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## ***BSNL will not be allowed to die: Ravi Shankar Prasad***

**Says company lost to competition because of inadequate investment in infrastructure expansion that ought to have been provided during past few years**



Vowing to revive state-owned BSNL, [Telecom](#) Minister [Ravi Shankar Prasad](#) today said the government will provide full support to the state-owned telecom giant to help regain its past glory.

BSNL, which was formed in 2000, was in the pink of financial health but lost to competition because of inadequate investment in infrastructure expansion that ought to have been provided during past few years, he told Rajya Sabha.

**"Government is committed to the revival of BSNL. I want to assure the House that BSNL will not be allowed to die,"** he said during Question Hour.

The firm's market share has dipped from 15.66% as on March 31, 2010 to 11.70 as on May 31, 2014.

Prasad said BSNL slipped because of "inadequate investment in infrastructure expansion in recent years leading to delay in expansion of mobile network" and the company was also made to pay "market rate (of Rs 18,500.38 crore) for both 3G and broadband wireless access (BWA) spectrum".

High employee cost and poor perception of quality of service provided by BSNL too impacted profitability, he said.

Government has taken different measures such as waiver of Rs 1,411 crore government loan to BSNL and return of Rs 6,724.51 crore for surrendering the BWA spectrum, he said.

Besides, infrastructure is being upgraded. BSNL is migrating from Public Switched Telephone

Network (PSTN) to Next Generation Network (NGN) to provide enhanced value added services like personalised ring back tone, broadband, multi media video conferencing, Voice over Internet Protocol (VOIP) services and fixed-mobile service convergence.

"BSNL is expanding its mobile network across the country through installation of 15 million lines at a cost of Rs 4,804 crore," he said, adding augmentation of network elements and expansion of broadband network has been planned to cater to the traffic growth.

On allegations that BSNL employees were conniving with private operators to sabotage the company, he said he is personally monitoring performance of BSNL and will take action if specific instances are brought to his notice.

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### ***Government earns revenues of Rs 357.92 billion from telecom operators in last three years***

The Ministry of Communications and IT has stated that the government has received revenue receipts of Rs 357.92 billion under various charges from telecom companies between 2011-12 and 2013-14. In 2014-15, the government has earned revenues of Rs 610 million till June 2014.

Further, the government declared earnings of Rs 129.57 billion in 2013-14, Rs 114.39 billion in 2012-13 and Rs 113.96 billion in 2011-12 from the telecom operators. Till June 2014, telecom operators had paid spectrum charges of Rs 194.95 billion to the government.

With regards to the cancelled licenses of mobile operators by the Supreme Court of India, the government has an outstanding amount of Rs 133.63 billion from these operators. Also, telecom operators are yet to pay Rs 132.00 as spectrum and license charges. In this regard, the government has already issued demand notices and imposed penalties on the telecom operators for not paying license and spectrum fees.

“,Depat. Of Tecommunications is considering a proposal to provide annual financial support for reduction of employee expenses with certain conditions” Communication Minister”

**Profit or loss of BSNL**

3287 DR. V. MAITREYAN

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

(a) the details of profit/loss of BSNL from 2004-05 to 2011-12;

(b) the reasons for the mounting losses;

(c) the remedial steps taken by Government to make BSNL profit oriented and to match with other major private telecom players;

(d) whether BSNL proposes to offer VRS to its one lakh employees to trim its mounting losses; and

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

ANSWER

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY & LAW AND JUSTICE

(SHRI RAVI SHANKAR PRASAD)

(a) Details of profits/ losses of Bharat Sanchar Nigam Limited (BSNL) since 2004-05 to 2011-12 are given below.

Financial Year Profit/Loss after tax (in Rs Crores)

2004-05	10,183
2005-06	8,940
2006-07	7,806
2007-08	3,009
2008-09	575
2009-10	(-) 1,823
2010-11	(-) 6,384
2011-12	(-) 8,851

Note: (-) denotes losses

(b) The main reasons for losses being incurred by BSNL are as follows.

(i) Declining landline subscriber base with shift to mobile communications.

(ii) Stiff competition in mobile sector.

(iii) Inability to invest in infrastructure expansion for coverage and improved quality of service.

- (iv) Employee expenses far in excess of industry norms.
- (v) Inability to transition from technology centric to customer-centric business.

(c) Government has taken several measures to revive the BSNL. These measures include:

- (i) Waiver of Government loan to BSNL involving an amount of Rs.1,411 crores
- (ii) Financial support of Rs.6,724.51 Crores to BSNL on surrender of Broadband Wireless Access (BWA) spectrum.

Besides these measures Government is formulating a coordinated plan aimed towards revival of BSNL by addressing issues of high employee expenses and gainful utilization of assets to enhance availability of finances for network expansion and improvement in Quality of Service (QoS).

BSNL is separately preparing a revival plan for increasing revenue potential, identifying business opportunities, organizational restructuring to enable them to grow into customer-centric companies with expertise in marketing and customer services delivery and developing human resources strategy in line with restructured organizational vision.

(d) & (e) BSNL has submitted a proposal to offer Voluntary Retirement Scheme (VRS) to one lakh employees to reduce employee expenses. After consideration of various options and based on the recommendations of Group of Ministers, Department of Telecommunications is considering a proposal to provide annual financial support for reduction of employee expenses with certain conditions.

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With New Prepaid Plans Enjoy More Talktime & always Full Talk Value on Top-up recharge :

BSNL brings two new Corporate Prepaid Mobile Plans (Per Minute Plan, Per Second Plan) for all customers and continues Pyari Jodi Prepaid Plan while closing other prepaid plans -Per Minute Plan, New General Plan, Student Special, Per Second Plan, -Old Pyari Jodi, Life -Time. These new plan are w.e.f. 1-Aug-2014 for all BSNL circles.



## New Prepaid Plans (With More Talktime)

Plan Voucher	Per Minute Plan	Per Second Plan	Pyari Jodi
MRP (Rs.)	37 + 70 (Bundled TOP UP)	36 + 70 (Bundled TOP UP)	75
Freebies	Free Usage Allowed with Plan Voucher with in 30 Days of activation		
Free Voice Call (Pulse)	In Mins	In Sec	In Sec
On-net	NIL	NIL	2,000
Off-net	NIL	NIL	2,000
Tariff Validity (Days)	180 (PAN INDIA) / 90( For North East, J & K & Assam		90
Plan Validity Extension & Migration (Rs.)	37	36	75
Special Benefit	Free Bundled Top-Up Talk Value of Rs.100  Full Talk Value from Top-Up Rs.200 to Rs.1100 and for Top-Ups Rs.1500, Rs.2000, Rs.2200 Rs.2500 & Rs.3000 Only		Local Voice Call to one BSNL Fixed / WLL (Fixed/Limited Mobility) number in his/her own name free upto thirty minutes per day. The call charge beyond thirty minutes will be normal call charges.



### Existing prepaid plans to be closed

Plan Voucher	Per Second Plan	Per Minute Plan	New General Plan	Student Special	Pyari Jodi	Life -Time
MRP Rs.	42	37	103	97	75	36
Validity Days	180	180	180	180	90	Lifetime

\*These plans shall be allowed to continue in their respective plan till its existing validity

## Private telcos owe BSNL Rs 1,207 cr

**Minister said reasons for outstanding dues include mismatch of call detail records, disputes arising due to trunk groups violation**



State-owned [telecom](#) firm [BSNL](#) has Rs 1,206.65 crore dues against private operators, of which Rs 1,053.84 crore is under dispute, the government said today.

"BSNL has informed that their outstanding dues against private operators as on March 31, 2014 is Rs 1,206.65 crore. Out of this an amount of Rs 1,053.84 crore outstanding against private operators is under dispute," Communications and IT Minister [Ravi Shankar Prasad](#) said in a written reply to the Rajya Sabha.

The minister said reasons for outstanding dues and non- realisation of payments include mismatch of call detail records (CDRs) of BSNL and private operators, disputes arising due to trunk groups violation where higher rate of inter-usage charges (IUC) is applicable and short payments made by operators.

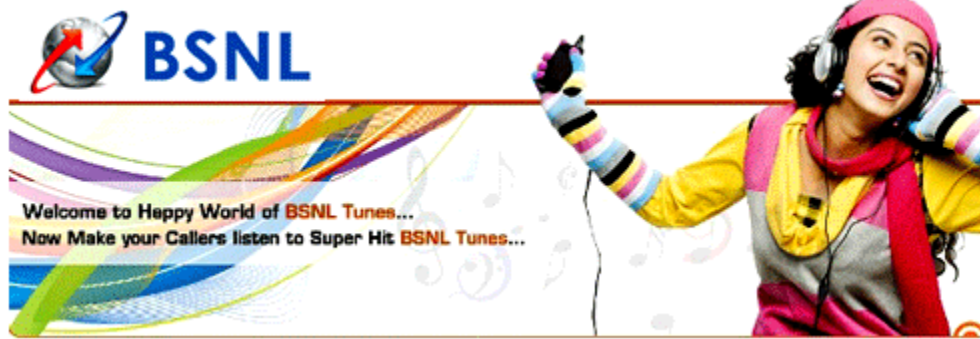
"BSNL has informed that out of the total dues an amount of Rs 47.21 crore has been realised up to June 30, 2014," Prasad said.

The state-run firm has taken various steps to recover the outstanding dues which include reconciliation of disputes arising out of [CDR](#) mismatch and IUC rates, adjusting outstanding dues from IUC payable to private operators and encashment of bank guarantee of private operators.

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### **BSNL Mobile Caller Tunes Activation / Deactivation Codes with Procedure**

Bharat Sanchar Nigam Limited(BSNL) in partnership with OnMobile Services has started PRBT(Personalized Ring Back Tune) services for BSNL Prepaid & Postpaid Mobile customers, which can be activated via by sending as SMS / Dialing method(IVRS), Press \*9 on your mobile to copy the song from another BSNL mobile when dials, and via BSNL App, BSNL Caller Tune Web Portal..



BSNL PRBT(Personalized Ring Back Tunes) gives a way to change from boring tring tring and greet your callers listen to favourite(selected) song/your personal name tune with melodious enjoyment, when calls you. BSNL offers the personalized caller tunes with lowest tariff in Southern states at first, and thereafter across Eastern, Western & Northern States of BSNL India, in various languages without any link with mobile handset compatibility.

The Personalized Ring Back Tune (PRBT) service facility shall be available for both BSNL Prepaid and Postpaid 2G/3G Mobile Services, for which the customers of BSNL will enjoy with latest caller tunes.

BSNL Mobile Caller Tune(PRBT)- Activation Procedure

There are many ways for activation of BSNL Mobile Caller Tunes, i.e. Dialling method(IVRS), SMS, just Press \*9 on your mobile to copy the song when other BSNL customer haves & via BSNL App, BSNL Caller Tune Web Portal.

#### **Procedure -1 (IVRS)**

Dial 56700 & follow the instructions in any one of the vernacular languages that you choose to enjoy the service in – English, Hindi, Telugu, Tamil, Kannada etc..

Dial Code: 56799 for Activation of own BSNL Name Tunes (South & East Zones)

Dial 5670087 for activation of your own Name Tunes (North & West Zones)

#### **Procedure -2 (SMS)**

SMS '**BTACT**' to **56700** (For eg. Sms BT ACT to 56700 to activate basic BSNL tunes services with monthly pack through which a default tune will be provided to the subscriber until he/she chooses a song of her/his choice.

Name Tune for South & East Zones – Send an SMS as NT NITYA to 56799

Name Tune for North & West Zones – Send an SMS as NT RAJU to 56777.

### **Procedure -3 (BSNL APP)**

Open BSNL App, Click on VAS(Value Added Services), Select Circle - Enter Mobile Number - Click on Caller Tune and Subscribe for PRBT Tunes with required Tunes by searching.

### **BSNL Mobile Caller Tune(PRBT) – Deactivation Procedure**

Procedure:1

Sending SMS 'BT DACT' (or) SMS 'BT DCT' to 56700 (eg. SMS **'BT DACT' to 56700** (South & East Zones)).

Sending an SMS to 56700 or 56799 (Toll free) entering the other services category and selecting the Unsubscription option (North & West Zones)

Procedure:2

Dial 155223 for deactivation of any type of Value Added Services(VAS) from BSNL Mobile including Caller tunes, (or) Send an SMS as STOP to toll free short code 155223 for deactivation of any VAS from BSNL Mobile.

Activation & Deactivation of BSNL Tunes via WEB Portal

BSNL caller tune web portal provides caller tune activation codes of songs in Telugu, Hindi, English, Tamil, Malayam, Kannada etc.. of all major Indian languages.

Activation: Registered User through web portal and activate to PRBT service on web option – subscriber to the service, select songs, manage selections & manage friend groups to whom your choice of RBT may be set for.

Deactivation: you can deactivate the service from the unsubscription option available for registered user @ Web Portal.



BSNL Zones	Web Portal for BSNL Tunes Activation/Deactivation
<b>South Zone Customers</b> (AP, Karnataka, Kerala, Tamilnadu )	<a href="http://bsnl.onmobile.com:9000/bsnltunes">http://bsnl.onmobile.com:9000/bsnltunes</a>
<b>East Zone Customers</b> (Kolkata, Orissa, Bihar, West Bengal, Adman Nicobar, Assam, Jharkhand, North East)	<a href="http://210.210.7.186:9000/bsnltunes">http://210.210.7.186:9000/bsnltunes</a>
<b>North Zone Customers</b> (Haryana, Punjab, UP(West), UP(East), Himachal Pradesh, Rajasthan, Jammu & Kashmir)	<a href="http://bsnltunes.co.in:8000/rbtweb/live/index.aspx">http://bsnltunes.co.in:8000/rbtweb/live/index.aspx</a>
<b>West Zone Customers</b> (Maharashtra, Madhya Pradesh, Chattishgarh, Gujarat )	<a href="http://bsnltunes.bsnlumw.com/rbtweb/live/index.aspx">http://bsnltunes.bsnlumw.com/rbtweb/live/index.aspx</a>

#### BSNL Value Added Service(VAS) - PRB Tunes Access Charges

BSNL offers PRBT services in many ways, the charges for all the ways, are common for registration/activation via sms and dialing to short codes, there will be charges for song selection only at the time of selection of song and also monthly/quarterly/6months/yearly fixed charges as follows.

Particulars	Charges
Dialing charges per minute - IVRS access on dial 56700	Rs. 2
SMS charges per SMS - Access on short code 56700 (South & East Zones/North & West Zones)	Rs.2/Rs.3
Personalized Ring Back Tune Service Charge per month	Rs.12
Fixed Charges for BSNL Tune Service <b>Monthly/Quarterly/6Months/Yearly</b>	Rs.30/Rs.60/ Rs.120/ Rs.200
Send SMS to 56700 for Longer Validity Packs BT<space>Q BT<space>HY BT<space>Y	3 months pack 6 months pack 12 months pack

BSNL Prepaid & Postpaid GSM Mobile customer can activate their favourite(selected) song/personal name tune with melodious enjoyment or deactivate their Personalized Ring Back Tune (PRBT) subscription with any of the above procedures with easy choice.

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## **BSNL, Idea Cellular spar over interconnection**

Bharat Sanchar Nigam Ltd (BSNL) has threatened to disconnect links with Idea Cellular across seven circles on the grounds that the private operator has not signed a fresh interconnection agreement.

If BSNL carries out its threat, Idea Cellular's subscribers in the seven circles will not be able to make calls to the PSU's mobile and fixed-line telephone users, and vice versa.

The circles are Assam, Jammu & Kashmir, Kolkata, North East, Odisha, Tamil Nadu (including Chennai) and West Bengal.

BSNL has complained to the Department of Telecom (DoT) that Idea Cellular has not signed the contract despite getting reminders over the past eight months.

Idea Cellular had lost the licences for these circles after the Supreme Court scrapped 122 licences as part of its ruling on the 2G spectrum scam.

However, the company received new licences in 2013 and managed to win fresh spectrum in the auction.

According to BSNL, the earlier interconnection agreement with Idea Cellular expired with the court cancelling the licences and the private player should have renegotiated a fresh agreement for the new permits.

### **Connecting sans agreement**

A BSNL official said that the ongoing interconnection between the two players is without a valid agreement.

“Based on our legal advice, we told Idea that a fresh interconnection agreement will be required to be signed and Idea will have to pay provisioning charges,” said the official. “But even after eight months of the grant of new licences by DoT, Idea Cellular has neither approached BSNL or responded to a request for a fresh agreement.”

Idea Cellular did not respond to an email sent by *BusinessLine* but industry representatives said that the DoT had assured all operators who took part in the spectrum auction that there will be continuity of network agreements.

But BSNL disagrees. "It is requested that instructions be given to Idea Cellular for immediate signing of an interconnect agreement with BSNL along with payment of applicable charges," stated a BSNL letter to DoT.

This is not the first time BSNL and a private operator have fought over interconnection.

In 2011, the state-owned company had threatened to pull the plug on all private players, after they declined to pay the carriage charges fixed by BSNL. But with market share dynamics shifting towards private players, such threats have not been carried out because a disconnection would hurt the PSU's subscribers more.

### ***Cross connection***

- ***Idea Cellular had lost its licences after the apex court's ruling in 2012***
- ***It won new licences and spectrum in 2013***
- ***Operators say there will be no threat to network continuity***

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## **BSNL plans Capex of Rs 5,132 crore for 2014-15**

The state-run telecom operator BSNL is planning capital expenditure (Capex) of Rs 5,132 crore for the year 2014-15.

During this period, BSNL, which competes with Bharti Airtel, Vodafone, Idea Cellular, etc is targeting to add 100 lakh lines in GSM capacity, 100 lakh mobile connections, 30 lakh broadband connections and 20,000 RKM of optical fiber.

A report in EconomyLead.com says that BSNL added 14,388 route kilometer (RKM) of optical fiber during 2013-14 against the target of 20,000 RKM. BSNL added 83,000 broadband connections against a target of 30 lakh.

The mobile service provider has provided 9.24 crore GSM connections till March 31, 2014.

BSNL 3G services reached 1,982 cities as on March 31, 2014 after launching in February 2009. BSNL does not share the number of 3G subscribers.

Besides, BSNL has 99.65 lakh wireline broadband connections as on March 31, 2014.

BSNL lost 61.05 lakh connections against a target of providing 80 lakh new mobile phone connections in 2013-14.

The telecoms added 41.58 lakh lines of GSM in 2013-14 against the target of 90 lakh lines. The company did not add a single port in broadband capacity against the target of adding 16.1 lakh ports, a government note on BSNL said.



The Union government earlier said it proposed to invest Rs 39,458 crore to revive BSNL and MTNL, another state-owned telecoms over the next five years.

BSNL's market share of mobile subscriber base has dipped to 10.95 percent, as on May 2014, from 14.87 per cent in March, 2009.

Revenue from operations of BSNL has dropped 11.67 percent over the past three years. BSNL has been incurring losses for the last five years and it touched Rs 7,085 crore in 2013-14.

This apart, Government has taken measures such as waiver of Rs 1,411 crore government loan to BSNL. It has also accorded financial support to the tune of Rs 6,724.51 crore to BSNL on surrender of Broadband Wireless Access (BWA) spectrum.

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## BSNL fails to achieve targets set for last fiscal

**Company was given a target of providing 80 lakh new connections in 2013-14 but instead lost 61.05 lakh connections**



Ads by Google

State-run [BSNL](#) failed to achieve any of its targets, including addition in mobile connections, [broadband capacity](#) and new [GSM](#) lines, in the last financial year, a government document showed.

BSNL was given a target of providing 80 lakh new mobile phone connections in 2013-14 but instead the state-run firm lost 61.05 lakh connections.

Similarly, addition of GSM capacity at 41.58 lakh lines in 2013-14 was way behind the target of 90 lakh lines. The company did not add a single port in broadband capacity against the target of adding 16.1 lakh ports, the Outcome [Budget](#) 2014-15 said.

BSNL added 14,388 route kilometer (RKM) of optical fibre during 2013-14 against the target of 20,000 [RKM](#) and was able to add just 83,000 broadband connections against a target of 30 lakh.

For the year 2014-15 (Budget estimate), BSNL has been given a target of adding 100 lakh lines in GSM capacity, 100 lakh mobile connections, 30 lakh broadband connections and 20,000 RKM of optical fibre.

The capital outlay for the year BE 2014-15 is Rs 5,132.19 crore.

The state-run firm had introduced GSM-based cellular mobile service from October 2002 and has provided 9.24 crore GSM connections till March 31, 2014. 3G services were launched in February 2009 in selected cities and the same is available in 1982 cities as on March 31, 2014.

Besides, BSNL had launched broadband services in January 2005 and has provided 99.65 lakh wireline broadband connections as on March 31, 2014