

# MTNL mulls mobile services with BSNL on revenue sharing basis

By PTI | 3 Apr, 2016, 03.06PM IST

[Post a Comment](#)

NEW DELHI: State-run [MTNL](#) is working on a plan to operate its mobile services business in Delhi and Mumbai in partnership with [BSNL](#) on a revenue sharing basis.

"We are having a very low [market share](#) in mobile services and not in a position to make capital investment. We are in discussions with BSNL that can [invest](#) in infrastructure and run our mobile business on a revenue share basis," MTNL CMD N K Yadav told PTI in an interview.

As per latest [Trai](#) report, MTNL had 36.23 lakh mobile customers at the end of January 2016, accounting for 0.36 per cent of total market share.

He said the company has not been able to place the mobile network expansion order for which Nokia Networks was selected due to financial as well technical challenges.

Yadav further said it will have to depend on debt for expanding mobile network and the interest that it will pay on procurement will not be in sync with the income it will generate from the mobile business.

"BSNL has high negotiating power as their scale of operation is much larger compared to MTNL. A high level committee at DoT is evaluating the way we can work in sync with other. We are seeing if BSNL can operate MTNL mobile network on a revenue share basis," Yadav said.

When contacted, BSNL Chairman and Managing Director Anupam Shrivastava said BSNL is ready to invest and work with MTNL and discussions in this context are going on.

Yadav said the spectrum payment of about Rs 11,000 crore by MTNL in 2010 disturbed its balance sheet.

"Besides principle, it (spectrum payment) increased interest on debt raised by MTNL. We have huge interest which we have been trying to lower by cutting cost and focusing on area where we are strong like fixed line broadband," Yadav said.

As per Trai report, MTNL is the third largest player with 13.79 per cent market share in fixed-line connections.

MTNL is focusing on converting its landline only users to broadband users, which it expects will increase average revenue per user (ARPU), he said.

"Out of about 35 lakh landline customers we have, only 12 lakh are using broadband. We get ARPU of Rs 200 from voice calls and ARPU of Rs 500 from broadband. We are targeting to convert 60 per cent of only telephone service users to come on broadband by December," Yadav added.



State-run MTNL is working on a plan to operate its mobile services business in Delhi and Mumbai in partnership with BSNL on a revenue sharing basis.

**RELATED COMPANIES**

[EXPAND](#)

[MTNL](#)

**ET SPECIAL:** Love visual aspect of news? Enjoy this exclusive slideshows treat!

Stay on top of business news with The Economic Times App. [Download it Now!](#)

**Other Times Group news sites**

Times of India | इकनॉमिक टाइम्स  
छंदीनीमिड टाइम्स | Mumbai Mirror  
Times Now | Indiatimes  
नवभारत टाइम्स | महाराष्ट्र टाइम्स  
वीजय चन्दाईक | Lifehacker  
Gizmodo | Eisamay | IGN India  
NavGujarat Samay

**Living and entertainment**

Timescity | iDiva | Bollywood  
Zoom | Luxpresso  
Online Songs | Travel  
Guides | Hotel  
Reviews | Cricbuzz.com | Prepaid  
Mobile Recharge

**Networking**

itimes | MensXP.com

**Hot on the Web**

Daily Horoscope | Weather in Delhi  
Mumbai Map | Horoscope 2016  
Hotels in Delhi | Xiaomi Mobile  
Phones

**Services**

Book print ads | Online shopping  
Matrimonial | Astrology | Jobs | Property | Buy car | Bikes in India  
Used Cars | Online Deals | Restaurants in Delhi | Movie Show Timings in  
Mumbai  
Remit to India | Buy Mobiles | Listen Songs | Voice Greetings | Technology  
News | Augmented Reality | Mobile Recharge | Compare Mobile Phones