

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS
LOK SABHA
UNSTARRED QUESTION NO. 830
TO BE ANSWERED ON 7TH FEBRUARY, 2018
PERFORMANCE OF BSNL AND MTNL**

†830. SHRI RAM CHARAN BOHRA:
SHRI P.K. KUNHALIKUTTY:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) the market share of public sector telecommunication enterprises i.e. Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) in comparison to private sector telecom companies;
- (b) the reasons for the decline, if any, in the number of subscribers of the said public sector telecom companies;
- (c) whether the Government proposes to improve the market share and profitability of these public sector enterprises;
- (d) if so, the details thereof along with the measures taken by the Government in this regard;
- (e) whether the Government proposes to merge both public enterprises as a part of their revival and reorganization plan and if so, the details and the present status thereof and if not, the reasons therefor; and
- (f) whether the said telecom companies have surrendered their CDMA spectrum and received refunded amount and if so, the details thereof?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

- (a) The market share of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) in terms of number of wireline and wireless subscribers for last three years and current year is as follows:

BSNL:

Status as on	Total Telephone Connections in the country (in Million)			Telephone Connections Provided by BSNL (in Million)			Telephone Market Share of BSNL (%)		
	Wired Line	Wireless	Grand Total	Wired Line	Wireless	Grand Total	Wired Line	Wireless including WLL	Grand Total
31.03.14	28.49	904.55	933.04	18.49	94.65	113.14	64.90	10.46	12.13
31.03.15	26.56	969.54	996.1	16.41	76.83	93.24	61.80	7.92	9.36
31.03.16	25.18	1034.20	1059.38	14.76	86.82	101.58	58.63	8.40	9.43
31.03.17	24.38	1170.68	1195.06	13.69	101.40	115.09	56.15	8.66	9.63
31.10.17	23.51	1178.67	1202.18	12.67	106.80	119.47	53.91	9.06	9.94

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MTNL:

Status as on	Total Telephone Connections in Delhi and Mumbai licensed area (in Million)			Telephone Connections Provided by MTNL (in Million)			Telephone Market Share* of MTNL (%)		
	Wired Line	Wireless	Grand Total	Wired Line	Wireless	Grand Total	Wired Line	Wireless including WLL	Grand Total
31.03.14	6.16	73.42	79.58	3.53	3.37	6.9	57.33	4.59	8.67
31.03.15	6.13	76.81	82.94	3.55	3.51	7.06	57.24	4.57	8.51
31.03.16	6.20	79.11	85.31	3.50	3.56	7.06	56.44	4.50	8.29
31.03.17	6.26	90.07	96.33	3.46	3.63	7.09	55.27	4.03	7.37
31.10.17	6.26	92.53	98.79	3.39	3.59	6.98	54.18	3.88	7.05

* MTNL operates in Delhi and Mumbai area, market share is calculated for Delhi and Mumbai area only.

- (b) The reasons for stagnation and/or falling market share for wireline and wireless services are as under:

Wireline: -

- There is a general decline in demand for the fixed line telephones due to subscriber's tendency to shift to mobile services because of its sheer convenience with regards to affordability and availability.
- Closure due to non-payment of telephones bills/economic reasons.
- Prolonged breakdown of services due to cable breakdown inflected due to road widening, cable thefts, cable faults etc.

Wireless:-

- Stiff competition in Mobile sector by other private telecom operators who have aggressive tariff plans.
- BSNL and MTNL could not procure mobile equipment for few years, but in the last three years BSNL and MTNL maintained/slightly improved their market share in wireless segment due to their aggressive tariffs plans in competitive market. BSNL is increasing its 2G / 3G coverage by addition of BTSs / Nodes.

(c) & (d) To improve the market share and profitability, BSNL and MTNL are taking various steps as detailed at **Annexure-I**. The details of Government support to BSNL and MTNL are at **Annexure-II**.

(e) At present, there is no proposal for merger of BSNL and MTNL.

(f) Amount of Rs.458.04 crore to MTNL and Rs.169.16 crore to BSNL on account of surrender of Code Division Multiple Access (CDMA) spectrum has been refunded by the Government.

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Steps taken by BSNL to increase its customer base:

1. Augmentation of GSM Mobile network capacity-

Phase VIII: Formulation of next GSM expansion project:

- a. **Phase VIII.1:** Induction and integration of Wi-Fi Hotspot / LTE (4G) with existing GSM /UMTS network.

- b. **Phase VIII.2:** Strengthening of Data Network:
 - (i) Media has observed to support the surge in data volume.
 - (ii) IPs have been used judiciously to address scarcity.
- c. **Phase VIII.3:** Intra Circle Roaming has been launched for M/s Aircel as a seeker in Rajasthan Telecom Circle and in UP(E) circles. Testing is also under process in other Circles of BSNL. The Inter Circle Roaming with M/s Vodafone in Delhi for 'BSNL as a seeker' is working fine to provide roaming options to BSNL's Pre-paid Customers. Inter Circle Roaming has also been launched with M/s Vodafone in MP & CG Circles for Vodafone as a seeker.

- d. **Phase VIII.4** Focus on enhancing 2G & 3G GSM coverage.
GSM expansion project under name Phase VIII.4 has been finalised for the following:
 - Replacement of old equipment having high operational cost & AMC.
 - Addition of 3G capacity for increasing 3G footprints.
 - Introduction of 4G services.
 - The project is presently envisaged to provide about 20881 2G BTSs, 22517, 3G Node Bs and 10000 4G E-Node Bs.

2. **Replacement of legacy Wireline exchanges by Next Generation Network (NGN) Switches:-**

- Phase I: Total capacity of 1 million line equipment has been commissioned in Phase -I class-5 IP Multimedia Subsystem (IMS) based New Generation Network (NGN). The implementation of phase-II. 3 Million (core& access) equipment is in progress.
 - With migration to Next Generation Network (NGN) system, the customer will get better communication Enhanced Value Added Services like Personalized Ring Back Tone, Multi Media Video Conferencing and IP Centrex etc.
3. **Augmentation of Broadband network for meeting data growth:** - BSNL has commissioned Multiprotocol Label Switching - Transport Profile (MPLS-TP) based Next Generation Packet Aggregation Network (MNG-PAN).
 4. **Setup of Network Monitoring system (NMS) for Wire-line, Wireless and Broadband network:** Purchase Order (PO) for the procurement and implementation of Broadband Network Management System covering BB P2.2, Multiplay and Fiber to the Home (FTTH) Networks has been placed. The equipment is in advanced stage of commissioning.
 5. **Roll-out of Wi-Fi Service:** BSNL is deploying 35000 Wi-Fi Access Points under Wi-Fi Hotspots and Mobile Data Offload Project. Till date 3406 Wi-Fi Hotspots have been installed. BSNL is also rolling out Public Wi-Fi Hotspots at 25,000 Rural Telephone Exchanges of BSNL. Further, as on 30.11.2017, BSNL has installed 7819 Wi-Fi Hotspots across 3330 locations in the country through revenue share model.

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6. BSNL-ECR CONE (Enhanced Capacity & resilience of Core Network):

- Expansion of Provider Edge (PE) Network of BSNL: Out of planned 232 PE Routers, BSNL has commissioned 232 PE Routers along with their integration with Core Routers. This has resulted in the expansion of IPMPLS Network from 106 cities to 205 cities providing connectivity for broadband, NGN, 2G/ 3G requirements apart from increased connectivity to enterprise customer.
- In respect of creation of a Super Express Highway across the country and Super Express Transport Network with 200 Gbps (Gigabits per second) line capacity connecting 47 state Capitals and important cities. The work in 45 cities have already been completed under Phase-I and Phase-II. Installation and commissioning of Optical Transport Network (OTN) equipment has been completed in two cities Silliguri and Guwahati. But Acceptance Testing is in progress. Material for Phase-III has been supplied. Installation and commissioning is in progress.
- For procurement of Converged Packet Access Network (CPAN), Purchase Order (PO) to L1 and L2 vendors has been issued. Supply in respect of B1 & B2 switch has been completed and A1 and A2 switch is in progress.

7. Customer Centric Initiatives:

- BSNL has focused on customer care services by installing exclusive call centres for GSM services, Wire- line and Broadband services.
- Unlimited free night calling from landline to any network between 2230 Hrs to 0600 Hrs in India by BSNL to its landline customers.
- BSNL introduced unlimited free calling during day & night on all Sundays on PAN India (except HP Circle).
- Minimum 512 Kbps broadband speed upgraded to 2 Mbps.
- The new plan Experience LL 49 which also allows free calling facility during night hours from Monday to Saturday of the week and 24 hours free calling on Sunday. The scheme has been extended in all circles (except J&K, NE-I & NE-II) & is applicable up to 31.03.2018.
- BSNL has introduced waive off installation charges scheme for New Landline which is applicable up to 17.07.2018.
- BSNL has introduced new LL Plan LL-299 with Fixed Monthly Charges (FMC) Rs.299. In this tariff plan 250 free calls are allowed to any network within India. The tariff plan is applicable w.e.f. 01.08.2017.
- BSNL has revised the existing landline plans w.e.f.01.08.2017 & now customer will get free calls on BSNL Network equal to FMC.
- BSNL has introduced new annual landline tariff plans "LL 1200 & LL 1500" which also allows free calling facility during night hours from Monday to Saturday of the week and 24 hours free calling on Sunday. The tariff plans are applicable w.e.f. 01.12.2017 up to 28.02.2018.
- BSNL has introduced Virtual landline Connection under plan "ÄSEEM" in which customer can get a Virtual Landline number and get diverted all the calls received on that number to a mobile number of his/her choice. This plan can also be provided in Technically Not Feasible (TNF) areas. The tariff plan is applicable w.e.f. 01.09.2017.
- BSNL has introduced Replacement of Instrument Free of cost for existing customers, who has paid last six months bill for Landline/Combo connection with total amount of Rs.3600/- or above and having Landline for last three years.

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- BSNL Landline may be booked through Facebook/Twitter. One month Fixed Monthly Charge on landline booked through Facebook/Twitter is being waived off. The scheme is applicable for one year w.e.f. 30.10.2017.
- Rs 249 unlimited Broadband plan (upto 2 Mbps till 1 GB & up to 1 Mbps beyond).
- Introduction of a scheme to waive off Installation charges for new Landline/Digital Subscriber Line/Fiber to the Home connections (voice/ Broadband/combo) in all the Circles, for a period of One Year-w.e.f. 18-07-2017.
- Introduction of a scheme for sale of Asynchronous Digital Subscriber Line (ADSL) Wi-Fi Modem @ Rs. 1500/- with 100% Cash back @ Rs. 50/- per month for maximum 30 month or till the Broadband connection remain active to the Broadband customers who subscribe under any Broadband plan with Fixed Monthly Charge (FMC) Rs.675/- & above.
- Introduction of new Broadband plan 'BBG Combo UL 599' with 'Flat 2 Mbps Speed' and reformulation of certain pan-India DSL Broadband plans, which are currently being offered to the customers in pan-India basis – w.e.f. 10-07-2017.
- Tariff Plan for 2Mbps FTTH/ILL Backhaul @ Rs. 17820/- for Wi-Fi Hotspots under Universal Service Obligation Fund (USOF) in all the circles-w.e.f.20-07-2017.
- Reformulation of Broadband plans; offering 'Upto 10 Mbps' & Upto 8 Mbps' initial download speed (subject to technical feasibility) across all the DSL/FTTH Broadband plans [pan-India (except A&N circle)] with FMC ≥ Rs. 675/- & FMC < Rs.675 respectively, on pan-India basis-w.e.f. 01-11-2017.
- BSNL has introduced unlimited local / STD BSNL to BSNL with 300 Mb data for only Rs.99 with validity of 28 days for its prepaid mobile customers in Kolkata Telecom District, West Bengal, Bihar, Jharkhand, Assam, Gujarat, MP, Chhattisgarh, and Maharashtra & Rajasthan. In other circles, it varies from Rs.119 to Rs. 149.
- BSNL has introduced Special Tariff Voucher (STV) of Rs 339 for 28 days with unlimited Local/STD BSNL to BSNL + Local /STD BSNL to others + Unlimited data (With FUP (Fair Usage Policy) of 2GB /day with no speed restriction and thereafter with speed restriction of 80 KBPS).
- BSNL has introduced new STV plan "BSNL CHAUKKA" "444' Unlimited data (Speed reduced to 80 Kbps after 4GB/day) offer under prepaid mobile service.
- BSNL has introduced new plan "BSNL SIXER" "666" Unlimited data (Speed reduced to 80 Kbps after 2GB/day) & Unlimited free voice (Local/STD) for 60 days any net in Home Public Land Mobile Network (HPLMN) under prepaid mobile service.
- BSNL has introduced the new plan of Rs.429 only which is giving free voice (Local /STD) on any network and 90 GB data @ 1GB per day) for 81 days on pan-India basis (except Kerala Circle).

Measures taken by MTNL to increase its customer base:

MTNL has taken following steps to improve its network capabilities, provide better quality of service to its customers and improve market share.

- **Expansion of GSM / 3G Radio Frequency (RF) network in MTNL Delhi:** MTNL is in the process of expansion of 3G mobile network by adding 1080 nos. of 3G sites, 800 nos. of hybrid microwave to meet the backhaul capacity and data handling capacity to 10 Gbps.
- **Upgradation / replacement of 3G RF network in MTNL Delhi:** MTNL is upgrading the existing 3G network (720 Node-Bs) and 754 nos. of existing 8Mbps Microwave Hops to 400 Mbps capacity to improve network capabilities and provide better speed.

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- **3G Network Up-gradation in Mumbai:** MTNL is upgrading the existing 3G network (720 Node-Bs) and 497 nos. of existing 8Mbps Microwave Hops to 400 Mbps capacity to improve network capabilities and provide better speed.
- **Redeployment of DSLAMs (Digital Subscriber Line Asynchronous Mode) of existing Broadband Network:** MTNL has launched a special program to progressively increase the fibre length by redeploying the broadband nodes (DSLAMS) near to the subscriber premises in Delhi and Mumbai thereby reducing copper length and enhancing the quality of broadband service. 186 DSLAMs in Delhi and approx.169 in Mumbai have been redeployed thereby reducing copper length and enhancing the quality of Broadband service. This has improved customer experience and reduced the number of complaints.
- **Fibre to the Home (FTTH):** FTTH revenue share policy was modified to make it more flexible to attract new partners with enhanced revenue share to encourage partners to rollout more connections; 10 Partners each in Delhi and Mumbai have already started operations. Active monitoring is being done to ensure to achieve the envisaged targets of the policy. Regular advisories are being issued to field units. In the calendar year 2017, total 699 connections have been provisioned in Mumbai while 188 connections were provisioned in Delhi.
- **Steps taken to further improve quality and Quantity of services:**
 - Tariff of Wireless services has been rationalized significantly in view of the cut throat competition. MTNL now offers three times more data at the same price.
 - To give boost to customer experience, download speed of broadband subscribers is being upgraded to 8 Mbps progressively without any additional cost depending upon feasibility and line parameters. This year, 24,332 connections have been upgraded as on 31.12.2017 in Delhi while 3,86,882 numbers have been upgraded in Mumbai.
 - Tariff re-balancing of Broadband service has been done for giving more competitive and attractive tariff package to the customers.
 - Training is being given to line staff to improve maintenance and installation practices.
 - Refurbishing of 20% pillars and DPs every year, is planned in a phased manner. 1236 Pillar and 7199 DP have been refurbished by MTNL this year as on 31.12.2017
 - To improve copper pair quality, 81,492 existing drop wires have been replaced with twisted drop wires or thermo sleeves have been put at open joints at DPs by MTNL this year, as on 31.12.2017.
 - Proactive Monitoring of Broadband Faults through radius attempt.

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Government support to BSNL and MTNL

A. BSNL:

- Implementation of providing mobile connectivity in 2199 identified locations in Left Wing Extremism (LWE) affected areas at an estimated cost of Rs. 3567.58 crores on 4.6.2013.
- Implementation of Comprehensive Telecom Development Plan for Andaman & Nicobar Islands and Lakshadweep Islands through augmentation of satellite connectivity/ bandwidth at an estimated cost of Rs. 120.49 crores on 7.11.2014.
- Optical Fibre Cable based Network for Defence Services (NFS Project) has been given to BSNL on nomination basis at the cost of Rs.13,334 crore.
- Laying of 2,54,813 Km. OFC to connect 1,01,792 Gram Panchayats (GPs) under BharatNet project out of which, 91,001 GPs are connected with OFC with the laying of 2,20,510 Kms of OFC, also the trenching & duct laying is completed for 97,845 GPs. For execution of BharatNet project, Government has provided Rs.5744 crore in Phase-I and Rs.6500 crore in Phase-II to BSNL.
- Comprehensive Telecom Development Plan for the North-Eastern Region for provision of mobile services in uncovered villages in Arunachal Pradesh and two districts of Assam at estimated project cost of Rs. 1975.38 crore and implementation of Transmission-Media Plan for North Eastern Region at an estimated cost of Rs.295.97 crore on 10.9.2014.
- Submarine Optical Fiber Cable Project at the cost of Rs.1900 crore has been given to BSNL on nomination basis for providing connectivity to Andaman and Nicobar Islands.
- Work of setting up of 25000 Wi-Fi Hotspots at Rural Telephone Exchanges has been given to BSNL on nomination basis at the cost of Rs.940 crore.
- The work of setting up of Satellite Gateway at the cost of Rs.54 crore has been given to BSNL on nomination basis.

B. MTNL:

- Refund of surrendered BWA (Broadband Wireless Access) spectrum in two service areas held by MTNL and in 6 service areas held by BSNL. Under this head, Rs. 4533.97 crore has been refunded to MTNL through bonds and Rs. 6724.51 crore has been refunded to BSNL through budgetary resources.
- The pension liability of MTNL staff who were absorbed from DoT, has been taken over by the Government.
- Notional loan of Rs. 1411 crore to BSNL which was due to be paid to the Government was waived-off.
- Financial support of Rs. 492.26 crore has been given to MTNL on account of liability arising from levy of Minimum Alternate Tax (MAT).
- Refund of Rs. 458.04 crore to MTNL and Rs. 169.16 crore to BSNL on account of surrender of CDMA (Code Division Multiple Access) spectrum.
- Provision of High Speed Internet on FTTH and Wi-Fi at the Hon'ble M.Ps residences. The Project cost of about Rs 43.2 Crore was funded by DoT.
