

BSNL Merger With MTNL Should Not Happen, Writes Union to PM

If BSNL and MTNL are merged together, it would worsen the financial condition of the former. P Abhimanyu, General Secretary, BSNLEU, said it is disturbing to hear that the government is moving so fast with the merging of BSNL and MTNL as the former is already struggling to come out of its financial crisis.



Bharat Sanchar Nigam Limited (BSNL) merger with Mahanagar Telephone Nigam Limited (MTNL) should not happen, the employee union of BSNL wrote to the Prime Minister, Narendra Modi. It will ruin the chances of revival of BSNL, said the letter dated March 23, 2022.

According to an ET Telecom report, the employee group suggested that the government should take over the debt of MTNL, which amounts to Rs 26,000 crore and should provide sufficient financial assistance to BSNL for the rehabilitation of the MTNL network. Note that BSNL had taken over the mobile network business of [MTNL](#) in both Mumbai and Delhi last year.

BSNL Financial Condition Will Worsen With MTNL Merger

If BSNL and MTNL are merged together, it will worsen the financial condition of the former. P Abhimanyu, General Secretary, BSNLEU, said it is disturbing to hear that the

government is moving so fast with the merging of BSNL and MTNL as the former is already struggling to come out of its financial crisis.

Abhimanyu said that if the merger goes through, it will do irreparable damage to BSNL's financial revival.

For the unaware, the Parliamentary Standing Committee on Communications and Information Technology had suggested carving out MTNL's Rs 26,000 crore debt into a special purpose vehicle (SPV) and then merging its operations with BSNL.

Back in 2019, along with the Rs 70,000 crore revival package, the cabinet had also approved the merger between BSNL and MTNL. The [Voluntary Retirement Scheme \(VRS\)](#) helped both companies to a major extent in reducing employee salary costs. However, neither are profitable, and MTNL's many network sites remain down because of non-payment of rent and dues to vendors providing fuel.

Devusinh Chauhan, Minister of State for Communications, said that VRS didn't result in any delay or deficiency for BSNL in providing services to customers. Chauhan further confirmed that there are no disinvestment plans for BSNL as of now.

In addition to this, the Indian government is also planning to merge Bharat Broadband Network Limited (BBNL) with BSNL. With this, BBNL employees are discontent and worried because of BSNL's non-performance in many areas.