

**GOVERNMENT OF INDIA**  
**MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY**  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-680**  
**ANSWERED ON-28.11.2014**

Remedial steps to make BSNL profit making

680 . DR. V. MAITREYAN

- (a) the remedial steps taken by Government to make BSNL profit oriented and to match with other major private telecom players;
- (b) whether BSNL has offered VRS proposal to employees to have cost cutting and to bring down its mounting losses;
- (c) if so, the details thereof and the decision taken by Government in this regard;
- (d) the total value of immovable properties and fixed assets of BSNL; and
- (e) the total expenditure incurred by BSNL for per day operation?

**ANSWER**

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) Bharat Sanchar Nigam Limited (BSNL) is in financial distress and facing declining revenues from loss of market share, increasing expenditure and inability to invest in expansion of communications network. Government is taking various remedial steps to support BSNL to compete with other major private telecom services providers.

Government has taken several measures to support BSNL. These measures include:

- (i) Waiver of Government loan to BSNL involving an amount of Rs.1411 crores
- (ii) Financial support of Rs.6724.51 Crores to BSNL on surrender of Broadband Wireless Access (BWA) spectrum.

BSNL has also taken various steps/initiatives to improve its performance and infrastructure by initiating new projects, reduction of costs, and initiatives to create new revenue opportunities there by increasing revenue/profitability. The details of initiatives being taken by BSNL are as follows:

- Replacement of BSNL's current wireline Exchanges by Next Generation Network (NGN) thereby improving delivery of various services to customers,
- Aggressive push on Data usage by covering 1732 remaining exchanges with Broadband and Converting Public Switched Telephone Network (PSTN) Exchanges with IMS (Voice and Data) with Variety of Value Added Services (VAS) like prepaid, Video on Demand (VOD) etc.
- Augmentation of Fiber to the Home (FTTH) network to 172 cities.
- Focus on customer care, service delivery, service assurance, revenue management and asset management.
- Sales & Marketing set up is being strengthened by having exclusive channel management team

consisting of around 4500 sales representatives.

- Augmentation of mobile network through Ph VII expansion entailing installation of 15 million lines including 14263 Base Transceiver Stations (BTSs) for 2G services and 10502 new Node Bs for 3G services in the network to enhance the coverage and improve the quality of service. Out of this 8.93 million lines have already been rolled out to provide better mobile services and expand its market share.

(b) & (c) No sir. Proposal was received from BSNL for Voluntary Retirement Scheme (VRS) for its employees.

Group of Ministers (GoM) constituted for revival and revitalization of BSNL and MTNL opined that the response to VRS was uncertain and might not result in paring of the workforce to the extent desired to enable sustainable revival of BSNL. Instead, it was recommended that annual financial support to BSNL and MTNL be provided by Government to reduce staff costs for next 10 years for certain staff who are above 50 years of age. No final decision has been taken on the recommendations of GoM.

(d) The total value of immovable properties and fixed assets of BSNL as per audited books of accounts of BSNL for the financial year 2013-14, is Rs.54499.45 crores.

(e) The expenditure incurred by BSNL for per day operations is not captured in the books of BSNL. However, total expenditure as per audited books of accounts of BSNL for the financial year 2013-14 is Rs. 34,929.60 crores.