

# MTNL debt, difference in pay scales impede merger: BSNL Head

*After the arrival of the deep-pocketed Reliance Jio, BSNL has actually seen its market share increase and hopes to continue this, he said.* PTI | Updated: May 27, 2018, 21:26 IST

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MUMBAI: Bharat Sanchar Nigam ([BSNL](#)) feels a merger with [MTNL](#) will be positive for both the companies, but there are a few impediments like the latter's huge debt and the difference between pay scales which need to be sorted out, a top official has said.

However, there is no specific plan on the merger in the works at present, beyond the appointment of a consultant by the government.

The state-run telco has inked a pact with [Softbank](#) to co-work on "interest areas" and is also in talks with the Japanese telecom company's investee company [Paytm](#) for a tie-up, the official said.

"Merger between the two (MTNL and BSNL) is going to be good for both the companies. Let's take the argument that it is going to be good, but there are various issues that need to be sorted out," its chairman and managing director Anupam Shrivastava told PTI recently.

The impediments include MTNL's debt of over Rs 16,000 crore as of December 2017 and the difference between the pay scales for employees of both the companies, he said.

Another difficult factor will be MTNL being a widely-owned listed entity, he added.

In the comments that come after telecom minister Manoj Sinha has denied any plan to merge the two state-run loss-making telcos, Shrivastava said there is no specific plan in the works.

"Not at this point of time. The government has appointed a consultant to frame the timeline and roadmap for the merger of BSNL and MTNL," he said, when asked if there is a plan to merge the two.

The CMD, however, declined to elaborate both on the tie-up with Softbank and proposed joining hands with payments bank Paytm.

"At this point of time, an agreement has been signed (with Softbank) and we are working on various interest areas...Let's see what happens," he said, making it clear that it does not involve equity changing hands.

He said while the company, which has a reach into all the corners of the country, has no plans to venture into the payments bank space as has been done by many other telcos, he said.

BSNL has launched a mobile wallet in association with largest lender SBI and will be working to promote that as well, he said.

He said FY19 will be a year of transition, where it hopes to increase revenue on greater volumes and expanding market share, even as it continues to shed average revenue per user (ARPU).

After the arrival of the deep-pocketed Reliance Jio, BSNL has actually seen its market share increase and hopes to continue this, he said.

The state-run player wants to take competition "head-on" and is working on a strategy that involves "meeting tariff by tariff," Shrivastava said.