GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS

LOK SABHA
UNSTARRED QUESTION NO. 389
TO BE ANSWERED ON 3RD FEBRUARY, 2021

REVIVAL OF BSNL AND MTNL

389. SHRI P.P. CHAUDHARY:
SHRI ARJUN LAL MEENA:
SHRI KAUSHAL KISHORE:

Will the Minister of COMMUNICATIONS be pleased to state:

(a) the measures taken/being taken by the Ministry to revive MTNL and BSNL;

(b) the details of the steps initiated by the Government after the said revival proposal was finalised;

(c) whether the sanctioned amount of Rs 69000 crore for the aforesaid purpose has been utilised and if so, the details thereof including the expenditure trail of the said amount; and

(d) whether the Government has been able to monetize land/building, tower and fiber assets of BSNL/MTNL yet and if so, the details thereof; and

(e) the details of restructuring of debt of BSNL and MTNL?

ANSWER

MINISTER OF STATE FOR COMMUNICATIONS, EDUCATION AND ELECTRONICS & INFORMATION TECHNOLOGY
(SHRI SANJAY DHOTRE)

(a) The Government approved the revival plan for Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) on 23.10.2019. The revival plan inter-alia, includes measures to reduce 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 with funding through budgetary allocation, monetisation of Land/Building and Tower/Fibre Assets to generate resources to retire debt, meet CAPEX and other requirements, debt restructuring by raising of Sovereign Guarantee Bonds and in-principle approval for merger of BSNL and MTNL.

(b) to (e) The following steps have been taken by the Government to implement the revival plan:

1. VRS have been successfully implemented in BSNL and MTNL. Total 92,956 employees (78,569 – BSNL, 14,387 – MTNL) opted for VRS. As a result, salary expenditure is reduced by approximately 50% in BSNL and by approximately 75% in MTNL. Government has
allotted Rs. 16,206 Crores to meet the total funds requirement for ex-gratia on VRS. An amount of Rs. 14,890 Crores has been released to BSNL/MTNL. In addition, Government has incurred an expenditure for Rs 1,952 Crores on account of incremental pension till 21.12.2020.

2. Total allocation of Rs. 24,084 Crores for spectrum for 4G services was made in FY 2020-21. Due to delay anticipated in launch of 4G services, the funds are being re-allocated in FY 2021-22. BSNL has floated the Expression of Interest (EOI) on 01.01.2021 for prior registration/Proof of Concept (PoC) from Indian Companies interested in participating in BSNL’s upcoming 4G tender, to promote indigenous manufacturing in Telecom Sector.

3. Government has provided Sovereign Guarantee of Rs 8,500 Crores and Rs. 6,500 Crores to BSNL and MTNL respectively. BSNL has raised Rs. 8,500 Crores at coupon rate of 6.79% p.a. and MTNL has raised Rs. 4,361 Crores at coupon rate of 7.05% p.a. and Rs 2,139 Crores at coupon rate of 6.85% p.a. in two tranches. BSNL and MTNL have informed that the amount realised through the bonds has been utilised to restructure/repay existing high cost debt.

4. The assets of BSNL /MTNL have been identified for monetization through Department of Investment and Public Asset Management (DIPAM) and directly by BSNL/MTNL through outright Sale/Leasing to other Govt. depts./PSUs/Other eligible Organizations. In Phase-I for monetisation of Land/Building assets through DIPAM route, Alternative Mechanism of DIPAM approved monetisation of 11 assets of BSNL and 06 assets of MTNL. 3(three) properties of BSNL and 1(one) property of MTNL have been identified for bidding process.

5. BSNL has informed that it has been able to generate Rs.241.87 Crores from monetisation of land/building assets since announcement of revival package.

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