

12.19 hrs.

Title: Regarding recent disinvestment in IPCL, Paradeep Phosphate and Maruti Udyog and reported proposal to disinvest BPCL, HPCL, etc. and steps taken by the Government.

SHRI KIRIT SOMAIYA (MUMBAI NORTH EAST): Sir, I call the attention of the Minister of Disinvestment to the following matter of urgent public importance and request that he may make a statement thereon:

"Recent disinvestment in IPCL, Paradeep Phosphate and Maruti Udyog and reported proposal to disinvest BPCL, HPCL, etc., and steps taken by the Government in regard thereto."

THE MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE): Sir, this statement, which is enclosed herewith, I believe, has been distributed with an annexure, but I will go through the main points with your permission in just two-three minutes.

The question was that in the last few months how many of these disinvestments we have done. We have completed 17 transactions since the beginning of January and we have raised about Rs.5,114 crore in these transactions. In addition, as you know, we have completed, what is I believe, a landmark agreement with Suzuki Motor Company for disinvestment in Maruti. In this, Suzuki Motor Company has subscribed Rs.400 crore extra to Maruti as a Rights Issue. This share has been valued at Rs.3,280 per share compared to Rs.269 only at which shares were transferred earlier to Suzuki.

Secondly, while in earlier tranches, Government never received any control premium from Suzuki, we have extracted Rs.1,000 crore from Suzuki Motor Company without parting with a single share of the Government. In future, Government will off-load its shares, and, even for the off-loading in the market, we have been able to persuade Suzuki Motor Company to underwrite Government's shares at Rs.2,320 per share.

Thirdly, during the time from 1991 to 1997, there was a minority sale of Government shares in the market and many of these were forced on financial companies. The price earnings ratio, which the Government was able to obtain at that time, ranged between 4.6 to 6. Through our methods, we have been able to secure and I am happy to report to this House, earnings ratios ranging from 11 to 89.

Fourthly, we have thus far disinvested only 1.02 per cent as far as my information goes of Government equity, which was only about Rs.890 crore or so, and from that we have secured Rs.11,335 crore or more from these transactions. At present, about 31 cases are under process of disinvestment.

In the Calling Attention Motion, the hon. Member has asked about HPCL and BPCL. In February 2002, the Government decided, in principle, to disinvest in these two companies also. The precise percentage to be disinvested is to be settled and then we have to go back to the Cabinet. It has to be settled between the Ministry of Petroleum, Ministry of Finance and our Ministry.

On the question of the target, I have given the precise figures - that the Finance Minister had put the target that we should raise Rs.12,000 crore from disinvestment. The Approach Paper to the Tenth Plan, which was approved by the Cabinet as well as by all the Chief Ministers at the meeting of the National Development Council, put this figure not at Rs.12,000 crore a year, this year, but at Rs.16,000 crore for raising resources for the Tenth Plan - because they have put a figure of Rs.80,000 crore for the entire Plan period. All the Chief Ministers and the Central Government approved that figure. I learn that in the final estimate for the Tenth Plan, which is now under finalisation, this figure could, in fact, be even higher than Rs.16,000 crore a year.

Now the question is how to attain this? We have submitted a set of proposals to the Finance Minister for his consideration and the moment he gives us the clearance of those matters, we can proceed. If the House would want me to do so, I can list some of the steps, otherwise, as was suggested, we can go into these matters on Thursday.

SHRI SOMNATH CHATTERJEE (BOLPUR): Let us take it on Thursday.

STATEMENT

"RECENT DISINVESTMENT IN IPCL,PARADEEPPHOSPHATE AND MARUTI UDYOG LIMITED AND REPORTED PROPOSAL TO DISINVEST BPCL,HPCL,ETC AND STEPS TAKEN BY THE GOVERNMENT IN REGARD THERETO"*

Since January 2002 Government have completed disinvestment of the following enterprises:

Sl.No.	Enterprises	%Divested	Amount realized (Rs. in crores)
1.	I.B.P.	33.58	1153.68
2.	V.S.N.L.	25	1439.25
3	P.P.L.	74	151.70
4	H.Z.L.	26	445.00
5	I.P.C.L.	26	1490.84
6	I.T.D.C.		3.61
	a. Agra		6.13
	b. Mamallapuram		4.97
	c. Madurai		34.46
	d. Qutab		71.93
	e. Lodhi		6.77
	f. LVPH,Udaipur		3.65
	g. Manali		40.39
	h. Kovalam		19.39
	i. Airport Kolkata		191.30
	Sub - total		
			40.39
			19.39
			191.30
7	H.C.I.		153
	a. Juhu, Bombay		6.51
	b. Rajgit		83
	c. Airport, Mumbai		242.51
	Sub - total		
			242.51
	TOTAL		5114.28

2. In addition, Rights Issue of Rs. 400 crores was completed in Maruti udyog Limited (MUL) which was wholly subscribed by Suzuki Motor Corporation (SMC). Suzuki subscribed to the Rights Issue , including Rights share renounced by Government in favour of Suzuki, at a price of Rs. 3280 oer share. In addition,

*** Laid on the Table of the House.**

SMC paid Rs. 1000 crores as Control Premium to Government. In the second phase, Government will sell its existing shares in MUL, Suzuki has agreed to underwrite the first tranche of about 36 lakh of these shares at Rs. 2300 per share and also provide the comfort of a "put option" to the Government.

3. Market sales of minority shares of blue-chip companies like I.O.C., O.N.G.C., G.A.I.L. V.S.N.L. during 1991-97 received price/earnings ratios of 4.4 to 6 – this was at a time when these companies were monopolies in their field. Through disinvestments to strategic partners, Government has secured price/earnings ratios of 11 to 89.

4. By selling a mere 1.02% of Government held equity, valued at Rs. 885 crore, Government has received Rs. 11,335 crore.

5. At present, Ministry of Disinvestment is pursuing 31 cases of disinvestments. The names of the enterprises are at Annexure .

6. On H.P.C.L. and B.P.C.L. Government decided in February 2002, 'in principle' to disinvest in H.P.C.L. and B.P.C.L. The precise percentage to be disinvested and some other issues are to be determined amongst Ministry of Disinvestment, Ministry of Petroleum and Natural Gas and Ministry of Finance.
7. The Budget for the Financial Year 2002-2003 has fixed a target of Rs. 12,000 crores as receipts through disinvestment. The Approach Paper to the Tenth Plan prepared by the Planning Commission and approved by the Government and the National Development Council, envisages receipts of about Rs. 16,000 crores every year from disinvestment.
8. To reach this goal, Ministry of Disinvestment has prepared time schedules for completion of disinvestment cases already cleared by the Government. These are being submitted to the Government for approval.
9. Even at this early stage, the benefits of strategic disinvestments are becoming evident. Sales of Modern Foods have almost doubled. Production of Paradeep Phosphates is reported to have tripled.
10. Earnings of workers of Modern Foods have increased by Rs. 1600 a month. Those of Paradeep Phosphates have increased by an average of 29%. The new management of BALCO has entered into a new wage agreement with the unions; as a result, the basic pay of workers has increased by 20 per cent.
11. The new management has announced an expansion plan costing about Rs. 5000 crore for BALCO. That of IPCL has announced an expansion of I.P.C.L. costing about Rs. 1000 crore.

ANNEXURE

Public Sector Undertakings in which decision for disinvestment has been taken and disinvestment process is underway:-

1. Air India Ltd.(AI)*
2. Balmer Lawrie & Co. Ltd.
3. Bharat Ophthalmic Glass Ltd.
4. Bharat Petroleum Corporation Ltd. (BPCL)
5. Braithwaite & Co.
6. Burn Standard & Co.
7. Engineers India Ltd. (EIL)
8. Engineering Project (India) Ltd. (EPIL)
9. Hindustan Cables Ltd (HCL)
10. Hindustan Copper Ltd. (HCL)
11. Hindustan Organic Chemicals Ltd. (HOCL)
12. Hindustan Petroleum Corporation Ltd. (HPCL)
13. Hindustan Salts Ltd.
14. Indian Airlines Ltd. (IA)*
15. Madras Fertilizers Ltd. (MFL)
16. MECON Ltd.
17. Minerals & Metals Trading Corporation of India Ltd. (MMTC)
18. National Fertilizers Ltd. (NFL)
19. National Aluminium Company Ltd. (NALCO)
20. National Instruments Ltd.
21. Shipping Corporation of India Ltd. (SCI)
22. Sponge Iron India Ltd. (SIIL)
23. State Trading Corporation of India Ltd. (STC)
24. Tungabhadra Steel Products Ltd. (TSPL)
25. Tyre Corporation of India Ltd
26. Bharat Heavy Plates and Vessels Ltd. (BHPV)
27. NEPA Ltd.
28. Instrumentation Control Valves Ltd. (ICVL)
29. India Tourism Development Corporation (ITDC) (remaining hotels)
30. Hotel Corporation of India Ltd. (remaining hotels)
31. Fertiliser and Chemical Travancore Ltd. (FACT)

***The process has not been started again after there was no response for the earlier sale.**

(Placed in Library. See No. LT 5879/2002)

श्री किरीट सोमैया : महोदय, मुझे जरा प्रोसीजर समझ में नहीं आ रहा कि मुझे अभिनन्दन कैसे करना है। मैं डिसइन्वेस्टमेंट मिनिस्टर का अभिनन्दन करना चाहता हूँ और साथ में वे (व्यवधान)

अध्यक्ष महोदय : मुझे प्रोसीजर मालूम है, जब इस विषय पर चर्चा होगी, तब अभिनन्दन करना।

...(व्यवधान)

श्री किरीट सोमैया : मुझे यह प्रोसीजर समझ में नहीं आता, डिसइन्वेस्टमेंट मिनिस्टर का तो हम डायरेक्ट अभिनन्दन कर सकते हैं।

लेकिन मारुति उद्योग के बारे में जो इन्होंने बताया, जो जवाब दिया और जो जानकारी मेरे पास है, तो मैं हैवी इंडस्ट्रीज मिनिस्टर का अभिनन्दन करना चाहता हूँ। अभी मेरे सहयोगी बाला साहेब विखे पाटिल जी हैवी इंडस्ट्रीज मिनिस्टर हैं, उनका नहीं, जिनके समय में यह कार्य हुआ, उन हैवी इंडस्ट्रीज मिनिस्टर साहब का अभिनन्दन करना चाहता हूँ। मुझे प्रोसीजर समझ में नहीं आता है।

अध्यक्ष महोदय : इस काम के लिए आप जितना चाहें, उतना समय ले सकते हैं।

श्री किरीट सोमैया : अभी मंत्री जी ने मारुति उद्योग के बारे में जानकारी दी, लेकिन मेरे पास यह जानकारी है कि अभी मारुति उद्योग में सरकार ने जो एक हजार

करोड़ रुपया कंट्रोल प्रीमियम प्राप्त किया, जो भूतकाल में मारुति उद्योग के शेयर सरकार ने बेचे थे, according to my information, in 1994, it was sold at Rs. 269/- per share. Why does it happen? How has it happened? How much loss the Government has incurred? How could the Ministry of Heavy Industry and Department of Disinvestment at that time could achieve 1,000 crore control premium? मैं आपके द्वारा एक और अभिनंदन करना चाहता हूँ। आप जानते हैं स्माल इन्वेस्टर्स के लिए particularly in this Ministry also, 20 per cent open offer, पहले की सभी सरकारें आई और गई, किसी भी सरकार ने 20 प्रतिशत ओपन आफर का क्लोज मान्य नहीं किया था। मैं आपके सामने दो आंकड़े रखना चाहता हूँ। आई.बी.पी. का विनिवेश हुआ।

SHRI SOMNATH CHATTERJEE : Sir, it is a backbiting motion. It is not a Calling Attention motion. What is this going on? ...*(Interruptions)*

श्री किरिट सोमैया : मैं कहना चाहूंगा आई.बी.पी. में जो उसके स्माल इन्वेस्टर्स का 20 प्रतिशत शेयर होल्डिंग था, वह 70 करोड़ रुपए की वैल्यू का था। Sir, you know how much we got. It was Rs.770 crore due to this strategic sale. आई.बी.पी.सी.एल. में 20 प्रतिशत आफर जो स्माल इन्वेस्टर्स ने किया, उनकी वैल्यू 200 करोड़ रुपए थी।*(व्यवधान)* I would like to call the attention of this Government to get so much benefit to the small investors. ...*(Interruptions)*

SHRI BASU DEB ACHARIA (BANKURA): Sir, he can only ask clarifications. He is making a speech. ...*(Interruptions)*

श्री किरिट सोमैया : जैसे स्माल इन्वेस्टर्स का 200 करोड़ रुपए से 1200 करोड़ रुपए हो गया, 70 करोड़ रुपए से 770 करोड़ रुपए का फायदा हुआ और अभी जो फायदा मिलेगा।*(व्यवधान)*

MR. SPEAKER: Shri Kirit Somaiya, you can ask clarifications from the Minister.

मैंने उनको कहा है कि वह स्पटीकरण मांगे।

डा. रघुवंश प्रसाद सिंह (वैशाली) : गरीब की बात होनी चाहिए, दबे हुए लोगों की समस्या की बात होनी चाहिए। यह पर सरकार की प्रशंसा नहीं होगी।*(व्यवधान)*

श्री किरिट सोमैया : मैं मंत्री जी से जानना चाहता हूँ कि इस विनिवेश से जो पैसा मिला है, क्या उसको हैल्थ में, स्कूल बनाने में या अन्य पब्लिक एमिनिटीज में लगाएंगे ? मेरा दूसरा प्रश्न है कि जो स्ट्रेटेजिक सेल की बात हुई, सरकार सीधे डिसइन्वेस्टमेंट करने के बजाय पब्लिक सेक्टर एंटरप्राइजेज की जो 75,000 करोड़ रुपए की जो वैल्यू है, उसमें सरकार स्ट्रेटेजिक सेल करेगी, उसमें कितना इन्वेस्टमेंट हुआ था और स्ट्रेटेजिक सेल करने के लिए क्या कदम उठाएगी ? विनिवेश मंत्रालय ने बी.पी.सी.एल. और एच.पी.सी.एल. के बारे में बताया, जैसे आई.बी.पी. का 140 करोड़ रुपए के बदले 1500 करोड़ रुपया हुआ और आई.बी.पी.एल. को 40 करोड़ रुपए के बदले 140 करोड़ रुपया मिला।*(व्यवधान)*

डा. रघुवंश प्रसाद सिंह : यह कालिंग एटेंशन फिक्सिंग हो रही है।*(व्यवधान)*

MR. SPEAKER: Please sit down. The hon. Member has a right to ask for clarifications. Therefore, I have already requested him that instead of going into anything else, he can only ask for clarifications on the statement that he has made.

I will also request the Minister to clarify the matters which are in the nature of clarification. Let me apprise the House on the issue that the clarification which is asked by him is that whether the money, which is received from disinvestment, will be used for giving amenities to the people. That is the question he has asked. Let the Minister clarify.

...*(Interruptions)*

श्री किरिट सोमैया : अध्यक्ष जी, मेरे तीन स्पटीकरण हैं।*(व्यवधान)*

MR. SPEAKER: This clarification is of an important nature.

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): In the history of Indian Parliament, there cannot be any Call Attention which is only clarified by the Minister for the job he has done....*(Interruptions)*

श्री किरीट सोमैया : जब अपोजीशन के लोग बोलते हैं तो 15-20 मिनट बोलते हैं, तब उन्हें बोलने की अनुमति दे दी जाती है।^{â€}(ब्यवधान) They are allowed to speak for 20 to 25 minutes....(*Interruptions*)

MR. SPEAKER: Let him ask for clarifications.

...(*Interruptions*)

श्री किरीट सोमैया : मेरा पहला स्पटीकरण है कि क्या यह डिसइंवेस्टमेंट समाज कल्याण के काम में होगा? दूसरा प्रश्न है कि बीपीसीएल, एचपीसीएल या आईपीसीएल में सरकार को स्ट्रैटेजिक प्राइस मिली तो वह उस समय 200 रुपये में पब्लिक इश्यू करना चाहती थी। Will it not be a loss to the Government? इस संबंध में सरकार क्या करेगी ? मेरी तीसरा स्पटीकरण है कि जो माननीय मंत्री जी ने लिखा है कि 12000 करोड़ रुपये रोज करना है और केवल 5000 करोड़ रुपया आया है तो बाकी पैसा वह किस प्रकार लाएंगे और वह टारगेट पूरा करने के लिए वह क्या-क्या कदम उठाएंगे? ^{â€}(ब्यवधान) इसी के साथ-साथ अंत में, मैं यह पूछना चाहता हूँ कि जिस प्रकार से पहले तो यह डिसइंवेस्टमेंट म्युचुअल फंड के द्वारा हो रहा था और म्युचुअल फंड के गल्ले से पैसा मारकर स्मॉल इंवेस्टर्स का नुकसान हो रहा था तो क्या यह सरकार वही नीति कंटीन्यू करेगी और म्युचुअल फंड इंडायरेक्ट इस प्रकार का करने के बजाए क्या कोई स्ट्रैटेजी तय करेगी? इस विषय में मैं जानना चाहता हूँ।^{â€}(ब्यवधान)

MR. SPEAKER: The Minister will give reply in five minutes' time.

...(*Interruptions*)

अध्यक्ष महोदय : अगर आप पांच मिनट बोलने के लिए उनको को-आपरेट करेंगे तो पांच मिनट में जवाब होगा।

^{â€}(ब्यवधान)

श्री सत्यव्रत चतुर्वेदी (खजुराहो) : यह सब फिक्सिंग है, हमें पता है।

श्री अरुण शौरी : आप पूछ लीजिए, मैं आपका जवाब दे दूंगा।^{â€}(ब्यवधान) पहले इन्होंने कहा है कि प्रोसीड्स के बारे में क्या किया जाएगा? इसी हाउस में जब फाइनेंस मिनिस्टर साहब ने बजट पेश किया था तो उन्होंने कहा था कि इस साल के बजट में जो 12000 करोड़ रुपये का एस्टीमेट रखा है, उसमें से पहले 7000 करोड़ रुपये जो डिसइंवेस्टमेंट से आएंगे, वे तीन चीजों के लिए यूज होंगे। पहले री-स्ट्रक्चरिंग पीएसयूज हेतु, सेफ्टी नेट फॉर वर्कर्स और तीसरे रिडक्शन ऑफ डेब्ट बर्डन के लिए है। उसके बाद जो 5000 करोड़ रुपये आएंगे, उन्होंने कहा था कि वह सारे 5000 करोड़ रुपये एडीशनल बजटरी सपोर्ट प्लान के लिए दिये जाएंगे।^{â€}(ब्यवधान) This is primarily for social and infrastructure sector....(*Interruptions*)

SHRI BASU DEB ACHARIA : How can you say that? There has not been any increase in the social sector....(Interruptions)

SHRI ARUN SHOURIE: Let me reply.

श्री किरिट सोमैया : क्या किसी माननीय सदस्य को जवाब सुनने का अधिकार नहीं

है? जब फुल-फ्लेज्ड डिस्कशन होता है तो You can raise objection and clarification. Why are you not allowing the Minister to give reply to me? Is it not my right? (व्यवधान)

डॉ. रघुवंश प्रसाद सिंह : अध्यक्ष महोदय, इसमें पौछा लगाने का काम कर रहे हैं। (व्यवधान)

श्री अरुण शौरी : क्या बात करते हैं? (व्यवधान)

डॉ. रघुवंश प्रसाद सिंह : एकदम सही बात कह रहे हैं। (व्यवधान)

SHRI KIRIT SOMAIYA : I have a point of order. It cannot be allowed. What is the language he is using? He must apologise....(Interruptions)

अध्यक्ष महोदय : देखिए, इस प्रश्न का उत्तर पांच मिनट में पूरा हो सकता है, यदि आप ज़ीरो आवर में इम्पोर्टेंट क्वेश्चन्स रेज़ करना चाहते हैं। मैंने मंत्री जी को इजाजत दी है और उनका उत्तर पांच मिनट में पूरा हो जाएगा। आप जो कर रहे हैं, उसकी जरूरत नहीं है। मैं इस बारे में भी कहूंगा कि मैं रिकार्ड देखूंगा और यदि अनपार्लियामेंट्री शब्द होंगे, तो मैं निकाल दूंगा। मैंने आप सभी से प्रार्थना की है कि उत्तर पूरा हो जाने दीजिए।

I want to carry on the business of the House as per procedure and as per the convenience of most of the hon. Members. Therefore, please co-operate. Let him give his reply in five minutes. After that, we can take up 'Zero Hour'.

...(Interruptions)

अध्यक्ष महोदय : मैं बार-बार आपसे विनती कर रहा हूँ। अगर आप नहीं सुनेंगे, तो इसमें नुकसान आप लोगों का होगा और हमारी गरिमा भी नहीं बढ़ेगी।

श्री अरुण शौरी: जो प्रश्न पूछा है, उसका उत्तर दिया है।

श्री सत्यव्रत चतुर्वेदी : अध्यक्ष महोदय, प्रायोजित प्रश्न पूछने की यह नई परम्परा शुरू हो रही है। यह हमारी संसदीय परम्परा का हिस्सा नहीं होना चाहिए। इसको हतोत्साहित करना चाहिए और आपकी तरफ से दिशा-निर्देश जारी होना चाहिए। ऐसी परम्परा पर प्रतिबन्ध लगाया जाए। यह सब मिलिभगत के साथ हो रहा है (व्यवधान)

SHRI KIRIT SOMAIYA : Sir, I strongly object to it. How can he object to what I have said? ...(Interruptions)

अध्यक्ष महोदय : यदि इस प्रश्न का उत्तर चाहते हो, तो उत्तर मुझसे मिलेगा, लेकिन यह कोई तरीका नहीं है, प्रश्न पूछने का। आपके प्रश्न का जवाब मैं दूंगा, लेकिन यह बार-बार प्रश्न उठाने की जरूरत नहीं है। यहां जो कुछ हो रहा है, नियम के अनुसार हो रहा है। उन्होंने भाग कर रहे हुए, मंत्री जी का अभिनन्दन किया, तो अभिनन्दन करना तो उनका अधिकार है। इसके लिए हम आब्जैक्शन कैसे कर सकते हैं। No rule prohibits a Member congratulating a Minister.

श्री प्रियरंजन दासमुंशी : अभिनन्दन करना उनका हक है, तो अभिनन्दन का अर्थ निकालना हमारा राइट है। (व्यवधान)

अध्यक्ष महोदय : इसके आगे मुझे कुछ नहीं कहना है।

SHRI SOMNATH CHATTERJEE : Sir, I can only say that what has happened on the floor of the House is very unseemly and disgusting.

SHRI KIRIT SOMAIYA : Sir, once again, I strongly object to it. Hon. Members are doubting our intentions. Does a Member not have a duty to his voters, the society and the country? How can they raise an objection?

...(Interruptions)

SHRI ARUN SHOURIE: Sir, actually, the question about the use of proceeds has been asked several times during debates - including by Shri Priya Ranjan Dasmunsi and other hon. Members. I was addressing you, Sir, because you pinpointed that question among the three that had been asked. For them to say that this is a strange question when the hon. Speaker himself repeats it is a very peculiar thing. I have listed the heads which the hon. Minister of Finance had prescribed in the Budget which was approved by this very House.

The second question here relates to piece-meal disinvestment of minority shares. It is true, as I have mentioned in the statement also, that our analysis certainly shows this. It is the conclusion which the Disinvestment Commission had come to and prescribed for the Government. The Disinvestment Commission was set up earlier than this Government was established. The recommendation was: "Do not do piece-meal disinvestment; go for strategic sales." That is what we have been pursuing.

As far as petroleum companies are concerned, the hon. Member has expressed an apprehension that if the minority shares were disinvested, in that case also, the Government would suffer a loss. I will communicate that to all concerned.

...(Interruptions)
