

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:4097
ANSWERED ON:18.08.2000
DISINVESTMENT OF MONEY BY FINANCIAL INSTITUTIONS
SANJAY PASWAN

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Government have received any proposal from the investment financial institutions like UTI, GIC and LIC for adopting the mutual fund route for warehousing of shares to be diverted by the Government;
- (b) if so,; the details of the proposal thereof alongwith the names of PSUs which should be diverted;
- (c) whether the Government have considered the proposal of financial institutions;
- (d) if so, the details thereof; and
- (e) if not the time by which a decision is likely to be taken in this regard?

Answer

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

(a), (b), (c) & (d) No such proposal has been received by the Department of Disinvestment .However, earlier a number of alternative method of disinvestment were examined by the Government for expediting the process of disinvestment. These included creation of a Special Purpose Vehicle, setting up of National Shareholding Trust and Warehousing of shares with the financial institutions. These proposals were considered at various levels by the Government and no decision was taken to adopt any of these methods for disinvestment.

(e)The decisions of the Government to disinvest in any Public Sector Enterprise is governedby the declared policy of the Government on disinvestment. The specific proposals are based mainly on the recommendations of the Disinvestment Commission, other expert bodies etc. so far as the mode of disinvestment and percentage of disinvestment are concerned.