

अरुणा सुंदरराजन  
सचिव  
Aruna Sundararajan  
Secretary



भारत सरकार  
संचार मंत्रालय  
दूरसंचार विभाग  
Government of India  
Ministry of Communications  
Department of Telecommunications  
D.O. No. 60-23/2018-SU-IV  
9<sup>th</sup> February, 2018

Dear Sir,

Kindly refer to your D.O. letter No. AS/MP/DO/2017/391 dated 15-12-2017 regarding the present status of MTNL and various remedial measures for its revival.

2. The case was sent for examination. After examination, it has been found that Government is conscious about the poor financial position of MTNL. MTNL is in financial losses and facing declining revenues from loss of market share and increasing expenditure. As per audited accounts for the financial year 2016-17 of MTNL, the revenue from operations is Rs. 3070 crore against the expenditure of Rs. 6498 crore. Its net loss was Rs. 2941 crore and its net worth has turned negative to Rs. (-) 3366 crore. Based on the financial results, MTNL was classified as "Incipient Sick CPSE" as per DPE Guidelines by the Department.

3. As per DPE guidelines, the administrative ministry has to initiate the process for preparation of restructuring/revival plan, which may include various options for the same. Accordingly, various options for revival and restructuring of MTNL as per the guidelines of DPE were considered in this Department.

4. MTNL had engaged M/s Deloitte as Consultant for providing "Advisory Services" and preparing report on revival plan of MTNL. In the report submitted by M/s Deloitte, a number of measures for revival of MTNL have been recommended. The summary of recommendations includes various measures like Focus on customer, defend current revenue and additional revenue, Network CAPEX investment, Asset Monetization, Lease/Sale of infrastructure, Reduction in retirement age from 60 to 58 years for MTNL employees, Voluntary Retirement Scheme, Debt restructuring, Extension of validity of 2G license, Liberalization of 900 MHz and MTNL & BSNL Synergy in operations.

5. An Internal Committee of DoT is examining the recommendations of the report and to decide about the path of financial/HR/Corporate restructuring to achieve the ultimate goal of revival of MTNL.

With regards,

Yours sincerely,

(Aruna Sundararajan)

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