

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:2330
ANSWERED ON:17.12.2003
DISINVESTMENT OF IPCL
RENU KUMARI SINGH

Will the Minister of DISINVESTMENT be pleased to state:

- (a) the revenue earned by disinvestment of Indian Petrochemical Corporation Limited;
- (b) the details of dividend of IPCL before its disinvestment i.e. from 1995-96 to 2001-02, year-wise;
- (c) the position of dividend after disinvestment i.e. 2002-03 and first half of 2003-04;
- (d) whether State and Union Governments are bearing loss due to disinvestment of IPCL;
- (e) if so, whether the Government proposes to reconsider disinvestment of IPCL and would not sell its shares further and proposes to conduct thorough investigation in the reasons for revenue loss; and
- (f) if so, the details thereof and if not, the reasons therefor?

Answer

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

a) Government received an amount of Rs. 1490.84 crores by disinvestment of 26% equity of Indian Petrochemical Corporation Limited (IPCL) on 4.6.2002.

b) Details of dividend declared by IPCL and the amount received by the Government from 1995-1996 to 2001-2002 are as follows:

Year Dividend Declared Dividend amount recd. by Govt. (Rs. Cr.)

1995-1996	40%	59.52
1996-1997	40%	59.52
1997-1998	40%	59.52
1998-1999	10%	14.88
1999-2000	20%	29.76
2000-2001	30%	44.64
2001-2002	20%	16.85

c) For the year 2002-2003, IPCL declared a dividend of 22.5% and Government received an amount of Rs. 18.95 crore as dividend. No interim dividend for the year 2003-2004 has been declared by IPCL.

(d) to (f) Disinvestment results in gains such as unleashing of the productive potential of public sector enterprises, release of resources required by the Government for important social sector schemes and insulation of Government finances from commercial and business risk. The decision to disinvest in IPCL is in terms of Government's declared policy on disinvestment and hence, there is no proposal for its reconsideration.