

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:2122

ANSWERED ON:06.08.2001

FINANCIAL ASSISTANCE FOR BSNL

A. VENKATESH NAIK;CHANDRA BHUSHAN SINGH;GANGASANDRA SIDDAPPA BASAVARAJ;V. SAROJA;Y.S.
VIVEKANANDA REDDY

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether his Ministry has approached the Ministry of Finance for financial assistance for the Bharat Sanchar Nigam Limited (BSNL);
- (b) if so, the details thereof;
- (c) whether the Ministry of Finance has accepted the proposal;
- (d) if so, the details thereof;
- (e) if not, the reasons therefor;
- (f) whether there is a proposal to exempt BSNL from paying the sales tax; and
- (g) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) to (g): At the time of corporatisation of the Department of Telecom Services, the Government decided that unviable projects which are socially relevant will be funded by the Government separately. Pursuant to this decision, DOT has approached Ministry of Finance for a suitable capital structure and a package of reliefs which will enable BSNL to discharge its obligations towards rural telephony as well as urban low-calling services. DOT has asked for reimbursement of licence fee, moratorium of payment of loan and waiver of interest and dividend for 5 years as well as reimbursement of additional sales tax. Discussions with the Ministry of Finance are at an advanced stage, after which Cabinet approval will be sought.