

Resolution on the financial revival of BSNL.

On 23.10.2019, the Union Cabinet approved a Rs.69,000 crore Revival Package for both BSNL and MTNL. The salient features of this Revival Package is the allotment of 4G spectrum, the issuing of Sovereign Guarantee for raising funds to the tune of Rs.15,000 crore (Rs.8,500 for BSNL and Rs.6,500 for MTNL) by way of issuing long term bonds, monetisation of assets and implementation of a VRS.

Out of these, only the VRS has been implemented, through which 78,569 BSNL employees have been sent home. It is extremely disturbing to note that, even after the lapse of nearly 4 months, 4G spectrum has not been allotted to BSNL. Similarly, the government has not yet issued the Sovereign Guarantee to BSNL, to enable it to raise Rs.8,500 crore, by way of issuing long term bonds. The process of monetisation of BSNL's assets is also moving at snail's pace. The Hon'ble Supreme Court of India's judgement, with regards to the calculation of the AGR, has caused uncertainties in the telecom sector, due to which banks are also unwilling to extend the much needed loans to BSNL.

Due to the delay in the allotment of 4G spectrum and also due to the non-availability of funds, it is understood that, BSNL's 4G service is not likely to be launched before the end of 2020. This delay is much against the spirit of the Union Cabinet, in approving the Revival Package for BSNL. The attention of the Hon'ble Minister of Communications has already been drawn to the need to provide BSNL with the much needed working capital. However, nothing has happened.

This meeting wishes to point out that, BSNL has provided 4 lakh new mobile connections in the month of December, 2019, whereas, Jio was able to provide only 82,000 new mobile connections. Vodafone Idea has lost 34 lakh customers in that month, while Airtel has lost 11,000 customers. The steep tariff increase made by the private telecom companies has created a favourable market condition for BSNL. However, BSNL is not able to utilise this opportunity, due to it's inability to promptly launch it's 4G service.

Hence, this CEC meeting of BSNLEU being held at Vadodara on 6th & 7th March, 2020, urges upon the BSNL Management to take all out efforts to launch its 4G service without any further delay. Similarly, the meeting also urges upon the DoT and the government of India to provide BSNL with the much needed working capital, to enable the Company to immediately launch it's 4G service.