

NEW DELHI, April 21, 2010

Telecom Commission to consider BSNL disinvestment soon

The Telecom Commission, the policy-making wing of the DoT, will soon take up the issue of disinvestment in state-run BSNL, Telecom Minister A. Raja said on Wednesday.

“In a few days, the decision of BSNL board on the Sam Pitroda committee report and IPO is going to be discussed in the Telecom Commission,” Mr. Raja said on the sidelines of an event.

Following the deliberations by the commission, the outcome will be placed before a Group of Ministers (GOM), which is yet to be constituted, he added.

On Tuesday, Mr. Raja had said that the government will refer the issue of disinvestment in BSNL to a GoM, an announcement that brokered peace with employees' unions, who called off an indefinite strike on the same day within a few hours of commencement.

According to sources, the next meeting of the TC is scheduled on May 7.

In the meeting, the TC will consider some key recommendations of the Sam Pitroda Committee regarding the restructuring of BSNL and also look into proposals related to disinvestment and an initial public offering.

As assured earlier, Mr. Raja said the issue of disinvestment will be referred to a GoM and all the stakeholders, including the unions, would be consulted before taking other decisions with regard to BSNL.

A high-level panel headed by Sam Pitroda and with banker Deepak Parekh and Telecom Secretary P.J. Thomas as members had recommended 30 per cent disinvestment in BSNL and voluntary retirement of over one lakh staff as part of steps to improve the financial health of the PSU.

The Sam Pitroda panel was set up by Prime Minister Manmohan Singh to suggest ways to improve BSNL's financial health.

BSNL saw profits plummet to Rs. 178 crore in 2009—2010 (up to December, 2009) from over Rs. 575 crore in 2008—09, as the PSU is rapidly losing market share to new entrants. The PSU has 91 million users, both mobile and landline. BSNL offers services across India, except in Delhi and Mumbai.