

Inter-ministerial group to recommend navratna status for BSNL

NEW DELHI: Almost after seven years, government-owned telecom major Bharat Sanchar Nigam Ltd (BSNL)'s dream of becoming a navratna company may true.

The Inter Ministerial Group (IMG) has agreed to recommend the BSNL's case for navratna status to the apex committee for navratna PSUs.

The apex committee, headed by cabinet secretary KM Chandrasekhar, which met in July, had sent BSNL's proposal back to the IMG headed by the secretary, department of public enterprise (DPE) to revisit the proposal.

"The IMG was asked to revisit the BSNL's proposal for navratna and the group has decided to recommend BSNL once again as it has met all the standards for navratna. The recommendation will be put before DPE very soon and everything should be finalised in a couple of months," said a senior DoT official.

The BSNL has been trying for the navratna status since 2001, but has been missing it for almost seven years now. The DPE had rejected the application earlier saying that "at present, the company does not fulfill the eligibility conditions stipulated in the government guidelines for navratna companies". The criteria states that the company must be a schedule A mini-ratna category and it should have obtained 'excellent' or 'very good' MoU rating in three of the last five years. Currently, there are 17 PSUs with navratna tag.

Ever since its corporatisation in 2000, the BSNL has been requesting DPE to grant it a navratna status that will give it more autonomy and will allow it to compete more effectively with the private operators. The BSNL has been asking for a navratna tag on the grounds that smaller companies such as Mahanagar Telephone Nigam (MTNL) were granted navratna status earlier.

"A navratna company enjoys autonomy in financial matters and its boards are empowered to take quick decisions. The BSNL has enough funds now and wants autonomy to work so that they can give tough competition to the private operators," said a senior DoT official.

BSNL was earlier a part of DoT and was corporatised so that it could focus on services while DoT looked after policy matters. At that time, the company was assured it would be granted the operational flexibility accorded to navratna companies.

The BSNL has been planning to come up with an IPO, and if the company manages to get the navratna tag, it may generate better responses. The BSNL plans to raise around Rs 40,000 crore from its public offer.

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