



No. CP&M/ 1-2 (1)/Revenue Share/ 2014

Dated: 27.11.2014

Sub: Analysis of Circle Wise Revenue Growth along with BSNL Revenue Growth and Market Share for the Quarter ending September 2014 of F.Y. 2014-15.

1. This is with reference to the Quarterly Gross Revenue figure earned by the telecom sector as published in the TRAI website for all operators. Based on the data available for the quarter ending September 2014, the detailed information at the Operator level has been compiled and is attached at **Annexure-1**.
2. The Annexure-2 analyses the growth of the revenue on the Y-o-Y basis, circle wise, for the period April-September based on the TRAI report. The data also compares the circle wise BSNL growth vis-à-vis the industry growth during this period and calculate the gaps between the two.
3. The Annexure-3 analyses the growth of the revenue on the Y-o-Y basis circle wise, for the period April-September based on the TRAI report. The data compares the circle wise BSNL's revenue growth earned by basic & Mobile Services.

4. The key findings of the analysis are:

4.1 Total Revenue (Annexure-1):

- 4.1.1 BSNL revenue for the second quarter (Qtr-2) for FY 2014-15 stood at Rs7,119 Cr against industry revenue of Rs. 62,176 Cr with market share of 11.45%, lagging behind Airtel (28.66%), Vodafone (19.91%) and Idea (14.25%).
- 4.1.2 The industry revenue on Q-o-Q basis for Qtr-2 of 2014-15 to Qtr-1 of 2014-15 has decreased by 0.58% whereas BSNL revenue has decreased by 1.32%.
- 4.1.3 The industry revenue on Y-o-Y basis for the period (April – September) has grown from Rs. 56,320 Cr. to Rs 62,176 Cr. with an increase of 10.4%. During the same period, BSNL revenue has decreased from Rs 7,128 Cr. to Rs 7,119 Cr. with an decline of 0.11%. **This indicates a gap of 10.51% between growth of BSNL and growth of industry.**

4.2 Zonal Wise, Circle Wise Revenue Growth of Industry vis-à-vis growth of BSNL (Annexure-2):

4.2.1 Zonal Analysis:

- (i) South Zone is the largest contributor to the total revenue having share of (32.5%) followed by North Zone (28%), West Zone (21.9%) and East Zone (17.6%).

- (ii) The growth of industry vis-à-vis growth of BSNL on Y-o-Y basis (for the period April –September) in the four zones along with gap in growth rate of BSNL and industry is given below :

Zone	All figure in %age			
	Weightage	Growth Rate (Y-o-Y) for Apr -Sept		
		Industry	BSNL	Gap
South	32.5	9.46	-6.43	15.89
North	28	15.82	-1.29	17.11
West	21.9	10.39	-8.68	19.07
East	17.6	4.77	-6.62	11.39

4.2.2 Analysis of North Zone:

- (i) Top three Circles in terms of Weight age: The top three Circles in order of contribution to revenue are UP (East), Rajasthan and UP (West).
- (ii) The License area wise growth of the industry vis-à-vis growth of BSNL on Y-o-Y basis (for the period April –September) in the License areas of North zones along with gap in growth rate of BSNL and industry is given below :

License Area	All figure in %age			
	Weightage	Growth Rate (Y-o-Y) for Apr -Sept		
		Industry	BSNL	Gap
Haryana	2.5	13.07	5.35	7.72
H.P.	0.9	11.13	1.62	9.51
Rajasthan	5.9	11.7	1.56	10.14
U.P.(West)	5.0	10.83	-1.69	12.52
Punjab	4.4	19.55	4.95	14.6
J&K	1.3	7.94	-10.94	18.88
U.P. (East)	8.0	23.52	-8.69	32.21

- (iii) The Rajasthan, H.P, Punjab & Haryana circles have registered a positive growth in Gross revenue on Y-o-Y basis in North zone.
- (iv) The top three Circles registering highest growth (Y-o-Y) for the industry is: UP(E)(23.52%), Punjab(19.55%) and Haryana(13.07%). Comparatively, the growth of BSNL in these circles is UP(E)(-8.69%), Punjab(4.95%) and Haryana(5.35%).

4.2.3 Analysis of South Zone:

- (i) Top three Circles in terms of Weight age: The top three Circles in order of contribution to revenue are Andhra Pradesh, Karnataka and Tamil Nadu .
- (ii) The License area wise growth of the industry vis-à-vis growth of BSNL on Y-o-Y basis (for the period April – September) in the License areas of South zone along with gap in growth rate of BSNL and industry is given below :

License Area	All figure in %age			
	Weightage	Growth Rate (Y-oY) for Apr -Sept		
		Industry	BSNL	Gap
Kerala	5.18	8.78	-1.44	10.21
Karnataka	8.63	13.57	0.56	13
Chennai	1.36	5.35	-8.8	14.15
Tamilnadu	8.56	7.93	-7.63	15.55
Andhra Pradesh	8.8	8.17	-14.94	23.11

- (iii) All Circles (except Andhra Pradesh, Chennai, Kerala & Tamilnadu) have registered a positive growth in Gross revenue on Y-o-Y basis in south zone.
- (iv) The top three Circles registering highest growth (Y-o-Y) for the industry is: Karnataka(13.57%), Kerala(8.78%) and AP(8.17%) and comparatively, the growth of BSNL in these circles is Karnataka(0.56%), Kerala(-1.44%) and AP(-14.94%).

4.2.3 Analysis of West Zone:

- (i) Top three Circles in terms of Weight age: The top three Circles in order of contribution to revenue are Maharashtra, Gujarat and Madhya Pradesh.
- (ii) The License area wise growth of the industry vis-à-vis growth of BSNL on Y-o-Y basis (for the period April – Sep) in the License areas of West zone along with gap in growth rate of BSNL and industry is given below :

License Area	All figure in %age			
	Weightage	Growth Rate (Y-oY) for Apr -Sept		
		Industry	BSNL	Gap
Gujarat	6.55	8.92	-6.96	15.88
M.P.	5.62	11.35	-7.1	18.45
Maharashtra	9.72	10.86	-10.3	21.16

- (iii) The top three Circles registering highest growth (Y-o-Y) for the industry is: Madhya Pradesh(11.35%), Maharashtra(10.86%) and Gujarat(8.92%) Comparatively, growth of BSNL in these circles are Madhya Pradesh(-7.1%), Maharashtra(-10.3%) & Gujarat(-6.96%).

4.2.4 Analysis of East Zone:

- (i) Top three Circles in terms of Weight age: The top three Circles in order of contribution to revenue are Bihar, West Bengal and Kolkata.
- (ii) The License area wise growth of the industry vis-à-vis growth of BSNL on Y-o-Y basis (for the period April – September) in the License areas of East zone along with gap in growth rate of BSNL and industry is given below :

License Area	All figure in %age			
	Weightage	Growth Rate (Y-o-Y) for Apr -Sept		
		Industry	BSNL	Gap
Assam	1.6	-15.76	-15.2	-0.57
NE	1.2	5.01	-4.3	9.31
West Bengal	3.8	8.86	-1.63	10.5
Kolkatta	3	8	-2.62	10.62
Bihar	5.6	6	-8.27	14.27
Orissa	2.4	8.56	-6.49	15.05

- (i) The top three Circles registering highest growth (Y-o-Y) for the industry is: West Bengal(8.86%), Orissa(8.56%) and Kolkatta(8%). Comparatively, the growth of BSNL in these circles is West Bengal (-1.63%), Orissa(-6.49%) and Kolkatta(-2.62%).

4.3 Analysis of BSNL's Revenue growth in Basic and Mobile licence, the details are given in Annexure 3. The salient points are:

- (i) The revenue from BSNL's Basic license on Y-o-Y basis (2013-14 vs 2014-15) for the period April – September has declined from 3,325 crores to 3,230 crores, showing a decline of 2.86%. In the same way revenue from BSNL's Mobile license on Y-o-Y basis (2013-14 vs 2014-15) for the period April – September has decreased from 5,082 crores to 4,670 crores, making a negative growth of 8.1%.
- (ii) In the Mobile services, South zone is the largest contributor of the revenue has registered a negative growth of 6.7% on Y-o-Y basis (2013-14 vs 2014-15) for the period April – September. In the same period, North Zone, West Zone & East Zone registered a negative growth of 6.96%, 11.27% and 10.17%, respectively.
- (iii) In the Basic services North Zone has registered a positive growth of 7.5% on Y-o-Y basis (2013-14 vs 2014-15) for the period April – September. In the same period, West Zone, South Zone and East zone registered a negative growth of 4.73%, 6.89%, and 5.33% respectively.

Encl: Annexure-1 to 3.

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Copy to for kind information;

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- (2) Dir (Enterprise) /Dir (HR)/ Dir (CM)/ Dir (CFA)
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