

Neyveli Lignite staff to get equity during part sale

New Delhi - Paying heed to the demand of a key ally, Prime Minister Manmohan Singh Monday said a portion of the shares in state-run Neyveli Lignite will be reserved for employees during the partial sale of equity in the firm.

In response to a request from Tamil Nadu Chief Minister M. Karunanidhi - whose party is a key ally of the United Progressive Alliance - the government will keep some shares of Neyveli Lignite for employees, said a statement issued by the Prime Minister's Office.

'The government will provide for sufficient allocation of shares to employees as desired by them on a preferential basis so that they have a stake in the future of the corporation,' the statement added.

The employees of the Neyveli Lignite - one of the two state-run firms in which the government proposes to offload 10 percent shares - had said they will go on an indefinite strike from Tuesday against the divestment decision.

While the prime minister's decision was ostensibly to placate the employees and the coalition partner, reports suggested that the staff would go ahead with the strike.

The proposed disinvestments will bring down the government's stake in Neyveli Lignite to 83.56 per cent from 93.56 per cent and the government expects to raise Rs.11 billion from the sale of equity.

The government's decision to sell a part of its equity in the two companies had been opposed both by the DMK and the Left parties. Later, Karunanidhi asked the prime minister to consider selling the shares to employees.

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