

1. M/s Etisalat DB Telecom Private Limited (formerly Swan Telecom Private Limited)
2. M/s Idea Cellular Limited
3. M/s Loop Telecom Limited
4. M/s S.Tel Private Limited
5. M/s Sistema Shyam Teleservices Limited
6. M/s Spice Communications Limited
7. M/s Unitech Wireless (Delhi) Private Limited
8. M/s Unitech Wireless (Mumbai) Private Limited
9. M/s Unitech Wireless (Kolkata) Private Limited
10. M/s Unitech Wireless (Tamilnadu) Private Limited
11. M/s Unitech Wireless (North) Private Limited
12. M/s Unitech Wireless (East) Private Limited
13. M/s Unitech Wireless (South) Private Limited
14. M/s Unitech Wireless (West) Private Limited
15. M/s Videocon Telecommunications Limited
16. M/s Allianz Infratech Private Limited

Demand notices for imposition of liquidated damages (LD) have been issued to these licensee companies for license service area where they have not fulfilled roll out within time limit except to M/s Spice Communications Limited and to M/s Idea Cellular Limited in 5 services areas and the same is also proposed for issue of demand notice for imposition of LD. Most of the above companies have paid the amount of LD either in full or the 60% of the LD imposed as per the order of Hon'ble TDSAT.

**Action taken on Sam Pitroda Committee recommendations for BSNL**

1758. SHRI D. RAJA:

SHRI M.P. ACHUTHAN:

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

(a) whether it is a fact that State-owned Bharat Sanchar Nigam Ltd. (BSNL) is running at loss at present;

(b) if so, the details thereof;

(c) whether it is a fact that Government had set up a Committee under Sam Pitroda to fix things and offer solutions; and

(d) if so, the details of the recommendations made by the said Committee and to what extent they have been accepted and action taken, if any, thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT): (a) and (b) As per audited books of account, BSNL has earned profit since its inception in October 2000 (i.e. 2000-01) up to the financial year 2008-09. However, it has incurred a loss of 1822.65 crore for the first time during the last financial year 2009-10.

The amount of net profit/(loss) for the current financial year 2010-11 would be known only after closure of the annual accounts.

(c) and (d) Yes, Sir. The Government had set up a Committee under Sam Pitroda to review the functioning of BSNL. The important recommendations of the Sam Pitroda Committee are as follows:

- Focus on selection of the best professionals from the market at market rates.
- Appoint an eminent person from the private sector as the Chairman.
- Separate the post of the Managing Director/CEO (from CMD).
- Change the Board composition to seven directors [one internal (MD/CEO), one non executive chairman, two government nominee and three external directors].
- Provide three year contracts with specific targets for all key management team members.
- Establish four independent business units for Fixed access, Mobility, Enterprise and New businesses.
- Complete ITS absorption process.
- Induct significant young talent in Technology, IT, marketing, sales, etc.
- Retire or transfer around 100K employees through processes like VRS.

- Change procurement processes and procedures substantially using tools such as e-Procurement, vendor rating, rate running contracts, schedules, etc.
- Disinvest 30% through Indian strategic investor and at Initial Public Offering (IPO) to return 10% to the government and use 20% for employee VRS, expansion and operation.
- Provide 30 million new high speed broadband connections in the next three years.
- Unbundle local loop for public and private companies.
- Proactively offer sharing of active and passive infrastructure to other operators.
- Enhance rural communication facilities by connecting 250,000 panchayats.
- Create a separate subsidiary company for tower related infrastructure.
- Create a separate subsidiary to hold land bank and other real estate assets.
- Establish a BSNL venture fund to invest and/or acquire small appropriate technology companies.

The Full Telecom Commission (FTC) deliberated on the recommendations of the Sam Pitroda Committee on improving the performance of the BSNL in its meeting held on 7.7.2010. The Telecom Commission decided to constitute 'Internal Committee' under Chairmanship of Member (Services), Department of Telecom to give its recommendations on the report. Accordingly on 19.08.2010, a Committee under the Chairmanship of Member (Services) was constituted.

The internal committee submitted its report on 29.10.2010, which was discussed again in the Full Telecom Commission in its meeting, held on 30.11.2010. FTC has decided the following in the matter:

- (i) Taking 30-50 professional from market at market rates changing Board Constitution or separating Chairman and MD posts may not be feasible in only one Public Sector Undertaking (PSU) as it may trigger protest from BSNL and demand for similar treatment by other PSUs.
- (ii) This is not the opportune time for listing & disinvestment of BSNL, as company is on downward performance path & disinvestment may not realize true value of the company. In absence of listing, option of giving stocks as incentive, to key management is not available for the present.

- (iii) Voluntary Retirement Scheme (VRS) across the board may not be required; BSNL could examine option of VRS for select categories, examining financial burden and cost/benefit of the company.
- (iv) On adopting Managed capacity or managed services model - Internal Committee view that the Board of BSNL may take a view is endorsed.
- (v) Unbundling of the local loop is a commercial decision, which shall be decided by BSNL Board after critically examining the issue.
- (vi) All other issues are operational and commercial issues of BSNL for which the Board is competent to take decisions.

The Commission also observed that some of the above issues including items (ii), (iii) and (v) could be revisited if the need arose in the context of any major policy decisions involving restructuring and repositioning of BSNL.

#### **Reduction in cultivable land**

†1759. SHRI SHIVANAND TIWARI: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that the cultivable land is decreasing due to expansion in urban limit resulting in increasing inflation due to non-production of not only foodgrains but also vegetables and fruits upto the required quantity; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI ARUN YADAV): (a) and (b) As per the available estimates, cultivable land has marginally decreased from 182.74 million hectare in 2005-06 to 182.38 million hectare in 2008-09 across the country, which is mainly due to diversion of agricultural land for non-agricultural purposes such as urbanization, roads, industries, housing etc. During the same period, area under foodgrains has increased from 124.12 million hectare to 124.22 million hectare and fruits and vegetables from 9.94 million hectare to 10.11 million hectare. The production of foodgrains has also increased from 208.60 million tonnes to 234.47 million tonnes in the corresponding years.

#### **New Telecom Policy**

1760. SHRI RAJEEV CHANDRASEKHAR:

SHRI SABIR ALI:

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

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† Original notice of the question was received in Hindi.