

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

STARRED QUESTION NO:25

ANSWERED ON:22.07.2015

Revival of BSNL/MTNL

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

- (a) whether both the Mahanagar Telephone Nigam Limited (MTNL) and the Bharat Sanchar Nigam Limited (BSNL) are incurring heavy losses and their market share in the landline, mobile and internet services are on the decline over the past few years;
- (b) if so, the details thereof and the reasons therefor including losses/profits of MTNL/BSNL during each of the last three financial years along with their market share in comparison to private telecom operators separately for mobile and internet services, operator-wise;
- (c) whether the Government plans to revive BSNL/MTNL and improve their performance, market share and profitability, if so, the details thereof including the road map prepared for the purpose;
- (d) whether the customers are also facing great difficulties on account of call drops by Telecom PSUs, if so, the details thereof; and
- (e) the other measures taken/being taken by BSNL/MTNL to curb call drops and introduce new plan, attractive call rates and incentives to customers to compete with the private players?

**Answer**

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

(a) to (e) 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 (e) OF LOK SABHA STARRED QUESTION NO.25 FOR 22nd July, 2015 REGARDING "REVIVAL OF BSNL/MTNL".

(a)&(b) The details of profit and losses incurred by Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) during the last three years are given below:

Financial Year BSNL

(In Rs. Crores) MTNL

(In Rs. Crores)

2012-13 -7,884 -5321.12

2013-14 -7019 7825.13\*\*

2014-15 -7,265\* -2893.39\*

\*(Unaudited & provisional)

\*\* MTNL has shown a profit of Rs 7825.13 crore mainly due to write back of provisions on account of pensionary liabilities and spectrum amortization costs after decisions of Government taken for revival of MTNL.

BSNL was in profit of Rs. 5977 crores in FY 2003-04 and continued to remain in profit till FY 2008-09. Similarly, MTNL was in profit of Rs. 1150.48 crore in FY 2003-04 and continued to remain in profit till FY 2008-09.

The details of market share of BSNL and MTNL in wireless and wireline during the last three years and broadband for past two years are given in Annexure.

BSNL and MTNL are facing declining revenues from loss of market share and increasing expenditure. MTNL has been unable to invest in expansion/modernisation of its network due to financial distress. BSNL has been unable to invest in expansion of its network over the period 2009-2013.

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 service, cable theft etc. are also affecting the services of BSNL and MTNL.

The reasons for decline in mobile connections are mainly due to inadequate investment leading to network coverage issues, inability to compete with private sector on the customer services and marketing.

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

The investment projects being undertaken by BSNL include:

â€¢ 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.

â€¢ 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.

â€¢ 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.

â€¢ 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.

â€¢ 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:

â€¢ 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.

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

â€¢ 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:

â€¢ Monitoring of the Fault Repair Service System.

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

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

â€¢ Replacement of weak batteries and power plants to improve network uptime

â€¢ Regular Radio Frequency (RF) optimization tests.

(d) Telecom Regulatory Authority of India (TRAI) has laid down the Quality of Service (QoS) parameters and benchmarks for basic service (wireline) and cellular mobile telephone service through the standards of Quality of Service for Basic Service (wireline) and Cellular Mobile Telephone Service Regulations 2009.

TRAI has been monitoring the performance of service providers, against the quality of service benchmarks for the various parameters through Quarterly Performance Monitoring Reports. The performance on call drop is accessed through two parameters viz. call drop rate (benchmark = 2%) and worst affected cells having more than 3% TCH drop (benchmark = 3%).

As per the performance monitoring report for cellular mobile telephone services 2G, for the quarter ending March, 2015, the performance of BSNL is poor in respect of parameters (1) "BTSs accumulated downtime (not available for service)" (not complied in 5 out of 20 service areas); (2) "Worst affected BTSs due to downtime" (not complied in 5 out of 20 service areas); (3) "Worst affected cells having more than 3% TCH drop (call drop) rate" (not complied in 5 out of 20 service areas). However MTNL is meeting the benchmarks for all the network related parameters.

As per the performance monitoring report for cellular mobile telephone services 3G services for the quarter ending March, 2015, the performance of BSNL is poor in respect of the parameters (1) "Worst affected Node-B's due to downtime" (in 4 out of 20 service areas); (2) "Worst affected cells having more than 3% Circuit Switched Voice Drop Rate" (4 out of 20 service areas). MTNL is meeting the benchmarks for all the parameters.

(e) BSNL is augmenting 15 million lines and expanding its mobile network progressively to enhance coverage capacity and to further improve the Quality of Service (QoS). BSNL is also optimising its network continuously through performance monitoring of the network which has been strengthened by commissioning of over 13 million lines.

MTNL is also taking various steps like addition of BTSs, capacity augmentation, optimization of radio network and drive test on continuous basis to improve coverage and provide better quality of services to its customers.

BSNL and MTNL have also taken a number of initiatives to attract customers. These steps include:

â€¢ Unlimited free night calls from landline to any network between 2100 Hrs to 0700 Hrs. by BSNL and free local calls from MTNL landline to all operators in Delhi and Mumbai between 10 p.m. to 7 a.m.

â€¢ MTNL is offering attractive broadband offers.

â€¢ BSNL is the only operator in India which is offering free incoming calls to its customers while roaming on pan-India basis including service area of MTNL i.e Delhi and Mumbai to its customers.

â€¢ BSNL is offering reduce call rate during first three months to new customers. The reduced call rates are only Rs. 0.50 per minute and 0.8 paise per second for all type of outgoing calls for per minute plan and per second plan respectively.

â€¢ BSNL is offering data Special Tariff Vouchers (STVs) which is most competitive in the industry and catering to all segments.

â€¢ BSNL in partnership has built public Wi-fi infrastructure for provision of Wi-fi services ( speed up to 20Mbps). Till June, 2015 BSNL has launched Wi-fi services at 78 Hotspots at 17 locations across 6 cities .

Details of market share of BSNL and MTNL in Wireline, Wireless and Broadband:

Wireline

Telecom Service Provider (TSP) FY 2014-15 FY 2013-14 FY 2012-13

BSNL 61.7% 64.9% 67.7%  
MTNL 13.4% 12.4% 11.5%  
Bharti 12.8% 11.8% 10.9%  
Tata 6.3% 5.4% 5.0%  
Reliance 4.4% 4.4% 4.1%  
Quadrant 0.9% 0.7% 0.6%  
Sistema 0.2% 0.2% 0.2%  
Vodafone 0.3% 0.2% 0.1%  
Total 100.0% 100.0% 100.0%

Wireless

FY 2014-15 FY 2013-14 FY 2012-13

BSNL 8.0% 10.5% 11.7%  
MTNL 0.4% 0.4% 0.6%  
Bharti 23.3% 22.7% 21.7%  
Vodafone 19.0% 18.4% 17.6%  
Idea 16.3% 15.0% 14.0%  
Reliance 11.3% 12.3% 14.2%  
Aircel 8.4% 7.8% 6.9%  
Tata 6.8% 7.0% 7.7%  
Telewings 4.7% 3.9% 3.7%  
Sistema 0.9% 1.0% 1.4%  
Videocon 0.7% 0.6% 0.2%  
Loop - 0.3% 0.3%  
Quadrant 0.3% 0.2% 0.2%  
Total 100% 100% 100%

Broadband

FY 2014-15 FY 2013-14

BSNL 10.6% 16.1%  
MTNL 0.7% 0.7%  
Bharti 25.2% 23.6%  
Vodafone 21.1% 20.7%  
Idea 11.1% 10.0%  
Reliance 11.2% 14.9%  
Aircel 6.4% 6.5%  
Tata 6.8% 1.2%  
Telewings 4.3% 3.0%  
Loop - 1.1%  
Videocon 0.8% -  
Others 1.9% 2.1%  
Total 100% 100%

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