

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

UNSTARRED QUESTION NO:1640

ANSWERED ON:08.03.2010

PERFORMANCE OF BSNL

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

- (a) whether the BSNL has been suffering deficit of nearly Rs. 4,000 crore per annum on providing fixed telephone lines in rural and un-remunerative markets of urban areas;
- (b) if so, the facts thereof;
- (c) whether the Government has set up a Committee to review the performance of Mahanagar Telephone Nigam Limited and Bharat Sanchar Nigam Limited in the country;
- (d) if so, the details thereof;
- (e) whether most of the mobile licences issued to telecom companies by Department of Telecom a year back have not yet launched their services;
- (f) if so, the details thereof alongwith the losses caused to the Government exchequer as a result thereof; and
- (g) the action 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, BSNL is maintaining its financial accounts in two segments viz. "Cellular" and "Other than Cellular". The "Other than Cellular" segment includes mainly Fixed-line and Broadband. During the financial year 2008-09, BSNL has incurred a Loss in the "Other than Cellular" segment to the tune of Rs.4,963.63 crores.

The detail of Profit (Loss) for 'Other than Cellular' segment in the financial Year 2008-09 is as follows:

(Figures in Crores)	
Particulars	Amount (Rs.)
Segment Revenue	21819.93
Segment Expenditure	26656.66
Operating Profit/(Loss) Before Interest & Taxes	(4836.73)
Interest Income	54.65
Interest Expenses	(10.31)
Profit/(Loss) Before Prior Period and Other Adjustments	(4792.39)
Prior Period and Other Adjustments	(171.24)
Profit/(Loss) Before Tax	(4963.63)
Provision for Tax	0.00
Profit/(Loss) After Tax	(4963.63)

(c) & (d) Yes, Madam. Government has constituted an Expert Committee under the Chairmanship of Shri Sam Pitroda 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.

(e) to (g) As per amended roll-out obligation conditions issued on 10.2.2009, the period for first phase of roll-out obligations is one year from the date of allocation of start up spectrum plus the average delay in granting statutory permissions such as Standing Advisory Committee on Frequency Allocation (SACFA) clearances. The date of registration for service test by Telecom Enforcement & Resource Monitoring (TERM) cells of the Department of Telecom is treated as date of meeting the roll out obligation in case of coverage criterion is met for roll-out obligation on testing. Therefore, the date of meeting roll-out obligations can be ascertained after completion of testing by the TERM cells. In case the LICENSEE fails to bring the Service or any part thereof into commission (i.e. fails to deliver the service or to meet the required coverage criteria/network roll out obligations) within the period prescribed for the commissioning the Licensor shall be entitled to recover LD charges @ Rs.5 lakh per week for first 13 weeks; @ Rs.10 lakhs for next 13 weeks and thereafter @ Rs.20 lakhs for 26 weeks subject to a maximum of Rs.7.00 crores. For delay of more than 52 weeks the Licence may be terminated under the terms and conditions of the Licence agreement.