

**GOVERNMENT OF INDIA  
MINISTRY OF COMMUNICATIONS  
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA  
STARRED QUESTION NO. 61  
TO BE ANSWERED ON 26<sup>TH</sup> JUNE, 2019**

**POOR PERFORMANCE OF BSNL AND MTNL**

**†\*61. SHRIMATI RAMA DEVI:  
SHRI MANOJ KOTAK:**

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government-owned Telecom Service Providers (TSPs) i.e. BSNL and MTNL are unable to compete with private sector TSPs and losing their market share due to which existence of both these companies is in danger, if so, the details thereof and the reaction of the Government thereto;
- (b) the reasons for Government owned TSPs incurring losses whereas private TSPs are earning crores of rupees every year along with the reaction of the Government thereto;
- (c) the steps taken/being taken by the Government to rectify the situation; And
- (d) the details of the competitive approach adopted by these TSPs in relation to their private counterparts who have been reducing their tariff rates continuously?

ANSWER

**MINISTER OF COMMUNICATIONS, LAW & JUSTICE AND  
ELECTRONICS AND INFORMATION TECHNOLOGY  
(SHRI RAVI SHANKAR PRASAD)**

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

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**STATEMENT TO BE LAID ON THE TABLE OF LOK SABHA IN RESPECT OF PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. \*61 FOR 26<sup>TH</sup> JUNE, 2019 ON “POOR PERFORMANCE OF BSNL AND MTNL”.**

(a) & (b) As informed by Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL), their market share during the last three years is as given below:

Market Share (in %age)			
PSU	As on 31.03.2017	As on 31.03.2018	As on 31.03.2019
BSNL	9.63	10.26	10.72
MTNL*	7.37	7.16	6.95

\* Market share of MTNL in its Licensed Service Areas only.

The Telecom sector is facing financial stress due to stiff competition and reduction in tariffs. The Gross Revenue of two private operators i.e. Airtel and Vodafone/Idea has also reduced in FY 2017-18 and FY 2018-19. For BSNL and MTNL, stiff competition in mobile segment, high employee cost and absence of 4G services (except in few places for BSNL) in the data-centric telecom market is eroding their competitive strength.

(c) Indian Institute of Management, Ahmedabad and M/s Deloitte were engaged to facilitate the preparation of the revival/restructuring plan of BSNL and MTNL respectively. Pursuant to their recommendations and approval of respective Boards, a comprehensive revival plan for BSNL and MTNL is under preparation.

In addition, Department of Telecom (DoT) is utilising the strength and competence of BSNL to implement a number of important projects such as:

1. Providing mobile connectivity in 2199 identified locations in Left Wing Extremism (LWE) affected areas;
2. Implementation of comprehensive telecom development plan for Andaman and Nicobar Islands and Lakshadweep Islands through augmentation of satellite connectivity/bandwidth;
3. Optical Fibre Cable based Network for Defence Services (NFS Project);
4. Execution of BharatNet Project;
5. 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
6. Implementation of transmission media plan for North Eastern Region;
7. Submarine Optical Fibre Project for providing connectivity to the Andaman and Nicobar Islands;
8. Setting up of 25000 Wi-Fi Hotspots at Rural Telephone Exchanges of BSNL.

(d) Steps taken by BSNL and MTNL to remain in competition are at **Annexure**.

**Steps taken to improve position of BSNL:**

1. Augmentation of mobile equipment capacity/upgradation of mobile network in its areas under Phase-VIII.4 project by replacing old equipment having high operational cost & Annual Maintenance Charges, addition of 3G capacity for increasing 3G footprints and introduction of 4G services.
2. To improve quality of wireline telephone network, BSNL is replacing Legacy Public Switched Telephone Network (PSTN) switches to Next Generation Network (NGN) which support different kind of services i.e. voice, video and data. With migration to NGN, customer will get enhanced Value-Added Services on wire line like Personalized Ring Back Tone, Multi Media Video Conferencing, IP Centrex, Limited Fixed Mobile Telephony (LFMT) and Fixed Mobile convergence (FMC), etc. This will provide better facilities to customers and at lower maintenance cost to BSNL.
3. Transport Network with 200 GBPS line capacity connecting 47 state Capitals and important cities has been commissioned.
4. BSNL is deploying Wi-Fi hotspots through various projects which includes revenue share model with Hotspots Service Providers (HSSPs). A total number of 43500 Wi-Fi Hotspots have been commissioned till 30.04.2019.
5. Routers have been installed and commissioned whereby IP-MPLS (Internet Protocol-Multiprotocol Label Switching) network has increased from 106 cities to 205 cities providing connectivity for broadband, NGN (fixed line) and 2G/3G requirements.
6. BSNL is also focusing on customer care services by installing exclusive call centers for GSM services, Wire- line and Broadband services.
7. Matching and innovative tariff plans and other subscriber friendly schemes are being launched by BSNL.
8. Constant monitoring of network to improve the quality of service
9. Launching of new services and bundling schemes in the network for retention of the subscribers.
10. Network outage is being very closely monitored. Network is being optimized.

**Steps taken to improve position of MTNL:**

1. Redeployment of Digital Subscribers Line Access Modules (DSLAMs) of existing wireline broadband network near to the subscriber premises thereby reducing copper length and enhancing the quality of broadband service. A total of 242 DSLAMs have been redeployed in Delhi and 188 in Mumbai till 31<sup>st</sup> March 2019. In the year 2018-19, 22 DSLAMs in Delhi and 14 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.
2. MTNL had worked out, finalized and made operational the new policy to engage partners on revenue share basis to extend its FTTH services. Various partners were roped in to offer the high-speed broadband services on fiber. In the year 2018-19, out of total 12,105 FTTH subscribers added by MTNL, 9,520 subscribers (approx. 79%) were added by revenue share partners.
3. MTNL has signed an MoU with New Delhi Municipal Corporation Smart City Limited (NDMCSCCL) with the objective to provide various services like FTTH, Public Wi-Fi for making NDMC area as a SMART City. The project involves around 2000 FTTH connections in Connaught Place area and approx. 250 access points for Wi-Fi enabling.
4. Customer Centric Strategies:
  - a. Tariff of Wireless services has been rationalized significantly in view of the cut throat competition. MTNL now offers three times more data in the same price.
  - b. Download speed of broadband is being upgraded to 8 Mbps progressively without any additional cost depending upon feasibility and line parameters.
  - c. Tariff re-balancing of Broadband service has been done for giving more competitive and attractive tariff package to the customers.
  - d. Training is being given to line staff to improve maintenance and installation practices.
  - e. Refurbishing of Pillars and DPs is planned in phased manner.
  - f. To improve copper pair quality, existing drop wires have been replaced with twisted drop wires or thermo sleeves have been put at open joints.
  - g. Proactive Monitoring of Broadband Faults.

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