

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

UNSTARRED QUESTION NO:3875

ANSWERED ON:14.12.2009

DECLINE IN REVENUES OF BSNL

Alagiri Shri S. ;Bahuguna Shri Vijay;Dashmunsi Deepa ;Kumar Shri P.;Reddy Shri Anantha Venkatarami;Reddy Shri Mekapati Rajamohan;Singh Alias Pappu Singh Shri Uday;Vinay Kumar Alias Vinnu Shri

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

- (a) whether the Prime Minister has recently called for a meeting to review the performance of Bharat Sanchar Nigam Limited (BSNL) in view of steep fall in revenues;
- (b) if so, the facts thereof and details of discussions held in the meeting and outcome thereof;
- (c) whether the factors responsible for steep fall in BSNL's revenues has since been ascertained; and
- (d) if so, the details thereof alongwith the steps taken by the Government to check revenue losses in BSNL?

Answer

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

(a) & (b) Madam, a communication from Prime Minister Office has been received, recently, in Department of Telecommunications to review the functioning of Bharat Sanchar Nigam Limited (BSNL) with respect to operational aspects, particularly the financial health and role of BSNL in the current and emerging economic scenario.

(c) & (d) The fall in BSNL's revenue is mainly due to:

- # The reduction in tariff due to fierce competition among the existing and new operators.
- # Churning of PCO operators to other service providers.
- # Reduction in call rates especially in STD call rates in the market.

The steps proposed to check revenue losses in BSNL are given below:

- # The tariffs are being rationalized so that there are suitable plans for every segment of society and to increase demand.
- # Increase in sale outlets and marketing efforts.
- # Broadband services are being provided aggressively even through bundled Broadband plus PCs taking help of PC manufacturers like HCL etc.
- Various Value Added Services on Broadband like IPTV, Games on demand, entertainment portal, web-hosting, web-conferencing, VPN over broadband etc. are being progressively launched and popularized.
- # Revenue generation from educational institutions, State Government centres and panchayats are being explored.

To further increase its revenue, BSNL has taken several new initiatives. These are as follows:-

- # BSNL has engaged M/s Boston Consulting Group (BCG) for advising and providing handholding support in identifying problems and developing strategy keeping in view the changed market conditions.
- # Leasing of BSNL's Passive Infrastructure to other service providers.
- # Enterprise Business.
- # Commercial utilization of fixed assets.
- Exploring international business.
- # Introduction of NGN framework to increase revenue streams.
- # Introducing Fixed mobile Convergence to add value to landlines.