GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS

LOK SABHA
UNSTARRED QUESTION NO. 248
TO BE ANSWERED ON 12ᵗʰ DECEMBER, 2018

LOSSES IN MTNL

248.   SHRI ADHALRAO PATIL SHIVAJIRAO:
         DR. PRITAM GOPINATH MUNDE:
         SHRI SHRIRANG APPA BARNE:
         DR. SHRIKANT EKNATH SHINDE:
         SHRI ANANDRAO ADSUL:

         Will the Minister of COMMUNICATIONS be pleased to state:

(a)   whether the Government-owned telecom operator MTNL continues to post losses and has failed to provide required facilities to their customers, both landline and mobile users;

(b)   if so, the reasons therefor along with the loss suffered by the MTNL during each of the last three years, year-wise;

(c)   whether the Department of Public Enterprises (DPE) has classified MTNL as 'Incipient Sick Central Public Sector Enterprises (CPSE)';

(d)   whether DPE has issued guidelines on how to deal with the revival and restructuring of incipient sick Central Public Sector Enterprises (CPSE);

(e)   if so, the steps taken by the Union Government for the revival and restructuring of MTNL;

(f)   the success achieved so far; and

(g)   the steps taken by the Union Government for providing better services to MTNL customers?

ANSWER

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) & (b)   Mahanagar Telephone Nigam Limited (MTNL) is providing satisfactory telecom services in its license service areas of Delhi & Mumbai. MTNL is also meeting benchmarks of most of the Quality of Service (QoS) parameters prescribed by Telecom Regulatory Authority of India (TRAI) in respect of Landline/Broadband/Mobile services.The details of losses incurred by MTNL during the last three years are as under:

Financial Year	Profit /(Loss) for the period (in Rs. Crores)
2015-16	(2005.74)
2016-17	(2970.57)
2017-18	(2970.65)

One of the major reasons for losses of MTNL is huge legacy staff cost. Besides, the service revenue is declining due to intense competition resulting into cut throat tariffs, inability of MTNL to infuse capital expenditure (CAPEX) to upgrade its network. All private telecom operators are offering 4G services leading to churn in mobile segment of MTNL. Due to this MTNL's revenue from operation has reduced.

(c) & (d)   MTNL has been declared 'Incipient Sick' as per DPE Guidelines. DPE guidelines have been issued vide DPE/5(1)2014-Fin.(Part-IX) dated 29.10.2015 for preparation of restructuring/revival plan.

(e) & (f)   The "Revival Plan of MTNL" has been received by DoT. The summary of recommendations include focus on customer, defending current revenue and gaining additional revenue, Network CAPEX investment, Asset Monetization – Lease, Sale of real estate, buildings, Lease/sale of Tower, Fiber, Copper and active equipments, Voluntary Retirement Scheme (VRS), Debt restructuring and Synergy in operations of MTNL and BSNL etc.

(g)   Steps taken by MTNL for providing better services to its customer is at **Annexure.**

Some of the salient initiatives of MTNL are as below:

- **Expansion of GSM / 3G RF network in Delhi:** MTNL is in the process of expansion of mobile network by adding 1080 nos. of 3G sites for upgrading Data handling capacity to 10 Gbps. Purchase Order for Rs. 295 Cr. has been placed on 18.06.2016. Purchase Order for Rs. 48 Cr has been placed for up gradation of existing 720 nos. of 3G Node-B for High Speed Packet Access (HSPA)+ capability.

- **3G Network Up-Gradation in Mumbai:** To improve network capabilities and provide better speed MTNL is upgrading the existing 3G network (720 Node-Bs) at a cost of Rs 28 Cr. Software Up-gradation for the existing Node-Bs has been implemented for HSPA+ and 324 Node B's have been integrated in IP for 21Mbps (Mega bytes per second) speed.

- **Microwave Backhaul Connectivity:** In Delhi, Purchase order for adding 800 new Hybrid Microwave hops at the total cost of Rs 19.36 Cr and upgradation / replacement of 754 no. of existing TDM Microwave hops to Hybrid Microwave hops of 400 Mbps capacity at the total cost of Rs 18.75 has already been placed. In Mumbai, upgradation/ replacement of 497 no. of existing TDM Microwave hops to Hybrid Microwave hops of 400 Mbps capacity are already placed for total cost of Rs 11.54 Cr.

- **Synergy with BSNL:** To enhance the synergy in between MTNL and BSNL in line to the MOU signed between these two companies, BSNL has been requested to take care of Billing of Leased Lines / Land Line / Broadband of MTNL. Work has been started already to make over Leased Circuit data for billing purpose. In addition, BSNL has also allowed MTNL to share its STP for Mobile network of MTNL Delhi and Mumbai.

- **Redeployment of DSLAMs (Digital Subscriber Line Asynchronous Mode) of existing Broadband Network:** MTNL has launched a special program to progressively increase the fibre length by redeploying the broadband nodes (DSLAMS) near to the subscriber premises in Delhi and Mumbai thereby reducing copper length and enhancing the quality of broadband service. 186 DSLAMs in Delhi and approx.164 in Mumbai have been redeployed thereby reducing copper length and enhancing the quality of Broadband service. This has improved customer experience and reduced the number of complaints.

- **Fibre to the Home (FTTH):** MTNL has finalized and made operational its new policy to engage partners on revenue share basis to extend its FTTx services.

- **Provision of High Speed Internet on FTTH and Wi-Fi at the Hon'ble M.Ps residences:** The House Committee, Lok Sabha has assigned MTNL the work to provide high speed Broadband on FTTH and Wi-Fi services at the residences of Hon'ble MPs in Delhi. The project includes OFC laying, FTTH provisioning and Wi-Fi equipment installation at 790 residences of Hon'ble MPs in New Delhi and involved laying of 86 Km of Optical fiber cable in 11 rings. MTNL has provided FTTH connections to 750 MPs in their residential accommodations in New Delhi. The Wi-Fi service has also been activated at 728 residences. The Project cost of about Rs 43.2 Crore is funded by DoT.

- **ATC project for Mumbai Traffic Police:** MTNL has extended bandwidth to ATC (Area Traffic Control) Project of Mumbai Traffic Police for Road Traffic Monitoring. 125 Locations of ATC were given OF and Copper Bandwidth. 8 Locations of ATC on Eastern Freeway were extended OFC bandwidth. 23 more locations are planned to be connected in ATC.

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