

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

UNSTARRED QUESTION NO:1596

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LOSSES AND DECLINING MARKET SHARE OF TELECOM PSU

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

- (a) the overall growth of mobile subscribers in the country from 2012 to 2014, year-wise;
- (b) whether Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) have been running in losses and their market share in comparison to private telecom operators are declining over the period;
- (c) if so, the details thereof during the last three years and the current year, State and operator-wise;
- (d) whether the attitude of ground level and managerial staff of these PSUs are responsible for eroding their base and profitability; and
- (e) if so, the details thereof and the action taken by the Government in this regard along with the measures taken and new schemes/services launched including Wi-Fi connections at attractive prices to the customer to compete with the private players in the field?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY

(SHRI RAVI SHANKAR PRASAD)

(a) The year wise number of mobile subscribers of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) during the period from 2012 to 2014 is given below:

As on Number of mobile
subscribers in lakh
BSNL MTNL

31.03.2012	945.09	55.85
31.03.2013	985.05	48.20
31.03.2014	924.00	32.45
31.01.2015	781.28	33.85

(b)&(c) BSNL and MTNL have been running in losses and their market shares in comparison to private telecom operators are declining over the past few years. Details of losses/profit incurred by BSNL and MTNL during the last three years are given as below:-

(Rs. in crores)

	BSNL	MTNL										
2011-12	2012-13	2013-14	2011-12	2012-13	2013-14							
Profit/	(-)8,-	(-)7,	(-)7,-	(-)41-	(-)53-	7825.13#	(Loss)	851	884	020	09.78	21.12

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. The Service area-wise market share of BSNL and MTNL in comparison to their private counterparts for mobile phone services during the last three years and current year is given in Annexure.

(d)&(e): BSNL and MTNL have been imparting necessary training including behavioral training for better customer orientation and

skills of their staff. BSNL and MTNL are in financial distress. BSNL and MTNL are facing declined revenues from loss of market share, increasing expenditure and inability to invest in expansion of communications network BSNL and MTNL are taking several 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: # 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 (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. # BSNL has entered into an agreement for setting up Wi-Fi Hotspots on revenue share basis in the South and West zones. # 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.