

**GOVERNMENT OF INDIA  
DISINVESTMENT  
LOK SABHA**

UNSTARRED QUESTION NO:2983  
ANSWERED ON:13.08.2003  
DISINVESTMENT OF JESSOP COMPANY LIMITED  
AJAY CHAKRABORTY

**Will the Minister of DISINVESTMENT be pleased to state:**

- (a) whether the Calcutta High Court has cleared the disinvestment of Jessop Company limited; and
- (b) if so, the details thereof?

**Answer**

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHRISHOURIE)

(a) Yes, Sir.

(b) Jessop & Co. Ltd. Staff Association filed a writ petition in the Kolkata High Court against the decision of the Government to disinvest 72% equity in Jessop & Co. Ltd. The Single Judge Bench of Kolkata High Court in March 2003, upheld that Jessop & Co. Ltd. does not fall within the category of 'strategic sector' and hence, that the Government of India can disinvest majority stake in Jessop & Co. Ltd. The Hon'ble Single Judge Bench however, set aside the decision of the Government to sell 72% equity to M/s. Ruia Cotex Ltd. (consortium) on certain procedural issues. Against the above judgement of the Kolkata High Court, Government of India filed an appeal before the Division Bench of the Kolkata High Court in May 2003. This appeal was disposed off by the Division Bench of Kolkata High Court vide their judgement dated 8.7.2003. The Division Bench in its judgement has upheld that Jessop & Co. Ltd. does not fall within the category of 'strategic sector' and hence, that the Government of India can divest 72% equity in Jessop & Co. Ltd. The Division Bench also approved the sale of 72% equity in favour of M/s. Ruia Cotex Ltd. (consortium) and concluded that the process and the procedures followed by Government of India were transparent. The Division Bench of Kolkata High Court rejected the prayer for stay of the judgement sought by the Jessop & Co. Ltd. Staff Association. Jessop & Co. Ltd. Staff Association has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court. No stay has been granted by the Supreme Court.