

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:1349
ANSWERED ON:30.07.2003
DISINVESTMENT OF BALCO
RAMDAS ATHAWALE

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether while selling out BALCO company to Sterlite Company, its assets and term deposits have also been handed over to Sterlite Company;
- (b) if so, the value of raw material in Korba Aluminium Plant of BALCO company, coal and fuel stock, material stock under processing, manufactured product, additional spare parts, scrap metal stocks and its term deposits separately; and
- (c) the number of employees served with the notice of retrenchment by the Sterlite Company alongwith the reasons therefor?

Answer

MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

- (a) BALCO was disinvested through a process of strategic sale to M/s Sterlite Industries (India) Ltdln a strategic sale, the strategic partner acquires management control of the company along with the shareholding being sold by the Government. The strategic partner acquires the company on a going concern basis and therefore, acquires both the assets as well as the liabilities of the company in proportion to his shareholding.
- (b) As per the Department of Public Enterprises' Survey 1999-2000, the value of inventories (raw materials, fuel stock, material under process, manufactured products, spare parts, scrap metal stocks etc.) was Rs177.10 crores and the value of cash and bank balance was Rs.310.23 crores as on 31st March, 2000.
- (c) As per the information available from the company, no employees of BALCO have been retrenched.However, 1099 employees have taken voluntary retirement under the Voluntary Retirement Scheme.