

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3555
ANSWERED ON:16.08.2010
WASTEFUL EXPENDITURE IN MTNL
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Mahanagar Telephone Nigam Limited (MTNL) has suffered a loss of Rs. 800 crore due to wasteful expenditure and inefficient management;
- (b) if so, the details thereof;
- (c) the action taken/being taken by the Government against the guilty persons; and
- (d) the extent to which success has been achieved as a result thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

- (a) No, Madam.
- (b) Not applicable in view of (a) above.

However, MTNL's profit/loss for the last two years is as under :-

(Rs in crs)
Financial year Profit for the year

2008-09 211.72

2009-10# (2514.87)

#(Provisional)

The main reasons of drop of profitability are :

A. Increased Staff cost

- 1. Due to DA merger.
- 2. Second wage revision w.e.f. 1.1.2007.
- 3. Provision for pension and other retirement benefits as per increased wage and change in pension plan,

B. Increased pressure on revenue due to reduction in Telecom Tariffs in view of stiff competition from Private Telecom Service Providers.

C. Provision for high spectrum cost wrt recently concluded 3G/BWA Auctions.

(c) & (d) Questions does not arise in view of (a) & (b) above.