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BSNL employees fear tower subsidiary to spur privatisation

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Muntazir Abbas ETTelecom Updated: April 08, 2021, 11:23 IST



NEW DELHI: [Bharat Sanchar Nigam Limited \(BSNL\)](#)

employees raised concerns over state-controlled telco's plans to offload shares of its infrastructure unit [BSNL Tower Company Limited \(BTCL\)](#) to a 'strategic private partner' in a bid to privatise the company's operations.

"The government is planning to induct a strategic partner by

allocating certain volume of shares of BTCL, and finally it would slip away from state control once a private entity reaches to a level of major stakeholding," P Abhimanyu, general secretary, BSNL Employee Union (BSNLEU) told ETTelecom.

Delhi-based employee group represents 36,000 non-executives of the state-run telecom service provider.

Abhimanyu further said that the government may say that their efforts would bring in operational efficiency but after the 51% stake offload, the tower unit would stand privatised, and BSNL would be reduced to a mere skeleton.

Following the stiff resistance from employee unions, the telco, according to him, was not able to launch the Initial Public Offer (IPO) for stock exchange listing earlier, has now chosen such a route leading to privatisation.

In 2017, the Cabinet had approved the proposal to hive off state-owned telco's tower assets to make a new subsidiary to have a focussed approach.

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The BSNL executive, citing the VSNL-Tata group partnership, said that the government already has disinvestment plans in place, and the recent actions may lead to the privatisation of BSNL despite its strategic nature.

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The decision to induct a partner into the subsidiary is already taken by the Centre while the unions and associations continue to oppose the formation of a separate tower company.

"The considered opinion of the unions and associations of BSNL is that, the decision of the government to form BSNL's subsidiary tower company and to hive off BSNL's towers to it, is fraught with the danger of privatisation," the union in a letter dated April 7, 2021 to BSNL chairman PK Purwar said.

On asking about the discussions with the management, the employee body further said that they were told that the tower entity would carry out the non-telecom activities such as smart city programs, and with a view to reduce the licence fee liability of the company but the arguments, it said, appeared to be deceptive.