

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 509  
TO BE ANSWERED ON 6<sup>TH</sup> FEBRUARY, 2020**

**SUBSCRIBERS OF BSNL AND MTNL**

†509. **SHRI MOTILAL VORA:**

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether it is a fact that Government telecom companies, BSNL and MTNL are operating in huge losses;
- (b) if so, the year-wise loss to each company during the last five years;
- (c) the reasons for said loss and the steps taken by Government to overcome it;
- (d) the year-wise number of the subscribers of each company during the last five years and the reasons for decrease in the number of its subscribers; and
- (e) whether Government has identified those officers/staff who are a burden to BSNL and MTNL, if not, the reasons therefor?

ANSWER

**MINISTER OF STATE FOR COMMUNICATIONS,  
HUMAN RESOURCE DEVELOPMENT AND  
ELECTRONICS & INFORMATION TECHNOLOGY  
(SHRI SANJAY DHOTRE)**

(a) & (b) Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) are incurring losses for the last few years. Details of losses incurred by BSNL and MTNL during the last five years are as under:

(in Rs. Crore)

Name of PSU	Losses incurred during				
	2014-15	2015-16	2016-17	2017-18	2018-19
BSNL	8234	4859	4793	7993	14904
MTNL	2893	2006	2971	2971	3398

(c) Stiff competition in the mobile segment, debt burden, high employee cost and absence of 4G services (except in few places for BSNL) in the data-centric telecom market are the major reasons for the losses in BSNL and MTNL.

The Cabinet in the meeting held on 23.10.2019 approved the revival plan for BSNL and MTNL. The revival plan inter-alia includes, the measures to reduce the staff cost through a Voluntary Retirement Scheme (VRS), administrative allotment of spectrum to BSNL/MTNL for providing 4G services, monetisation of assets of BSNL/MTNL and debt restructuring by raising of Sovereign Guarantee Bonds.

(d) Details of subscribers of BSNL and MTNL during the last five years are as under:

Name of PSU	Number of subscribers as on (figures in lakh)				
	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019
BSNL	932	1016	1151	1241	1269
MTNL	70.6	70.6	70.9	69	67

Source: TRAI

Despite stiff competition, BSNL has managed to increase its customers. However, there is marginal decline in the number of customers of MTNL.

(e) For the financial year 2018-19, the employee cost in BSNL and MTNL was 74% and 87% of the total revenue respectively. The average employee cost in the private TSPs is currently around 5% of the total turnover. High staff cost is impacting the profitability of BSNL and MTNL. The revival plan approved by the Cabinet on 23.10.2019 inter-alia, includes reduction in the staff cost through a Voluntary Retirement Scheme (VRS) for employees of age 50 years and above.

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