

# Telecom Executives' Association of MTNL

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To

Shri P.K.Purwar,  
Chairman & Managing Director,  
MTNL, Corporate Office  
Doorsanchar Sadan, 9,CGO Complex,  
New Delhi.

**Subject :- Our comments / suggestions on Presentation on MTNL Revival.**

Sir,

At the out set we on behalf of our association express our thanks and gratitude for inviting us to the "Presentation on MTNL Revival Report" by M/s Deloitte, - an eminent consultant organization. We are glad to offer our considered, free and franc comments/suggestions in respect of this important issue. But before that we must keep in view the following few historical and formidable facts :-

- (a) DOT's telecom service of all over India was not restructured in form of a corporatization in one go and with all together. It was done in a truncated manner. MTNL was created on 1<sup>st</sup>.April,1986 with DOT's telecom service existed in Delhi Telephones and Mumbai Telephones only. BSNL was created on 15<sup>th</sup>.September, 2000 ( after 14 years since MTNL was created) and implemented w.e.f. 01.10.2000 with DOT's telecom services of all over India barring Delhi and Mumbai. Thus both MTNL and BSNL are deprived, by birth, of benefit of PAN India telecom network and services. Between the two MTNL's condition was worse in this respect.
- (b) As a part of PAN India network, DOT's telecom service in Delhi and Mumbai was lucrative in view of growth and revenue.

Thus, MTNL was cash rich by birth and the fact that it was ill-born was overlooked. MTNL was required to survive with only Delhi and Mumbai. Can any body imagine that IOC or SBI or Air India or GAIL or any PSU in insurance sector will survive only by providing service in Delhi and Mumbai ? Thus MTNL was destined to go down on its declining path sooner or later.

- (c) MTNL set up was not that of a PSU set up by birth. MTNL inherited a Government set up organizationally and hierarchical structure wise. Good or bad, this is a fate accompli for MTNL. There are proportionately large number of General Managers, Chief General Managers, Principal General Managers sort of officials in the corporate office and in the units of ED/Delhi and ED/Mumbai compared with MTNL's competitors. Down below, there are erstwhile DOT recruited employees who have valuable experience and skill but may not be as young as new recruits. For such phenomenon, neither MTNL is responsible nor its employees. MTNL must learn and find a way to survive with whatever it got as a legacy and certainly not at the cost of this.

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**Our Comments/Suggestions :-**

- (1) M/s Deloitte, the consultant appointed by MTNL has identified two strategic options as follows :-  
**Option 1 :** MTNL focus on turn around with support from Government/Share holders and seek opportunities to sell/divest select business assets.

**Option 2 :** Seeks opportunities to merge /partnership with BSNL.

We are of the opinion that option 1 is not appropriate to go on this path. The prescribed time span up to the year 2024 for revival is impractical and purposeless. The proposal like reducing retirement age from 60 to 58 is unethical and this tantamount to attack on job security and therefore, it is not acceptable. VRS with Gujarat model package has already been rejected by MTNL employees once. VRS with fare package may be left to the individual employees' choice.

Above all, our considered opinion is, without any drastic structural change and course correction like scope of PAN India network and service, and thereby merger with BSNL to bring synergy in operational and business approach, cosmetic touches like infusion of Government's or share holders' funds or some concession here and there will not be fruitful to bring real and sustainable change in the situation.

(2) The basic approach should be to improve/upgrade network, improve performance and infrastructure for Land Line connections providing quality and competitive Broad Band Services, Lease Line connection, exploring possibilities for increase FPH services and other IN services to increase revenue instead of depriving employees in the name of cost cutting. The HR issues have been neglected over the years and morale of the employees is now at all time low. The employees of MTNL can very well see that the senior officials who are on DOT's roll are getting all financial benefits from MTNL's exchequer but the employees are being deprived on one excuse or the other. Even implementation of 78.2 % IDA neturialtion is yet to be effected. No organization can survive or revive with demoralized work force.

- 3) To make more specific, our suggestions are as follows :-

(a) Total Merger with BSNL: - Government should act as a central body to enable merger. Followed by this, GOI should provide initial supports of Rs 25000 Crores to alleviate debt + interest – liberalization of 900 MZs spectrum beyond FY 2020-21- ensure utilization of 30% L/L spare capacities and 25% B/B spare capacities with available funds. Network upgrade (Towers, BTS, Fiber ) for next generation.

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(b) With the advantage of merger and resultant synergy in operation, the new entity should try to capture maximum of telecom services in Delhi and Mumbai which is estimated as 15% of total telecom revenue of entire country.

With regards,

Your's sincerely



(V.P.BHARDWAJ)

Jt. General Secretary

Copy to :-

1. Sh. Manoj Sinha ji, Honb'le MOS ( Independent Charge )for solociting kind intervention please.
2. Sh. J.S. Deepak, Secretary Telecom, for solociting kind intervention please.
3. Director,(HR) for kind information and n/a please.
4. Director (Technical) for kind information and n/a please.
5. Director (Finance) for kind information and n/a please.
6. Executive Director Delhi/ Mumbai for kind information and n/a please.