

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

**LOK SABHA
UNSTARRED QUESTION NO.1773
TO BE ANSWERED ON 13TH FEBRUARY, 2019**

REVAMPING BSNL/MTNL

1773. SHRI ADHALRAO PATIL SHIVAJIRAO:
DR. SHRIKANT EKNATH SHINDE:
SHRI SHRIRANG APPA BARNE:
SHRI VINAYAK BHAURAO RAUT:
SHRI MANSUKHBHAI DHANJIBHAI VASAVA:
SHRI ANANDRAO ADSUL:
SHRIMATI RAKSHATAI KHADSE:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) the loss or profit of MTNL & BSNL during the last three years, their total liabilities as compared to their profits and the service infrastructure available with them in comparison to their private counterparts for mobile services;
- (b) whether BSNL and MTNL have failed to attract customers as compared to their private counterparts despite having large infrastructure, particularly in the urban areas;
- (c) if so, the reasons found out by these Government companies including for call drops and low connectivity;
- (d) whether the Government is considering the restructuring/revamping of these companies to make them competitive and profitable and if so, the plan prepared by the Government in this regard and the time by which it will be implemented; and
- (e) the other steps proposed to be taken by the Government in this regard along with the provision of cheaper and better services to their customers in the age of cashless transaction/payment systems?

ANSWER

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

- (a) The profit(loss) and liabilities of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) for the last three years are as under:
(in Rupees Crore)

Year	BSNL		MTNL	
	Profit/(loss)	Liabilities	Profit/(loss)	Liabilities
2015-16	(4859.16)	35673.58	(2005.74)	21545.26
2016-17	(4793.21)	33364.16	(2970.57)	21029.66
2017-18	(7992.85)	43125.41	(2970.65)	22587.02

(b) & (c) Market share of BSNL and MTNL in terms of landline and mobile phone connections during the last three years are as under:

S. No.	As on	Percentage of Market Share of BSNL and MTNL					
		Wireline Connections (%)		Mobile Connections (%)		Total Connections(%)	
		BSNL	MTNL	BSNL	MTNL	BSNL	MTNL
1	31.03.2016	58.63	56.42	9.66	4.50	9.59	8.29
2	31.03.2017	56.15	55.27	9.97	4.03	9.63	7.37
3	31.03.2018	54.42	54.13	11.51	3.94	10.26	7.16
4	30.09.2018	52.64	53.41	12.64	3.99	10.48	7.23

Note: The percentage of market share of BSNL & MTNL is as per their areas of operation.

The market share of BSNL in respect of mobile connections has increased marginally. The market share of MTNL in respect of mobile connections is very less (<5%) due to highly competitive market and lack of funds for upgradation/ augmentation of its mobile network.

There is marginal decline in wireline connections of BSNL and MTNL due to shift of wireline customers towards more handy mobile phones as well as cheaper mobile services.

Telecom Regulatory Authority of India (TRAI) monitors the performance of service providers including BSNL and MTNL, against the benchmark for various Quality of Service (QoS) parameters laid down by TRAI by way of Quality of Service regulations issued from time to time, through Quarterly Performance Monitoring Reports (PMRs). As per PMR for the quarter ending September 2018, for Cellular Mobile Telephone Services BSNL is meeting the benchmarks for all the parameters in all the service areas, except the parameters for assessing call drop viz “Network QoS DCR Spatial distribution measure or DCR Network_Q_{SD}(90,90) (benchmark 2%)”, and “Network QoS DCR temporal distribution measure or DCR Network_Q_{TD}(97,90) (benchmark ≤ 3%)”, in West Bengal Service area and “Point of Interconnection (POI) Congestion (No. of POIs is not meeting the benchmark) (Average over a period of quarter) (benchmark ≤ 0.5%)” in Rajasthan Service area only. Whereas, M/s MTNL is meeting the benchmarks for all the parameters in both Delhi and Mumbai service areas.

(d) BSNL and MTNL have been incurring losses continuously since financial year 2009-10. As per Department of Public Enterprises (DPE) guidelines, both CPSEs (Central Public Sector Enterprises) have been declared as “Incipient Sick”.

Consequent upon declaration of BSNL as “Incipient Sick”, action has been initiated by the Department of Telecommunications (DoT) for preparation of revival/restructuring plan of BSNL. Indian Institute of Management (IIM), Ahmedabad has been tasked for undertaking a study and preparation of revival/restructuring plan of BSNL.

The “Revival Plan of MTNL” prepared by MTNL consultant is under examination in DoT.

(e) Steps taken to facilitate BSNL and MTNL to compete in telecom sector are at **Annexure.**

Steps taken to improve position of BSNL:

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
9. Setting up of Satellite Gateway .

This improves the capacity utilisation of the organisation, enhances and diversifies the revenue generating avenues while at the same time facilitating the fulfilment of Government objectives.

BSNL has also been encouraged to take measures such as ;

1. Augmentation of mobile equipment capacity/upgradation of mobile network in its areas under Phase-VIII.4 project.
2. To improve quality of wireline telephone network BSNL will replace 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. Work in 45 cities has already been completed.
4. Routers have been installed and commissioned where by IP-MPLS network has increased from 106 cities to 205 cities providing connectivity for broadband, NGN 2G/3G requirements.

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.
2. Last year, MTNL finalized and made operational its new policy to engage partners on revenue share basis to extend its FTTH services. 20 Partners in Mumbai and 15 partners in Delhi have already started to provide FTTH connections at speeds upto 100 Mbps.
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.150 access points for Wi-Fi enabling.
4. Customer centric Strategies:
 - Download speed of broadband is being upgraded to 8 Mbps progressively without any additional cost depending upon feasibility and line parameters.
 - Training is being given to line staff to improve maintenance and installation practices.
 - Refurbishing of Pillars and DPs is planned in phased manner.
 - To improve copper pair quality, existing drop wires have been replaced with twisted drop wires or thermo sleeves have been put at open joints.
 - Proactive Monitoring of Broadband Faults.
