

**GOVERNMENT OF INDIA  
DISINVESTMENT  
LOK SABHA**

UNSTARRED QUESTION NO:4977  
ANSWERED ON:25.08.2000  
DISINVESTMENT OF NAVARATNAS  
SURESH KURUP

**Will the Minister of DISINVESTMENT be pleased to state:**

- (a) whether those Public Sector Undertakings known as `Navratnas` are going to be disinvested; and
- (b) if so, the details thereof?

**Answer**

Minister of State of the Department of Disinvestment (Shri Arun Shourie)

(a) & (b) Government decides to disinvest its equity, partly or fully, in Public Sector Enterprises in accordance with the declared disinvestment policy. As stated in the budget speech for 2000-2001, the disinvestment policy of the Government applicable to all Public Sector Enterprises in the non-strategic sectors, including `Navratnas` is to bring down the Government equity to 26% or below in the generality of cases. In cases of Public Sector Enterprises involving strategic considerations, Government will continue to retain majority holding.

It has also been decided that the Strategic Public Sector Enterprises would be those in the areas of:

- a) Arms and ammunitions and the allied items of defence equipment, defence air-crafts and warships
- b) Atomic energy (except in the areas related to the generation of nuclear power and applications of radiation and radio-isotopes to agriculture medicine and non-strategic industries)
- c) Railway transport

Further, for the non-strategic Public Sector Enterprises, the reduction of Government share to 26% is not automatic and the manner and pace of doing so is worked out on a case to case basis. A decision in regard to the percentage of disinvestment i.e., Government share going down to less than 51% or to 26%, is taken on the following considerations:

- (i) Whether the Industrial sector requires the presence of the public sector as a countervailing force to prevent concentration of power in private hands, and
- (ii) Whether the Industrial sector requires a proper regulatory mechanism to protect the consumer interests before Public Sector Enterprises are privatised.