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Start making profit, Sibal tells BSNL

Special Correspondent

Bharat Sanchar Nigam Ltd (BSNL), that is facing stiff competition from private players, has been asked by Communications and IT Minister Kapil Sibal to come up with projects that would help it write off losses and start making profit.

"I have asked BSNL to submit plans for five projects in the next four to six weeks which will help the company to move towards profitability," Mr. Sibal told journalists on Monday after inaugurating BSNL's new Internet Data Centre (IDC), set up in collaboration with Dimension Data, in the adjoining township of Faridabad.

"Though BSNL has a net worth of Rs.86,000 crore, it incurred a loss of Rs.6,000 crore… that is something that needs to be changed."

Due to its falling market share, the BSNL has seen its losses shooting up over three times, from Rs.1,823 crore in 2009-10 to Rs.5,997 crore in 2010-11. The company had clocked a net profit of over Rs.10,000 crore in 2005-06, but since then its financial performance has been declining.

A committee formed by Prime Minister Manmohan Singh and headed by his advisor Sam Pitroda had given several suggestions, including voluntary retirement scheme for the overstaffed company, public issue, expansion of mobile business and proper use of towers and land resources. The report is yet to be implemented.

Talking about the data centre, Mr. Sibal said the public-private initiative would leverage the strength of BSNL in telecom infrastructure and help generate revenues. "These IDCs will enhance BSNL's comprehensive service portfolio to meet the communications and IT needs of large, medium and small business enterprises in India. It will facilitate various organisations to quickly induct IT-enabled services within their organisations without the hassle of setting up and maintaining their own data centres."

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