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## Govt okays relief package for BSNL, MTNL

**GIRJA SHANKAR KAURA**  
TRIBUNE NEWS SERVICE

**NEW DELHI, AUGUST 5**  
The Union Cabinet tonight cleared the issue of compensating loss-making state-run telecom firms, BSNL and MTNL, for surrendering CDMA spectrum that was auctioned in March this year as well as proposal of the BSNL to hive off mobile tower assets into a separate company.

The Cabinet, at its meeting chaired by Prime Minister Narendra Modi, also gave clearance for direct release of wages to workers under the Mahatma Gandhi



### Loss figures

- BSNL's loss for financial year 2014-15, as per the unaudited statement of accounts, is ₹7,265 crore
- MTNL logged a loss of ₹2,893.39 cr for 2014-15

National Rural Employment Guarantee Act (MGN-REGA) with a view to better the implementation and empower the states.

Sources said the Cabinet approval would help BSNL realign its structure in the highly competitive telecom sector. It would also help the state-run telecom oper-

ator to unlock its tower assets and to improve its financial position.

Consequent to the approval, the Department of Telecom (DoT) has been authorised to constitute an inter-ministerial group for working out the capital and organisational structure of the new company after

market valuation of its tower asset holdings and get back to the Union Cabinet for the final approval.

BSNL's mobile network covers 72 per cent of the country's population, which will further increase after completion of the phase 7 expansion.

The state-run telecom firm is estimated to have over one lakh base stations with over 50,000 towers having optical network cable connectivity and it expects valuation of its mobile tower company to be to the tune of Rs 20,000 crore.

It has so far leased out

5,471 towers to various private operators, earning revenue of Rs 432.6 crore till May.

There was also financial relief for BSNL and MTNL for surrendering CDMA spectrum auctioned in March this year. MTNL surrendered 5 Mhz CDMA spectrum that was put for auction.

While the cabinet approved a financial compensation of Rs 169 crore for the BSNL, there was a financial relief of Rs 458.04 crore for the MTNL for the surrender of CDMA spectrum.