Subject: Break up Losses to BSNL due to Wrong Policy or not adhering to Policy decision and assurances give while formation of BSNL.

BSNL has been facing huge losses due to different policy decision adversely affecting growth of BSNL, Non-Adhering to the Assurances given while formation of BSNL and reversal/changes in already taken decisions directly or indirectly affecting the interest of BSNL. The details are as follows.

A. At the time formation of BSNL, the following reliefs were approved by the Government. viz

1. **Exemption from Income Tax liability for the first five years and review thereafter:** As per letter No.2-2/99-Restg.(Vol.I) dated 25.09.2000 Clause 5.4.1, while formation of BSNL it was assured Exemption from Income Tax liability for the first five years and its review after five years. But neither this tax exemption was allowed to BSNL and nor it was reviewed after five years but BSNL was forced to pay Income tax on normal rates. The following amount has been charged as Income Tax to BSNL

Sr	**Year**	**Income Tax charged to BSNL in Rs in Crs**
i.	2000-01	283.00
ii.	2001-02	540.01
iii.	2002-03	1213.46
iv.	2003-04	3019.64
v.	2004-05	-971.17
vi.	**Total**	**4084.94**
Four Thousand Eighty Four and ninety-four hundredths Crore		

If this decision was reviewed at least for next five years as assured by then Govt, the at least this amount will have been doubled. BSNL has paid the following Income Tax during next five years.

Sr	Year	Income Tax charged to BSNL in Rs Crs
i.	2005-06	-538.72
ii.	2006-07	504.34
iii.	2007-08	1425.42
iv.	2008-09	657.53
v.	2009-10	-375.99
vi.	**Total**	**1672.58**
One Thousand Six Hundred Seventy Two and Fifty Eight Hundredth Crores.		

Total amount BSNL paid against assurances of Government to Exemption from Income Tax liability is thus **Rs. 5757.52 Crores (Rupees Five Thousand Seven Hundred Fifty Seven and Fifty Two hundredths Crore) .**

B. **Exemption from payment of dividend for 10 years:** As per letter No. No.2-2/99-Restg. (Vol.I) dated 25.09.2000 Clause 5.4.2, while formation of BSNL it was assured Exemption from payment of dividend for 10 years.

4. Terms of equity:

BSNL has been exempted from payment of dividend on preference share capital up to 31.03.2004 and on equity share capital up to March 31, 2002. BSNL will also enjoy 50% and 25% waiver on dividend due on equity for the years 2002-03 and 2003-04 respectively.

But it may be please seen that this exemption was not practically given to BSNL and following amount has been claimed by Government from BSNL.

Sr	Year	Dividend charged to BSNL in Rs Crs
i.	2000-01	0
ii.	2001-02	0
iii.	2002-03	250.00
iv.	2003-04	318.00
v.	2004-05	1337.88
vi.	2005-06	1339.79
vii.	2006-07	1359.84
viii.	2007-08	1754.93
ix.	2008-09	0
x.	2009-10	0
xi.	2010-11	0
	Total	**6360.44**
Rupees Six Thousand Sixty and Forty Four Hundredths Crs.		

C. **Reimbursement of licence fees till 2010:** As per letter No. No.2-2/99-Restg. (Vol.I) dated 25.09.2000 Clause 5.4.3, But the same is not reimbursed.

Sr	Year	Licence fees charged to BSNL in Rs Crs Approx
i.	2000-01	1573.25
ii.	2001-02	3403.12
iii.	2002-03	3431.58
iv.	2003-04	3713.08
v.	2004-05	3377.17

vi.	2005-06	3523.05
vii.	2006-07	3311.69
viii.	2007-08	3152.13
ix.	2008-09	2646.35
x.	2009-10	875.55
xi.	2010-11	1971.72
	Total	**30978.69**
Rupees Thirty Thousand Nine Hundred Seventy Eight and Sixty Nine Hundredth Crores only .		

D. **Losses Faced by BSNL Due to Delayed 4G Spectrum Allotment and Pan-India Spectrum Allotment:** BSNL was unable to launch commercial 4G services when private telecom operators rolled them out from 2016 onwards because it did not receive 4G spectrum in time. The Government allotted 4G/5G spectrum to BSNL only in 2023 as part of the revival package. In addition, BSNL was allotted spectrum on a Pan-India basis, including telecom circles where the business case and traffic demand were relatively low. This increased the spectrum acquisition cost and the corresponding annual spectrum-related financial burden. The delay of nearly 6–7 years in obtaining 4G spectrum had a significant adverse impact on BSNL causing Migration of millions of subscribers to private operators offering 4G services, Sharp decline in mobile data revenues during the period when data became the primary source of telecom revenue, Reduced market share and lower Average Revenue Per User (ARPU), Continued dependence on legacy 2G/3G networks, leading to higher operating and maintenance costs and Delayed rollout of enterprise, digital, and broadband services. BSNL's cumulative net losses during FY2015–FY2023 were approximately Rs 65,000–70,000 crore. These losses arose from multiple factors, including delayed 4G rollout. Industry assessments suggest that the opportunity loss attributable to delayed 4G services may be in the range of Rs. 30,000–40,000 crore over the period.

E. **Losses Faced by BSNL Due to Early Allotment of 5G Spectrum and Non-Availability of Indigenous 5G Equipment:** As part of the Government's revival package, BSNL was allotted 4G/5G spectrum to enable the rollout of indigenous telecom technology and strengthen its long-term competitiveness. However, while the spectrum was made available, indigenous 5G equipment and a production-ready 5G core/network ecosystem were not immediately available for commercial deployment. Consequently, BSNL could not fully utilize the allotted 5G spectrum, resulting in opportunity costs and delayed realization of returns on the spectrum assets.

BSNL received 5G-capable spectrum before the availability of a commercially mature indigenous 5G radio access network (RAN) and core network in 2023. Since then till today, the spectrum remained largely unutilized for commercial

5G services during the initial period, resulting in underutilization of a valuable national asset. Private operators, having already launched commercial 5G services, continued to strengthen their market position while BSNL focused on completing its nationwide 4G rollout. The Government valued the spectrum allotted to BSNL under the 2023 revival package at approximately Rs. 40,000 crore through equity infusion and loan was granted to BSNL and money was returned to Government. Thus BSNL could not earn any revenue out of it and but is paying interest against this huge amount of loan. This is asset of BSNL and hence without utilisation of assets heavy depression cost is being adjusted in the balance sheet of BSNL showing direct losses to BSNL. Thus the allotment of 5G BSNL Spectrum has not earned single rupee for BSNL and has added losses to BSNL in tune of Rs 2000 per year and total loss of Rs. 6000 Crores.

F. **Non-up gradation of 3G to 4G BTS:** in 2018 BSNL procured 65000 no. of 4G enabled 3G BTS with provision to up gradation to 4G services with minor software changes. BSNL paid cost for this also and procured the BTS. But meantime Government Policy changed for Indigenous Equipment and hence BSNL cannot upgrade these BTS to 4G even though BSNL has paid the cost. All other private operators were providing 4G services, but BSNL was restrained to provide 4G services and 4G indigenous equipment was not ready. Overall 4G services of BSNL delayed till 2025. This has caused about Rs 5000 Crores business opportunity.

G. **Acquisition of BSNL land by DoT without any payment or adjustment thereof:** It is worth noting that during revival package offered in 2019-20, GoI made provisions for monetization of BSNL land assets by DIPAM in order to improve the balance sheets of BSNL. On the other hand DoT by issuing Presidential Directives is acquiring BSNL land assets without any money.

  1. Vide Presidential order dated 28.09.2010 directives were issued for retention of the wireless (Telegraph) land measuring 53.31 acres at Ghitorni, New Delhi by DoT for physical infrastructure of National Institute of communication Finance (NICF).

  2. Prestigious land at CTS Compound Netaji Nagar, New Delhi was taken back by DoT and handed over to NBCC, where NBCC built flats and sold at very good pricing. BSNL could have done so with its architecture and civil wing and got good revenue.

  3. Vide Presidential Order dated 10.11.2023 DoT took over the possession of ALTTC campus over 81 acres land including building and infrastructure (except ERP centre and Satellite Earth Station) worth Rs. 6000 crores without giving even a single penny to BSNL.

  4. Apart from this about 100 Propreties are taken over by DoT and nothing is paid or adjusted in BSNL Balance sheet

The property wise detailed area and its book value and market value is as follows

Sr	Property	Area SQM	Book Value	Market Value
1.	Ghitorani, New Delhi	210437	3366 Crs	180000 Crs
2.	Netaji Nagar New Delhi	35000	2652 Crs	190000 Crs
3.	ALLTC Ghaziabad	178900	6000 Crs	200000 Crs
4.	Properties retained by DoT all over India Approx 100	15000 Aprox	2650 Crs	150000 Crs
5	**Total**		**14668 Crs**	**720000 Crs**

H. **Forceful reduction of Pension Contribution by DoT:** As per DOP&T OM No.2/34/2008-Estt. (Pay II) dated 19.11.2009 decision had been taken to pay pension contribution on actual pay drawn. But the then Government not implemented the order in true spirit till 2025 thereby causing financial loss of several thousand Crores Rupees. Vide order No 40-32/2011-Pen (T) dated 01.09.2025 issued from DOT Pension section to allow BSNL to pay Pension contribution on actual pay drawn instead of Maximum of the pay scale with prospective effect from 01.09.2025. The above order will have multifold positive impact on BSNL finance. Several crores of Rupees will be saved and open the path for implementation of 3rd PRC. The pension contribution of 3.5 lakh DoT employees absorbed in BSNL was to be paid by BSNL at actual basic but DoT has deducted it at higher basic of the pay scales by neglecting repeated requests of BSNL. This action continued for 18 years i.e. from 2007 to 2025 and in year 2025 the request of BSNL for deduction of Pension Contribution at actual basic is accepted and now from 2025 inwards the deduction of pension contribution started at actual basic but the excess amount recovered by DoT/GoI is not refunded to BSNL. Thus Excess recovery by DoT by deduction of pension contribution on higher basic for 18 years and total excess amount deducted is Rs 3100 Crores which is not refunded by DoT causing heavy loss to BSNL balance sheet.

I. **Non-release of DoT period leave encashment Payment of Absorbed employees:** As per the cabinet Note and Terms and conditions of formation of BSNL, the leave encashment of DoT period of more than 3.5 lakh employees of DoT absorbed in BSNL is to be reimbursed by BSNL. Total amount is Rs 11000 Crores but after repeated requests and reminders by BSNL the same is not released and in March 2026 it is informed that matter is closed

SUMMARY

Sr	Written Assurance given by then Govt	Amount of losses in Rs Crs
A.	Exemption from Income Tax liability for the first five years and review thereafter	5757.52
B.	Exemption from payment of dividend for 10 years	6360.44
C.	Exemption from payment of spectrum charges (License fees)	30978.69
D.	Losses Faced by BSNL Due to Delayed 4G Spectrum Allotment and Pan-India Spectrum Allotment	35000.00
E.	Losses Faced by BSNL Due to Early Allotment of 5G Spectrum and Non-Availability of Indigenous 5G Equipment	6000.00
F.	Non-up gradation of 3G to 4G BTS	5000.00
G.	BSNL Properties taken over by DoT/GoI without payment or adjustment of dues	14668.00
H.	Excess recovery by DoT due to deduction of pension contribution on higher basic for 18 years i.e. from 2007 to 2025	3200.00
I.	Non-release of amount by DoT/GoI against DoT period Leave encashment of 3.8 L Employees absorbed in BSNL	11000.00
	Total	**1,17,964.65**
Total amount in words One Lakh Seventeen Thousands Nine Hundred and Sixty Five Crores only		