

PRIME MINISTER'S OFFICE

South Block, New Delhi – 110 011

Please find enclosed a copy of minutes of the meeting taken by the Principal Secretary to PM on '**Revival/restructuring of BSNL and MTNL**' on **20.08.2019** at PMO, South Block, New Delhi for further necessary action.



(Mayur Maheshwari)
Director
Tel. 23017676

Cabinet Secretary
CEO, NITI Aayog
Secretary, D/o Economic Affairs
Secretary, D/o Expenditure
Secretary, D/o Telecommunications
CMD, Bharat Sanchar Nigam Limited
CMD, Mahanagar Telephone Nigam Limited

PMO ID No. 180/31/C/07/2019-ES.I

Dated: 22.08.2019

N.O.O.

- (i) PSO to Principal Secretary to PM
- (ii) PS to JS(S)
- (iii) PS to Dir(M)

**Minutes of the meeting regarding “Revival/restructuring of BSNL and MTNL”
chaired by Principal Secretary to PM at 1530 hrs on 20.08.2019**

A meeting was held under the chairmanship of Principal Secretary to PM regarding revival/restructuring of BSNL and MTNL. The list of participants is enclosed.

2. A presentation on the subject was made by Secretary, DoT. After detailed deliberations and discussions, the following action plan was agreed upon:-

- i. BSNL/MTNL to provide the information on the following issues to Secretary, Expenditure, with a copy to PMO and Secretary, DPE by Friday, 23rd August, 2019:-
 - a) List of assets that can be monetized along with the time frame;
 - b) Steps taken in the last 3 years to monetize assets, increase revenue and reduce cost. **(Action: DoT)**
- ii. The financial implications for reduction in staff cost through VRS is to be vetted by Department of Expenditure. **(Action: DOT/DoE)**
- iii. The GST component on the spectrum charges for providing 4G services should be borne by BSNL and MTNL. The amount of GST that will be borne by BSNL/MTNL may be added to the value of bonds to be raised for ex-gratia payment. **(Action; DoT)**
- iv. The proposal for formation of an SPV for transferring debt of Rs.23,000/- crore each along with equivalent amount of assets need to be revisited. Also for retiring their debt, BSNL and MTNL have to sell the assets under the supervision of DoT led IMC. **(Action: DoT)**
- v. To mitigate the interest burden of BSNL/MTNL for first three years, the interest component for servicing of debt for 3 years can be added to the bonds proposed to be raised for payment of ex-gratia. **(Action; DoT)**
- vi. BSNL/MTNL to submit plans along with timelines for monetization of tower and fiber assets to DEA. **(Action: DoT/DEA)**

vii. Merger of BSNL/MTNL needs to be taken up in the form of a separate Cabinet proposal.

(Action: DoT)

viii. CEO, NITI Aayog in collaboration with Secretary, DFS to organise a meeting with Chairman of State Bank of India and Union Bank of India (major lending Banks) to address the issues relating to debt and further lending to BSNL and MTNL.

(Action: NITI/DoT)

ix. DoT to bring out a Cabinet Note incorporating the action plan for approval by the Cabinet.

(Action: DoT)
