



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

**RAJYA SABHA
STARRED QUESTION NO. 319
TO BE ANSWERED ON 25TH MARCH, 2021**

INFRASTRUCTURE TO HOST 5G SPECTRUM

319 SHRI NARAIN DASS GUPTA:

Will the Minister of Communications be pleased to state:

- (a) whether Government is considering shutting down Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL);
- (b) if not, whether the Ministry is looking to boost revenues for the above mentioned PSUs by activating 5G spectrum;
- (c) whether MTNL and BSNL have the infrastructure to host 5G spectrum; and
- (d) if so, the reasons for delay in activation thereof?

ANSWER

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

- (a) to (d) A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF RAJYA SABHA IN RESPECT OF PARTS (a) to (d) OF RAJYA SABHA STARRED QUESTION NO. 319 FOR 25TH MARCH, 2021 REGARDING “INFRASTRUCTURE TO HOST 5G SPECTRUM”.

(a) & (b) Government has no plans to close down Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL).

The Government stands firm to revive both BSNL and MTNL. The Union Cabinet approved the revival plan for BSNL and MTNL on 23.10.2019. The revival plan inter-alia, includes reduction in 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 through capital infusion by Government, monetisation of core and non-core Assets of BSNL/MTNL to generate resources for meeting CAPEX, retiring debt and other requirements, debt restructuring by raising of sovereign guarantee Bonds and in-principle approval for merger of BSNL and MTNL.

Government also approved to administratively allot spectrum for providing 5G services to BSNL/MTNL, spectrum for maintaining current operations and future services on the same principle as proposed for allotment of spectrum for 4G services.

The Government approved Rs. 29,937 crores (Rs.17,169 crores on account of Ex-Gratia on VRS and Rs. 12,768 crores due to preponement of pensionary benefits spread over a period of ten years) through budgetary allocation for VRS. Full cost of spectrum of Rs. 24,084 crores will be funded by Government. Government also approved sovereign guarantee for bonds of Rs. 15,000 crores to be raised by BSNL/MTNL for their debt restructuring.

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

1. VRS has been successfully implemented in BSNL and MTNL. As a result, salary expenditure is reduced by around Rs. 600 crores (approximately 50%) in BSNL and by around Rs. 140 crores (approximately 75%) in MTNL.
2. Funds of Rs. 24,084 Crores for spectrum for 4G services have been allotted in FY 2021-22. BSNL has invited an Expression of Interest (EoI) on 01.01.2021 for prior registration/Proof of Concept (PoC) for its upcoming 4G tender.
3. BSNL and MTNL have raised Rs. 8,500 Crores and Rs. 6,500 Crores respectively on the basis of sovereign guarantee extended by the Government.
4. BSNL will manage the mobile services of MTNL in Delhi Licensed Service Area (LSA) from 01.04.2021.
5. Government has issued instructions for mandatory utilisation of BSNL network for internet/broadband, landline and leased line requirements by all Departments/Ministries and other Government Undertakings/Bodies under Central Government.

Both BSNL and MTNL have become EBITDA positive for the Half Year ending September 2020 and Nine Months ending December 2020.

(c) & (d) 5G services are yet to be launched in India.

