

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:2296
ANSWERED ON:17.12.2003
PRIVATISATION OF HINDUSTAN ZINC LIMITED
ANANTA NAYAK

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Governemnt has a proposal to privatise Hindustan Zinc Limited;
- (b) if so, the number of workers likely to be affected as a result of this privatisation;
- (c) whether the Government has taken any steps to protect the interest of the workers; and
- (d) if so, the details thereof?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHF SHOURIE)

(a) The Government disinvested 26% of the Equity in Hindustan Zinc Ltd. alongwith transfer of management control in favour of a Strategic Partner; M/s Sterlite Opportunities andVentures Limited in April, 2002. Subsequently, the Strategic Partner has exercised the Call Option for purchasing an additional 18.92% of the Government Equity in August, 2003.

(b) As informed by Hindustan Zinc Ltd., against an initial strength of 8322 employees at the time of disinvestment, 2287 employees have subsequently availed of VRS, 16 employees retired and 74 employees were separated for other reasons. As against a total of 2377 separations, 133 new employees have been recruited, giving a net reduction of 2244 employees since the time of disinvestment.

(c) & (d) The Government has taken steps to protect the interest of the workers by incorporating suitable clauses in the Shareholders Agreement to guard against retrenchment of employees for a period of one year from the date of disinvestment, to ensure that any restructuring of the labour force will be implemented only in accordance with applicable Laws, and that any reduction in the strength of employees is done only through a Voluntary Retirement Scheme which is at least as beneficial as the one prevailing in the Company prior to disinvestment or as per the Department of Public Enterprises' guidelines or the benefits available as per prevailing Law whichever is more beneficial.