

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

STARRED QUESTION NO:127
ANSWERED ON:10.12.2003
REPORT OF DISINVESTMENT COMMISSION
ASHOK KUMAR SINGH CHANDEL

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Disinvestment Commission has presented its report to the Government on disinvestment of Government equity in State Farms Corporation of India Limited and National Seeds Corporation Limited in the country;
- (b) if so, the details thereof; and
- (c) the time by which the Government proposes to take action on this report?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRITHIRUNAVUKKARASAR)

(a) to (c) A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (c) of the Lok Sabha Starred Question No.127 for 10th December 2003 regarding Report of Disinvestment Commission by Shri Ashok Kumar Singh Chandel.

(a) Yes Sir. The Disinvestment Commission in its Report No. XIX of April 2003 and Report No. XX of May 2003 has given its recommendations for disinvestment of State Farms Corporation of India Ltd. (SFCIL) and National Seeds Corporation Ltd. (NSCL) respectively.

(b) In the case of SFCIL the Commission has recommended that, though closure/winding up appears to be the only economically viable option, an attempt should be made to disinvest the entire shareholding of the Government to a Strategic Partner along with rationalisation of manpower and financial restructuring to be finalised in consultation with the prospective buyers. In the case of NSCL the Commission has recommended that NSCL should remain as a Government Company for a period not exceeding five years. Further, Government should disinvest upto 49% of its share to a private sector partner, through the competitive bidding route to make the company efficient and for better corporate governance. Disinvestment of upto 100% of Government equity can be considered after five years after the company has become more efficient and competitive.

(c) No decision has been taken on the recommendations of the Disinvestment Commission.