

**GOVERNMENT OF INDIA  
DISINVESTMENT  
LOK SABHA**

UNSTARRED QUESTION NO:1112

ANSWERED ON:24.11.2000

DISINVESTMENT IN PSUS .

BALIRAM;BRIJBHUSHAN SHARAN SINGH;DAHYA BHAI V. PATEL;GUNIPATI RAMAIAH;PRABHAT KUMAR SAMANTARAY;RAM SHAKAL;SANAT KUMAR MANDAL;SUNIL KHAN;VIJAY GOEL

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

- (a) whether Union Government have prescribed any criterion with regard to the disinvestment in Public Sector Undertakings;
- (b) if so, the details thereof;
- (c) the number and names of Public Sector Undertakings in which the disinvestment has been made so far or proposed to be made;
- (d) the amount earned through disinvestment, PSUs-wise;
- (e) the number of persons rendered unemployed or likely to be rendered unemployed as a result thereof;
- (f) the amount spent or likely to be spent to provide retirement / post retirement benefits to the employees made to retire as a result of this disinvestment;
- (g) whether some Ministries have objected for the disinvestment of shares of Undertakings coming under them;
- (h) if so, the details thereof; and
- (i) the reaction of the Government thereto?

**Answer**

Minister of State in the Ministry of Planning, Program Implementation, Administrative Reforms, Public Grievances & Disinvestment (Shri Arun Shourie)

(a) Yes, Sir.

(b) The disinvestment policy is to bring down Government equity in all non-strategic CPSUs to 26% or lower in 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:

- 1) Arms and ammunitions and the allied items of defence equipment, defence air-crafts and warships
- 2) 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)
- 3) Railway transport

Further, for the non-strategic Public Sector Enterprises, the reduction of Government share to 26% would not be automatic and the manner and pace of doing so would be 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%, would be 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.

(c) A list of the companies in which disinvestment has been carried out so far is placed at annexure 'I'. As a part of the disinvestment exercise, Government keeps considering proposals of disinvestment in different Public Sector Enterprises. At present, Department of Disinvestment is taking action in about 29 PSUs/ subsidiaries of PSUs where the Government decisions for disinvestment / locating Joint Venture partners have been taken. Out of these companies, advisors have been appointed for Bharat Aluminium Company Ltd., Indian Petrochemicals Corporation Ltd., HTL Ltd., Bharat Leather Corp. Ltd., Air India, Indian Airlines, India Tourism Development Corporation, RBL Ltd., Scooters India Ltd., NEPA Ltd., Hindustan Cables Ltd., Instrumentation Ltd., Madras Fertilisers Ltd., Hindustan Copper Ltd., Jessop & Company Ltd., Hindustan Zinc Ltd., Hindustan Insecticides Ltd., Sponge Iron India Ltd., Hindustan Organic Chemicals Ltd., Bharat Pumps & Compressors, Hindustan Salts and Tungabhadra Steels Ltd. The companies where the Government decisions for disinvestment are available include IBP Ltd., Minerals and Metal Trading Corp. Ltd., State Trading Corp. Ltd., Meta

Scrap Trading Corp. Ltd., Paradeep Phosphates Ltd and Mineral Exploration Corp. Ltd. The process of disinvestment is in various stages of implementation in these companies.

(d) A chart showing the amount earned through disinvestment, PSU wise is enclosed at Annexure II.

(e) & (f) All decisions of the Government relating to disinvestment do not automatically have a direct impact on the jobs of the employees of the concerned Public Sector Company. When the decision involves the transfer of management and control of the company, the issues relating to employees assume importance. In such cases, these concerns are appropriately addressed in the terms and conditions of sale. In view of the above, it is not possible to work out, in advance, the number of employees likely to be affected. For the same reason, it is not possible to estimate the amount likely to be spent on retirement / post retirement benefits. The policy on disinvestment includes protection of the interests of employees.

(g), (h) & (i) Before a final decision on disinvestment in a PSU is taken, the views of all the concerned departments / ministries are obtained and considered through inter ministerial consultations at various levels. The final decision is taken by the Cabinet Committee on Disinvestment - in the meetings of which concerned Administrative Ministry invariably participate.

#### Annexure I

#### Public Sector Enterprises wherein disinvestment has been carried out till 31/10/2000

S.No. Name of the PSE

1. Andrew Yule
2. Bharat Earth Movers Ltd.
3. Bharat Electronic Ltd.
4. Bharat Heavy Electricals Ltd.
5. Bharat Petroleum Corp. Ltd.
6. Bongaigaon Refineries & Petrochem. Ltd.
- 7 CMC Ltd.
8. Cochin Refineries Ltd.
9. Container Corp. of India Ltd.
10. Dredging Corp. of India Ltd.
11. Engineers India Ltd.
12. Fertilisers & Chem. (Travancore) Ltd.
13. Gas Authority of India Ltd.
14. HMT Ltd.
15. Hindustan Cables Ltd.
16. Hindustan Copper Ltd.
17. Hindustan Organic Chemical Ltd.
18. Hindustan Petroleum Ltd.
19. Hindustan Photofilms Mfg. Co. Ltd.
20. Hindustan Zinc Ltd.
21. Indian Oil Corp. Ltd.
22. Indian Petro Chemicals Corp. Ltd.
23. IRCON International Ltd.
24. Indian Telephone Industries Ltd.
25. India Tourism & Development Corp.
26. Kudrdemukh Iron & Ore Comp. Ltd.
27. Madras Refineries Ltd.
28. Mahanagar Telephone Nigam Ltd.
29. Minerals & Metals Trading Corp. Ltd.
30. Modern Foods Industries Ltd.
31. National Aluminium Ltd.
32. National Fertilisers Ltd.
33. National Mineral Development Corp. Ltd.
34. Neyveli Lignite Corp.
35. Oil & Natural Gas Corp.
36. Rashtriya Chemicals & Fertilisers Ltd.
37. Shipping Corp. of India Ltd.
38. State Trading Corp.
39. Steel Authority of India Ltd.
40. Videsh Sanchar Nigam Ltd.
41. BALCO (Financial Restructuring)

