

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

UNSTARRED QUESTION NO:3501  
ANSWERED ON:16.08.2010  
INDIAN TELEPHONE INDUSTRY  
Bheiravdanji Shri Gadhvi Mukeshkumar

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

- (a) whether the Indian Telephone Industries (ITI) Limited has been incurring losses in the country;
- (b) if so, the details thereof during the last three years and the current year; and
- (c) the steps taken/being taken by the Government for revival of ITI?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) & (b) Yes Madam. The details of the losses suffered by M/s ITI Ltd. during the last three years and the current financial year is given below:

Year Losses (Rs. in crores)

2007-08 358.00

2008-09 668.00

2009-10 368.00

2010-11 64.00#

# Provisional upto June, 2010

(c) To enable ITI to compete in the highly competitive environment, the Government has decided to take the following measures:

- i) Released a grant of Rs.2820 crore to ITI to clean up its balance sheet.
- ii) To set up three Joint Ventures/Special Purpose Vehicles by inducting strategic partner(s) for manufacturing new products such as WiMax, IP core network and Gigabit/Gigabit Ethernet Passive Optical Network (GPON/GEPON) at Rae Bareli, Naini and Bangalore. The Government will also provide additional proportionate equity in the Joint Ventures/Special Purpose Vehicles apart from making some of the existing infrastructure with ITI at Rae Bareli, Naini and Bangalore available for immediate carrying out of such activities i.e. land, building and manpower selected by the strategic partner(s).
- iii) In principle decision to provide support of Rs.180 crore to ITI for working capital margin.
- iv) The benefit of 30% reservation quota for ITI Limited by BSNL and MTNL has also been extended by the Government for a further period of one year w.e.f. 21.09.2009 and thus ensuring enough orders for ITI's production activities.