

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:3783
ANSWERED ON:21.08.2003
JOINT VENTURE PARTNER FOR SAMBHAR SALTS LIMITED
VSM (RETD.) COL. CHOUDHARY

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Union Government have received any proposal from Government of Rajasthan requesting for handing back Sambhar Salt Areas to Rajasthan;
- (b) if so, whether the Sambhar Salt Areas now being managed by the Union Government is running in losses whereas all other Salt producing units are earning profit;
- (c) if so, the reasons for incurring loss by the Government operated Sambhar Salt area;
- (d) whether the Government are considering to have a joint venture partner for Sambhar Salt Limited with off load equity upto 74%;
- (e) if so, whether State Government of Rajasthan have sought certain clarification about the Central and State share in the balance 26%, lease conditions for transfer of 74% equity; and
- (f) if so, details thereof?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SUBODH MOHITE)

- (a) Government of Rajasthan had requested for transfer back of the area leased to Sambhar Salts Ltd. This request has, however, not been agreed to as it was not in the overall interest of the company.
- (b) & (c): The reasons for losses, inter-alia include successive drought condition and obstruction in free-flow of water into the lake from catchment area due to the construction of anicuts and dams on rivulets, tributaries and rivers leading to the Sambhar lake and development of private salt manufacturing on the outskirts.
- (d) to (f): The equity of the Sambhar Salts Limited is held by the Hindustan Salts Ltd. (HSL), the holding Company and Government of Rajasthan in the ratio of 60:40. Government of India have decided to disinvest 74% of HSL's equity in SSL. However, Government of Rajasthan (GOR) is yet to take a decision regarding the extent of disinvestment of its equity.