

No plan to shut down MTNL: Ravi Shankar Prasad

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NEW DELHI: There is no plan to shut down loss-making telecom company MTNL and the government is taking various measures to revive it, Union Minister Ravi Shankar Prasad today said.

His comments follow Heavy Industries Minister Anant Geete's statement in Parliament two days ago that five public sector undertakings (PSUs) which are in the list of 65 sick PSUs would be closed down.

The list of sick PSUs include MTNL, Air India and Hindustan Shipyard. The five PSUs to be closed down include three HMT units, Geete had said. He, however, did not name the other PSUs which are slated to be shut.

"There is no plan to close down MTNL," Prasad told PTI when asked if MTNL is among the probable PSUs that would be shut down.

Air India and MTNL, once market leaders in aviation and mobile telephony sectors, respectively, were declared sick as per the criteria for a PSU to be declared as such, after they incurred losses worth 50 per cent or more of their average networth during four preceding years.

MTNL, which provides telecom services in Delhi and Mumbai, has been losing market share over the last many years. It's market share in wireless has come down to 0.36 per cent and wireline to 13.10 per cent at the end of January.

The government is taking various measures to revive MTNL which includes refund the amount MTNL paid for acquiring broadband wireless spectrum (BWA) in 2010.

The government had also approved pension support to MTNL for about 43,000 employees who joined the state-run firm from the Department of Telecom.

MTNL had reported a standalone net loss of Rs 730.83 crore for the third quarter ended December 31, 2014.



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