

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

UNSTARRED QUESTION NO:2019

ANSWERED ON:05.12.2012

MARKET SHARE OF BSNL AND MTNL

Alagiri Shri S. ;Azad Shri Kirti (Jha);Bali Ram Dr. ;Bhagora Shri Tarachand;Choudhary Shri Harish;Jaiswal Shri Gorakh Prasad ;Mahtab Shri Bhartruhari;Singh Shri Ijyaraj ;Singh Shri Ratan;Sinh Dr. Sanjay;Tanwar Shri Ashok;Venugopal Shri P.;Yadav Shri M. Anjan Kumar

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

- (a) whether the market share of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) has been declining in comparison to private operators;
- (b) if so, the details thereof including the losses incurred by them during the last three years and the current year and the reasons therefor; company-wise and yearwise;
- (c) whether both PSUs have taken loan and sold their properties to meet their administrative expenses;
- (d) if so, the details thereof and the reasons therefor along with the interest paid on loan during the last three years and the current year; and
- (e) the action plan prepared by the Government to improve the financial position of these PSUs?

**Answer**

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

(a) & (b) The details of market share of BSNL and MTNL w.r.t. total telephone subscribers during the last three years and current year are as follows:

As on Market share of telephone subscribers (%age)  
BSNL MTNL

31.03.2010 17.34 14.21

31.03.2011 15.26 11.25

31.03.2012 13.96 11.00

30.09.2012 14.14 10.67

The details of net profit / loss of BSNL and MTNL during the last three years are as follows:

Financial Year Profit/Loss (Rs. in crores)

BSNL MTNL

2009-10 (-) 1823 (-) 2611

2010-11 (-) 6384 (-) 2802

2011-12 (-) 8851 (-) 4109

The reasons for losses in BSNL and MTNL are as follows:

# The revenue has decreased because of fixed to mobile substitution and stiff competition in mobile sector.

# Staff cost is very high as compared to the other private operators. In case of BSNL, it is around 50% and in case of MTNL it is more than 70% of the revenue.

# Both BSNL and MTNL have paid Rs 18500 crore and Rs 11098 crore respectively as upfront spectrum charges for 3G and Broadband wireless access.

(c) & (d) Both BSNL and MTNL have not sold their land / building assets. However, both BSNL and MTNL have taken loans. During the last three years BSNL has taken a loan of Rs 1320 crores for CAPEX and has paid Rs.99 crores as interest on loan whereas MTNL has taken a loan of 11264 crores to meet its ways and means position to meet its operational requirements including salaries/pension and interest and has paid Rs. 2064 crores as interest on loan till October 2012.

(e) Department of Telecommunications (DoT) reviews the performance of BSNL and MTNL periodically. BSNL and MTNL have taken the following steps to improve their financial position:

#### BSNL

# Strengthening of sales and distribution channel of mobile through Project Vijay.

# Augmentation of capacity in Phase-VII by 15 Million.

# Weekly meeting with Franchisees / Retailers and Sales teams of BSNL at district level.

# Fixing of target to sales team and ensuring delivery of material.

# Fixing and monitoring retailer manager wise target.

# Special camp to interact with customer willing to port out for their retention by sorting out their problems.

# Opening new sales channels in rural areas through agreement with Postal department to increase rural reach.

# Aggressively push smart devices bundled with 3G Data plans as well as wireless broadband with 3G data cards.

# Sustained Focus on Value Added Services catering to various segments of the society.

# Monitoring of Quality of Service (QoS) parameters to adhere to the benchmarks stipulated by Telecom Regulatory Authority of India (TRAI).

#### MTNL

# MTNL is reviewing its tariff for various products and services so as to make them customer friendly and to suit various segments of the society.

# MTNL has taken a lot of measures to facilitate easy payment of telephone bills to meet the requirement of all segment of society.

# Loyalty scheme & special care of corporate customers.

# MTNL is operating call centre/help lines for the customers to book their grievances.

# Online booking of different services and complaints for landline and mobile are now available.

# MTNL is having Sanchar Haats in Delhi and Customer Service Centers (CSCs) at Mumbai, where customer can get various services like registration for new service, duplicate bills of cellular connection, bill payment, VCC cards etc.

In addition, the National Telecom Policy (NTP- 2012) inter-alia envisages following role of Public Sector Units, including BSNL and MTNL:

# To recognise the strategic importance of Telecom PSUs in nurturing/ enhancing Government's intervention capabilities in matters of national security or international importance, including execution of bilateral projects funded by Government of India.

# To encourage Public Sector Units under the DoT to identify and exploit strategic and operational synergies so that they play a significant role in service provision, infrastructure creation, and manufacturing.

# To exploit individual strengths of organisations under DoT/Department of Information Technology (DeitY) to their mutual benefit for ensuring these organisations to effectively flourish in the competitive telecom market while adequately supporting the security needs of the nation. Efforts will be made for according preferential treatment for procurement of products and services rendered by individual organisations.