



**ALL INDIA
BHARAT SANCHAR NIGAM LIMITED
OFFICERS' ASSOCIATION
CENTRAL HEAD QUARTERS
37, Laxmibainagar, New Delhi – 110023**

General Secretary
V.P.ARYA
Mobile:9868210478

No. AIBSNLOA/CHQ/2008/27

Dated 21.07.2008

To
Shri A Raja,
Minister of Communications & IT,
Government of India,
New Delhi.

Sub: Proposal for merger of M/s ITI Limited with Bharat Sanchar Nigam Limited - our protest thereof.

Hon'ble Sir,

We learn with great concern and disbelief that Government is considering a proposal for merger of M/S ITI Ltd with Bharat Sanchar Nigam Limited. We are not aware from which quarter this idea has been mooted - but we certainly believe that this is an ill-motivated and illogical proposal. For the last several years, the M/S ITI Ltd is living with oxygen. It is practically on its death bed. Its management could not revamp the Organization despite several measures initiated by the Government for its survival. It is even getting orders from BSNL for supply of equipments to the tune of 25% of the total Orders placed without competing with other suppliers. Still, it is unable to come out of the sick bed. On the other hand, it is already proved to be a deterrent in BSNL's effort to come back strongly in the area of providing GSM services and regain the lost position as a service provider. Entire western zone of BSNL is suffering, because M/S ITI Limited is unable to supply and install the GSM equipments in the Circles in BSNL's western zone on time. Moreover, it is said that it is already having a liability of over Rs 3000 crores. Surplus manpower and redundant manufacturing equipments are adding to its woes. At present, BSNL itself is fighting a grim battle for its survival. Its profit margin has dipped considerably. The employees are having sleepless nights about their future. In these circumstances, BSNL cannot afford to tag with a sinking boat. Therefore, the proposal for merger of M/S ITI Limited with Bharat Sanchar Nigam Limited has to be discarded right now.

2. However, any proposal for treating M/S ITI Limited as a subsidiary to BSNL or for having a joint venture between M/s ITI Ltd and BSNL could be considered with no direct or indirect liability on BSNL.

With kind regards,

Yours sincerely,

(V.P.Arya)
General Secretary

Copy to:

1. Shri Siddhartha Behura,
Secretary,
Deptt of Telecommunications,
New Delhi 110 001.
2. Shri Kuldeep Goyal,
Chairman & Managing Director,
Bharat Sanchar Nigam Limited,
New Delhi 110 001.
3. Shri S D Saxena,
Director (Finance),
Bharat Sanchar Nigam Limited,
New Delhi 110 001.
4. Shri Rajendra Singh,
Director (C&N),
Bharat Sanchar Nigam Limited,
New Delhi 110 001.