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VRS a requirement to increase BSNL's profitability: CMD

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OVER 2,10,000 employees of the state-owned telecom operator Bharat Sanchar Nigam Ltd (BSNL) may be seen as a huge asset of the company due to its far and wide reach, but to improve its books, a voluntary retirement scheme (VRS) is a "requirement", chairman and managing director Anupam Shrivastava told *The Indian Express* in an exclusive interview.

"BSNL, because of its scale and size, we spend almost over Rs 15,000 crore per year on our human resources, which is around 2,10,000 strong, and just to give you an idea, whatever Air India is earning from all its domestic, international operations, whatever they're earning, that amount we're spending solely on the salaries. That is the enormity of our salary expenses that we have to live with," Shrivastava said.

He added that the company's average age was over 50 years, and despite training the staff BSNL could not milk its employees for more efficiency.

"Although we have tried by giving training, etc... it is not possible that we can make someone young. So in order to increase the profitability, we sent a proposal sometime back to the government to have VRS for BSNL," Shrivastava said, adding that the Centre was working to find out if the cost incurred on VRS will be justified or not.

"The cost of VRS is huge, the government was trying to consider whether it is justified to incur the cost. It is running to around Rs 18,000 crore-Rs 20,000 crore just for the VRS part for around 65,000 employees. So if we have to give VRS to one-third of the employees, the cost was coming to Rs 18,000 crore," he said.

Recently, the Telecom Commission, an inter-ministerial decision making body, had cleared Mahanagar Telephone Nigam Ltd's (MTNL) VRS plan for employees who are 50 years of age and above to save costs. The exchequer is expected to save around Rs 500 crore to Rs 600 crore every year by giving VRS to some MTNL employees.

The NDA government has, in many ways, pushed for revival of the two public sector telecom companies, especially of BSNL because of the social obligations it fulfills.

"BSNL was a Rs 10,000-crore profit-making entity when the Atal Bihari Vajpayee-government exited in 2004, and when the Narendra Modi-government took charge in 2014, it was making a loss of Rs 8,000 crore," Minister of Communications and Information Technology Ravi Shankar Prasad has said on past several occasions.

While VRS may be a must for BSNL as it walks on the recovery road, Shrivastava said that the need for the scheme was not emergent because the company, for now, can meet its salary expenses.

"But in order to make BSNL more profitable, to increase the efficiency further, VRS is a requirement," he added.