

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
UNSTARRED QUESTION NO. 1503
TO BE ANSWERED ON 28th JULY, 2021**

REVIVAL PACKAGE FOR BSNL AND MTNL

1503. SHRI G.M. SIDDESHWAR:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government has finalised and announced the revival package for the ailing MTNL and BSNL;
- (b) if so, the details of the revival plan proposed by the Government and the steps taken/being taken by the Government for the implementation of the said plan;
- (c) whether the employees of these two public sector companies have been taken into confidence before finalising the revival package; and
- (d) if so, the details thereof?

ANSWER

**MINISTER OF STATE FOR COMMUNICATIONS
(SHRI DEVUSINH CHAUHAN)**

(a) & (b) The Government approved the revival plan for Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) on 23.10.2019. The revival plan inter-alia, includes measures to reduce the Staff cost through a Voluntary Retirement Scheme (VRS) for employees of age 50 years and above, administrative allotment of spectrum for providing 4G services with funding through budgetary allocation, monetisation of non-core and core assets to generate resources to retire debt, meet CAPEX and other requirements, debt restructuring by raising of Sovereign Guarantee Bonds and in-principle approval for merger of BSNL and MTNL.

The following steps have been taken by the Government to implement the revival plan:

1. VRS has been successfully implemented in BSNL and MTNL. Total 92,956 employees (78,569 – BSNL, 14,387 – MTNL) opted for VRS. As a result, salary expenditure is reduced by approximately 50% in BSNL and by approximately 75% in MTNL. Government has allotted Rs. 16,206 crores to meet the cost of ex-gratia on VRS.
2. Budget allocation of Rs. 24,084 crores for spectrum for 4G services has been made in FY 2021-22. BSNL has floated the Expression of Interest (EoI) on 01.01.2021 for Proof of Concept (PoC) from Indian Companies interested in participating in BSNL's upcoming 4G tender. Letter of Intent (LoI) has been issued to 5 eligible bidders on 01.07.2021.

3. Government has provided Sovereign Guarantee of Rs. 8,500 crores and Rs. 6,500 crores to BSNL and MTNL respectively. Both BSNL and MTNL have raised bonds and utilised the funds to retire existing high-cost debt.
4. The assets of BSNL /MTNL have been identified for monetization and in Phase-I, 4 properties of BSNL and 2 properties of MTNL have been processed for bidding through DIPAM route.
5. As a measure of Government support to BSNL, instructions have been issued for mandatory utilization of capacities of BSNL and MTNL by all Ministries/ Departments of Government of India/CPSEs/Autonomous bodies etc. for their internet/broadband, landline and leased line requirements.

(c) & (d) The revival plan has been prepared considering the recommendations of Indian Institute of Management, Ahmedabad for BSNL and a consultant for MTNL, which were made by them after consultations with various Unions/Associations/employees. These revival plans were recommended by the Boards of BSNL and MTNL.
