

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:1669

ANSWERED ON:08.03.2010

MERGER OF MTNL WITH BSNL

Adsul Shri Anandrao Vithoba; Das Gupta Shri Gurudas; Lingam Shri P.

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government is considering to disinvest its stake in Bharat Sanchar Nigam Limited (BSNL);
- (b) if so, the facts thereof and the reasons therefor;
- (c) whether the Government has any proposal to merge the Mahanagar Telephone Nigam Limited (MTNL) with the Bharat Sanchar Nigam Limited;
- (d) if so, the present status of the proposal; and
- (e) the time by which a final decision is likely to be taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT)

(a) & (b) Madam, the BSNL Board in its 113th Meeting held on 25.07.2008, after considering all the pros and cons of listing and in order to strengthen Company's claim for conferment of Navratna status decided that the Company should get listed. The Government is considering to offer part of its equity shareholding in BSNL by an offer for sale to the public due to the following reasons:

It will promote growth of BSNL.

It will provide an access to the capital market for raising fresh equity capital, if required.

It will facilitate BSNL to get Navratna status.

The timing of the issue depends on the conditions of the capital market.

(c) to (e) The Government, at present, has no proposal to merge MTNL with BSNL.