

# BSNL, MTNL revival on cards: Amit Shah-led GoM may allow VRS, 4G spectrum

*The administrative cost for the allocation of 4G radio waves to BSNL is pegged at Rs 14,000 crore, and Rs 6,000 crore for MTNL.*

Muntazir Abbas | ETTelecom | Updated: July 16, 2019, 21:41 IST

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NEW DELHI: The Group of Ministers (GoM) headed by home minister [Amit Shah](#) Tuesday discussed offering voluntary retirement scheme (VRS) and the fourth-generation or 4G airwaves to the stressed state-controlled Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) Tuesday.

Besides Shah, GoM included telecom, IT and law minister [Ravi Shankar Prasad](#), finance minister Nirmala Sitharaman.

The sources aware of the development said that the group during the two-hour-long meeting discussed the ways to bring back the two public sector service providers back to health and considered monetisation of land and building assets to fund VRS to the willing employees.

Earlier, the Finance Ministry officials have opposed the VRS package worth Rs 6,365 crore to BSNL, and Rs 2,120 crore to MTNL.

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The Centre is also mulling operating synergy between BSNL and MTNL, to further save operational cost. MTNL offers cellular services in two metropolitans-- Delhi and Mumbai whereas BSNL operates in rest of the country.

The revenue to wage ratio of both telcos, is way higher than the private sector players.

Since 2016, both public sector operators have been demanding allocation of 4G radiowaves to stay competitive in the data-led service delivery which is also leading their revenue fall on a quarter-to-quarter basis.

The administrative cost for the allocation of 4G radio waves to BSNL is pegged at Rs 14,000 crore, and Rs 6,000 crore for MTNL.

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The government should immediately look at assets monetisation strategies including towers and fibre to make BSNL and MTNL stay afloat," PHD Chamber of Commerce & Industry Telecom Committee Chairman Sandeep Aggarwal said.

The real estate assets, fibre optic network and mobile towers of BSNL and MTNL combined are pegged at Rs 1.10 lakh crore, Rs 60,000 crores and Rs 35,000 crores tentatively.

Aggarwal added that the proceeds can further be used to fund VRS, and 4G and 5G spectrum, as well as operational expenses of both telcos.

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