

GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:510
ANSWERED ON:17.07.2002
VPT BY BSNL
NARESH KUMAR PUGLIA

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Bharat Sanchar Nigam Limited (BSNL) have suffered heavy loss during the last three years in providing telephone services in rural areas;
- (b) if so, the details thereof;
- (c) whether the BSNL has now asked the Department of Telecommunications to either pay for its non-viable operations or allow it to close down its rural operations system; and
- (d) if so, the reaction of the government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUMITRA MAHAJAN)

(a) Yes, Sir.

(b) As BSNL was created w.e.f. 01-10-2000, the estimate of loss for the six months period upto 31-03-2001 and the year 2001-2002 is furnished below:

Year	Amount of Loss (Rs. in crores)
01-10-2000 to 31-03-2001	1,928
2001-2002	4,052

(c) Yes, Sir. BSNL has asked the government to cover the losses incurred in running the loss making rural network.

(d) With a view to ensure BSNL meets the rural telecom. demands, Govt. has agreed to exempt BSNL from payment of the following :-

(i) Payment of dividend on preference equity of Rs. 7,500 crores or upto 31-03-2004 and on equity share capital of Rs. 5,000 crores upto 31-03-2002. The dividend on equity for 2002-2003 and 2003-2004 shall be waived by 50% and 25% respectively.

(ii) License fee and spectrum charges shall be set off against reimbursement upto 31-03-2003 of losses incurred on account of rural telephony operations and other socially desirable projects, as decided by the Govt.

(iii) There will be a moratorium on repayment of principal and interest upto 31-03-2004 on Govt. loan of Rs. 7,500 crores which has been determined to be part of the capital structure of BSNL.

As against grant sought by BSNL, Govt. has agreed to provide an amount of Rs. 720 crores as Plan loan against un-viable services on account of Rural Telephony provided by BSNL during 2001-2002.