

# DoT to expedite the VRS of almost one lakh employees of Bharat Sanchar Nigam Ltd

Sanjay Singh New Delhi December 5, 2011



Rs 11,276 cr will be paid by the govt on BSNL's VRS plan

The Department of telecommunications (DoT) would expedite the voluntary retirement scheme (VRS) of almost one lakh employees of **state-owned Bharat Sanchar Nigam Ltd** (BSNL) after it completes the process of repatriating 1,800 Indian Telecom Officers (ITOs) - with BSNL since its inception - back to their parent cadre DoT.

Unlisted BSNL was carved out of DoT in October 2000. Over 300 officials have already been relieved, while the remaining officers are expected to join DoT by December-end. However, the twin moves has left the employees baffled. ITO officials being repatriated to DoT would lose heavily on account of perks, privileges and retirement benefits. In the case of VRS, employees completing 45 years and having served BSNL as regular employees for 15 years are being singled out. Industry observers feel that the fate of the PSU is at stake. They feel that these developments will create a massive vacuum, which will not only affect the basic functioning of the state-run telecom company but will also affect other operators as well.

"Most of the operators are dependent on BSNL for their mobile network and infrastructure. All telcos are linked with each other through BSNL. If there is a problem at BSNL, other operators will also be affected," said an official of a Delhi-based private telecom company.

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However, DoT said that when BSNL was formed it was agreed that those working for BSNL would eventually be absorbed. While the ITOs continued with BSNL on deputation, other

cadres were merged. This has caused resentment among others in BSNL. The crisis the BSNL officials said is due to failed plans. Those who opt for VRS will get an ex-gratia amount of 60-days' basic and dearness allowance for the number of months left in service for a maximum of 60 months. The ex-gratia amount will be in addition to the normal retirement benefits.

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The government is likely to spend around Rs 11,276 crore on BSNL's VRS. In addition, there will be expenditure on normal retirement benefits, including gratuity, pension, leave encashment and transfer grant. While BSNL expects to save Rs 33,650 crore by March 31, 2027 by offering VRS to its one lakh employees. Besides BSNL, Mahanagar Telephone Nigam Ltd (MTNL) that operates in Delhi and Mumbai only has also sent proposals to the government to offer voluntary retirement to employees to save costs. BSNL has been relegated to the fifth place in terms of mobile subscribers after Airtel, Vodafone, Reliance and Tatas from its number two position just a few years ago. Both BSNL and MTNL have failed to keep pace with private operators. They have been losing market share to rivals.

BSNL saw its overall revenue fall from Rs 39,715 crore in 2006-07 to Rs 38,053 crore in 2007-08 and further to Rs 35,812 crore in 2008-09, before falling to Rs 32,046 crore in 2009-10.

The telco has also told a government panel that its revenues for the fiscal ended March 2011 was expected to be Rs 31,738 crore. The company has projected Rs 623 crore loss for 2011-12.

**Courtesy: [Mail Today](#)**