees:** In a bid to revive the company, Govt requires to make compulsory to all Govt Departments and organizations to have Telecom services from Govt Company. We request your good self to consider this proposal of ours. We assure you, we will provide excellent services to all Govt Departments and increase the revenue of the company under your able directions and leadership.

With kind regards

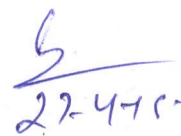
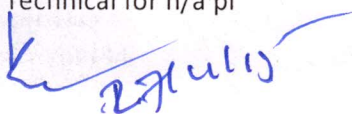
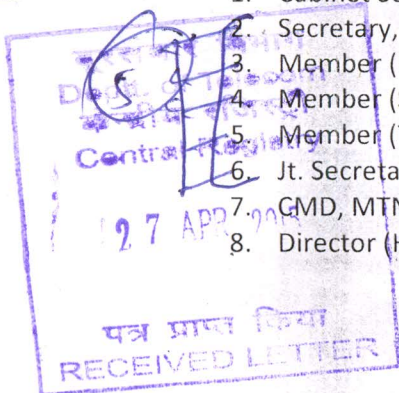
Yours sincerely



(V K Tomar)

Copy to:

1. Cabinet Secretary, Govt of India for n/a pl
2. Secretary, DOT for n/a pl
3. Member (Fin), DOT for n/a pl
4. Member (Services) for n/a pl
5. Member (Tecknology), DOT for n/a pl
6. Jt. Secretary (Telecom) for n/a pl
7. GMD, MTNL for n/a pl
8. Director (HR &EB)/ Technical for n/a pl



भारत सरकार के निजी सचिव  
P.S. to C.M.D.  
भारत टेलीकॉम लि./MTNL