

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:2011
ANSWERED ON:21.07.2004
INCREASE IN REVENUE ARREARS
Deora Shri Milind Murl

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

- (a) whether the revenue arrears of BSNL have been increasing as per demands raised and collected;
- (b) if so, the details thereof and the reasons therefor during the last three financial years;
- (c) whether the BSNL has been exempted from payment of dividend on equity share capital upto March, 2002 and on preference share capital upto March, 2004;
- (d) if so, the reasons therefor; and
- (e) the quantum of net profit inflated as a result thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) No, Sir.

(b) Does not arise in view of `(a)` above.

(c) Yes, Sir.

(d) BSNL has to fulfill Universal Service Obligation to provide telephones to customers irrespective of losses being incurred in provisioning of these services both in Rural and Urban areas. Government of India has therefore provided these exemptions to BSNL for financing the socially desirable and economically unviable projects during the initial years of operations.

(e) The decision of exemption from payment of dividend has not inflated the net profit of the Company since the dividend is an appropriation of the net profit only and do not have any impact on the net profit amount.