

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

UNSTARRED QUESTION NO:2794

ANSWERED ON:15.03.2010

SHARE OF MTNL AND BSNL

Bais Shri Ramesh;Bapurao Shri Khatgaonkar Patil Bhaskarrao;Dharmshi Shri Babar Gajanan;Gaikwad Shri Eknath Mahadeo;Gorakhnath Shri ;Pandurang Shri Munde Gopinathrao;Ramshankar Dr. ;Rao Shri Nama Nageswara;Sharma Shri Jagdish;Yaskhi Shri Madhu Goud

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

- (a) whether the share of Mahanagar Telephone Nigam Limited (MTNL) and Bharat Sanchar Nigam Limited (BSNL) in telecom services in the country is on the decline during the last three years and the current year;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) whether the company is doing its business in the unprofitable areas also;
- (d) if so, the details of such areas; and
- (e) the corrective action taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT)

(a) & (b) Yes Madam. The market share of BSNL and MTNL during the last three years is given below:

Percentage Market Share (All India)

As on BSNL MTNL Total PSUs

31.03.2007 31.44 3.24 34.68

31.03.2008 24.07 2.40 26.47

31.03.2009 18.96 1.87 20.84

31.01.2010 15.99 1.44 17.44

The decline in Market Share of BSNL and MTNL is due to fierce competition with numerous private Telecom Service providers viz Bharti, Reliance, Vodafone, Tata and Idea etc. and entry of several new operators in Mobile services.

(c) Madam, BSNL is doing its business in unprofitable areas also. However, MTNL is operating in two metropolitan cities i.e. Delhi and Mumbai.

(d) BSNL is operating in the unprofitable areas in order to meet the social obligation as well as on direction of USOF, DOT. BSNL is providing Village Public Telephones (VPTs) and Rural Household DELs (RHDELs) in 1267 specified SDCAs (Cost negative) with the subsidy support of USOF, DOT.

As per the audited annual accounts for the financial year 2008-09, the detail of unprofitable circles are given below:

Andaman & Nicobar, Assam, NE-2, Punjab, Kolkata Telephones, Chhattisgarh, Tamilnadu, Madhya Pradesh, UP (West), Andhra Pradesh, Bihar, Gujarat and West Bengal.

(e) Following corrective actions have been taken by BSNL and MTNL in this regard:

BSNL and MTNL are expanding their telecom network in a progressive manner to meet the demand of new connections and improve Quality of Services.

- # Improving customer care and after sales service.
- # Leasing of passive infrastructure to other service providers.
- # Commercial utilization of fixed assets.
- # Introducing Fixed Mobile Convergence to add value to wireline telephone.
- # Providing New Value Added Services both on wireline and wireless telephones.
- # Expansion of Broadband Services by rolling out WiMAX, Digital Subscriber Loop (DSL) and Fibre to Home (FTTH) services.
- # Implementation of Call Data Record (CDR) based billing for wireline business.
- # Implementation of ERP to streamline all business processes.
- # Reviewing of tariff for various products and services so as to make them customer friendly and to suite various segments of the society.