

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

**LOK SABHA
UNSTARRED QUESTION NO. 546
TO BE ANSWERED ON 20TH NOVEMBER, 2019**

LOSS INCURRED BY BSNL AND MTNL

†546. **SHRI SANJAY JADHAV:**
SHRI UDAY PRATAP SINGH:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited have incurred loss repeatedly during the last few years and if so, the details thereof including the loss registered by these two companies during each of the last three years and the current year, Company-wise and the reasons therefor;
- (b) whether the Government has allocated any fund to pull these companies out of loss and if so, the details thereof;
- (c) the reasons for the reported deterioration in the services provided by these two Telecom Service Providers (TSPs);
- (d) whether the Government has formulated any scheme to improve the services and revival of the aforesaid TSPs and if so, the details thereof and the action taken by the Government thereon; and
- (e) the number of employees who have not been paid salary during the last few months, TSP-wise and the reasons therefor along with the steps taken by the Government in this regard?

ANSWER

**MINISTER OF COMMUNICATIONS, LAW & JUSTICE AND
ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)**

- (a) Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) are incurring losses for last few years. Details of losses incurred by BSNL and MTNL during the last three years and current year is as under:

(in Rs. Cr)

Name of PSU	Losses incurred during			
	2016-17	2017-18	2018-19	2019-20 (upto September 2019)
BSNL	4793	7993	14904	7506
MTNL	2971	2971	3398	2003

Stiff competition in mobile segment, high employee cost and absence of 4G services (except in few places for BSNL) in the data-centric telecom market are the major reasons for the losses in BSNL and MTNL.

(b) The Cabinet in its meeting held on 23.10.2019 approved the revival plan for BSNL and MTNL. The revival plan inter-alia includes the measures to reduce the Staff cost through a Voluntary Retirement Scheme (VRS), Administrative allotment of Spectrum to BSNL/MTNL for providing 4G services, Monetisation of Land/Building and Tower/Fibre Assets of BSNL/MTNL, Debt restructuring by raising of Sovereign Guarantee Bonds and in-principle Merger of BSNL & MTNL.

The Government has approved Rs.29,937 Cr (Rs.17,169 Cr on account of Ex-Gratia on VRS and Rs.12,768 Cr due to preponement of pensionary benefits spread over a period of ten years) through budgetary allocation for VRS. Full cost of spectrum (excluding GST) of Rs.14,115 Cr for BSNL and of Rs. 6,295 Cr for MTNL will be funded by Government through equity infusion and subscription to non-cumulative preference shares respectively. GST component of Rs 3,674 Cr on the cost of spectrum will also be funded through Budgetary allocation from Government. Government has also approved sovereign guarantee bonds of Rs 15,000 Cr to be raised and serviced by BSNL and MTNL.

(c) Telecom Regulatory Authority of India (TRAI) monitors the performance of telecom service providers including BSNL and MTNL against the benchmark for various Quality of Service (QoS) parameters laid down by TRAI by way of QoS regulations issued from time to time, through Quarterly Performance Monitoring Reports (PMRs).

As per PMR issued by TRAI for the quarter ending March 2019, BSNL is meeting all the benchmarks for Basic (Wireline) and Broadband Services. For Cellular Mobile Telephone Service, BSNL is meeting the benchmark for all the parameters in all of its Licensed Service Areas (LSAs) except for the parameter “Network QoS DCR Spatial distribution measure or DCR Network_Q_{SD}(90,90) (benchmark 2%)” and “Network QoS DCR temporal distribution measure or DCR Network_Q_{TD}(97,90) (benchmark ≤ 3%)” in West Bengal service area only.

MTNL is meeting all QoS parameters of Basic (Wireline), Cellular Mobile and Broadband Services in both of its LSAs i.e. Delhi and Mumbai except for the parameter “% of faults repaired within 5 days” (benchmark 100%) in wireline service in Delhi LSA only.

(d) The Cabinet in its meeting held on 23.10.2019 approved the revival plan for BSNL and MTNL as stated in para (b) above.

(e) BSNL has informed that salary to all of its employees is paid up to the month of September, 2019. MTNL has informed that salary to all employees is paid up to the month of August, 2019. The delay in salary payment is due to financial constraints faced by these two companies.
