

**GOVERNMENT OF INDIA  
MINISTRY OF COMMUNICATIONS  
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA  
UNSTARRED QUESTION NO. 387  
TO BE ANSWERED ON 3<sup>RD</sup> FEBRUARY, 2021**

**LOSSES INCURRED BY BSNL AND MTNL**

387. DR. T.R.PAARIVENDHAR:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the public sector telecom companies viz., MTNL and BSNL are reported to be in loss due to lack of technological upgradation and inability to compete with private telecom operators;
- (b) if so, the details thereof;
- (c) whether the Union Government has any proposal to revive these loss making public sector companies and if so, the details thereof; and
- (d) whether the Government proposes to close down these units in near future and if so, the details thereof?

ANSWER

**MINISTER OF STATE FOR COMMUNICATIONS, EDUCATION AND  
ELECTRONICS & INFORMATION TECHNOLOGY  
(SHRI SANJAY DHOTRE)**

(a)&(b) Yes Sir. Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) have incurred losses consecutively since 2009-10.

The Telecom sector is facing financial stress due to stiff competition and reduction in tariffs. For BSNL and MTNL, stiff competition in mobile segment and absence of 4G services (except in few places for BSNL) in the data-centric telecom market is eroding their competitive strength.

Details of losses incurred by BSNL and MTNL for the last three years is as under:

(in Rupees crore)

Profit/(Loss) incurred by	2017-18	2018-19	2019-20
BSNL	(7,993)	(14,904)	(15,500)
MTNL	(2971)	(3398)	(3811)

(c) The Government approved a revival plan for BSNL on 23.10.2019. The revival plan, inter-alia includes reduction in employee costs through a Voluntary Retirement Scheme (VRS) for the employees of age 50 years and above, administrative allotment of spectrum for 4G services with funding through budgetary allocation, debt restructuring by raising of sovereign guarantee bonds, monetisation of assets to generate resources for retiring Debt, CAPEX and other requirements and in-principle approval for merger of BSNL and MTNL.

(d) Government has no plan to close down BSNL and MTNL.

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