

IIMs asked to indicate interest to prepare BSNL's revival plan

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NEW DELHI: Three Indian Institutes of Management (IIMs) have been asked to indicate their interest for undertaking a study and preparing a revival plan for the state-owned BSNL, Parliament was informed today.

"BSNL and MTNL have been incurring losses for a number of years. Therefore, as per Department of Public Enterprises (DPE) guidelines, both BSNL and MTNL have been declared as 'Incipient Sick'," Telecom Minister Manoj Sinha said in a written reply to the Lok Sabha.

Following this, steps have been initiated by the Telecom Department for preparation of revival and restructuring plan of Bharat Sanchar Nigam Ltd (BSNL).

"Three Indian Institute of Management (IIMs) have been requested to submit their willingness for undertaking a study and preparation of revival/restructuring plan of BSNL," Sinha added.

The minister said the wireless market share and subscribers numbers of BSNL have gone up, but the market share of Mahanagar Telephone Nigam Limited (MTNL) has marginally decreased in the last three years.

"To remain competitive both BSNL and MTNL have also reduced their tariff plans due to private Telecom Service Providers (TSP) offering data and voice tariff plans at substantially lower rates," he said.

The move to respond to market competition, has impacted the revenue and subscriber base of all telecom operators including BSNL and MTNL, he noted.

Meanwhile, the revival plan of MTNL prepared by its consultant "is under consideration" in Department of Telecom (DoT), he said.

The recommendations include defending current revenue and additional revenue streams, asset monetisation, lowering retirement age from 60 to 58 years for employees, Voluntary Retirement Scheme (VRS), debt restructuring and finding synergy in operations of MTNL and BSNL.

"An internal committee of DoT is examining the recommendations of the report prepared by the consultant to decide the path of financial, human resources and corporate restructuring for revival of MTNL," Sinha added.