

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2113
ANSWERED ON:02.12.2002
ASSISTNACE FOR STATE AGRO INDUSTRIES CORPORATION
NANDIPAKU VENKATASWAMY

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government have devised any financial package to assist various State Agro Industries Corporations to tide over the financial crisis faced by these corporations;
- (b) if so, the details thereof;
- (c) whether the Central Government have been gradually reducing its stake in the equity of these corporations in favour of State Governments;
- (d) if so, the reasons therefor; and
- (e) any other measures taken by the Government to make these corporations competitive?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

- (a): The Central Government has not devised any financial package to assist State Agro Industries Corporations. (SAICs).
 - (b): Question does not arise.
 - (c) & (d): In order to give a greater say to the State Governments in running the SAICs and to exercise their greater control over the affairs of SAICs, the Government of India had issued on 27.9.1995 guidelines for disinvestments of Central Government's shares held in State Agro Industries Corporations (SAICs) to the State Governments. These guidelines were issued in consultation with Ministry of Finance and Planning Commission and the same provide for the following:
 - (i) Where the networth of the SAIC is positive, Government of India would be willing to consider offering the share to the State Governments at a price 25% less than the book value of the shares on the basis of the latest available audited balance sheet.
 - (ii) In the case of the SAICs whose networth is negative, Government of India would be willing to pass on its stake for a token consideration of Rs.1000 for the value of the shares.
- So far Government of India have disinvested its share in five SAICs in favour of State Governments of Gujarat, Rajasthan, Karnataka, Tamil Nadu and Uttar Pradesh.
- (e): It is for the concerned State Governments and Agro Industries Corporations to take measures to make them competitive.