

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:263
ANSWERED ON:03.12.2003
PRIVATISATION OF OIL COMPANIES
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO

Will the Minister of DISINVESTMENT be pleased to state:

- (a) the Public Sector Oil companies proposed to be privatized;
- (b) the reasons for their privatisation; and
- (c) the present status with regard to Privatisation, PSU-wise?

Answer

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

(a) & (b) The Government's declared policy on disinvestment of PSUs is that in generality of cases, Government would bring down its equity holding in non-strategic PSUs to 26% or lower. In pursuance of the above policy, Government decided to

- (i) disinvest 35.2% of equity shares of BPCL through offer for sale;
- (ii) disinvest 34.01% of equity shares of HPCL through strategic sale; and
- (iii) offer 5% of equity shares each of BPCL/HPCL to the employees of BPCL/HPCL respectively at a concessional price. In addition Government has also decided to sell its residual equity holding of 26% in IBP Co. Ltd. through domestic public offer.

(c) Supreme Court in its judgment dated 16.9.2003 on HPCL/BPCL disinvestment has restrained the Central Government from proceeding with disinvestment resulting in HPCL and BPCL ceasing to be Government companies without appropriately amending the relevant statutes suitably. In compliance with the above judgment of the Supreme Court, the disinvestment process in HPCL & BPCL has been suspended. The process of disinvestment through public offer in IBP is currently on. The Joint Coordinator-cum-Advisors appointed for the transaction have commenced their due-diligence.