

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:311

ANSWERED ON:03.07.2009

DISINVESTMENT OF PSUS

Adsul Shri Anandrao Vithoba; Das Gupta Shri Gurudas; Joshi Dr. Murl Manohar; Khaire Shri Chandrakant Bhaurao; Muttemwar Shri Vilas Baburao; Panda Shri Prabodh; Sharma Shri Jagdish; Singh Shri Sushil Kumar; Thomas Shri P. T.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to go in the disinvestment of some Public Sector Undertakings (PSUs);
- (b) if so, the details thereof, sector-wise, PSU-wise and the reasons therefor;
- (c) the estimated funds likely to be raised by such disinvestment; and
- (d) the manner in which funds thus raised are proposed to be utilized?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (NAMO NARAIN MEENA)

(a) Yes, Sir.

(b) NHPC Limited, Oil India Limited and RITES Limited had proposed to make public offerings of equity. The Government decided to disinvest a small portion of equity out of its shareholding in these companies in conjunction with their public offerings. The CPSEs are operating in power, oil and consultancy sector respectively.

The public offerings of NHPC Limited and Oil India Limited are likely to be completed in the current financial year. The public offering of RITES Limited has been deferred for the present by the company due to change in capital requirements of the company.

While considering the recommendations of Board for Reconstruction of Public Sector Enterprises for revival/restructuring of loss making Tyre Corporation of India Limited (TCIL) and Central Inland Water Transport Corporation Limited (CIWTC), Government approved disinvestment of the two companies.

(c) The expected realization to Government from the 'Offer for Sale' in NHPC Limited and Oil India Limited based on the book value is expected to be around Rs.1854 crore. The funds likely to be raised by disinvestment of TCIL and CIWTC cannot be estimated at this stage.

(d) The proceeds would be channelised into the National Investment Fund.