

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

STARRED QUESTION NO:255
ANSWERED ON:06.08.2003
DISINVESTMENT OF PSUs
SADASHIVRAO DADOBA MANDLIK

Will the Minister of DISINVESTMENT be pleased to state:

- (a) the names of Public Sector Undertakings proposed to be disinvested during the current financial year (2003-04);
- (b) the progress and status of each of the PSUs to be disinvested during the said period;
- (c) the financial position of such PSUs;
- (d) the names/number of companies in the race for acquiring controlling stake of these PSUs, PSU-wise; and
- (e) the manner in which the amount realized therefrom would be utilized?

Answer

THE MINISTER OF COMMUNICATIONS & INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHOURIE)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO. 255 6.8.2003 REGARDING DISINVESTMENT OF PSUs BY SHRI SADASHIVRAO DADOBA MANDLIK AND SHRI C.N.SINGH.

(a) & (b): Implementation of the disinvestment programme depends on a variety of factors including market conditions, industry-wise business cycle fluctuations, interest of the prospective bidders and adequacy of the price bid. Moreover, Government does not sell its equity holding in distress. In view of this, the PSUs in which disinvestment process will be completed during 2003-04 cannot be identified. Names of the PSUs in which disinvestment decision has been taken and disinvestment is in progress are at Annexure-I. The procedure followed for disinvestment is well defined and has been refined over the years. It involves multiple stages of consultation and decision making in the Inter-Ministerial Group (IMG) formulated specially for each case, the Core Group of Secretaries on Disinvestment (CGD) and the Cabinet Committee on Disinvestment (CCD). The procedure is followed in all cases. However, the current status of processing of each case can be potentially, commercially sensitive information which is therefore not disclosed.

(c): The financial position of the PSUs under disinvestment is at Annexure-II

(d): The names of bidders in a transaction are not disclosed since this is commercially sensitive information.

(e): The amount realised from disinvestment is presently credited to the Consolidated Fund of India. The annual provisions in the Budget for generating investment and employment, restructuring Public Sector Undertakings and retiring public debt have exceeded the proceeds from disinvestment.

ANNEXURE-I

ANNEXURE-I REFERRED TO IN REPLY TO PARTS (A) & (B) OF THE LOK SABHA STARRED QUESTION NO. 255 FOR 6.8.2003 REGARDING DISINVESTMENT OF PSUs BY SHRI SADASHIVRAO DADOBA MANDLIK AND SHRI C.N.SINGH.

Cases in which disinvestment decision has been taken and strategic sale is in progress.

I Strategic Sale

- 1 Hindustan Organic Chemicals Ltd.
- 2 National Fertilizer Ltd.
- 3 Balmer Lawrie and Co. Ltd.
- 4 Braithwaite & Co.
- 5 Burn Standard & Co.
- 6 Bharat Heavy Plates and Vessels Ltd.
- 7 Engineering Projects India Ltd.
- 8 Fertilizer & Chemicals Travancore Ltd.

- 9 Hindustan Copper Ltd.
- 10 Madras Fertilisers Ltd.
- 11 MECON Ltd.
- 12 MSTC Ltd.
- 13 National Aluminium Company Ltd. (Not being pursued at present)
- 14 National Instruments Ltd.
- 15 NEPA Ltd.
- 16 State Trading Corporation of India Ltd.
- 17 Shipping Corporation of India
- 18 Tyre Corporation of India
- 19 Tungabhadra Steel Products Ltd.
- 20 Engineers India Ltd.
- 21 Manganese Ore India Ltd.
- 22 Sponge Iron India Ltd.
- 23 Bharat Ophthalmic Glass Ltd.
- 24 Instrumentation Ltd., Kota (Mother Unit)
- 25 Hindustan Paper Corporation Ltd.
- 26 Hotel Corporation of India Ltd. (HCI)

(i) Centaur Hotel Airport, Delhi (including Chefair Delhi)

(ii) Chefair Mumbai

- 27 India Tourism Development Corporation (ITDC)

(i) Hotel Samrat; New Delhi (Lease-cum-management contract)

(ii) Hotel Jaipur Ashok

(iii) Hotel Patliputra Ashok

(iv) Hotel Kalinga Ashok

(v) Hotel Jammu Ashok

- 28 Central Inland Water Transport Corporation Ltd.
- 29 Hindustan Petroleum Corporation Ltd.
- 30 Rashtriya Chemicals & Fertilizers Ltd.
- 31 National Building Construction Corporation Ltd.
- 32 Mineral Exploration Corporation Ltd.
- 33 Hotel Neelchal Ashok, Puri
- 34 Hotel Lakeview Ashok, Bhopal
- 35 Hotel Ranchi Ashok, Ranchi
- 36 Hotel Brahmaputra Ashok, Guwahati
- 37 Hotel Pondicherry Ashok, Pondicherry
- 38 Hotel Donyi Polo Ashok, Itanagar
- 39 Hotel Punjab Ashok, Anandpur Sahib

II Through Offer for Sale

- 40 Bharat Petroleum Corporation Ltd.
- 41 Dredging Corporation of India Ltd.

III For residual shares of Government through Offer for Sale route

- 42 CMC Ltd.
- 43 Videsh Sanchar Nigam Ltd. (VSNL)
- 44 IBP Ltd.
- 45 Indian Petrochemicals Corporation Limited (IPCL)
- 46 Bharat Aluminium Co. Ltd. (BALCO)

IV Disinvestment completed but pending decision of Courts/BIFR

47 Jessop & Co. Ltd.
48 Instrumentation Control Valves Ltd. Palakkad

ANNEXURE-II

ANNEXURE-II REFERRED TO IN REPLY TO PARTS (C) OF THE LOK SABHA STARRED QUESTION NO. 25682083 REGARDING DISINVESTMENT OF PSUs BY SHRI SADASHIVRAO DADODA MANDLIK AND SHRI C.N.SINGH.

Name of PSU Profit After Tax (Rs. in crores)

Hindustan Organic Chemicals Ltd.	(-)62.68
National Fertilizer Ltd.	40.61
Balmer Lawrie and Co. Ltd.	8.01
Braithwaite & Co.	(-)33.55
Burn Standard & Co.	(-)78.35
Bharat Heavy Plates and Vessels Ltd.	1.46
Engineering Projects India Ltd.	9.43
Fertilizer & Chemicals Travancore Ltd.	0.57
Hindustan Copper Ltd.	(-)184.04
Madras Fertilisers Ltd.	(-)70.31
MECON Ltd.	(-)112.68
MSTC Ltd.	4.54
National Aluminium Company Ltd.	409.35
National Instruments Ltd.	(-)5.90
NEPA Ltd.	(-)35.16
State Trading Corporation of India Ltd.	(-)40.79
Shipping Corporation of India	241.56
Tyre Corporation of India	(-)67.41
Tungabhadra Steel Products Ltd.	(-)20.03
Engineers India Ltd.	24.71
Manganese Ore India Ltd.	19.52
Sponge Iron India Ltd.	0.55
Bharat Ophthalmic Glass Ltd.	(-)37.69

Instrumentation Ltd., Kota (Mother Unit) includes Palakkad unit, which is disinvested separately (-)30.49

Hindustan Paper Corporation Ltd.	436.00
Hotel Corporation of India Ltd. (Note 1)	(-)35.66
India Tourism Development Corporation (Note 2)	(-)32.86
Bharat Petroleum Corporation Ltd.	849.83
Hindustan Petroleum Corporation Ltd.	787.98
Hotel Ranchi Ashok, Ranchi	(-)0.21
Hotel Neelchal Ashok, Puri	(-)0.98
Hotel Lakeview Ashok, Bhopal	(-)0.51
Hotel Brahmaputra Ashok, Guwahati	0.16
Hotel Pondicherry Ashok, Pondicherry	(-)0.25
Hotel Donyi Polo Ashok, Itanagar	0.05
National Building Construction Corporation Ltd.	3.70
Rashtriya Chemicals & Fertilizers Ltd.	24.21
Central Inland Water Transport Corporation Ltd.	431.28
Mineral Exploration Corporation Ltd.	(-)0.57
Dredging Corporation of India Ltd.	101.55
Bharat Aluminium Company Ltd.	18.76
CMC Ltd.	37.05
Videsh Sanchar Nigam Ltd. (VSNL)	589.00
IBP Ltd.	87.00
Indian Petrochemicals Corporation Limited (IPCL)	204.00

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

Note 2: Data is given for ITDC as a whole. However, 5 units of ITDC at Hotel Samrat; New Delhi, Jaipur, Patliputra, Bhubaneshwar and Jammu are being disinvested. Hotel Punjab Ashok, Anandpur Sahib is under construction.

Note 3: Financial Data is for 2001-02 except in the case of CMC, IBP and IPCL where 2002-03 results have been used. For VSNL data for nine months ending December 2002 has been used.