

**OVERVIEW**

This Audit report for the year 2004-05 contains two Performance Audits on Wireless-in-Local Loop (WLL) telephone system and Human Resources Management in Bharat Sanchar Nigam Limited (BSNL).

**Wireless-in-Local Loop telephone system**

The Wireless-in-Local Loop (WLL) telephone system is a digital wireless local loop system designed to substitute underground cables by linking exchanges to the customers through wireless. The Company provides both fixed and limited mobile WLL telephone services under the brand name 'Tarang' while the Company created a capacity of 26.89 lakh lines, only 16.28 lakh lines were provided as of March 2005. The capacity remained grossly underutilised mainly on account of deficient planning; mismatches in the procurement of WLL systems and terminals; poor network coverage and poor quality of service which needs to be improved urgently to optimise the benefits/financial return from the WLL services.

**Human Resources Management**

The Company on its formation (October 2000) was facing a unique situation of transiting from a bureaucratic governmental setup to a market driven corporate culture which required it to gear up to meet the challenge by inter alia making the necessary reforms in its human resources management although the Company appointed KPMG (consultant) for reviewing and strengthening its human resources management system, it had not considered most of the recommendations till January 2006. Issues like preparation of manpower plans, integration of all the human resource functions under the charge of Director (HRD), promotion management system, preparation of human resource manual etc. remained unaddressed.