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## Government puts off decision on BALCO residual stake sale

*Monday, 12 Oct, 2009*

ET reported that the resolution of the five year old dispute between Sterlite and the Centre over the company exercising its call option on the residual stake in Bharat Aluminium Company has hit a road block with home ministry asking the committee of secretaries handling the issue to put on hold any further discussion for the moment.

The directive from the home ministry comes on the back of last month's accident at BALCO's work site in Korba where 41 people died.

Government officials who were earlier confident of closing the deal on the sale of 49% residual stake in BALCO' within six months, said the process will now take more time.

However, they said that "We are not saying that Sterlite or BALCO' is responsible for the mishap."

A senior government official said that BALCO' has given the project to a Chinese company SEPCO which outsourced the construction work to Delhi-based Gannon Dunkerley Company. So let us wait and see how the home ministry wants to take it forward.

Till now, the government was pushing for an early settlement of the deal for the Vedanta Group through the three-member arbitration panel, comprising Justices VN Khare, SP Barucha and BP Jeevan Reddy, where the finance ministry was expected to offer the government's 49% stake in BALCO' after valuing the company at close to INR 4,250 crore.

A company official said that with the matter under arbitration it is too early to comment on the valuation or a time frame for the resolution of the issue. The arbitration panel is expected to meet the representatives from Sterlite this month.

(Sourced from ET)

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