

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:57

ANSWERED ON:17.02.2006

DISINVESTMENT OF PROFIT MAKING & NAVRATNA PSUs

Gangwar Shri Santosh Kumar;Kharventhan Shri Salarapatty Kuppusamy;Malhotra Prof. Vijay Kumar;Rawat Shri Bachi Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have decided to divest Government equity in certain PSUs;
- (b) if so, the details of such PSUs and the amount estimated to be raised through disinvestments;
- (c) whether the disinvestments of Government equity in some PSUs has drawn opposition from certain quarters; and
- (d) if so, the details thereof and response of Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (S.S. PALANIMANICKAM)

(a) Government has decided, in principle, to list large, profitable Central Public Sector Enterprises (CPSEs) on domestic stock exchanges and to selectively sell small portions of equity in listed, profitable CPSEs (other than the navratnas).

(b) The Government has recently decided to disinvest 5% out of its equity shareholding of 100 per cent in Power Finance Corporation Ltd. (PFC) and also to disinvest 15% out of its equity shareholding of 98.384% in National Mineral Development Corporation Ltd. (NMDC) through `Offer for Sale` in the domestic market. The disinvestment by Government in PFC would be through piggy-back on the public issue being done by PFC. The amount that would be raised would depend upon the market conditions and other relevant factors at the actual time of the sale.

(c) and (d) Some political parties and trade unions are, as a matter of policy, opposed to disinvestment. The Government will abide by the policy articulated in the National Common Minimum Programme.