

To,

- (i) To (v) PGM (NWP-GSM-I) / Sr GM (BP-CM) / Sr GM (NWP-GSM-II) / GM (NWP-CDMA/Wi-Max) / GM (NWO-CM)
- (vi) to (x) Sr GM (NWP-CFA) / Sr GM (BP-CFA) / Sr GM (NWP-BB) / Sr GM (NWO-CFA) / Sr GM (IT-CFA)
- (xi) to (xiii) PGM (BP-Enterprise) / Sr GM (CNP) / GM (NOFN)
- (xiv) to (xix) PGM (SR) / Sr GM (Trg) / Sr GM (Personnel) / GM (Establishment) / GM (Corp. Restg) / GM (Recruitment)
- (xx) to (xxiii) PGM (Electrical) / Sr GM (MM) / GM (Infra Sales) / GM (CIT)
- (xxiv) to (xxvii) GM (IA) / GM (BFC & I) / GM (CA) / GM (F-CFA)

No:CPM 1-54/MoU(2013-14)/2013

Dt: 02/04/2013

Sub: Memorandum of Understanding (MOU) for the year 2013-14

1. As you are aware BSNL is signing MOU with DOT. The purpose of MOU is to agree on performance on various parameters by which the officers of BSNL can ensure its performance. Thus the officer can work on self motivated basis to achieve the parameters.
2. The MOU for the year 2013-14 had been signed by BSNL with DOT on 22.03.2013. *The details of the targets on Physical and Financial parameters along with the unit responsible for achieving the said target are enclosed in Annexure I.* The complete MOU incorporating relevant Annexure (Annexure A, B) and the means for verifying the achievement of Non-financial parameter (Annexure D) is attached at **Annexure II.**
3. The Salient points of the MOU for the year 2013-14 are given below

2.1 Static Parameters: (Wt. 50%) It focuses on overall financial performance of BSNL. The Very Good Targets for key items for the year 2013-14 is given below

2.1.1 Gross Sales = Rs 30,000 Crores

2.1.2 Gross Margin = Rs 3,500 Crores

2.2 Dynamic Parameters: (Wt. 35%) It predominantly focuses on Quality of Service, customer Satisfaction, Human Resource Management, Research & Development, Sustainable development, Capex Expenditure, Network for Spectrum, National Optical Fiber Network to connect Panchayats and Globalization.

2.2.1 Compliance of Corporate Governance has not been included as mandatory parameters in MOU-2013-14, however Non- Compliance of Corporate Governance will be penalized by way of negative marking (*Refer Note-B of Annexure-I*)—**Action taken by CS &GM(Legal)**

2.3 Sector Specific and Enterprise Specific parameters: (Wt. 15%) It focuses on various physical parameters specific to telecom sector. The Very Good Targets for key items for the year 2013-14 is given below

S. No	Parameter	Target	Action taken by
2.3.1	Net Addition in Landline w.r.t Connection as on 31.03.2013(	0 Lakhs	GM (NWP-CFA)
2.3.2	Net Addition in Mobile w.r.t Connection as on 31.03.2013	80 Lakhs	PGM(NWP-GSM-I)
2.3.3.	Net Addition in Broadband connection (ADSL - EVDO+ Wi MAX)	30 Lakhs	Sr.GM (NWP-BB) Sr.GM (NWP-CDMA/ WiMax)
2.3.4	The No of circles where ERP is to be Implemented with Minimum 4 Territorial Circles	9 Circles	GM (COIT)

Following new parameter has been introduced in FY 2013-14

2.1.1 **Dynamic parameters:** The QOS parameters & Customer Satisfaction parameters are planned to be rationalized so that it reflects the current focus area in Wireline, Broadband and Mobile network.

a) **Quality of Service (QoS) parameters:** It includes Wire line, Broadband and GSM QoS parameters. The targets have been fixed---**Action taken by GM (NWO-CM/ NWO-CFA).**

b) **Customer Satisfaction:** It includes customer satisfaction parameters for Wire line, Broadband and GSM network. The targets have been fixed---**Action taken by GM (NWO-CM/ NWO-CFA).**

2.1.2 **Human Resource Management :** The format is revised by DPE.- **Action taken by GM (Trg)**

- 2.1.3 **Capital Expenditure:** Migration of customers from Legacy wireline network to NGN is included under this parameter. A target of 5 Lakh customer migrations has been fixed. **Action taken by Sr. GM (NWP-CFA).**
- 2.1.4 **National Optical Fiber Network to connect Panchayats :** This is included under Dynamic Parameter and the target to connect 75,000 Panchayats through NOFN is fixed.-- **Action taken by GM (NOFN)**
- 2.1.5 **Network for Spectrum:** This is included under Dynamic parameter and the target to lay out 40,000 RKMs OFC is fixed. —**Action taken by ED (NB)**
- 2.1.6 **Sustainable Development :** The format has been revised by DP . – **Action taken by PGM (Electrical)**

4. Further Line of Action:

3.1 The distribution of Gross Sales targets across four BUs is given at Table 3A.

Table 3A: BU wise target for Revenues (Gross Sales)

S. No	Business Unit Vertical	Revenue target for 2013-14 (very good) in Rs Crores
1	Consumer Fixed Access	13,000
2	Consumer Mobility	13,250
3	Enterprise Business	3,500
4	New Business	250
Total		30,000

3.2 The Business Planning of the respective BUs are requested to work out the Circle Wise physical and revenue internal target for the FY 2013-14 and communicate the same to BFC&I cell with copy to CP&M cell.

3.3 BFC&I cell is requested to work out the Circle wise target of Operating expenses, based on the revenue receipts targets received vide 3.2 and in adherence with the target for the Gross Margin

3.4 From year 2013-14, the proforma for Sustainable Development activities Annexure B1 (Annexure XIII) & Human Resource Management has been revised by DPE. . The R & D projects along with performance indicators are revised and which is enclosed at Annexure A (Annexure XII). *For R&D and HRM, the nodal officer is Sr GM (Training) and for Sustainable Development, the nodal officer is PGM (Electrical).*

3.5 Likewise year 2012-13, DPE has insisted for providing supporting documents for verifying the achievement of various non-financial parameters This is required to be submitted to DPE as a means for verifying the achievement of the non-financial parameter.. *The means for verifying the achievement based on the inputs received from respective BUs, which has already been*

communicated to DPE, is enclosed at Annexure D of MOU. It will be relevant to mention that, as per the DPE guidelines, non-submission of supporting document for non-financial parameter would entail an automatic downgrading by at least one notch from the rating claimed by the CPSE in respect of the parameters for which the documentary evidence have not been submitted to DPE.

3.6 The quarterly progress of various performance parameters starting for the quarter April - June 2013 may please be sent to CP&M cell by 19th of the July and accordingly for all following quarters.

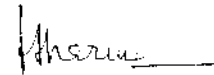
For R&D, HRM and Sustainable development, the achievement shall be submitted in the respective proforma by the respective nodal officer.

Also for various non-financial parameters, a sample format of the documentary evidence needs to be submitted by the respective units on quarterly basis to CP&M cell.

5. The progress of BSNL for the financial year 2013-14 will be monitored by DOT on quarterly basis and by DPE by the end of the year. All out efforts be made to achieve the target under 'Excellent' category.

6. It is requested to the Business Planning's of respective Business Units to furnish the circle wise physical and revenue targets for FY 2013-14 before 15-04-2013. *The soft copy of the same may please be mailed to bsnl.co.in & agmcpm1@gmail.com*

Encl: Annexure I and Annexure II



(V.K. Sharma)

General Manager (Corporate Plg & Monitoring)

Copy To:

- [1] PS to CMD for information please
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