

# Government may extend MTNL's 'Navratna' status by a year

By PTI | 12 Aug, 2014, 03.54PM IST

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NEW DELHI: The [government](#) may extend the 'Navratna' status of [MTNL](#) by a year in a bid to revive the struggling state-owned telecom firm.

The Boards of 'Navaratna' Public Sector Units are delegated more powers in the areas of capital expenditure, equity investments, organisational restructuring and raising debt from the domestic capital markets and borrowings from international markets. There are 17 Navratna PSUs including [HPCL](#), [BPCL](#), RINL and [NMDC](#).

An Inter-Ministerial Committee headed by the Department of Public Enterprises (DPE) Secretary Kusumjit Sidhu met yesterday to discuss among other issues the extension of Navratna status of MTNL, sources said.

The panel undertakes annual review of Navratna companies and highlights their performance and issues for consideration. It recommends divestment of the coveted status if the company does not meet the Navratna criteria and conditions prescribed by the DPE.

The [Department of Telecom](#) (DoT) is in favour of extension of the status for the [PSU](#) as it will help in revival of the enterprise as well as aid its management in raising money through loan or other measures from the market, sources said.

The panel also discussed MTNL's Navratna status vis-a-vis its market position as the PSU is listed on the BSE and officials fear that not extending the status could adversely impact its position in the market, they added.

The move comes at a time when the government is also trying to revive and revitalise the state-owned entity that operates in Delhi and Mumbai.

In June, Telecom Minister Ravi Shankar Prasad had met the senior management of BSNL and MTNL to discuss the blueprint for their revival.

The minister will also personally monitor the progress made by BSNL and MTNL in augmenting their infrastructure and increasing customer base on a monthly basis.

MTNL came out of the red and posted net profit of Rs 7,825 crore in the 2013-14 fiscal. It had last posted an annual profit of Rs 211.7 crore in 2008-09. It had posted a loss of Rs 5,321 crore in the year 2012-13.

The profit was mainly due to write back of provisions on account of pensionary liabilities and spectrum amortisation costs after decisions of government was taken for its revival.

In January, the government had approved refund of Rs 4,533.97 crore to MTNL against the surrender of broadband spectrum. Along with refund of spectrum, government also approved pension support for MTNL.

The status is extended to PSUs with at least three 'excellent' or 'very good' Memorandum of Understanding (MoU) ratings in the previous five years.

They should have a composite score of 60 or above out of 100 marks based on its performance during the last three years on six efficiency parameters including net profit.



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