

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO-672
ANSWERED ON-28.11.2014
Merger of MTNL with BSNL

672 . SHRI PANKAJ BORA

- (a) whether Government proposes to merge MTNL with BSNL as a restructuring process of the Government telecom sector;
- (b) if so, whether this merger can revive the debt loss of the Department; and
- (c) if so, the details of the merger plan and economic benefits thereof?

ANSWER

(a) to (c) Government is in the process of revival and revitalization of Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) through various short term, medium term and long term measures.

The long-term measures, including merger of BSNL and MTNL, would attempt to position these PSUs to emerge as market leaders in the converged telecommunication market. For an in-depth study on the implications of merger of the two PSUs, four groups have been constituted to study issues of human resources integration, system integration, corporate integration and financial integration. Issues concerning the financial debt position of MTNL would be addressed by the group on financial integration.