

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

UNSTARRED QUESTION NO:1330
ANSWERED ON:30.07.2003
DECLINE IN PROFIT OF MTNL
LAXMINARAYAN PANDEY;RAVINDRA KUMAR PANDEY

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

- (a) whether there has been decline in the profit of MTNL during the current year as compared to the last year;
- (b) if so, the total profit earned by MTNL this year and the extent to which it is less than the profit of last year;
- (c) the reasons for decrease in profit of MTNL and whether MTNL is lagging behind in competition with other companies in the market; and
- (d) if so, the details of the action taken by the Government to increase the profit of MTNL?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI , PRADHAN)

- (a) & (b): As per unaudited published results for 2002-03 net profit of MTNL after tax has been indicated as Rs. 897.4 crores, 31% less than net profit in previous year.
- (c) & (d): The Department of Telecommunications reviews the performance of MTNL. The reasons for decrease in profits is mainly due to continuous decline in tariff which have led to reduction in revenue over the last year. MTNL continue to be the main fixed line service provider in Delhi and Mumbai and also has presence in GSM and CDMA networks. MTNL also is continuously improving its network and services to customers by introducing new facilities. Hence it is not lagging behind in competition.