

**GOVERNMENT OF INDIA  
DISINVESTMENT  
LOK SABHA**

UNSTARRED QUESTION NO:4894

ANSWERED ON:24.08.2001

DISINVESTMENT IN BALCO

GUNIPATI RAMAIAH;VILAS BABURAO MUTTEMWAR;VINAY KUMAR SORAKE

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

- (a) whether the Government have disqualified Sterlite from bidding for any private sector company including Hindustan Zinc and Hindustan Copper Ltd;
- (b) whether the rejection of Sterlite`s Expression of Interest is based on the new guidelines framed by the Cabinet Committee on Disinvestment, which provides for barring bidders indicated by market regulator;
- (c) if so, whether these guidelines were in force when Sterlite`s bid for BALCO was accepted;
- (d) if so, the details thereof; and
- (e) the adverse effect of SEBI`s such decision on videocon`s attempt to bid for Indian Airlines and the Sterlite`s acquisition of BALCO?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCE (SHRI ARUN SHOURIE)

(a) & (b) In terms of the `Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment` issued on 13-7-2001, and in view of the SEBI`s order dated 19-4-2001 against Sterlite Industries (India) Ltd., barring it from accessing the capital market for a period of two years, show cause notices were served on Sterlite Industries (India) Ltd. with reference to its `Expressions of Interest` for disinvestment in Hindustan Zinc Ltd. and Hindustan Copper Ltd. (Phase I) Replies of Sterlite Industries (India) Ltd. to these show cause notices have been received and these are being examined.

(c) No, Sir.

(d) Does not arise.

(e) Videocon International Ltd. has withdrawn from the bidding process of Indian Airlines. The transaction related to strategic sale of 51% equity in BALCO to Sterlite Industries (India) Ltd. was completed on 2-3-2001, well before SEBI issued its order dated 19-4-2001 against M/s Sterlite Industries (India) Ltd. Therefore, there can be no adverse affect of SEBI order on BALCO transaction.