

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3125
ANSWERED ON:13.08.2003
DECREASE IN PROFIT OF BSNL
P. RAJENDRAN

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether profit of BSNL has decreased after its corporatisation in October 2000;
- (b) if so, the reasons therefor; and
- (c) the steps taken to make this corporation profitable?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI J. PRADHAN)

(a) Yes, Sir. Profit of BSNL is declining compared to DOT period. During 1999-2000 the profit was Rs.11,975 crore which declined to Rs.6,312 crore in the year 2001-02.

(b) & (c) : The main reasons are increase in expenditure due to sharp increase in wages being paid to Group C & D staff, higher depreciation rates, provision of bad debts, Wealth Tax etc. The Company has to also pay Income Tax in the corporatisation era.

The revenue per user of the Company has declined due to drastic reduction in call charges (more than 60% in some cases). Thus despite increase of more than 20% growth of lines per annum the total revenue has remained the same.

BSNL in order to increase the revenue has launched Cellular Mobile Telephone Services, Internet, and many other value added services, which are expected to earn extra revenue to the Company.