

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

UNSTARRED QUESTION NO:3856  
ANSWERED ON:19.04.2010  
BAILOUT PACKAGE FOR BSNL  
Sugumar Shri K.

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

- (a) whether the Bharat Sanchar Nigam Limited (BSNL).has requested the Government to grant Rs. 8600 crore bailout and an extension of moratorium on interest payment of Government loans worth Rs. 7000 crore;
- (b) if so, the reaction of the Government thereto;
- (c) whether the BSNL has also demanded to the Government to instruct Central and State Governments to mandatorily subscribe to its services to increase its revenue and get relief from the fiscal burden; and
- (d) if so, the details thereof and the steps taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT)

(a) & (b): Madam, no proposal on the grant of Rs, 8600 crores bailout has been received by the Department of Telecommunications from Bharat Sanchar Nigam Limited (BSNL). However, BSNL has requested for extension of moratorium on payment of interest on notional Government Loan of Rs.7500 crores upto 31-03-2008 and withdrawal of penalty and prepayment charges.

The moratorium on payment of interest was initially upto 31-03-2004, which was further extended to 31-03-2005 as one of the packages of relief measures to BSNL to support it for discharging social obligation of providing telecommunication facilities in rural, remote and commercially unviable areas of the country.

(c) & (d): BSNL, during presentation on review of its performance has requested that centre/ state governments and PSUs may be asked to avail telecom services from Government owned PSUs like BSNL and MTNL. The Government constituted an expert Committee under the Chairmanship of Shri Sam Pitroda in January 2010 to review the performance of BSNL and suggest measures for improving overall performance of the company. The Committee has submitted its report to the Government. The committee has not given any recommendation in the matter.