

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 384
TO BE ANSWERED ON 9th DECEMBER, 2022**

LOSSES OF BSNL AND MTNL

384. SHRI ANIL DESAI:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether it is a fact that despite the pan India presence of BSNL and MTNL as well as Government support, there is little to celebrate their service to the nation;
- (b) the total losses of both BSNL and MTNL since inception;
- (c) whether Government has noticed and learnt any lessons from the factors behind such losses;
- (d) the comparative reasons for the failure of Government entities and success of private players in the same field; and
- (e) whether there is any plan to revive BSNL and MTNL and face open competition with the private players in the field?

ANSWER

MINISTER OF STATE FOR COMMUNICATIONS

(SHRI DEVUSINH CHAUHAN)

(a) BSNL and MTNL have been playing a crucial role along with private telecom players in the development of the telecom infrastructure and expansion of telecom services. BSNL and MTNL are important for implementing citizen centric schemes of the Government of India especially in the rural and remote un-covered areas. BSNL has provided 24,58,827 FTTH connections as on 30.09.2022. Further, in line with Atma-nirbhar initiative of the Government, BSNL was directed to deploy Indian 4G stack. BSNL has floated the tender in October 2022 for its requirement of 1 lakh 4G sites.

(b) Since inception the total net loss of BSNL is Rs. 57,671 Crores while that of MTNL is Rs. 14,989 Crores as on 31.03.2022.

(c) to (e) The reasons for losses of BSNL and MTNL are high employee cost over the years, debt burden, stiff competition in the market and lack of 4G services (except on a limited basis in certain areas). On 23.10.2019, Government of India approved the revival plan for BSNL and MTNL. It inter-alia approved the reduction in employee costs through Voluntary Retirement Scheme (VRS), debt restructuring by raising of sovereign guarantee bonds, administrative allotment of spectrum for 4G services through capital infusion, monetization of core and non-core assets and in-principle approval of merger of BSNL and MTNL. As a result of these, BSNL and MTNL have become EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) positive since the financial year 2020-21.

Further, to transform BSNL into a viable Public Sector Undertaking, the Government approved a revival package for BSNL amounting to Rs 1.64 lakhs crores, on 27.07.2022. The revival measures focus on infusing fresh capital for upgrading BSNL services, allocating spectrum, de-stressing its balance sheet and augmenting its fibre network by merging Bharat Broadband Nigam Limited (BBNL) with BSNL. With the implementation of these measures, BSNL is expected to turn-around and become a profit earning entity.
