

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 1674  
TO BE ANSWERED ON 9<sup>th</sup> MARCH, 2018**

**REVIVAL PLAN FOR MTNL AND BSNL**

1674. SHRI HARIVANSH: Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether Government has any revival plan for MTNL and BSNL;
- (b) if so, the details thereof; and
- (c) the measures taken to stop unfair competition among various telecom companies so that the employees and workers of these companies are not retrenched?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &  
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS  
(SHRI MANOJ SINHA)**

(a) & (b) Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) have been incurring losses continuously since Financial Year 2009-10. As per Department of Public Enterprises (DPE) guidelines, both CPSEs (Central Public Sector Enterprises) have been declared as "Incipient Sick".

Consequent upon declaration of BSNL as "Incipient Sick", action has been initiated by the Department of Telecommunications (DoT) for preparation of a revival/restructuring plan for BSNL as per DPE guidelines. Three (03) Indian Institutes of Management (IIM) have been requested to submit their willingness for undertaking a study and preparation of a revival/restructuring plan for BSNL.

The "Revival Plan of MTNL" prepared by MTNL consultant is under consideration in DoT. The summary of recommendations and discussions include focus on customer, defend current revenue and additional revenue including Network CAPEX investment, Asset Monetization – Lease, Sale of real estate, buildings, Lease/sale of Tower, Fiber, Copper and active equipments, reduction in retirement age from 60 to 58 years for employees, Voluntary Retirement Scheme (VRS), Debt restructuring and Synergy in operations of MTNL and BSNL. An Internal Committee of DoT is examining the recommendations of the report prepared by the consultant to decide the path of financial, human resources and corporate restructuring for revival of MTNL.

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Government has supported BSNL and MTNL towards their revival. The details of which are as below:

Government's support to BSNL:

- Implementation of providing mobile connectivity in 2199 identified locations in Left Wing Extremism (LWE) affected areas by BSNL at an estimated cost of Rs. 3567.58 crores.
- Refund of surrendered BWA (Broadband Wireless Access) spectrum in 6 service areas held by BSNL. Under this head, Rs. 6724.51 crore has been refunded to BSNL through budgetary resources.
- Implementation of Comprehensive Telecom Development Plan for Andaman & Nicobar Islands and Lakshadweep Islands through augmentation of satellite connectivity/bandwidth by BSNL at an estimated cost of Rs. 120.49 crores.
- Refund of Rs. 169.16 crore to BSNL on account of surrender of CDMA (Code Division Multiple Access) spectrum.
- Optical Fibre Cable based Network for Defence Services (NFS Project) has been given to BSNL on nomination basis at the cost of Rs.13,334 crore.
- For execution of BharatNet project, Government has provided Rs.5744 crore in Phase-I and has earmarked Rs.6500 crore in Phase-II for BSNL.
- Comprehensive Telecom Development Plan for the North-Eastern Region for provision of mobile services in uncovered villages in Arunachal Pradesh and two districts of Assam at an estimated project cost of Rs. 1975.38 crore and implementation of Transmission-Media Plan for North Eastern Region at an estimated cost of Rs.295.97 crore.
- Submarine Optical Fiber Cable Project at the cost of Rs.1900 crore has been given to BSNL on nomination basis for providing connectivity to the Andaman and Nicobar Islands.
- Work of setting up of 25000 Wi-Fi Hotspots at Rural Telephone Exchanges at the cost of Rs.940 crore has been given to BSNL on nomination basis.
- Work of setting up of Satellite Gateway at the cost of Rs.54 crore has been given to BSNL on nomination basis.
- Notional loan of Rs. 1411 crore to BSNL which was due to be paid to the Government was waived-off.

Government's support to MTNL:

- Refund of surrendered BWA (Broadband Wireless Access) spectrum in two service areas held by MTNL. Under this head, Rs. 4533.97 crore has been refunded to MTNL through bonds.
- The pension liability of MTNL staff who were absorbed from Department of Telecommunications (DoT), has been taken over by the Government.
- Financial support of Rs. 492.26 crore has been given to MTNL on account of liability arising from levy of Minimum Alternate Tax (MAT).
- Refund of Rs. 458.04 crore to MTNL on account of surrender of CDMA (Code Division Multiple Access) spectrum.
- Implementation of High Speed Internet on FTTH and Wi-Fi at the Hon'ble M.Ps residences by MTNL. The Project cost of about Rs 43.2 Crore was funded by DoT.

(c) Telecom Regulatory Authority of India (TRAI) or Competition Commission of India (CCI) have not reported any unfair competition among various telecom companies, and therefore the need for taking measures has not arisen.

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