

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:901
ANSWERED ON:06.03.2002
PRIVATISATION OF SCI
UTTAMRAO NATHUJI DHIKALE

Will the Minister of SHIPPING be pleased to state:

- (a) whether the Government propose to privatise Shipping Corporation of India; and
- (b) if so, the details thereof and reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRIPAD Y. NAIK)

(a) : Yes, Sir.

(b) : The modalities of disinvestment approved by the Government are:

(i) Government equity in SCI to be brought down to 26%.

(ii) 51% of the equity of the company to be disinvested along with transfer of management through strategic sale and in the event of the strategic partner being a joint venture/consortium, the foreign holding, if any, not to exceed 25%.

(iii) 3.12% of the equity to be reserved for disinvestment in favour of employees of the company at a discount to the market price.

(iv) Preferential treatment for SCI for crude movement and present favoured treatment of TRANSCART to SCI ships to be continued for 2 years after disinvestment.

(v) Advisors to be appointed for the entire transaction except for the offer of shares to the employees.

The disinvestment of SCI is in accordance with the Government's policy to disinvest its stake in Public Sector Undertakings (PSUs) to improve the performance and efficiency of the PSUs.