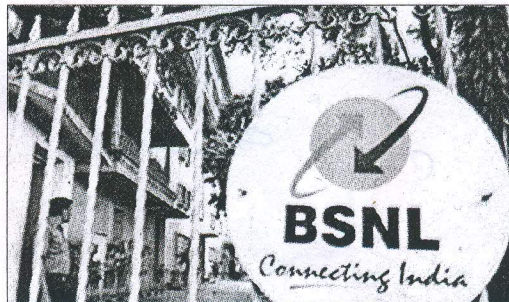


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## BSNL, MTNL merger plan back on discussion table

New Delhi, March 7: After a hiatus of few years, the proposal to merge BSNL and MTNL is back on the discussion table with top officials at the telecom department once again brainstorming on various options before the two loss-making, state-owned entities. According to a highly-placed source in the Department of Telecom, a top-level meeting recently discussed possibility of merging both the entities that are facing financial stress due to increasing competition in the sector.

Another official said that in the first phase, BSNL is keen on picking up mobile operations of MTNL in Gurgaon, Noida and Faridabad, where it is already offering landline and broadband services.



The other option could be the acquisition of MTNL's mobile operations in Delhi and Mumbai - the two metros it operates in. BSNL, on the other hand, operates in rest of India. The meeting, headed by the then Telecom Secretary JS Deepak, was held 2-3 weeks ago and idea is gaining ground once again.

The idea of merging the two firms was first mooted years ago by the then telecom minister Pramod Mahajan and has been deliberated upon a few times since then. Officials said however that the talks on the merger have been revived at the instance of senior officials in the government. On the hurdles to

the move, sources said, staffing and salary related issues pose a big challenge.

Besides, they said, MTNL is debt-laden and while the move will be a positive for it, BSNL will have to bear the brunt.

MTNL has been reeling under "serious" debt problem and is borrowing money to meet its day-to-day requirements. In written reply to the Rajya Sabha in November last year, Communications Minister Manoj Sinha had said: "In case of MTNL, it has been going slow in upgradation of equipment during the last 4-5 years due to severe financial problems. MTNL is under serious debt burden and is borrowing money to meet its day to day requirements." PTI