

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATION AND INFORMATION
TECHNOLOGY
RAJYA SABHA
QUESTION NO 833
ANSWERED ON 17.08.2012
[Accumulating losses of MTNL and BSNL](#)

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

- (a) the details of accumulated profit/loss of BSNL and MTNL since 2004, respectively, year-wise;
- (b) the reasons for their rising losses; and
- (c) the steps Government has taken to check their accumulating losses?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

- (a) The details of profit / loss and accumulated profit / loss of BSNL and MTNL since financial year 2004-05 are as follows:
(Figures in Crores)

Please see Annexure for table

- (b) The reasons for the rising losses of BSNL and MTNL are due to decline in revenue/income and increase in expenditure. The reasons for the decline in revenue/income are as follows:
- Fixed to mobile substitution
 - Stiff competition in mobile sector.
 - Payment towards 3G & BWA spectrum charges resulting in reduction in interest income.
 - Decrease in Average Revenue Per User (ARPU) in mobile sector.

The reason for the increase in expenditure is mainly due to large legacy work force whose wages is around 50% of the revenue.

- (c) Department of Telecommunications (DoT) reviews the performance of BSNL and MTNL periodically to improve their financial health. Some of the steps taken by BSNL and MTNL to make them profitable are as follows:

BSNL

- Fortification of stable revenue streams through concerted focus on Broadband, Next Generation Network (NGN) voice and enterprise businesses with major focus on government projects.
- Sustained operational focus on customer care, service delivery, service assurance revenue management and asset management.

- Sharing of Passive infrastructure along with Monetization of real estate.
- Seeking reimbursement of deficit on account of commercially non-viable services.
- With a view to rationalize staff cost, BSNL has prepared a Voluntary Retirement Scheme (VRS) aimed at reducing its workforce by 1,00,000.

MTNL

- MTNL is reviewing its tariff for various products and services so as to make them customer friendly and to suit various segments of the society.
- MTNL has taken a lot of measures to facilitate easy payment of telephone bills to meet the requirement of all segment of society.
- Online booking of different services and complaints for landline and mobile are now available.
- MTNL is having Sanchar Haats in Delhi and Customer Service Centers (CSCs) at Mumbai, where customer can get various services like registration for new service, duplicate bills of cellular connection, bill payment, VCC cards etc.

In addition, the National Telecom Policy (NTP- 2012) inter-alia envisages following role of Public Sector Units, including BSNL and MTNL:

- To recognise the strategic importance of Telecom PSUs in nurturing/ enhancing Government's intervention capabilities in matters of national security or international importance, including execution of bilateral projects funded by Government of India.
- To encourage Public Sector Units under the DoT to identify and exploit strategic and operational synergies so that they play a significant role in service provision, infrastructure creation, and manufacturing.
- To exploit individual strengths of organisations under DoT/Department of Information Technology (DeitY) to their mutual benefit for ensuring these organisations to effectively flourish in the competitive telecom market while adequately supporting the security needs of the nation. Efforts will be made for according preferential treatment for procurement of products and services rendered by individual organisations.

YEAR	BSNL		MTNL	
	Profit/Loss	Accumulated Profit/Loss	Profit/Loss	Accumulated Profit/Loss
2004-05	10183	17241	939	939
2005-06	8940	23053	580	1519
2006-07	7806	27938	682	2201
2007-08	3009	28590	587	2788
2008-09	575	29165	212	3000
2009-10	(-)1823	27343	(-)2611	388
2010-11	(-)6384	20958	(-)2802	(-)2413
2011-12 (unaudited)	(-)8851	12108	(-)4110	(-)6523