CHAPTER 3

BHARAT SANCHAR NIGAM LIMITED:
A PROFILE

3.1 INTRODUCTION

Bharat Sanchar Nigam Limited (BSNL) formed in October, 2000 is an Indian state-owned telecommunications company headquartered in New Delhi, India. It is the largest provider of fixed telephony and fourth largest mobile telephony provider in India, and is also a provider of broadband services. It is the World's seventh largest Telecommunications Company providing comprehensive range of telecom services in India. However, in recent years the company's revenue and market share plunged into heavy losses due to intense competition in Indian telecommunications sector.

The BSNL is India's oldest and largest communication service provider (CSP). It had a customer base of 95 million as of June 2011. It has footprints throughout India except for the metropolitan cities of Mumbai and New Delhi, which are managed by Mahanagar Telephone Nigam (MTNL).

3.1.1 History

The BSNL then known as the Department of Telecommunications had been a near monopoly during the socialist period of the Indian
economy. During this period, DoT was the only telecom service provider in the country. MTNL was present only in Mumbai and New Delhi. During this period the DoT operated as a typical state-run organization, inefficient, slow, bureaucratic, and heavily unionised. As a result subscribers had to wait for as long as five years to get a telephone connection the corporation tasted competition for the first time after the liberalisation of Indian economy in 1991. Faced with stiff competition from the private telecom service providers, it has subsequently tried to increase efficiencies itself. The DoT veterans, however, put the onus for the sorry state of affairs on the Government policies, wherein all state-owned service providers were required to function as mediums for achieving egalitarian growth across all segments of the society. The DoT, however, failed to achieve this and India languished among the most poorly connected countries in the world. So, the BSNL was born in 2000 after the corporatisation of DoT.

The corporatisation of BSNL was undertaken by an external international consulting team consisting of a consortium of A.F. Ferguson & Co, JB Dadachanji and NM Rothschild - and was probably the most complex corporatisation exercise of its kind ever attempted anywhere because of the quantum of assets (said to be worth USD 50 Billion in terms of breakup value) and over half a million directly and indirectly employed staff. Satish Mehta, who led the team later, confessed that one big mistake made by the consortium was to recommend the continuation of the state and circle based geographical units which may have killed the synergies across regions and may have actually made the organisation less efficient than had it been a seamless national organisation. Vinod Vaish, then Chairman of the Telecom Commission made a very bold decision to promote younger talent from within the organisation to take up a
leadership role and promoted the older leaders to a role in licensing rather than in managing the operations of BSNL. The efficiency of the company has since improved; however, the performance level is nowhere near the private players.

The corporation remains heavily unionised and is comparatively slow in decision making and its implementation, which largely acts at the instances of unions without bothering about outcome. Management has been reactive to the schemes of private telecom players. Though it offers services at lowest tariffs, the private players continue to notch up better numbers in all areas, years after year. BSNL has been providing connections in both urban and rural areas. Pre-activated Mobile connections are available at many places across India. BSNL has also unveiled cost-effective broadband internet access plans (Data One) targeted at homes and small businesses. At present BSNL enjoys around 60% of market share of ISP services.

The BSNL is a pioneer of rural telephony in India. BSNL has recently bagged 80% of US$ 580 m (INR 2,500 crores) Rural Telephony project of Government of India.

On 20 March 2009 the BSNL advertised the launch of Black Berry services across its Telecom circles in India. The corporation has also launched 3G services in select cities across the country. Presently, the BSNL and MTNL are the only players to provide 3G services, as the Government of India has completed auction of 3G services for private players. The BSNL shall get 3G bandwidth at lowest bidder prices of Rs. 18,500 crore, which includes Rs. 10,186 crore for 3G and Rs. 8313 crore for BWA.
As of December 2011, many other private operators have started rolling out their 3rd Generation (3G) services alongside and are enjoying some success in their campaigns to get market share. While The BSNL still maintains its connectivity standard and expands many more areas including rural areas with their 3G services. Also the network infrastructure has been upgraded from to provide 3.6 Mbit/s to 7.2 MBits/sec. It is enjoying a slow but somewhat steady success in gaining market share in this regard.

The introduction of MNP(Mobile Number Portability) which is a service that lets the consumer change wireless service providers while retaining their actual mobile number, BSNL has seen many customers opting for this service to move away from the services to other operators. Despite this as the Indian Wireless market grows The BSNL still has a loyal base of subscribers and many more subscribers being added to it every day. This provides customer services for 95 million as of June 2011.

3.1.2 Services

The BSNL provides almost every telecom service in India. Following are the main telecom services provided by The BSNL:

- **Universal Telecom Services**: Fixed wireline services and landline in local loop (WLL) using CDMA Technology called 'b fone' and Tarang respectively. As of June 30, 2010, BSNL had 75% market share of fixed lines.

- **Cellular Mobile Telephone Services**: The BSNL is major provider of Cellular Mobile Telephone services using GSM platform under the brand name Cell one & Excel (BSNL Mobile).
As of June 30, 2010 BSNL has 13.50% share of mobile telephony in the country.

- **WLL-CDMA Telephone Services:** BSNL's WLL (Wireless in Local Loop) service is a service giving both fixed line telephony & Mobile telephony.

- **Internet:** The BSNL provides Internet access services through dial-up connection (as Sancharnet through 2009) as Prepaid, Net One as Postpaid and ADSL broadband as BSNL Broadband BSNL held 55.76% of the market share with reported subscriber base of 9.19 million Internet subscribers with 7.79% of growth at the end of March 2010. Top 12 Dial-up Service providers, based on the subscriber base, It Also Provides Online Games via its Games on Demand (GOD)

- **Intelligent Network (IN):** The BSNL offers value-added services, such as Free Phone Service (FPH), India Telephone Card (Prepaid card), Account Card Calling (ACC), Virtual Private Network (VPN), Tele-voting, Premium Rae Service (PRM), Universal Access Number (UAN).

- **3G:** The BSNL offers the '3G' or the'3rd Generation' services which includes facilities like video calling, mobile broadband, live TV, 3G Video portal, streaming services like online full length movies and video on demand etc.

- **IPTV:** The BSNL also offers the 'Internet Protocol Television' facility which enables watch television through internet.

- **FTTH:Fibre** To The Home facility that offers a higher bandwidth for data transfer. This idea was proposed on post-December 2009
- **Helpdesk**: The BSNL's Helpdesk (Helpdesk) provide help desk support to their customers for their services.

- **VVoIP**: The BSNL, along with Sai Infosystem - an Information and Communication Technologies (ICTs) provider - has launched Voice and Video Over Internet Protocol (VVoIP). This will allow to make audio as well as video calls to any landline, mobile, or IP phone anywhere in the world, provided that the requisite video phone equipment is available at both ends.

- **WiMax**: The BSNL has introduced India's first 4th Generation High-Speed Wireless Broadband Access Technology with the minimum speed of 256kbit/s. The focus of this service is mainly rural customer where the wired broadband facility is not available.

### 3.1.3 Administrative units

The BSNL is divided into a number of administrative units termed as telecom circles, metro districts, project circles and specialized units. It has 24 telecom circles, 2 metro districts, 6 project circles, 4 maintenance regions, 5 telecom factories, 3 training institutions and 4 specialized telecom units.

### 3.1.4 Challenges

During the financial year 2008–09 (from April 1, 2008 to March 31, 2009) The BSNL has added 8.1 million new customers in various telephone services taking its customer base to 75.9 million. BSNL's nearest competitor Bharti Airtel is standing at a customer base of 62.3 million. However, despite impressive growth shown by BSNL in recent times, the Fixed line customer base of The BSNL is declining. In order to
wooback its fixed-line customers The BSNL has brought down long
distance calling rate under One India plan, however, the success of the
scheme is not known. However, BSNL faces bleak fiscal 2009-2010 as
users flee.

Presently there is an intense competition in Indian Telecom sector
and various Telcom companies are rolling out attractive schemes and are
providing good customer services. But situation as on 2012 The BSNL
will be third largest operator(Service) and No 1 access operator among
country. As TRAI Report 2011-12, the BSNL became most trustworthy
brand due to its loyalty towards customers and its rule.

Access Deficit Charges (ADC, a levy being paid by the private
operators to The BSNL for provide service in non-lucrative areas
especially rural areas) has been slashed by 20% by TRAI, w.e.f. April 1,
2009. The reduction in ADC may hit the bottom lines of the BSNL.

The BSNL has started 3G services in 290 cities and acquired more
than 6 lakh customers. It has planned to roll out 3G services in 760 cities
across the country in 2010-11. According to users and big sources the
BSNL’s 3G data speed is much higher than other operator and also it is
competitively cheap.

3.1.5 BSNL - MTNL Merger Plans

On February 23, 2011, The Department of Telecommunications
(DoT) said it wanted to revive a proposal for the merger of state-owned
operators the BSNL and MTNL. In its draft plan, the department while
showing concern over the deteriorating performance of the BSNL and
MTNL said that the BSNL and MTNL should be merged as they have
complimentary operations and can combine their strengths for synergies. DoT said the government should set up a multi-stakeholder committee to develop a restructuring plan for both firms. The committee should have members from public enterprises, the DoT, department of IT and ministry of finance. However the BSNL's staff unions are opposing this merger tooth and nail realising that MTNL is in dire state and need help of its big brother, BSNL, to alleviate itself from getting into red balance sheet. MTNL, in spite of having its operations in two big metro cities viz. New Delhi & Mumbai is realising cascading fall in revenue and profits for the past 10 successive years. The telecommunication operators should focus on enterprise business, services to government and the public sector, value-added services and technologies like 3G, the department recommends.

3.1.6 3G

While it did not participate in the 3G auction, the BSNL paid the Indian government Rs. 10,187 crores for 3G spectrum in all 20 circles it operates in. State-owned MTNL provides 3G services in the other 2 circles - Delhi and Mumbai. Both these state-owned operators were given a head start by the government in the 3G space by allotting the required 3G spectrum, on the condition that each will have to pay an amount which will be equivalent to the highest bid in the respective service areas as and when the 3G auctions take place. The BSNL recently launched a 3G wireless pocket router named Winknet Mf50 for 5800/- Indian rupees. It was released in collaboration with another telecom service provider Shyam networks. Winknet Mf50 enables you to connect multiple devices to the internet using a single sim card.
3.1.7 3G Coverage

The BSNL has the largest 3G network in India. Additionally, BSNL 3G services usually cover not only the main town/city but also the adjoining suburbs and rural areas as well. As of now BSNL has 3G services in 826 cities across India. The following is a list of BSNL 3G enabled towns/cities. This list covers only BSNL 3G services provided through HSDPA/HSUPA and HSPA+ for GSM subscribers and not EVDO for CDMA subscribers. This list may not be complete as new towns/cities are added regularly.

3.1.8 Recognitions

The Brand Trust Report published by Trust Research Advisory ranked BSNL in the 65th position of the list of Most Trusted brands.

3.1.9 Competitors

The BSNL competes with 14 other mobile operators throughout India. They are Aircel, Airtel, Idea, Loop Mobile, MTNL, MTS, Reliance Communications, Tata DoCoMo, Uninor, Videocon, Virgin Mobile and Vodafone.

3.1.10 Quality of Service

The BSNL goes by the motto "Connecting India, faster" and displays the same at their homepage. The service quality of BSNL Customer service has been severely criticized as very poor. The mobile services provided by BSNL in almost every part of the country were and still are criticized for network outages and frequent call drops. Despite the criticism there is very negligible or no amount of work being carried out
by the authorities to improve the performance and quality of the network. BSNL claims to offer seamless coverage in almost all forests of India in collaboration with state forest department.

### 3.2 PROFILE OF LANDLINE CONNECTION OF THE BSNL

In India landline service is firstly run by BSNL/MTNL and after there are several other private players too, such as Airtel, Reliance Infocomm, Tata Teleservices and Touchtel. Landlines are facing stiff competition from mobile telephones. The competition has forced the landline services to become more efficient. The landline network quality has improved and landline connections are now usually available on demand, even in high density urban areas.

#### 3.2.1 FLPP (Fixed Line Pre-Paid Telephone)

FLPP (Fixed Line Pre-Paid) Service enables a subscriber to make calls from a prepaid account linked to his telephone number. Unlike the prepaid card 'ITC' service, where the authentication is done every time through a 16-digit PIN the authentication of FLPP is linked to his telephone line & the user is not required to dial the Account number/ PIN for authentication making it simpler to use.

Fixed Line Prepaid service offers the following features:

- Conversion of fixed line to Pre Paid and get rid of telephone bills.
- Easy de-linking from telephone line when prepaid is not required on any number
- No need to dial Account number/ PIN every time you make a call.
- STD/ISD Facility
- On Line balance enquiry
- 'Follow on feature' on no reply, busy and called party release to dial another number for subscribers other than PCO.
- Easy recharge and no problem of bills
- Free Level 1 service like 100, 101, 102 etc. available.
- Free Level 1 IN services which are free to end-customers like Free Phone etc. are available.

There can be four types of FLPP accounts namely

- PCO FLPP Account,
- PCO Local FLPP Account,
- General FLPP Prepaid Account and
- General FLPP Prepaid + Post paid Account

3.2.2 New Telephone Connections

The BSNL offers telephone connections in the following main categories to its subscribers:

3.2.2.1 Permanent Connections

Permanent connections are available in the following categories to suit different subscribers,
TABLE 3.1
PERMANENT CONNECTIONS

<table>
<thead>
<tr>
<th>SN</th>
<th>Scheme</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Tatkal Scheme</td>
<td>New connections are provided within 15 days.</td>
</tr>
<tr>
<td>2.</td>
<td>Own Your Telephone (OYT) General Scheme</td>
<td>This is open to all. A nominal advance OYT deposit is to be done to book telephone.</td>
</tr>
<tr>
<td>3.</td>
<td>OYT Special Scheme</td>
<td>Retd. Officers of PSUs, Statutory Bodies / NRIs etc. are eligible.</td>
</tr>
<tr>
<td>4.</td>
<td>Non-OYT General</td>
<td>This scheme is open to all.</td>
</tr>
<tr>
<td>5.</td>
<td>Non-OYT Special</td>
<td>Doctors, Advocates, Judicial Officers, Qualified Nurses &amp; Midwives, Blind persons..... are eligible for this category.</td>
</tr>
<tr>
<td>7.</td>
<td>Non-OYT S S</td>
<td>Foreign Missions &amp; Embassies, U N Organizations, MPs, MLAs &amp; Municipal Councilors, Distinguished Persons.... are eligible for this scheme.</td>
</tr>
<tr>
<td>8.</td>
<td>Non-OYT-G-SE-DOT</td>
<td>Employees of DoT and BSNL are eligible for registration under this category.</td>
</tr>
<tr>
<td>9.</td>
<td>BSNL Sulabh</td>
<td>Under this scheme ‘B-fone’ with only incoming calls can be taken. Outgoing calls can be made using India Telephone Card.</td>
</tr>
<tr>
<td>10.</td>
<td>B-fone for Internet</td>
<td>2nd ‘b-fone’ connection at concessional rate exclusively for Internet use can be taken under this scheme(scheme is valid up to 31 Dec’ 2005)</td>
</tr>
</tbody>
</table>

Source: www.bsnl.co.in

3.2.2.2 Temporary Connections

Temporary connections are provided for short period for emergency requirements of purely temporary nature. The temporary connections are to be provided for a maximum period of 3 months at a time in the case of private individuals and 6 months at a time in the case
of Government Offices. The charges for the entire period along with security deposit, installation charges and rentals will be collected in advance. No waiting list is maintained for this category.

### 3.2.2.3 Casual Connections

Casual connections are provided to applicants for social/religious functions, marriages, and exhibitions etc., for a period not exceeding 30 days.

### 3.3 Procedure for Registration

- The standard application form prescribed for new telephone connection can be obtained free of cost from any of the designated offices of the BSNL or the Customer Service Centers located anywhere in the country. Photocopies of these forms as well as downloaded copies from the Internet are also accepted.
- The completed application along with the demand draft may be given by hand in the office of the GM/TDM/TDE/SDE for registration.
- The completed application form may also be sent by registered post along with demand draft for requisite amount towards registration fee drawn in the name of designated authority, in the office of GM/TDM/TDE/SDE under whose jurisdiction the telephone connection is required.
- In areas where telephone is available 'on demand' the form for New Telephone Connection (NTC) may be deposited without demand draft. In such cases, after receipt of form for NTC, Demand Note for payment of applicable installation charges shall be issued. On
receipt of payment against Demand Note, the OB for installation of telephone connection shall be issued immediately.

- A Bona-fide Verification for new connection/shift of telephone connection is done by the Department before a new telephone connection is sanctioned or an existing phone is shifted to a new address.

3.4 SPECIAL SCHEMES ON LANDLINE

3.4.1. Rent Free Landline Connection Scheme:

One landline (‘b-fone’) connection would be offered at free of cost (No rental but usage charges will be there) to the CICs/Corporate/General Customer of ‘b-fone’ having average monthly bill of Rs.500 and more (average of last six months).

3.4.2 Important Features

- Fixed Monthly Rental: Nil 2. Free Calls: Nil 3. Call Charges: Rs.1.20 per MCU
- The connection will be provided to the individual or organization in the same premises where b fone is working.
- Initially connection will be provided without STD.
- For STD facility subscriber has to give request with applicable security deposit.

3.4.3 New Telephone Connections to Government Department without Security Deposit:

New telephone connections (‘b-fone’) except temporary connection may be provided without security deposit (ARD) to the State government departments, Central government departments, Central PSUs,
Local/Municipal bodies etc. No refund/adjustment of existing ARD/Security deposit is permitted under any circumstances.

**TABLE 3.2**

**SPECIAL PACKAGE FOR FIXED LINE PHONE USED FOR SWIPING CREDIT /DEBIT CARD AUTHORIZATION**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Deposit</td>
<td>As applicable</td>
</tr>
<tr>
<td>Installation Charges</td>
<td>Rs. 500</td>
</tr>
<tr>
<td>Fixed Monthly Charges</td>
<td>Rs. 450/- p.m.</td>
</tr>
<tr>
<td>Free calls</td>
<td>Nil</td>
</tr>
<tr>
<td>(i) Local Calls</td>
<td>(a) Fixed to Fixed 50 paise per 60 sec. pulse</td>
</tr>
<tr>
<td>(b) Fixed to Cell</td>
<td>As per existing tariff</td>
</tr>
<tr>
<td>(ii) STD/ISD CALLS</td>
<td>As per existing tariff</td>
</tr>
</tbody>
</table>

Source: www.bsnl.co.in

3.4.4 Telephone Concessions

The BSNL offers different types of connections to different groups of subscribers to retain them. The table 3.3 shows such concessions.
TABLE.3.3

TELEPHONE CONCESSIONS

<table>
<thead>
<tr>
<th>Concessional Group</th>
<th>Regn. Charges</th>
<th>Rental Charges</th>
<th>Installation Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Galantry Award Winders of three armed forces</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Awardees for President’s Police Medal for Gallantry</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>N.E. Serving Employees BSNL</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Retired DOT/BSNL Employees</td>
<td>Nil</td>
<td>Nil</td>
<td>Full Charges</td>
</tr>
<tr>
<td>Freedom Fighters</td>
<td>Nil</td>
<td>50% of Normal Rental</td>
<td>Nil</td>
</tr>
<tr>
<td>War Widows/Disabled Soldiers</td>
<td>Nil</td>
<td>-do-</td>
<td>Nil</td>
</tr>
<tr>
<td>Blind Persons</td>
<td>Full Charges</td>
<td>-do-</td>
<td>Full Charges</td>
</tr>
<tr>
<td>Sr. Citizens</td>
<td>Nil</td>
<td>Full Charges</td>
<td>Full Charges</td>
</tr>
</tbody>
</table>

Source: www.bsnl.co.in

The BSNL tries to retain its landline customers against the surrenders of the landline connection. The company makes its concentration on three groups viz.,

- Ex subscribers (the customers who surrendered the landline connection. The BSNL offers concessions generally in the from of not demanding deposit amount for the reconnection.
- Present Subscribers – the BSNL offers 12 month service at 10 month rent to them to retain the customers.
- New Subscribers – The BSNL tries to attract the new customers for its landline service by offering confessional tariff packages.
3.4.5 Voluntary Deposit Scheme

Under this scheme, the customers can deposit their money voluntary for paying of telephone bill. This scheme is called voluntary deposit scheme. The customers earn 9% interest per annum on his deposited amount. They need not to go the BSNL office for bill payment. And, there is no fear of disconnection of late payment. Telephone bill of every month will be deducted from the deposited amount. Minimum amount of Voluntary Deposit qualifying for interest under the scheme should not be less than the average bill amount per month of previous six months multiply by 6. Maximum amount of voluntary deposit qualifying for interest under the scheme should not be more than the average bill amount per month of previous six months multiplies by 12

3.4.6 Security Deposit

Security deposit is collected from the customers at the time of granting new landline connection to them. It is an initial payment to be paid for the connection and it is one of the revenues to the BSNL. This amount is collected fro the instrument supplied by the BSNL. The deposit amount collected by the BSNL varies for different options which are shown in the Table 3.4.

<table>
<thead>
<tr>
<th>Option</th>
<th>Amount Rs.</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local + STD</td>
<td>500</td>
<td>Rural &amp; urban</td>
</tr>
<tr>
<td>Local + STD+ISD</td>
<td>2,000</td>
<td>Rural &amp; urban</td>
</tr>
</tbody>
</table>

Source: www.bsnl.co.in.lanlinetariff
From the table 3.4 it is known that the BSNL offers two options to the subscribers viz., (i) Local + STD and (ii) Local + STD+ISD. These two options are common for the rural and urban areas. In respect of two security deposit for these two options, the amount is Rs.500 (for Local + STD) and Rs.2,000 (Local + STD+ISD). The deposit amount remains for the last three years. Formerly, the two amounts were Rs.700 and Rs.2,500. The BSNL has reduced the amount for the benefit of the new subscribers. The present deposit amount can be increased in the case of higher usages which is measure in terms of number of calls.

3.4.7 Installation Charges

Installation Charges are the next revenue to the BSNL and the expense incurs to set up the new connection. The Table 3.5 shows the details.

**TABLE 3.5**

DETAILS OF INSTALLATION CHARGES (AS ON 01.01.2013)

<table>
<thead>
<tr>
<th>Area</th>
<th>Amount Rs.</th>
<th>Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>200</td>
<td>For all options</td>
</tr>
<tr>
<td>urban</td>
<td>500</td>
<td>For all options</td>
</tr>
</tbody>
</table>

Source: www.bsnl.co.in.lanlinetariff

In respect of the installation charges, there is a variation between the rural and urban. In rural area the amount of installations charges is Rs.200 (for all options); Rs.500 are the amount in the case of urban areas. Rural and urban difference emerges from this aspect. Except the security deposit, every aspect of landline tariff differs for rural and urban.
3.4.8 Monthly Fixed Charges

Monthly fixed charges (commonly known as monthly rent) are of different for various package plans. The package plans for the landline are of the following four categories:

1. Standard Package – for rural only
2. General Package – for rural and urban areas
3. Alternative package - for rural only
4. Alternative package - for both rural and urban

The monthly fixed charges vary as per the above four packages. The Table 3.6 exhibits the details clearly.
<table>
<thead>
<tr>
<th>Particulars</th>
<th>Standard Package for rural only</th>
<th>General Package</th>
<th>Alternative package for rural only</th>
<th>Alternative package for both rural and urban</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural (Rs.)</td>
<td>Urban (Rs.)</td>
<td>Economy (old) (Rs.)</td>
<td>Special (old) (Rs.)</td>
</tr>
<tr>
<td>Exch system capacity &amp; &lt;999</td>
<td>70</td>
<td>50</td>
<td>120</td>
<td>150</td>
</tr>
<tr>
<td>between 1000 and 29999</td>
<td>120</td>
<td>110</td>
<td>120</td>
<td>150</td>
</tr>
<tr>
<td>between 30000 and 99999</td>
<td>200</td>
<td>150</td>
<td>180</td>
<td>150</td>
</tr>
<tr>
<td>100000 lines and above</td>
<td>280</td>
<td>150</td>
<td>180</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: www.bsnl.co.in/lanlinetariff
The comprehensive table 3.6 depicts the details of the monthly fixed charges for different package. Even though the table is self-explanationary in nature the following points are worth noting:

The amount varies with exchange capacity, having a particular number of connection capacity.

All the package plans cover the rural especially.

A remarkable concession is the option of converting the monthly charges as the annual charges (annual rent). The customers can avail annual payment option facility for all the existing plans of landline by paying fixed monthly charges of 10 months in advance against 12 months of fixed monthly charges. So, if the customers pay 10 month charges in advance they can use the landline for 12 months. This is the attractive offer announced by the BSNL.

3.4.9 Free Calls

Extent of free calls is another attractive offer that is made by the BSNL for different plans as the table 3.7 exhibits.
TABLE 3.7
EXTENT OF FREE CALLS

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Standard Package for rural only</th>
<th>General Package</th>
<th>Alternative package for rural only</th>
<th>Alternative package for both rural and urban</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Economy (old)</td>
<td>Special</td>
</tr>
<tr>
<td></td>
<td>Free calls (in MCU/month)</td>
<td></td>
<td>Special (old)</td>
<td>Premium</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>75*</td>
<td>150</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50*</td>
<td>700</td>
<td>1000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>75*</td>
<td>1500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

* ISD calls would not be counted as free calls w.e.f 01.09.2012.
As per the Table 3.7 it is clear that the free calls are the attached benefits to all package plans.

3.4.10 Unit Call Charges

Unit call charge (popularly known as call rate) is a crucial one that determines the bill amount of the landline. The Table 3.8 shows the details of call rate for four types of package (Standard Package for rural only, General Package, Alternative package for rural only and Alternative package for both rural and urban).
## TABLE 3.8

**UNIT CALL CHARGES**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Standard Package for rural only</th>
<th>General Package</th>
<th>Alternative package for rural only</th>
<th>Alternative package for both rural and urban</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Economy (old)</td>
<td>Special (old)</td>
</tr>
<tr>
<td>First 300 MCU p.m</td>
<td>0.80</td>
<td>0.80</td>
<td>1.00</td>
<td>--</td>
</tr>
<tr>
<td>More than 300</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
<td>--</td>
</tr>
<tr>
<td>Unit call Charge of Alternative Plans in Rs. (beyond the free calls)</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>1.20</td>
</tr>
</tbody>
</table>

Source: www.bsnl.co.in
This is one of the sensitive issues in one sense because, the call rate makes the customers more active if they are low. At the same time, it is recurring revenue to the BSNL.

3.4.11 Unlimited Tariff Packages for Landline

The BSNL offers unlimited tariff package for the benefit of the landline customers with different call rates. The Table 1.9 shows the details:

**TABLE 3.9**
DETAILS OF UNLIMITED TARIFF PACKAGES FROM THE LANDLINE*

<table>
<thead>
<tr>
<th>Particular</th>
<th>Applicable for:</th>
<th>Applicable for:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Urban area SSAs having L/L equipped Capacity</td>
<td>(Urban area SSAs having L/L equipped Capacity</td>
</tr>
<tr>
<td>Plan Name</td>
<td>&lt;1,00,000 / All Rural areas irrespective of capacity)</td>
<td>&gt; 1,00,000 )</td>
</tr>
<tr>
<td>UL-350</td>
<td>350</td>
<td>450</td>
</tr>
<tr>
<td>UL-500</td>
<td>500</td>
<td>600</td>
</tr>
<tr>
<td>UL-450</td>
<td>450</td>
<td></td>
</tr>
<tr>
<td>UL-600</td>
<td>600</td>
<td></td>
</tr>
</tbody>
</table>

Plan Charges per Month (in Rs/Min)

<table>
<thead>
<tr>
<th>BSNL Fixed LineFER (Within Same Circle and Outside Circle)</th>
<th>Unlimited Calls /No charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSNL Mobile (Within Same Circle and Outside Circle)</td>
<td>0.60</td>
</tr>
<tr>
<td>Other Operator's network (Within Same Circle and Outside Circle)</td>
<td>1.00</td>
</tr>
</tbody>
</table>

*Pulse : 60 seconds for all categories
The unlimited tariff packages are for the utmost benefits for the usage of landline connection. The BSNL gives the benefits in the following matters at the maximum possible extent:

Landline to landline – no tariff is levied and unlimited calls are permitted. This facility induces the landline customers for usage of landline at the maximum level. Another special feature of this offer is that the facility is available within as well as the outside the circle.

The same convenience is available for the usage of landline to BSNL mobile also. This types of concession motivates the landline customers to get another mobile phone connection from the BSNL.

The beneficiaries who avail the maximum economy and free of cost benefit are the customers who have landline connection as well as BSNL mobile phone connection.

The rural areas are given more importance in the four types of plans in this package.

3.4.12 Add on Tariff Packages for Broadband Combo Plans Customers

In addition to the unlimited tariff package, the BSNL grants concessional schemes to the landline customers who have BSNL broadband. The table3.10 gives the details.
TABLE 3.10
DETAILS OF UNLIMITED TARIFF PACKAGES
FROM THE LANDLINE*

<table>
<thead>
<tr>
<th>Particular</th>
<th>Applicable for: (Urban area SSAs having L/L equipped Capacity &lt;1,00,000 / All Rural areas irrespective of capacity)</th>
<th>Applicable for: (Urban area SSAs having L/L equipped Capacity &gt; 1,00,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Name</td>
<td>AO-225</td>
<td>AO-375</td>
</tr>
<tr>
<td>Add-on package Charges per month (in addition to Combo Plan Charges) for unlimited calls from BSNL Fixed to BSNL Fixed Lines</td>
<td>Rs. 225</td>
<td>N/A</td>
</tr>
<tr>
<td>Add-on package Charges per month (in addition to Combo Plan Charges) for unlimited calls from BSNL Fixed to BSNL Fixed line + BSNL Mobile</td>
<td>N/A</td>
<td>Rs. 375</td>
</tr>
</tbody>
</table>

This concessional tariff is for the benefit to the landline customers who have the broadband internet connection from the BSNL. This is available with terms and conditions as follows:

- The rates indicated are exclusive of Service Tax, which will be charged extra as per prevailing tariff.
- The plans shall be made available on regular basis.
- All other Commercial Terms and Conditions of the above new plans such as Registration, Security Deposit, Installation Charges and Billing Period etc., shall remain same as applicable to “One India Plan”.

Fixed lines mean wire line telephone or WLL Telephone having telephone number less than or equal to 8 digits

3.5 SALEM TELECOM DISTRICT OF THE BSNL

Salem telecom district has two revenue district viz., Salem and Namakkal. The total number of the BSNL landline customers of Salem Telecom District of is 1,07,897 (as on 01.01.2011).

Salem district has 65,410 landline customers and the district has 1 corporation, 3 municipalities, 9 taluk headquarters, 20 panchyat unions, 33 town panchayats, 64 village panchayats and 646 villages.

There are 1 district head quarter, 2 municipalities, 6 taluk headquarters, 12 panchayat unions, 8 town panchayats, 36 village panchayats and 428 villages in Namakkal district. This district has 42,487 landline customers.

The landline service is offered by the BSNL irrespective of the areas.