

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

UNSTARRED QUESTION NO:4780

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REVAMPING OF TELECOM PSUS

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

- (a) whether the administrative and Human Resources expenses of Telecom PSUs are higher than the trend in telecom sector and if so, the details thereof and the reasons therefor;
- (b) the details of revenue generation by the PSUs and the administrative/HR expenses during the last three years, yearwise;
- (c) whether the telecom PSUs have failed to compete with the major private players in expansion of their bases and revenue generation;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the action taken by the Government to improve the economic condition of these PSUs and steps taken for technological upgradation?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) The administrative and Human Resources expenses of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) are higher than the trend in telecom sector due to large manpower base consisting of legacy staff from Government who were absorbed in BSNL and MTNL consequent to their creation.

(b) The details of revenue generation by BSNL and MTNL and the administrative and human resources (HR) expenses during the last three years are given below:

(Rs. in crores)

Particulars	BSNL	MTNL					
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	
Total revenue	27,934	27,128	27,996	3,624	3,714	3,787	
(including other income)							
Administrative expenses	10,294	10,402	11,008	819	765	1,075	
HR expenses	13,406	13,758	15,436	3,712	4,901	2,615	

(c)&(d) BSNL and MTNL are in financial losses and facing declining revenues from loss of market share and increasing expenditure. BSNL and MTNL have been unable to invest in expansion/modernisation of their networks in comparison to the market leaders in the telecom sector.

The market share of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) in mobile services during last three years and 2014-15 (upto 31.12.2014) is given in table below:-

Market Share (in %age)

31.03.2012	31.03.2013	31.03.2014	As on 31.12.2014
BSNL 10.72	11.66	10.46	8.62
MTNL 0.63	0.58	0.37	0.37

Other reasons like power supply problem, disruptions due to cable cuts arising from road development works, breakdown of cables due to old legacy network of basic services, cable theft etc. are also affecting the services of BSNL and MTNL.

(e) BSNL and MTNL are taking several steps to enhance revenues through investments to strengthen its network and focus on customer care and service delivery to improve quality of service.

The investment projects being undertaken by BSNL include:

Augmentation of its mobile network as part of its Phase-VII Project to create additional capacity of 15 million lines at an estimated cost of Rs. 4804.77 crores. This will result in addition of 14421 2G sites and 10605 3G sites across the country.

Replacement of the entire network of wireline local exchanges by Internet Protocol (IP) enabled exchanges and deployment of Next Generation Network (NGN) equipment based on the latest architecture gradually to replace entire legacy telephone exchanges at an estimated cost of Rs. 600 crores.

Migration of entire C-DOT (Centre for Development of Telematics) legacy telephone exchanges with technology solutions being developed by C-DOT at an estimated cost of Rs. 350 crores for which MoU (Memorandum of Understanding) has been signed between C-DOT and BSNL.

Government has assigned the work of providing mobile connectivity in 2199 identified locations in Left Wing Extremism (LWE) affected areas through BSNL at an estimated cost of Rs. 3567.58 crores.

Government has assigned the work of providing mobile connectivity to uncovered villages in Arunachal Pradesh and two districts of Assam to BSNL on nomination basis at an estimated cost of Rs. 1975.38 crores.

The new projects of MTNL are:

Augmentation of mobile network to enhance coverage and capacity by adding 1080 3G sites and 800 2G sites in Delhi and 1080 3G sites and 566 2G sites in Mumbai. The packet core capacity (Data handling capacity of network) will be upgraded to 10 Gbps in Delhi and Mumbai.

Augmentation of Microwave (M/W) backhaul network to support the enhanced speed.

Migration of legacy telephone exchanges network to internet protocol (IP) based New Generation Network (NGN) exchanges in collaboration with C-DOT.

In addition, BSNL and MTNL are taking various steps to improve their mobile network. The details of these steps are as follows:

Monitoring of the Fault Repair Service System.

Deployment of modern and state of art CDR (Call Detail Record) based Billing & Customer care system.

Establishment of Customer Service Centers at all important locations in the country with "single window concept" to facilitate friendly interactions with the customers.

Replacement of weak batteries and power plants to improve network uptime

Regular Radio Frequency (RF) optimization tests.