

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

STARRED QUESTION NO:155

ANSWERED ON:10.08.2011

MERGER OF GOVERNMENT TELECOM COMPANIES

Reddy Shri Magunta Srinivasulu;Shukla Shri Balkrishna Khanderao Balu Shukla

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

- (a) whether the Board for Reconstruction of Public Sector Enterprises (BRPSE) has recommended for merger of Mahanagar Telephone Nigam Limited (MTNL) and Indian Telephone Industries Limited (ITIL) with Bharat Sanchar Nigam Limited (BSNL);
- (b) if so, the details thereof and the reasons therefor;
- (c) the reaction of the Government thereto;
- (d) the progress made so far in regard to the merger of the said companies with BSNL; and
- (e) the benefits likely to accrue from the said merger and the time by which these entities are likely to be merged?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HUMAN RESOURCES DEVELOPMENT AND COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI KAPIL SIBAL)

(a) to (e) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 155 FOR 10TH AUGUST, 2011 REGARDING "MERGER OF GOVERNMENT TELECOM COMPANIES".

(a) & (b) The Board for Reconstruction of Public Sector Enterprises (BRPSE) has recommended the merger of ITI Ltd. with Bharat Sanchar Nigam Limited (BSNL) or its takeover by the BSNL as a separate subsidiary thereby ensuring strategic vertical integration. BRPSE has mentioned that this would enable BSNL to combine service providing with manufacture of the products and thus emerge as a leading global player. Similarly, the BRPSE has also recommended that there is no reason for the Mahanagar Telephone Nigam Limited (MTNL) to continue as a separate entity. This could also be brought under BSNL as subsidiary.

(c) to (e) The recommendations of BRPSE are being examined by a Committee constituted by Department of Telecommunications headed by Member (Services), Telecom Commission.