



## Cabinet approves revival package of BSNL amounting to Rs 1.64 Lakh Cr.

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Telecom is a strategic sector. Presence of BSNL in telecom market acts as a market balancer. BSNL plays a crucial role in expansion of telecom services in rural areas, development of indigenous technology and disaster relief.

To make BSNL financially viable, the Union Cabinet chaired by Prime Minister Shri Narendra Modi today approved the revival package of BSNL amounting to Rs 1.64 Lakh Cr.

Revival measures approved by the Cabinet focus on infusing fresh capital for upgrading BSNL services, allocating spectrum, de-stressing its balance sheet, and augmenting its fiber network by merging Bharat Broadband Nigam Limited (BBNL) with BSNL.

### A. Upgrading BSNL services

- 1. Administrative allotment of Spectrum:** To improve existing services and provide 4G services, BSNL will be allotted Spectrum in 900/1800 MHz band administratively at the cost of Rs 44,993 Cr through equity infusion. With this spectrum, BSNL will be able to compete in the market and provide high speed data using their vast network including in rural areas.
- 2. Financial support for capex:** To promote indigenous technology development, BSNL is in process of deploying Atmanirbhar 4G technology stack. To meet the projected capital expenditure for next 4 years, Government will fund capex of Rs 22,471 Cr. This will be a significant boost to development and deployment of Atmanirbhar 4G stack.
- 3. Viability gap funding for rural wireline operations:** Despite the commercial non-viability, BSNL has been providing wireline services in rural/remote areas to meet the social objectives of the Government. Government will provide Rs 13,789 Cr to BSNL as viability gap funding for commercially unviable rural wire-line operations done during 2014-15 to 2019-20.
- 4. Increase in authorized capital:** The authorized capital of BSNL will be increased from Rs 40,000 Cr to Rs 1,50,000 Cr in lieu of AGR dues, provision of capex and allotment of spectrum.

### B. De-stressing BSNL balance sheet



5. **Debt structuring:** Government will provide sovereign guarantee to these PSUs for raising long term loan. They will be able to raise long term bonds for an amount of Rs 40,399 Cr. This will help restructuring existing debt and de-stressing the balance sheets.
6. **Financial support for AGR dues:** To further improve the balance sheet, AGR dues of BSNL amounting to Rs 33,404 Cr will be settled by conversion into equity. Government will provide funds to BSNL for settling the AGR/GST dues.
7. **Re-issue of preference shares:** BSNL will re-issue preference share of Rs 7,500 Cr to the Government.

C. **Augmenting BSNL fiber network**

8. **Merger of BBNL and BSNL:** To facilitate wider utilization of infrastructure laid under BharatNet, Bharat Broadband Network Ltd (BBNL) will be merged with BSNL. The infrastructure created under BharatNet will continue to be national asset, accessible on a non-discriminatory basis to all the Telecom Service Providers.

With these measures, BSNL will be able to improve the quality of existing services, roll out 4G services and become financially viable. It is expected that with the implementation of this revival plan, BSNL will turn-around and earn profit in FY 2026-27.

**DS**

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