

Publication:

The B

Place:

Cabinet note on hiving off BSNL's tower assets soon

MANSI TANEJA
New Delhi, 23 February

The department of telecommunications (DoT) has approved state-run Bharat Sanchar Nigam Limited's (BSNL's) plan to hive off its tower assets into a wholly owned subsidiary and is in the process of formulating a Cabinet note for the same.

The proposal to this effect will be sent to the Cabinet soon for a final approval, a senior official from DoT told *Business Standard*.

BSNL has been planning to monetise its huge tower assets of 61,000 towers across the country to generate additional revenues. "We plan to monetise our passive infrastructure — towers, land assets and training centers. For towers, we are in the final stages of setting up a subsidiary with 100 per cent equity holding by BSNL," a senior official from BSNL said.

First, an internal unit under BSNL will be created for all the tower assets and then, a fully owned subsidiary, the official added.

This is part of the revival plan for turning BSNL back into profits. The monetisation of other related passive infra assets could help the public sector undertaking raise ₹10,000-15,000 crore, according to estimates. Last year, the government had in-principle approved BSNL's plan to hive off its tower assets into a separate entity.

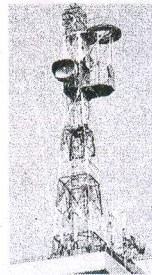
Currently, BSNL has tower sharing agreements with most of the private players. As the towers of BSNL are spread across the country, even in the remote areas, private telcos prefer to share BSNL's infrastructure rather than investing in setting up of their own network.

BSNL, with over 61,000 towers, has the largest tower assets among the telcos. Indus Towers, a joint venture between Bharti Airtel, Vodafone and Idea Cellular, is the largest player in the industry with over 120,000 towers.

An increasing competition and constraints in its capacity expansion plan led BSNL post a loss of ₹1,823 crore in 2009-10 for the first time since inception in 2000. The losses have now reached ₹7,600 crore.

To revive the company in the next two-three years, the new chairman and managing director of BSNL Anupam Shrivastava plans to invest ₹39,000 crore over the next five years to expand BSNL's core network. BSNL is also focusing big time on launching data services — wi-fi and fourth-generation with a plan to integrate wi-fi with their mobile network to provide users a seamless experience of third generation and wi-fi services.

"Mobile services contribute ₹13,500 crore, of which 10 per cent comes from the data segment and is consistently rising. From broadband services, we earn ₹7,500 crore. We expect revenue from combined data and broadband services of ₹15,000-16,000 crore in the next three years," Shrivastava told *Business Standard* in a recent interview.



BSNL's has been planning to monetize its huge tower assets — 60,000 towers across the country to generate additional revenues

ons Cell BSNL CO etc Delhi

Page No: (2)

Date: 24/2

24/2