

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

STARRED QUESTION NO:356
ANSWERED ON:14.12.2009
RESTRUCTURING OF BSNL
Rajesh Shri M. B.

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

- (a) the details of the market share of Bharat Sanchar Nigam Limited (BSNL) during the last three years;
- (b) whether the market share of the company has come down in the recent past due to managerial reasons apart from the prevailing competitive environment;
- (c) if so, the details thereof; and
- (d) the steps proposed to rehaul the company and increase the management focus?

Answer

THE MINISTER OF COMMUNICATIONS & INFORMATION TECHNOLOGY (SHRI A. RAJA)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 356 FOR 14TH DECEMBER ON RESTRUCTURING OF BSNL.

(a) The market share of BSNL during the last three years and the current year is given below:

| Year | Wireline Market Share | Wireless Market Share | Total Market Share |
|-----------------------|-----------------------|-----------------------|--------------------|
| 2006-07 | 82.75 | 18.66 | 31.29 |
| 2007-08 | 80.05 | 15.64 | 24.10 |
| 2008-09 | 77.42 | 13.32 | 18.98 |
| 2009-10 upto 31.10.09 | 76.03 | 12.18 | 16.71 |

(b) & (c) The market share of the company has come down mainly due to fiercely competitive environment and not due to managerial reasons. In the highly competitive telecom sector, BSNL, being a Central Public Sector Undertaking, has to follow established institutional procedures in its various functions, which is not required in a private company

(d) BSNL has undertaken organization restructuring with a view to provide end-to-end focus on different businesses. Under this, separate business units have been created as follows: Consumer Fixed Access Unit – Responsible for products such as landline, public call office, broadband and related value added services. Consumer Mobility Unit – Responsible for products such as mobile, WiMAX and related value added services. Enterprise & Wholesale Unit – To serve medium and large enterprises, carriers and internet service providers. New Business Unit – Responsible for new business opportunities in passive infrastructure such as towers, power plant etc.

In each of these business units following measures are taken to improve performance:

- # Separate dedicated teams have been set up for Sale and Distribution network.
- # Improving customer care, better feedback and after sales service.
- # Increasing focus on revenue assurance through more efficient billing and collection of bad debts.