

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:2197
ANSWERED ON:17.12.2003
DISINVESTMENT OF BALCO
AJAY CHAKRABORTY

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Governemnt is aware of the apprehension of the BALCO workers that the Sterlite Group is trying to sell BALCO to a foreign company Twinstar despite a three year lock-in period on sale; and

(b) if so, the details thereof and the Government's reaction thereto?

Answer

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

(a) & (b) Yes, Sir. The Government disinvested 51% of its equity in BALCO through strategic sale in favour of M/s Sterlite Industries (India) Ltd. As per the terms of the Shareholders Agreement entered into at the time of disinvestment, the Strategic Partner is barred from transferring of these shares for a period of three years from the date of disinvestment. The proposal of M/s Twinstar Holdings Ltd, Mauritius to enhance its shareholding in M/s Sterlite Industries (India) Ltd. does not attract the provisions of the Shareholders Agreement, since BALCO will continue to be controlled and managed by the Strategic Partner, M/s Sterlite Industries (India) Ltd.