

Par Panel for BSNL, MTNL merger to give them fighting chance

A Parliamentary Panel today favoured the merger of loss-making state-owned telecom firms BSNL and MTNL, saying it would give them a fighting chance to take on the might of private sector which is undergoing consolidation.

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DELHI: A Parliamentary Panel today favoured the merger of loss-making state-owned telecom firms [BSNL](#) and MTNL,

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saying it would give them a fighting chance to take on the might of private sector which is undergoing consolidation.

In a report tabled in the Lok Sabha, it said that for "the long term survival and success of MTNL and BSNL, their merger would only be a viable proposition - in view of the fact that their merger would give both the entities a chance for competition against the emerging consolidated private sector players".

The 43rd report of the Committee on Petitions noted that the [Department of Telecom](#) had outlined two options after the panel had previously recommended constitution of an expert group to examine the prospects of merger of Mahanagar Telephone Nigam (MTNL) and Bharat Sanchar Nigam Ltd (BSNL).

One of the options entailed MTNL focusing on turnaround with support from the government and shareholders and seeking opportunities "to sell and divest select business assets".

The second option was about seeking opportunities for merger of MTNL with BSNL to become a pan-India integrated telecom operator offering wired and wireless telephony services.

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This would also allow them to optimise resources and increase revenue through synergised operations.

The committee was informed by the communications ministry that 'revival plan' prepared by consultant [Deloitte](#) has been considered by the [MTNL Board](#) in their meeting in March 2017.

After being recommended by the MTNL Board, it was sent to the DoT and "is under process".

"Now that the revival plan has been considered by MTNL Board and is presently under consideration of the Department of Telecom, the committee desire that the

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Ministry should explore ways to implement the revival plan without further loss of precious time," it said.

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The committee also wished to be apprised of the final outcome on the issue.

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