

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

**LOK SABHA
UNSTARRED QUESTION NO.1811
TO BE ANSWERED ON 13TH FEBRUARY, 2019**

BSNL TOWER CORPORATION LIMITED

1811. SHRI ANTO ANTONY:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether it is a fact that the Government has recently constituted a new tower company named, BSNL Tower Corporation Limited (BTCL);
- (b) if so, the details of BTCL including its objectives and salient features;
- (c) whether the Government has any record regarding the number of mobile towers owned by the BTCL;
- (d) if so, the details thereof, State-wise;
- (e) whether it is a fact that the formation of BTCL has caused a steep decline in the revenue of BSNL; and
- (f) if so, the details thereof and the steps being taken by the Government to enhance the revenues of BSNL?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

(a) & (b) A new tower company named BSNL Tower Corporation Limited (BTCL), a subsidiary company fully owned by Bharat Sanchar Nigam Limited (BSNL), has been incorporated on 04.01.2018. Its objectives and salient features are at **Annexure**.

(c) to (f) BSNL has not yet transferred the business of mobile towers to BTCL.

Objectives of BSNL Tower Corporation Limited (BTCL):

The telecom tower industry has emerged as an independent business to harness the potential for sharing of infrastructure. A tower infrastructure company essentially owns the passive infrastructure asset and leases it to telecom service providers enabling them to minimize duplication of investments and economize on costs of operation and maintenance (O&M), thereby improving profitability.

Key benefit of hiving off BSNL tower assets to a new Tower Company

- BSNL will have an option to monetize the tower business resulting in a large cash inflow to BSNL
- Saving in License Fee (@8% of tower tenancy revenue).
- An independent, dedicated tower company of BSNL with a focused approach will lead to increasing of external tenancies and consequentially higher revenue for the new company.
- The focus of Government on digitalization through Digital India Program and commercial launch of new products/services by TSPs, may improve the tenancy ratio (number of telecom operators who have put up their antennae and other active infrastructure on the towers) to the projection of 1.40 in FY 2020-21. This is largely driven by higher usage of data and need to launch new products/services by Telecom Service Providers (TSPs).

Main features of Cabinet approval dated 12.09.2017

- Hiving off the existing and future telecom tower infrastructure of BSNL into a separate subsidiary company which will be fully owned by BSNL.
- Capital Structure of the New Tower Company with debt of Rs 2078 Cr (FY 2016-17), share capital of Rs 1564 Cr, reserves and surplus at Rs 3230 Cr, with total shareholders equity of Rs 4794 Cr and Debt/Equity Ratio of 0.43.
- The book value to be the basis for transfer of assets to the New Tower Company.
- In the New Tower Company staff strength would initially be a maximum of 1600 employees. However, the staff strength of the Tower Company may need to eventually increase in the same ratio as more number of towers are added by the New Tower Company.
- The provisions for pension contribution and pension liability for the three categories of staff transferred from BSNL to the New Tower Company which will be fully owned by BSNL would have to be on the same terms as currently applicable and as per recommendations of Inter Ministerial Group (IMG).
- The New Tower Company to setup a Joint Venture Company with a partner, preferably within two years, on achieving financial health and stability with the objective of monetization of its assets.
