

BSNL seeks Rs 15,873-cr aid for loss-making rural operations

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NEW DELHI: State-run BSNL has written to the Telecom Ministry requesting a compensation of Rs 15,873 crore per annum from the USO Fund for its loss-making rural operations.

Stating that the company incurs a loss of about Rs 15,873 crore per annum for operating basic services as well as telegraph facilities in rural areas, BSNL CMD Kuldeep Goyal said in a letter to Telecom Secretary P J Thomas that this is making operations unsustainable and financially unviable.

"It is therefore once again requested that BSNL may kindly be compensated for these losses of Rs 15,873 crore per annum by providing support from USO Fund to the maximum possible extent and rest by exempting BSNL from making payment towards licence fee, spectrum charges and USO Fund," he said.

The PSU is making this demand on the argument that it is providing services to the public at minimal tariff. BSNL incurs a total annual loss of about Rs 10,985 crore only through basic phone services in rural areas.

The Department of Telecom has made a provision of Rs 2,000 crore per annum from the USOF for three years as financial support for its loss-making wireline services in rural areas, which the BSNL feels is quite 'inadequate'.

As per the audited accounts of BSNL for 2008-09, the rental revenue from rural basic lines is about Rs 1,048 crore from 1.5 crore lines, which translates into a revenue of Rs 58 per line per month.

Similarly, all the other recoveries, including call charges revenue and PCO income, come to about Rs 1,696 crore, which is a revenue of about Rs 94 per line per month.

On the other hand, during the same period, the OPEX of BSNL on rural lines was Rs 12,681 crore, which reflects an expenditure of Rs 702 per line per month. This excludes a depreciation of Rs 4,658 crore after taking into account 50 per cent extra expenditure on rural areas, Goyal said in his letter.

This indicates a huge gap between the cost of a rural line and the revenue coming from them, BSNL argued.

BSNL may register a loss of Rs 3,641 crore in 2009-10, the standing committee on telecom had said in a report tabled in the Parliament during the last budget session.

The Rs 3,009-crore profit registered by BSNL in 2007-08 had decreased to Rs 575 crore in 2008-09.