

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

STARRED QUESTION NO:130
ANSWERED ON:26.02.2003
DISINVESTMENT OF PROFIT MAKING INDUSTRIES
RATNA SINGH

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Government are disinvesting profit making industries;
- (b) if so, the reasons therefor; and
- (c) the names of the companies which are slated for disinvestment, their turnover and profit/loss during the last three years?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHF SHOURIE)

(a) to (c) A statement is laid on the Table of the House.

Statement referred to in reply to parts (a), (b) and (c) of the Lok Sabha Starred Question No. 130 for 26-2-2003 regarding disinvestment of profit making industries by Shrimathi Rajkumari Ratna Singh (Position No.10)

(a) Yes, Sir.

(b) All non-strategic PSUs irrespective of whether they are profit-making or loss-incurring can be disinvested upto a level of 26%, or lower, if necessary, on a cases by case basis. Often PSUs are profitable more on account of administered pricing or monopoly status, rather than the efficiency of the operations. There have been many cases where profitable PSUs have become loss making after liberalisation and increased competition. The sale of loss making PSUs alone will not generate the resources required by the Government for modernization and upgradation of PSUs, creation of new assets, generation of employment and retiring of public debt. Further, the disinvestment of non-strategic PSUs would insulate government finances from the commercial and business risk associated with owning a company, introduce a separation between the regulatory functions of government and the production and supply of services and products.

(c) There are 45 cases in which disinvestment decision has been taken and disinvestment is in progress. The turnover and profit/loss account of these companies during the last three years is given in Annexure.

Annexure referred to in reply to Part (c) of Lok Sabha Starred Question No,130 for 26.02.2003 by Shrimathi Rajkumari Ratna Singh .

Name of PSUs Turnover (Rs Crore) Profit after Tax(Rs Crore)

1998-99 99-2000 2000-01 1998-99 99-2000 2000-01

Hindustan Organic Chemicals Ltd.	416.53	421.18	408.29	-23.07	-105.02	-39.06
National Fertiliser Ltd.	2302.21	2452.66	2808.74	41.15	34.89	27.31
Balmer Lawrie & Co. Ltd.	610.55	693.97	744.18	16.83	14.32	6.01
Braithwaite & Co.	117.63	62.04	111.84	0.41	-14.13	1.74
Burn Standard & Co.	199.89	164.88	166.3	281.63	-35.41	-45.22
Bharat Heavy Plates & Vessels Ltd.	214.56	125.52	256.69	0.94	-20.36	0.94
Engineering Projects India Ltd.	144.29	138.55	211.91	-34.19	-48.13	17.76
Fertiliser and Chemicals Travancore Ltd.	1270.79	1547.61	1732.9	-48.26	-39.8	-151.95
Hindustan Salts Ltd.	5.35	4.83	5.24	-2.16	-2.91	-2.19
Hindustan Cables Ltd.	203.86	915.65	856.98	-138.73	-99.31	-71.41
Hindustan Copper Ltd.	667.23	511.46	655.87	-51.2	-147.46	-105.8
Madras Fertilisers Ltd.	1161.17	1230.04	1404.81	-25.74	24.98	-29.76
MECON Ltd.	207.93	235.04	274.47	-11.17	-20.27	-51.36
Minerals & Metal Trading Corporation	4289.64	4802.27	5338.37	18.07	14.97	12.39
National Aluminium Company Ltd.	1506.65	2142.32	2406.32	248.25	511.53	655.83
National Instruments Ltd.	2.99	2.94	5.35	-29.02	-27.03	0.09
NEPA Ltd.	91.6	97.68	130.79	-22.6	5.68	4.86
State Trading Corporation of India Ltd.	2005.95	1321.17	1077.67	12.51	22.92	26.65
Shipping Corporation of India	2520.84	2542.76	2994.76	201.33	161.61	382.56
Tyre Corporation of India	52.55	59.24	36.6	-61.77	-60.62	-66.43

Tungabhadra Steel Products Ltd.	31.31	31.18	38.57	0.06	0.08	0.07
Engineers India Ltd.	376.67	444.14	972.82	118.06	126.2	123.86
Manganese Ore India Ltd.	118.27	134.11	165.22	13.71	11.73	20.05
Sponge Iron India Ltd.	21.69	20.68	29.29	-9.64	-14.7	6.64
Bharat Ophthalmic Glass Ltd.	2.77	1.6	1.6	-24.58	-37.69	-37.69
Instrumentation Ltd., Kota (Mother Unit)						
Includes Palakkad unit, which is disinvested separately.	126.88	124.48	106.74	20.65	-28.35	-34.52
Hindustan Paper Corporation Ltd.	413.36	441.87	531.54	9.32	10.6	32.8
Hotel Corporation of India Ltd. (Note 1)	93.54	84.57	90.49	0.68	-1.6	-25.08
India Tourism Development Corporation (Note 2)	279.44	274.36	295.71	9.94	-27.33	-35.47
Bharat petroleum Corporation Ltd	21599.78	33384.68	45932.07	706.02	701.64	820.12
Hindustan Petroleum Corporation Ltd	23910.3	33830.87	48566.84	901.26	1057.41	1088.01
Hotel Ranchi Ashok, Ranchi	1.07	1.18	1.37	-0.3	-0.46	-0.07
Hotel Neelachal Ashok, Puri	0.46	0.27	0.36	-0.69	-1.03	-0.98
Hotel Lake View Ashok, Bhopal	2.32	2.02	1.75	-0.36	-0.54	-0.57
Hotel Brahmaputra Ashok, Guwahati	1.86	2.27	2.83	-0.26	-0.41	-0.2
Hotel Pondicherry Ashok, Pondicherry	0.76	0.75	0.68	-0.12	-0.1	-0.25
Hotel Donyi Polo Ashok, Itanagar	0.51	0.68	0.7	-0.15	0.011	0.014

Note 1: Data given is of the Co. as a whole. However, 2 units of HCI at Centaur Hotel Airport, Delhi (including Chefair Delhi) , Chefair Mumbai are being disinvested .

Note 2: Data given is of the Co. as a whole. However, 5 units of ITDC at Hotel Samrat; New Delhi, Jaipur, Patlipura, Bhubaneswar and Jammu are being disinvested.

Note 3: Residual share of Maruti Udyog Ltd is also expected to be completed in 2003-04