

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

**LOK SABHA
UNSTARRED QUESTION NO. 1550
TO BE ANSWERED ON 27TH DECEMBER, 2017**

PERFORMANCE OF BSNL AND MTNL

†1550. SHRI VIJAY KUMAR HANSDAK:
SHRI ARVIND SAWANT:
SHRIMATI NEELAM SONKER:
SHRI LAXMI NARAYAN YADAV:
SHRI RAM TAHAL CHOUDHARY:
SHRIMATI RAMA DEVI:
DR. BANSHILAL MAHATO:
SHRI RAMSINH RATHWA:
SHRI VIKRAM USENDI:
SHRI BADRUDDIN AJMAL:
SHRI RAM CHARAN BOHRA:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the market shares and the number of subscribers of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) has declined during the recent years in view of tough competition from private telecom service providers (TSPs) and if so, the details thereof including the market share and the number of mobile subscribers of BSNL and MTNL during each of the last three years and the current year, State/UT-wise;
- (b) whether the performance and quality of services of BSNL and MTNL has been unsatisfactory as compared to other TSPs during the recent years and if so, the details thereof, State/UT-wise and the reasons therefor and the corrective measures taken by the Government in this regard;
- (c) whether the Government has reviewed and appraised the functioning of the said public sector TSPs and if so, the details thereof including the profit earned by them during the said period, TSP-wise;
- (d) whether these public sector TSPs are reeling under heavy debt and loss and if so, the details thereof including the debts incurred by them during the said period, year-wise and TSP-wise along with the corrective measures taken by the Government in this regard;
- (e) whether the BSNL and MTNL have to recover a huge amount due to its subscribers and if so, the details thereof including the details of amount outstanding and recovered from mobile and landline subscribers separately during the said period, State/UT-wise along with the corrective steps taken by the Government in this regard; and
- (f) the details of amount outstanding on the government offices and the public representatives, State/UT-wise and the action taken by the Government in this regard?

ANSWER

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

(a) The subscriber's of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) of last three years and current year is as follows:

Status as on	Total Telephone Connections in the Country (millions)	Telephone connections (in millions) provided by		Market Share (in %age)	
		BSNL	MTNL	BSNL	MTNL*
31.03.2015	996.10	93.24	7.06	9.36	8.51
31.03.2016	1059.38	101.58	7.07	9.59	8.29
31.03.2017	1195.05	115.09	7.09	9.63	7.37
30.09.2017	1207.12	118.94	7.01	9.85	7.12

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

State/Circle wise details of number of mobile subscribers of BSNL and MTNL is at **Annexure-I**.

(b) Telecom Regulatory Authority of India (TRAI) monitors the performance of service providers, including BSNL and MTNL against the benchmarks for various quality of service parameters laid down by TRAI in the Quality of Service (QoS) Regulations issued from time to time through Quarterly Performance Monitoring Reports (PMRs) submitted by service providers for the service area as a whole.

As per PMR for the quarter ending September 2017, for 2G services, MTNL is meeting all the parameters except the parameter "Time taken for refund of deposits after closures (benchmark 100% within 60 days). While BSNL, is meeting the benchmarks for all the parameters, except for the parameter, Worst affected cells having more than 3% TCH drop (benchmark < 3%) in West Bengal Service area only.

As per PMR for the quarter ending September 2017, for 3G services, MTNL is meeting all the parameters, whereas BSNL, the service provider is meeting the benchmarks for all the parameters except for the parameter "Worst affected cells having more than 3% TCH drop (call drop) and Circuit Switched Voice Drop Rate:-CBBH" (Benchmark $\leq 3\%$) in West Bengal Service area only.

The QoS parameters for various mobile service providers is at **Annexure-II**.

Even though meeting QoS benchmarks, the steps being taken by BSNL and MTNL to increase their subscriber base is detailed at **Annexure-III**.

(c) Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) were earning profits since their inception until 2008-09. From 2008-09 onwards, both the PSUs are bearing losses and their financial condition has been affected due to various reasons.

On the basis of financial results, both the CPSUs (BSNL and MTNL) have been declared as "Incipient Sick" as per the guidelines of Department of Public Enterprises (DPE). A consultant has submitted its report regarding revival plan of MTNL which is under consideration. **Regarding BSNL, the preparation of revival plan is under process.**

(d) Details of profit(loss) incurred by BSNL and MTNL for the last three years and current financial year is as under:

Name of PSU	Loss/ Debt	2014-15	2015-16	2016-17
BSNL	Loss	(8,234)	(4,875)	(4786)
	Debt	6385	7883	3813
MTNL	Loss	(2893)	(2005)	(2970)
	Debt	12070	13398	15160

Government has taken various steps to make BSNL and MTNL viable in the background of stiff competition in the telecom sector by:

- 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 for its staff who got 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.

Government has also assigned some projects to BSNL, namely:

- 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.
- 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 at the cost of Rs.13,334 crore.

(e) Circle wise details of amount outstanding and recovered from landline and mobile subscribers of BSNL are at **Annexure-IV** and **Annexure-V** respectively. The details of amount outstanding and received from mobile and landline subscribers of MTNL is at **Annexure-VI**.

The steps being taken by BSNL for recovery of outstanding amount are:

- 1) Payment reminders through IVRS/SMS are being issued to persuade the customers to make payment before disconnection of their telephones.
- 2) Phones are disconnected as per the schedule in case of non-payment of dues by customers.
- 3) Graded discount scheme to incentivize defaulting customers, for clearance of old outstanding dues.
- 4) Legal proceedings wherever required are initiated against the defaulters for recovery of dues.