**GOVERNMENT OF INDIA**

**MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY**

**DEPARTMENT OF TELECOMMUNICATIONS**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 694**

**TO BE ANSWERED ON 4TH DECEMBER, 2015**

**MAKING BSNL PROFITABLE**

**694. DR. V. MAITREYAN:**

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

(a) the remedial steps taken and new schemes introduced by Government to make BSNL profit-oriented and compete with other private telecom players;

(b) whether BSNL proposes to offer VRS to its one lakh employees to trim its mounting losses and also to utilize the existing facilities for multi tasking activities of Government;

(c) if so, the details thereof and the decision taken by Government in this regard; and

(d) whether the profit of BSNL was Rs. 10183 crore in 2004-05 and there is a continuous revenue loss for it during the last five years, if so, the details thereof and the reasons therefor?

ANSWER

**THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY**

**(SHRI RAVI SHANKAR PRASAD)**

(a) Government is conscious that the performance of Bharat Sanchar Nigam Limited (BSNL) needs improvement. BSNL has been unable to invest in expansion of their networks due to financial distress. In order to improve the financial condition and support BSNL in additional revenue generation, Government has assigned new projects to BSNL such as :

* 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.

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BSNL is also taking several steps to enhance revenues through investments to strengthen its network to improve quality of service. These include:-

* Augmentation of mobile network as part of its Phase-VII Project to create additional capacity of 15 million lines at an estimated cost of Rs. 5500 crores. This will result in addition of 14421 2G sites and 10605 3G sites across the country.
* For improving broadband services, BSNL has installed Google caching servers at 13 locations and done peering with Google at 3 locations for 110 GB capacity. Also Akamai caching servers were installed for 100 GB capacity. Also, BSNL has upgraded 47 Broadband Network Gateways (BNGs) in Broadband network for higher capacity.
* BSNL has entered into an agreement for setting up Wi-fi hotspots on revenue share basis to increase its revenue and providing better services to its customers.
* BSNL has introduced free night calling tariff plans for wireline customers to arrest decline in customer base and to acquire new wireline customers.
* Introduction of free national roaming on pan-India basis for mobile customers for retaining/increasing mobile customer base.
* All BSNL Broadband customers have been upgraded to 2 Mbps at no extra cost w.e.f. 1.10.2015.

(b) No Sir.

(c) Does not arise.

(d) The profit of BSNL was Rs 10,183 crore in 2004-05. There has been continuous decline in Revenue since 2005-06 and in 2013-14 BSNL incurred a loss of Rs. 7,020 crores. However, in 2014-15 the trend has reversed and there has been increase in revenues. The details of revenue earned by BSNL from 2004-05 to 2014-15 are given below:

|  |  |  |
| --- | --- | --- |
| **S No.** | **Financial year** | **Revenue (In Rs Crores)** |
| 1 | 2004-05 | 36,090 |
| 2 | 2005-06 | 40,177 |
| 3 | 2006-07 | 39,715 |
| 4 | 2007-08 | 38,053 |
| 5 | 2008-09 | 35,812 |
| 6 | 2009-10 | 32,045 |
| 7 | 2010-11 | 29,688 |
| 8 | 2011-12 | 27,934 |
| 9 | 2012-13 | 27,128 |
| 10 | 2013-14 | 27,996 |
| 11 | 2014-15 | 28,645 |

* BSNL income from services has increased by 4.16% in 2014-15 as compared to previous financial year.
* BSNL has reversed the trend of operating loss and earned operating profit of Rs. 672 crore in Financial Year 2014-15.

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