

**GOVERNMENT OF INDIA  
DISINVESTMENT  
LOK SABHA**

UNSTARRED QUESTION NO:1560

ANSWERED ON:27.11.2001

DISINVESTMENT OF PSUS

ANANT GANGARAM GEETE;ANANTRAO GUDHE;CHANDRA VIJAY SINGH;JASWANT SINGH YADAV;RAM SHAKAL;RAMJI MANJHI;S. SAIDUZZAMAN

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

(a) the latest position in regard to the disinvestment of different Public Sector Undertakings, particularly BHEL, Paradeep Phosphate Limited, Madras Fertilizers Limited, Maruti Udyog Limited and Hindustan Organic Chemicals Limited;

(a) the details of schemes formulated by the Government for the welfare of the employees of the PSUs identified for disinvestment;

(b) whether financial institutions are allowed to purchase the equity share of these companies;

(c) if so, the factual position in this regard;

(d) whether the Government have assessed the value of these companies;

(e) if so, the value of these companies, as on date, company-wise;

(f) whether the Government have formulated any policy in respect of profit making PSUs.

(g) for disinvestment;

(h) if so, the details thereof; and

(i) the reasons for disinvesting profit making PSUs?

**Answer**

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a) No decision has been taken on disinvestment in BHEL. The disinvestment process in different public sector undertakings is in various stages. Recently, 13 companies have been identified with tight time-frame, to be disinvested during the current year. These 13 undertakings are: Bharat Heavy Plates & Vessels Ltd. (BHPV), CMC Ltd., IBP Co. Ltd., Indian Petrochemicals Corporation Ltd. (IPCL), India Tourism Development Corporation (ITDC), Instrumentation Control Valves Ltd. (ICVL), Jessop & Co. Ltd., Maruti Udyog Ltd., NEPA Ltd., HTL Ltd., Hindustan Zinc Ltd., Hotel Corporation of India Ltd. and Videsh Sanchar Nigam Ltd. (VSNL). Disinvestment transaction has already been completed in respect of HTL Limited and CMC Limited. Action has also been finalised in respect of certain hotels under ITDC & Hotel Corporation of India.

(b) Protection of interest of workers is an integral component of the disinvestment policy. This is ensured by making appropriate provisions in the Shareholders' Agreement. The provisions made to protect employees' interests in BALCO are given in the Annexure.

(c) & (d) Depending on the mode of disinvestment and the company proposed to be disinvested, clear criteria about who can participate in the bidding process are decided. Whoever is eligible as per the criteria fixed, can bid for purchase of equity.

(e) & (f) At the time of disinvestment, the valuation of the concerned PSU is done through various methodologies so as to arrive at the reserve/benchmark price.

(g) to (i) The disinvestment policy of the Government is that, in generality of cases, Government will reduce its equity to 26% or below in central public sector undertakings operating in non-strategic areas. Decision to take up disinvestment is based on this policy of the Government and not on loss/profit of the concerned PSU.