

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

STARRED QUESTION NO:297
ANSWERED ON:10.08.2001
CONSULTATION WITH STATES FOR DISINVESTMENT
VILAS BABURAO MUTTEMWAR

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether any consultation is done with the concerned State Governments regarding the disinvestment in projects located in their respective States ; and

(b) if not, the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) & (b) A statement is laid on the table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (A)&(B) OF STARRED QUESTION NO.297 FOR ANSWER ON 10.8.2001 IN LOK SABHA BY SHRI VILAS MUTTEMWAR REGARDING CONSULTATION WITH STATES FOR DISINVESTMENT.

(a) and (b) Disinvestment in Central Public Sector Undertakings (CPSU) involves sale of equity of the Government of India in these Companies. While undertaking such disinvestment, Governments of the States, where the CPSUs are located, are normally consulted on such matters where the intervention and assistance of the State Governments are considered necessary. For example, on matters regarding lease of land and other land-related issues, Mining lease, maintenance of law and order, environment and forests, services and utilities provided by the State or local authority etc., consultations with the respective State Governments are often considered necessary. However, the consent of State Governments is not necessary for carrying out disinvestment of Government of India's equity in a Central Public undertaking. Besides, certain PSUs have their plants/units located in various States. In such cases, consultation with all the States would also pose practical difficulties and result in avoidable delay. Nevertheless, at appropriate stages of disinvestment of CPSUs, the State Governments are kept informed of the developments and wherever necessary, consultations on relevant issues are also carried out.

NOTE ON CONSULTATION WITH STATES

Disinvestment in Central Public Sector Undertakings (CPSU) involves sale of equity of the Government of India in these Companies. While undertaking such disinvestment, Governments of the States, where the CPSUs are located, are normally consulted on such matters where the intervention and assistance of the State Governments are considered necessary. For example, on matters regarding lease of land and other land-related issues, Mining lease, maintenance of law and order, environment and forests, services and utilities provided by the State or local authority etc., consultations with the respective State Governments are necessary.

The consent of State Governments is not necessary for carrying out disinvestment of Government of India's equity in a Central Public undertaking. Besides, certain PSUs have their plants/units located in various States. In such cases, consultation with all the States would also pose practical difficulties and result in avoidable delay. Nevertheless, at appropriate stages of disinvestment of CPSUs, the State Governments are kept informed of the developments and wherever necessary, consultations on relevant issues are also carried out.

State Governments also do not consult the Central Government when they carry out disinvestment in their public sector undertakings, unless required by law.