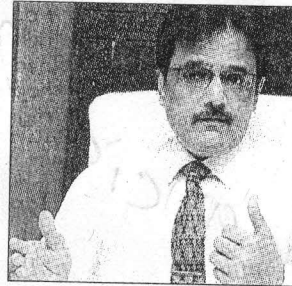


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MTNL debt, different pay scales impede merger: BSNL chief

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BHARAT SANCHAR NIGAM (BSNL) feels merger with MTNL will be positive for both the companies, but there are a few impediments such as the latter's huge debt and the difference between pay scales which need to be sorted out, a top official has said.



Anupam Shrivastava

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

"Merger between the two (MTNL and BSNL) is going to be good for both the companies. Lets 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 said.

The impediments include MTNLs debt of over ₹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.

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

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

He said while the company, which has 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.