



अरविंद सावंत
Arvind Sawant

आदरणीय श्री अमित शर्मा:

Please refer to my letter dated 31/07/2019 regarding my inclusion in the Group of Ministers constituted for the purpose of revival of BSNL and MTNL, for the reason that, I have been associated with these organisations for almost 32 years as well as being the Minister for Department of Public Enterprises. Recently, a Cabinet Note of Department of Telecommunications for certain interventions to revive BSNL and MTNL was also sent to me for consideration as Minister for Department of Public Enterprises. The proposals made in the cabinet note included following steps:

- i. The Government will form a SPV to make BSNL and MTNL debt free by transferring real estate assets valuing around Rs. 22,000 Crores belonging to these companies to the SPV.
- ii. Merger of MTNL and BSNL.
- iii. VRS will be offered to the employees and the retirement age will be reduced to 58 from 60.

I had whole heartedly supported the above intervention except for reduction in retirement age, for the reason that more and more employees will support VRS in case there is no reduction in the retirement age limit. Further, to make the VRS more incentivised, it was also proposed that the 3rd PRC scales may be granted to the employees before giving them VRS.

The Cabinet Note of the Department of Telecommunications itself recognised the benefits of merger of BSNL and BSNL in para 3.6.2 which is reproduced as under:

"3.6.2 The benefits of merger will be in the form of pan-India footprint, reduction of fixed costs and overheads, synergy in operations, sharing of technical manpower and key management resources, and enhanced Enterprise Business, etc."

Further, the transfer of debt along with the assets of equivalent amount to Special Purpose Vehicle to make these organisations debt free subsequent to the restructuring/revival was also a step in the right direction so that, the merged entity thereafter can focus on the core telecom business without the debt burden.

However, I am given to understand that these 2 important interventions related to formation of SPV to make BSNL/MTNL debt free and the merger of BSNL and MTNL mentioned in the Cabinet Note earlier, are being dropped from the final note for the Cabinet.

As you would appreciate that for revival and rejuvenation of these two companies, it is important to make them debt free as well as merge them to realise their true potential of combined synergy in operations, I would request you to consider the original Note for the Cabinet circulated by the Department of Telecommunications which has been wholeheartedly supported by me.

I would also request you to grant me time for discussion on the interventions for revival for BSNL and MTNL so that there is a win-win situation for both the Government as well as the employees and the management of these two organisations.

Thanking You,

With Regards !!

Yours sincerely,


Arvind Sawant

Shri Amit Shah Ji,
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