

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

UNSTARRED QUESTION NO:2439

ANSWERED ON:28.03.2012

CORRUPTION IN MTNL AND BSNL

Jaiswal Shri Gorakh Prasad ; Rama Devi Smt. ; Saroj Shri Tufani; Sinh Dr. Sanjay; Vasava Shri Mansukhbhai D.; Yadav Shri M. Anjan Kumar

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

- (a) whether the market share as well as the revenue of BSNL and MTNL have been declining continuously for the last couple of years;
- (b) if so. the details thereof;
- (c) whether the surplus staff in these PSUs. corruption, misappropriation of funds by management and the connivance of some of the senior officers of these companies with private telecom players are some of the major reasons behind declining shares, incurring losses and comparatively poor telecom services of these companies as compared to private players;
- (d) if so. the details of such cases reported, State-wise and whether the Government has conducted any investigation in this regard; and
- (e) if so, the details alongwith the outcome thereof and the action taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a) & (b) Yes Madam, the market share and revenue of BSNL and MTNL have been declining for last three years. The details are given in table below:

Market Share (in percentage %):

2008-09 2009-10 2010-11

BSNL	18.%	15.66	13.83
MTNL	1.87	1.38	1.06
PSU Total	20.83	17.04	14.89

Gross Revenue (In Rs. Crores)

2008-09 2009-10 2010-11

BSNL	35,812	32,045	29,688
MTNL	5,250	5,058	3,992

(c) to (e) No, Madam. However, the - in reasons for declining market share are as follows:

- # Surrender of extra wireline telephone connections where multiple telephone connections existed in same house/office premises.
- # Substitution of fixed line telephone connections by personal mobile phones
- # Stiff Competition from private operators.

The losses in BSNL and MTNL are due to decline in revenue & increase in expenditure. The reasons for the decline in revenue are as follows:

- # Fixed to mobile substitution.
- # Stiff competition in mobile sector.
- # Decrease in Average Revenue Per User (ARPU) in mobile sector.

The reason for the increase in expenditure is mainly due to large legacy work force whose wages account for around 50% of the revenue. In this regard, the Department of Telecommunications (DOT) has received a proposal of voluntarily Retirement Scheme

(VRS) from BSNL aiming for its one lakh employees.