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Probe into delay in demerger of land from VSNL

PTI – 2 hours 14 minutes ago

New Delhi, Mar 21 (PTI) Telecom Minister Kapil Sibal is understood to have ordered a probe into delay in demerger of surplus land from VSNL (now Tata Communications), and also examine whether Tatas enjoyed undue advantage during disinvestment in the company in 2002, an allegation denied by the Tata group.

The probe is likely to be headed by S R Rao, Additional Secretary, DoT, sources in the know said.

"Tata Communications welcomes any government process that hopefully will expedite the demerger of surplus land, which we have repeatedly requested in the best interests of the company and its shareholders.

"We categorically deny that Tata Communications or the Tata group has benefited or seeks to derive benefit from the surplus land," a company spokesperson said in a statement today.

The development comes within weeks of the government inviting bids to hire consultants to ascertain value of 773.13 acres of surplus land of VSNL and also initiate the process to sell it.

"At the time of disinvestment surplus land measuring 773.13 acres located at five sites was demarcated and was decided that the surplus land will not be a part of disinvestment bids and will be disposed of as per Share Holding Agreement (SHA) and Share Purchase Agreement (SPA)," the Telecom Ministry had said in a notification last month.

The government has asked for expression of interest to sell off the surplus land lying with the DoT on the five sites located - Dighi-Pune, Halishahar- Kolkata, Chattarpur-New Delhi, Greater Kailash-New Delhi and Padianallur-Chennai.

Tata group company Panatone Finvest Limited had acquired controlling stake in Videsh Sanchar Nigam Limited (VSNL) on February 13, 2002, for Rs 1,439 crore as part of the disinvestment programme of the then NDA government.

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