

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

RAJYA SABHA

QUESTION NO 22.08.1995

ANSWERED ON

GOVERNMENT DIRECTORS INVOLVED IN ITC DISPUTE .

2099

SHRI SANJAY SINGH

Will the Minister of FINANCE be pleased to state :-

- (a) whether it is a fact that Government directors have become personally involved in the affairs pertaining to disputes in ITC limited;
- (b) whether Government have made any enquiry on the role played by Government nominee directors specially if IFCI and IDBI nominee and if so, the outcome thereof; and
- (c) whether Government have warned them for involving themselves in the dispute and if so, when and with what results?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY):

- (a) It is not the Government but financial institutions who appoint nominee directors on the boards of assisted companies. Industrial Development Bank of India (IDBI) has reported that nominee directors of financial institutions are not personally involved in the affairs pertaining to disputes in ITC Ltd.
- (b) No, Sir.
- (c) Does not arise.