

BSNL infrastructure might be shunted to new subsidiary

By [Kalyan Parbat](#) & [Anandita Singh Mankotia](#), ET Bureau | 12 Dec, 2013, 05.00AM IST

[Post a Comment](#)

KOLKATA/NEW DELHI: The telecom department has sought approval of an empowered group of ministers (eGoM) to hive off Bharat Sanchar Nigam Ltd's mobile towers and accompanying infrastructure into a wholly-owned subsidiary.

It has also sought 'in-principle' nod of the panel of ministers for outsourcing the operations & maintenance (O&M), sales and marketing functions of BSNL's proposed tower arm.

"BSNL's new tower company is expected to have a lean management and operational structure, for which eGoM approval is sought to outsource O&M, sales and marketing activities," the telecom department told the ministerial panel in an internal note seen by ET.

Total asset base of BSNL's proposed tower unit is estimated at Rs 7,226.3 crore, while its equity holdings and reserves are envisaged at Rs 4,076.3 crore. Of this, "the equity component is pegged at Rs 3,000 crore while the balance Rs 1,076.3 crore will be transferred as reserves to provide a cushion to the new tower firm to raise debt," the DoT note said.

The telecom department has also sought eGoM approval for constituting a project management office within BSNL for managing the transition. Post-clearance, DoT will seek the Cabinet nod for the wholly-owned tower arm.

The subsidiary proposal was mooted three years ago by a Sam Pitroda-led panel to monetise tower infrastructure after financial performance deteriorated amid hyper competition in turf, coupled with its inability to expand on time or compete with more nimble private operators.

More recently, in September, the BSNL board had recommended initially converting tower assets into an independent [strategic business unit](#) (SBU) with outsourced functions, and subsequently into a 100% subsidiary.

Post-creation of a wholly-owned tower arm with outsourced functions, the BSNL board had also advocated induction of a strategic joint venture partner with appropriate shareholding. The note, however, is silent on this.



Total asset base of BSNL's proposed tower unit is estimated at Rs 7,226.3 cr, while its equity holdings and reserves are envisaged at Rs 4,076.3 cr.

ET SPECIAL:

[Save precious time tracking your investments](#)

[Home](#) | [News](#) | [Markets](#) | [Personal Finance](#) | [Mutual Funds](#) | [Infotech](#) | [Jobs](#) | [Opinion](#) | [Features](#) | [Videos](#) | [My Portfolio](#) | [Budget 2013](#)

[Live Market](#) | [News](#) | [Portfolio](#) | [Mobile](#) | [Live TV](#) | [Newsletter](#) | [Commodities](#) | [Speed](#) | [QnA](#) | [Blogs](#) | [Alerts](#)

Other Times Group news sites

[Times of India](#) | [Mumbai Mirror](#)
[Times Now](#) | [Indiatimes](#)
[Gizmodo](#) | [Eisamay](#) | [Lifehacker](#)

Living and entertainment

[Timescity](#) | [iDiva](#) | [Bollywood Zoom](#) | [Healthmeup](#) | [Luxpresso](#)
[Technology](#) | [Gyulife](#) | [Online Songs](#)

Networking

[itimes](#) | [Dating & Chat](#) | [Email MensXP.com](#)

Hot on the Web

[Grand i10 Price](#) | [Cholesterol](#)
[Sunny Leone Photos](#) | [Yebhi Coupons](#)
[Used Cars in Chandigarh](#) | [Bike Price India](#)

Services

[Book print ads](#) | [Online shopping](#) | [Free SMS](#) | [Website design](#) | [CRM](#) | [Tenders](#)
[Matrimonial](#) | [Ringtones](#) | [Astrology](#) | [Jobs](#) | [Property](#) | [Buy car](#) | [Bikes in India](#)
[Used Cars](#) | [Online Deals](#) | [Restaurants in Delhi](#) | [Movie Show Timings in Mumbai](#)
[Remit to India](#) | [Buy Mobiles](#) | [Listen Songs](#)