

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 492
ANSWERED ON 24TH JULY, 2025**

FINANCIAL ASSISTANCE TO TELECOM COMPANIES

492 SHRI RAGHAV CHADHA:

Will the Minister of Communications be pleased to state:

- (a) whether Government has provided financial assistance, debt to equity conversion, or other forms of support to any telecom companies in the last five years;
- (b) if so, the details of such assistance, including the names of companies, amount involved, and the nature of support;
- (c) whether Government has a policy framework or guidelines for extending financial support to telecom companies, and if so, the details thereof; and
- (d) whether any review or monitoring mechanism is in place to assess the outcome of such support?

ANSWER

**MINISTER OF STATE FOR COMMUNICATIONS AND RURAL DEVELOPMENT
(DR. PEMMASANI CHANDRA SEKHAR)**

(a) to (d) Yes, the Government has extended financial assistance, undertaken dues-to-equity conversion, and implemented other forms of support for both Public Sector Undertakings (PSUs) under the Department of Telecommunications (DoT) and to Telecom Service Providers (TSPs) through sector-wide reforms, over the last five years.

- I. The details of support provided to PSUs under DoT ((Bharat Sanchar Nigam Limited (BSNL), Mahanagar Telephone Nigam Limited (MTNL) & Indian Telephone Industries Limited (ITI)) are placed at **Annexure I**. The implementation of the revival packages and utilization of financial support by PSUs are regularly monitored by DoT from time to time.

II. Sector-Wide Reforms:

To address the issue of financial stress in the telecom sector, the Government has introduced a series of structural and procedural reforms since September, 2021. These measures were aimed at promoting healthy competition, protecting consumer interests, infusing liquidity, encouraging investment, and reducing the regulatory burden on telecom service providers. They are as below:

- (i). Rationalization of Definition of Adjusted Gross Revenue.
- (ii). Rationalization of Bank Guarantee requirements under the license agreement.
- (iii). Rationalization of Interest rates and removal of Penalties for delayed payments of License Fee (LF) / Spectrum Usage Charges (SUC).
- (iv). Removal of levy of Spectrum Usage Charges on the spectrum acquired in auctions held after September, 2021.
- (v). Provision for payment of Spectrum auction bids in 20 equal annual instalments for auctions held after September, 2021.
- (vi). Requirement of securitizing annual deferred spectrum instalments with a Financial Bank Guarantee has been done away with for spectrum auctions held after September 2021, while for auctions conducted prior to 2021, the same requirement has been rationalized.
- (vii). Moratorium of up to four years in annual payments of dues arising out of the AGR judgement and spectrum purchased in past auctions held before 2021. The moratorium is revenue neutral and net present value (NPV) of the deferred payment is protected. Option to the TSPs to pay the interest amount arising due to the said deferment of payment by way of equity was also given. Further, at the option of the Government and based on the prevailing situation, the outstanding amount of post-moratorium installments may be converted into equity.

The details of TSPs that availed the moratorium and those for whom dues to equity conversion has been carried out are placed at **Annexure II**.

Annexure to Rajya Sabha Unstarred Question No. 492 to be answered on 24.07.2025.**A. BSNL/MTNL:**

1. The Union Cabinet has approved three revival packages for BSNL & MTNL as below:
 - (i) Revival package of ₹ 69,021 Crore in 2019
 - (ii) Revival package of ₹ 1.71 Lakh Crore in 2022
 - (iii) Revival package of ₹ 89,047 Crore in 2023
2. Additionally, the Cabinet also approved CAPEX support of ₹ 6,982 Crore to BSNL in February 2025.
3. Financial support totalling ₹ 12.57 Crore for the establishment of a Satellite Gateway and ₹ 3.32 Crore for providing telecom connectivity for the Amarnath Yatra has been extended to BSNL over the past five years.

B. ITI Limited:

In terms of the revival plan of ITI Limited approved by Cabinet Committee on Economic Affairs (CCEA) in 2014, financial assistance provided to the company is as below:

(Amount in ₹ Crore)

Sl. No.	Financial Year (FY)	As Equity for Capital Investments	Towards payment of Statutory dues of employees
1	2020-21	105.00	85.40
2	2021-22	71.56	35.00
3	2022-23	187.00	25.00
4	2023-24	-	154.29
5	2024-25	59.00	-
Total		422.56	299.69

Annexure to Rajya Sabha Unstarred Question No. 492 to be answered on 24.07.2025.

Company wise details of Moratorium availed and Debt-to-Equity Conversion Undertaken as per Telecom Reforms, 2021.

Details of Support	Name of Companies
Moratorium on AGR Dues	1.M/s Bharti Airtel Limited 2. M/s Bharti Hexacom Limited 3.M/s Vodafone Idea Limited 4.M/s Tata Teleservices Limited 5.M/s Tata Teleservices (Maharashtra) Limited 6.M/s Quadrant Televentures Limited
Moratorium on Spectrum auction installments	1.M/s Bharti Airtel Limited 2.M/s Bharti Hexacom Limited 3.M/s Vodafone Idea Limited
Cases where dues to equity conversion has been carried out	<p>M/s Vodafone Idea Limited opted to convert the interest payable during the moratorium period on both AGR and spectrum dues into equity amounting to ₹16,133.1 Crore. Accordingly, the company issued 1,613.31 crore equity shares to the Government of India in February 2023.</p> <p>On 29th March 2025, the Government approved the request of M/s Vodafone Idea Limited for the conversion of outstanding spectrum auction dues amounting to ₹36,950 Crore into equity under Section 62(4) of the Companies Act, 2013, in line with the telecom reforms announced in September, 2021. Subsequently, the company issued 3,695 crore equity shares to the Government in April, 2025.</p>
