

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

UNSTARRED QUESTION NO:2681

ANSWERED ON:17.08.2011

LOSSES OF TELECOM PSUs

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

- (a) whether all the Public Sector telecom companies viz, Bharat Sanchar Nigam Limited (BSNL), Mahanagar Telephone Nigam Limited (MTNL) and Indian Telephone Industries Limited (ITI) have been incurring losses;
- (b) if so, the details thereof during the last three years and the current year, company-wise;
- (c) whether BSNL has sought financial assistance/subsidy from Department of Telecom (DoT) for the current fiscal to meet its operational costs;
- (d) if so, the details thereof and the reaction of the Government thereto;
- (e) whether the Government has formulated any plan for restructuring/ revival of these companies; and
- (f) if so, the details thereof alongwith the progress made in this regard, company-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a) & (b) The financial figures of BSNL, MTNL and ITI for the year 2010-11 are yet to be finalized. However, the profit / loss status of these companies for the last three years is as follows:

BSNL			MTNL			ITI		
2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
Net Profit (Crores)	3,009	575	(-) 1,823	587	211	(-) 2,611	(-) 358	(-) 668 (-) 459

(c) & (d) BSNL has submitted a proposal to the Department of Telecommunications seeking financial assistance to run commercially unviable services, which is being examined in this Department.

(e) & (f) The Board for Reconstruction of Public Sector Enterprises (BRPSE) has recommended the merger of ITI Ltd. with Bharat Sanchar Nigam Limited (BSNL) or its takeover by the BSNL as a separate subsidiary thereby ensuring strategic vertical integration. Similarly, the BRPSE has also recommended that there is no reason for the Mahanagar Telephone Nigam Limited (MTNL) to continue as a separate entity. This could also be brought under BSNL as a subsidiary. The recommendations of BRPSE are being examined by a Committee constituted by Department of Telecommunications headed by Member (Services), Telecom Commission.