

**GOVERNMENT OF INDIA  
COMMUNICATIONS  
LOK SABHA**

UNSTARRED QUESTION NO:6316  
ANSWERED ON:08.05.2000  
VIDESH SANCHAR NIGAM LIMITED  
BHAWANA GAWALI (PATIL)

**Will the Minister of COMMUNICATIONS be pleased to state:**

- (a) Whether Videsh Sanchar Nigam Limited has acquired a 30 percent of shares in India info company for no monetary consideration;
- (b) if so, the reasons therefor ?

**Answer**

MINISTER OF STATE FOR COMMUNICATIONS

(SHRI TAPAN SIKDAR)

(a) Sir, VSNL has signed a Memorandum of Understanding with Indianinfo.com Private Limited, Bangalore. As per the terms of the MOU VSNL will get 30% stake in the company without any payment. In addition, VSNL will get 20% Share of the Company revenue with minimum guaranteed amount of Rs.201. Crores over a period of 3 years.

(b) VSNL has been providing Internet services since 1995. As a result of the new ISP policy a number of new ISPs have been licensed to provide Internet services in India, resulting in a competitive scenario. Therefore, it is necessary to provide for rich content & E-commerce capabilities. At present VSNL does not have expertise to provide independent content & E-commerce facilities on the net. The partnership with Indianinfo will provide VSNL with the capability to provide rich content & E-commerce through a joint portal VSNL-Indianinfo.com (Co-branded portal).

This will make VSNL services on par with other competing ISPs which have access to content & advertising through similar partnership. This partnership will thus add value to VSNL Internet services while generating financial benefit for VSNL.