

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:1168
ANSWERED ON:31.07.2000
DECLINE IN PROFIT OF VSNL
TUFANI SAROJ

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether there is a fall in the profits of Videsh Sanchar Nigam Limited,
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps being taken by the Government to increase the profits of the Nigam?

Answer

MINISTER OF STATE FOR COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) Yes, Sir.

(b) The net profits have declined to Rs. 840 crores for the year 1999-2000 as compared to Rs. 1324.90 crores of the previous year 1998-99. The main reasons for the decline in the profits are attributed to writing off of the investments made in ICO Global Communications Limited to the extent of Rs. 512.70 crores.

(c) The profit of the Nigam was impaired in the financial year 1999-2000 due to above extra-ordinary item. However, the Nigam is expected to be in a position to report a better profitability for the current financial year 2000-2001.