

**GOVERNMENT OF INDIA  
COMMUNICATIONS  
LOK SABHA**

UNSTARRED QUESTION NO:1266  
ANSWERED ON:27.11.2000  
INCORPORATION OF MTNL  
GUNIPATI RAMAIAH

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

- (a) whether a major objective for the incorporation of MTNL was to access the market to raise resources for the expansion programme of the DoT;
- (b) if so, whether the budget proposals have imposed ceilings on how much resources could be raised by MTNL from the market each year;
- (c) if so, the ceilings indicated during each of the last three years; and
- (d) the tax and dividends paid by the MTNL to Government during the last three years, year-wise and head-wise?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) One of the main objective for the incorporation of MTNL was to raise necessary financial resources for development needs for Telecommunication services in the areas managed by the MTNL and also for the other parts of the Telecommunication network in the country managed by erstwhile Department of Telecom Operations (DTO).

(b) & (c): To meet the gap between the internal resources and plan outlay of the erstwhile DTO, the requirements of bonds to be raised through MTNL are included in the budget proposals of the Department. The budgetted amount of bonds for the last 3 years are as follows:

Year BE (in crores)

1997-98	2741.00
1998-99	2291.00
1999-2000	977.63
2000-2001	2152.00

During 1997-98 & 1998-99, though budgetted, bonds were not raised since the Department had enough internal resources to meet Plan outlay. In 1999-2000 since there was a shortfall in revenue, the requirement of bonds was revised to Rs. 3539.13 crores in RE 1999-2000.

During the current year 2000-2001, only a sum of Rs. 50.00 crores of bonds have been raised. Consequent on the corporatisation of DTO from 1.10.2000, bonds will hereafter be raised by Bharat Sanchar Nigam Limited for their own needs.

(d) Tax and dividends paid by MTNL to Government during the last three years, yearwise and headwise are given below:

Year    Tax paid (Rs. In crores)    Dividend (Rs. In crores)

1997-1998	Rs. 516.00	114.629 63 027
1998-1999	Rs. 602.00	106.311 8 220
1999-2000	Rs. 583.00	106.311 8 220