

### Financial performance of BSNL

2167. SHRI D. RAJA:

SHRI R.C. SINGH:

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

(a) whether it is a fact that the financial performance of Bharat Sanchar Nigam Ltd. (BSNL) has been on decline since 2005-06 and it is at loss of Rs. 3641 crore in the year 2009-10;

(b) if so, the details thereof;

(c) whether any study has been conducted to find the reasons for the continued decline in the growth of BSNL; and

(d) if so, the details and findings thereof and measures proposed to be taken for revamping the company?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT) : (a) and (b) Yes, Sir. The financial performance of Bharat Sanchar Nigam Limited (BSNL) has been on decline since 2005-06. The details are under:

Financial Year	Net Profit (Rs. In Crores)
2005-06	8,940
2006-07	7,806
2007-08	3,009
2008-09	575
2009-10 (upto Dec. 2009)	178

(c) Yes, Sir.

(d) The details and findings of study and measures proposed to be taken by BSNL for revamping the company are given in the Statement (See below). Further, Government constituted an Expert Committee under the Chairmanship of Shri Sam Pitroda in January 2010 to review the performance of BSNL and suggest measures for improving overall performance of the company. The Committee has submitted its report to the Government.

#### ***Statement***

BSNL has carried a study to ascertain the reasons for the fall in share of BSNL in the market. The important finding along with the action taken by BSNL are as follows:-

(A) An independent study was carried out through market research by M/s IMRB to identify the reasons for surrender of WLL and landline telephones. The main reasons identified were following:-

- (i) Increased usage of mobile phones.
- (ii) Prolonged breakdown of service due to various reasons like road widening, cable thefts, cable faults, etc.
- (iii) Poor customer care, billing problems, etc.

**Efforts made to arrest the surrender:**

BSNL is making all out efforts to retain landline customers and increase their utility by providing several Value Added Services. Efforts are being made for modernization of landline network, provisioning of new services at affordable prices, introduction of various attractive tariff plans and improved marketing strategies, rigorous monitoring of Quality of Service parameters as defined by TRAI etc.

- (B) Further BSNL has conducted transformation exercise with the help of Boston Consulting Group (BCG), a Management Consultancy Firm. M/s BCG in its report has identified following shortcomings in BSNL:

- Weakness in sales and distribution and Low product availability;
- Limited channel management teams and policies to manage franchisees and sub franchisees.
- BSNL customers perceive that BSNL customer service and network quality does not meet their expectations.
- Lack in innovations in BSNL's product offerings to customers.

Accordingly, BSNL has taken following steps to increase its market share:-

1. Organisational Transformation has been done, which includes redesigning the structure on the basis of new verticals catering to changed market needs, steps for developing sales and distribution capabilities and expanding distribution channels, developing a system of providing service level agreements (SLAs) for large enterprise customers and improving customer care, and after sales service.
2. Leasing of BSNL's Passive Infrastructure to other service providers.
3. Enterprise Business Unit for dealing with Corporate Customers.
4. Commercial utilization of fixed assets.
5. Exploring international business.
6. Introducing Fixed Mobile Convergence to add value to wireline telephone.

7. Providing New Value Added Services both on wireline and wireless telephones.
8. In addition to wireline broadband services, BSNL is also in the process of rolling out its WiMAX network to take an initial lead and provide wireless broadband services in all rural blocks in the country during 2010-11.
9. BSNL is rolling out FTTH (Fibre to home) services for the first time in the country, which is likely to generate substantial revenue in coming year.
10. BSNL is also making efforts for using Information Technology (e.g. Call Data Record based billing in landline and ERP for business processes) to increase its revenue.

#### **Divestment in the telecom company**

2168. SHRI SANJAY RAUT:

SHRI GOVINDRAO WAMANRAO ADIK:

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

(a) whether employees unions of BSNL have taken exception to the BSNL management's decision to accept the Sam Pitroda Committee Report which favours 30 per cent divestment in the telecom company and voluntary retirement for 100,000 BSNL's employees; and

(b) if so, Government's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT) : (a) and (b) Sir, Government constituted an Expert Committee under the Chairmanship of Shri Sam Pitroda in January 2010 to review the performance of BSNL and suggest measures for improving overall performance of the company. The Committee has submitted its report to the Government. The recommendations of Pitroda Committee were deliberated in the 126th Meeting of BSNL Board on 10.3.2010. After detailed discussion, the Board broadly agreed to all the recommendations of the Committee.

The Joint Action Committee of BSNL Associations / Unions have given indefinite strike notice from 20.4.2010 on various issues including disinvestment and VRS.

BSNL and DOT have called the representatives of Joint Action Committee of BSNL Associations / Unions for meetings to resolve the issues.

#### **Antiquities and Art Treasure Act**

2169. SHRI B.K. HARIPRASAD: Will the PRIME MINISTER be pleased to state:

(a) Judging from the recent Interpol alert on six most-wanted art objects with one such item missing from India, whether our existing law enforcement measures to safeguard antiquities are incapable of doing the job;