

### **Disinvestment of BSNL**

517. SHRI N.K. SINGH: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether Government has deferred BSNL disinvestment;
- (b) if so, the reasons therefor;
- (c) whether the financial health of BSNL has improved since the last financial year;
- (d) the major achievements of 'Project Shikhar' aimed at organizational restructuring within BSNL with the help of M/s Boston Consulting Group; and
- (e) the amount paid to M/s Boston Consulting Group for their consulting services?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT): (a) and (b) The Full Telecom Commission has decided that this is not the opportune time for listing and disinvestment of BSNL, as such a step may not realize true value of the company at this juncture. The Commission has further observed that this issue could be revisited if the need arose in the context of any major policy decisions relating to restructuring and repositioning of BSNL

(c) The financial result for 2010-11 will be known only after the closures of annual accounts of BSNL as a whole and auditing of the said annual accounts will take place in the month of July 2011. However, based on the unaudited and provisional results up to 31.12.2010, it is seen that the financial health of the company has not improved over the previous year.

(d) The major achievements of "Project Shikhar" are given in Statement (*See below*).

(e) Rs. 37,07,07,270/- (Rs. Thirty seven crore seven lakh seven thousand two hundred and seventy only) has been paid till date to M/S Boston Consulting Group for Consulting Services.

### ***Statement***

#### ***Major Projects and their achievements under Project Shikhar Initiatives***

As part of Project SHIKHAR, several initiatives were started across different business verticals. Details of the Projects and the achievements so far are as follows:

1. **Project Udaan** - This project is aimed at accelerating broadband growth and reducing landline churn by focusing on critical areas such as sales and distribution, innovation in product and pricing and improving service delivery

and provisioning times. Expected annualised Revenue of connections sold by Udaan sales team is about Rs. 330 Cr. by taking an ARPU of Rs. 645 for BB and Rs. 245 for LL and others.

2. **Project Vijay** - The objective of this project is to bring about improvement in the sales and distribution chain in mobile business by building channel management teams and through introducing innovation in pricing. More than 4500 members have been incorporated in Channel Management Team in 21 Circles. Prior to start of Project Vijay, 2.7 Lakh retailers were doing BSNL business. But now this number has increased to 4.4 lakh.
3. **Enterprise** - This project is aimed at growing enterprise business and making BSNL as service provider of choice for enterprise customers. 9 Platinum and 64 Gold offices have been set-up across country. Total confirmed orders received as on date is Rs. 1937 Cr. Total sales pipeline as on date is Rs. 4018 Cr.
4. **Infrastructure Sharing** - Objective of this project is to tap the potential for generating additional revenues in infrastructure sharing business. Master Sharing Agreement was signed with 08 operators with commitment to share a cumulative of 13000 towers in the first year. Total number of BSNL towers leased out as on 15 Feb. 2011 is 767 and Billed revenue till date is Rs. 25.49 Cr.
5. **Project Kuber (Collections)** - The objective of this project is to strengthen revenue assurance capabilities with focus on 3-24 month bad debt and to fix billing leakages and improving collection. Approx. Rs. 214.69 Cr. has been collected till 15th Jan. 2011. Of this, Rs. 18.21 Cr. was recovered by collection agencies and over Rs. 196.48 Cr. recovered by the in-house teams.
6. **Project Kuber (Leased Circuits)** - The objective of this project is to Identify gaps between actual number of leased circuits and those being billed. Database of mismatched circuits was created and provided to Circle/SSA/Region which helped significantly in reducing billing discrepancies.
7. **Project Sanchay** - This project aims to bring about reduction in overall security costs by rationalizing security expenses. Number of security guards reduced by removal from installations with low security need from the month of August 2010 is approx. 3200, i.e. from 29000 to 25800. Estimated saving on account of this is around Rs.3.5 crores per month.
8. **Project Smile** - The objective of this project is to bring about improvement in the functioning of Customer Service Centres and to improve customer service levels across different interface points. Implementation of the initiative of extension of timings of payment counters has enhanced convenience to the

customers. Similarly, other initiatives such as business process redesign and lead capture have improved effectiveness of CSCs as well as enriched customer experiences. Till date, out of 3972 CSCs, 3529 CSCs have been covered in the Project Smile.

9. **Organization Restructuring** - Several changes have been implemented in BSNL's organization structure with the objective of effectively implementing the overall business strategy. This includes adoption of a business unit based organization structure. Three separate business units, namely Consumer Fixed Access (CFA), Consumer Mobility (CM) and Enterprise units under separate Board level Directors and a New Business division under Executive Director, have been created. Organization structure redesign exercise is aimed at providing adequate end-to-end-focus on key growth segments, defining clearly accountability for different businesses and functions at all levels of the organization; significant higher thrust on marketing, sales, distribution and customer care activities and creation of dedicated enterprise and wholesale business units.

### **3G connections given by BSNL in Goa**

518. SHRI SHANTARAM LAXMAN NAIK: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the number of 3G connections given by BSNL and other companies to the subscribers in Goa;
- (b) the areas covered by 3G facility in the State;
- (c) the number of mobile towers constructed by BSNL and various other companies in the State; and
- (d) the number of towers proposed to be erected by BSNL in the State?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT): (a) As on 31.01.2011, BSNL has provided 14,576 connections of 3G in Goa and no 3G connection has been provided by the other telecom service providers in the State.

- (b) BSNL has covered the entire urban areas of the State by 3G facilities.
- (c) As on 31.01.2011, BSNL has installed 335 Cellular Base Transceiver Stations (BTSS) and other telecom service providers have installed 1253 BTSS in the State.
- (d) BSNL has proposed to erect 21 additional BTSS in the State upto 31.03.2011.

### **Problems faced by subscribers under mobile number portability**

519. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state: