

Govt tells BSNL to look at options, including closure

Wants To Prevent Mounting Losses At Telecom PSU

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New Delhi:

The government has asked struggling stateowned telco BSNL to look at all options, from a revival plan to disinvestment and even closure, as it looks to tackle the bleeding at India's largest lossmaking PSU.

The direction to the company — which had accumulated losses of Rs 31,287 crore at the end of 2017-18 — was given following a meeting of top BSNL officials with telecom secretary Aruna Sundararajan, sources told **TOI**.

BSNL chairman Anupam Shrivastava made a presentation to the telecom secretary, where he gave details about the company's financial health, its accumulated losses, the impact on business following the entry of Reliance Jio, and possible voluntary retirement scheme (VRS) and early retirement plans for employees.

Interestingly, the government — while looking at revival options — also asked the company about an analysis if its business was shut down. BSNL was asked to submit “comparative analysis of all options available with the government, i.e. strategic disinvestment of BSNL, closure or revival with financial support”, sources said.

BSNL said, apart from competition, what is troublesome for the company is its large, ageing manpower. It spoke about the need to reduce this, either through a VRS or by bringing down the retirement age from 60 years to 58 years. “If the age of superannuation is reduced from 2019-20, there would be savings of approximately Rs 3,000 crore in the wage bill.”

Regarding VRS, the company said it will target employees aged 56-60 years, that will make 67,000 employees eligible for it. “Assuming 50% of these employees (33,846) opt for VRS, this shall result in a saving of Rs 3,000 crore in salary bill. The ex-gratia shall vary from Rs 6,900 crore to Rs 6,300 crore for various fitment.”

BSNL also suggested monetisation of the company's large land-bank and buildings holding, which is estimated to be worth Rs 15,000 crore. It said this could be done over the next two-to-three years by the department of investment and public asset management (DIPAM).