

[12 August, 2002]

RAJYA SABHA

finalised by DoT in tune with the recommendations of TRAI and NTP-1999.

(b) The guidelines for implementation of Universal Service Support Policy have been issued after considering TRAI recommendations, within the framework of NTP-1999. It has been made clear to the private sector that committed obligations cannot be further diluted.

(c) Does not arise in view of (b) above.

Management of VSNL

2369. SHRI PRASANTA CHATTERJEE: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that VSNL was a sick and mismanaged unit;

(b) if not, the reasons for its disinvestment;

(c) the number of Government nominees that exist in VSNL Board of Directors and whether the Board can take any decision without concurrence of Government nominees; and

(d) if so, the reasons for the existence of Government nominees?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUMITRA MAHAJAN): (a) No, Sir.

(b) In accordance with the Government policy on disinvestment to undertake reduction of Government's stake to 26% or less in case of Public Sector Enterprises falling under the classification of "non-strategic enterprise", Government had approved disinvestment of 25% of its equity stake in VSNL through strategic sale.

(c) As per the agreement, the property, business and affairs of the company shall be managed exclusively by and under the direction of the Board which shall comprise of 12 Directors. Further all decisions, action and resolutions of the Board shall be adopted by the affirmative vote of the simple majority by the Members of the Board except items like change in Memorandum and Articles of Association, granting of any security or the creation of any encumbrance on assets of the company, to wind up or

terminate the corporate existence of the company, sale, lease, exchange or deposition of land and building, making directly or indirectly of loans or advances in excess of Rs. 500 millions to any persons other than in the ordinary course of business of the company, any change in the number of Directors in the company etc. where affirmative vote of at least one nominee Director of each of Government and the Strategic Partner is required.

Out of these 12 Directors, the strategic partner having 25% share holding is entitled to appoint 4 full-time Directors and Government to appoint 4 full-time Directors. Further, both the strategic partner and the Government are entitled to appoint 2 independent Directors each.

(d) Through active participation by the nominated Government Directors in VSNL Board, Government shall protect its 26% equity interest in the Company as well as overall interest of the shareholders.

Funds for paddy procurement in Chhattisgarh

†2370. SHRI RAMADHAR KASHYAP: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether any demand for grant of Rs. 500 crore has been made by Chhattisgarh for paddy procurement on support prices as has been provided to Punjab; and

(b) if so, the action taken thereon, so far, in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI U.V. KRISHNAM-RAJU): (a) and (b) The State Government of Chhattisgarh has requested for reimbursement of actual expenditure incurred on storage and interest charges for the paddy procured during 2001-02. The State Government has been allowed to dispose of 5.78 lakh MTs of paddy procured during KMS 2001-02 through open tender on "as is where is" basis in a transparent manner.

FCI was instructed in March, 2002 to advance Rs. 500 crore against the carry over charges due to the Government of Punjab to be adjusted subsequently against the bills raised by the State Government for payment of carry over charges.

†Original notice of the question was received in Hindi.