

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY
RAJYA SABHA
QUESTION NO 19.11.2009
ANSWERED ON
SURPLUS RESERVE FUND IN BSNL .

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Shri P. Rajeeve

Will the Minister of COMMUNICATION AND INFORMATION TECHNOLOGY be pleased to state :-

- (a) whether Government is aware of the availability of surplus reserves fund to the tune of 73,758 crores with the BSNL which can be used for expansion of BSNL;
- (b) if so, the reasons why sale of share of BSNL is considered for mobilising funds for expansion; and
- (c) the yearly investment for the expansion of services in BSNL during the last five years?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION
TECHNOLOGY (SHRI GURUDAS KAMAT)

(a) Sir, out of the reserve & surplus to the tune of Rs. 76,133.58 crore as on 31.03.2009, BSNL is having Capital Reserve to the tune of Rs. 40,335.66 crore, which is a balancing figure of Assets and Liabilities transferred to BSNL at the time of corporatisation and it can not be used for expansion of BSNL since it do not represent liquid cash. Remaining amount of Rs. 35,797.92 crore is related to General Reserve and Profit & Loss Account. BSNL will use these funds for its network expansion, payment of spectrum charges for 3G & WiMax services and other business requirements.

(b) The Government is considering to offer part of its equity shareholding in BSNL by an offer for sale to the public due to following reasons:

It will facilitate BSNL to get Navratna status. It will promote growth of BSNL. It will be provide an access to the capital market for raising fresh equity capital, if required.

The proceeds from the sale of shares to the public will come to the Government and not to BSNL. The timing of the issue depends on the condition of the capital market.

(c) The Investment made by BSNL in the form of addition to Gross Fixed Assets, mainly for the expansion of services, during the last five years is given below:

Financial Year	(Rs. In crore)
2008-09	8613
2007-08	7168
2006-07	8142
2005-06	8892
2004-05	10476