

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

STARRED QUESTION NO:332
ANSWERED ON:13.08.2003
DISINVESTMENT OF NALCO
T.M. SELVAGANAPATHI;VINAY KUMAR SORAKE

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Government have decided to put on hold the disinvestment of various public sector undertakings, including the National Aluminium Company;
- (b) if so, the details thereof, PSU-wise and the rationale behind disinvestment of profit making PSUs;
- (c) whether with the above decision the companies that spent considerable time and money in preparing bids and evaluating the potential cost are now facing an uncertain future;
- (d) if so, whether the Government plan to announce a clear policy of disinvestment in respect of those companies where the proposal of disinvestment has been put on hold; and
- (e) if so, the details thereof?

Answer

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

(a) & (e) A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 332 for 13-8-2003 regarding disinvestment of NALCO by Shri T.M. Selvaganapathi and Shri Vinay Kumar Sorake. (Position No.12).

(a) & (b) No, Sir. Disinvestment of various Public Sector Undertakings (PSUs) has not been put on hold. However, because of the situation arising out of local opposition that disrupted due diligence in the case of NALCO, disinvestment is not being pursued at present. As per the policy of the Government, all non-strategic PSUs are to be disinvested irrespective of whether they are profit-making or loss-incurring, except in the case of Indian Oil Company (IOC), Oil and Natural Gas Company (ONGC) and Gas Authority of India Ltd. (GAIL), where the Government's holding will not be reduced below 51%. Oil India Ltd. (OIL) is also not to be disinvested.

(c), (d) & (e) There is only one case, namely, that of NALCO in which the decision to disinvest was taken by Government but implementation of that decision is not being pursued at present. The policy of the Government on disinvestment is clear and unambiguous. There are 45 PSUs in which disinvestment decision is being implemented while in two other cases, though disinvestment processes have been completed, the transactions are awaiting decisions from the Supreme Court and BIFR.