

**Title:** Discussion regarding disinvestment policy of government. (Not concluded).

15.58 hrs.

MR. CHAIRMAN: Now, we will take up discussion under Rule 193 regarding disinvestment policy of the Government. Shri Indrajit Gupta.

SHRI PRIYA RANJAN DASMUNSI (RAIGANJ): Sir, either the hon. Finance Minister or the Minister Incharge should be present in the House while we discuss this issue... (Interruptions)

MR. CHAIRMAN: A Cabinet Minister is here. They will also be coming.

... (Interruptions)

SHRI BASU DEB ACHARIA (BANKURA): Sir, now there is a Minister Incharge of this. He is not present in the House... (Interruptions)

MR. CHAIRMAN: He will come soon.

16.00 hours (Hon. Speaker in the Chair)

SHRI PRIYA RANJAN DASMUNSI : Either the Finance Minister or the new Minister in-charge of disinvestment should be there. None of them is present here. How will the discussion begin? (Interruptions)

SHRI ANIL BASU (ARAMBAGH): He is in the lobby. I find the particular Minister who is in-charge of disinvestment is in the lobby.

SHRI PRIYA RANJAN DASMUNSI : We are not discussing the issue of animal husbandry or anything like that but we are discussing disinvestment policy.

SHRI INDRAJIT GUPTA (MIDNAPORE): Actually, we do not know...(Interruptions)

MR. SPEAKER: In the meanwhile, some Minister can note down.

SHRI PRIYA RANJAN DASMUNSI : Mr. Speaker, Sir, you have to give some direction. This is not the way to treat the House, the discussion and the issue. If that is the direction, we can raise any matter, and any member of the Cabinet can note down. Is this the way of showing seriousness?

MR. SPEAKER: They will note down. In the meanwhile, the Minister will come.

SHRI BASU DEB ACHARIA : Now, he has come. He was in the lobby.

1601 hours

SHRI INDRAJIT GUPTA : I am seeking to raise a discussion on the question of the Government's disinvestment policy and the functioning of the Disinvestment Commission. I gather that Shri Arun Jaitley has very recently been empowered by the Minister of Finance to pay special attention to this question of disinvestment. The possible reason for it may be that Government is now anxious for this disinvestment process to be extended not only to Public Sector Undertakings but to joint ventures also. Up to now, disinvestment of shares in Public Sector Undertakings was proceeding at quite a fast pace but it appears that the Government is not satisfied. They want the whole process to be further expedited. Not only expedited but also they wanted it to encompass a much broader field of activity.

As I mentioned just now, the reports are that Shri Arun Jaitley is entrusted with the job of seeing that not only the Public Sector Undertakings but also joint ventures in which the Public Sector is a partner along with the private sector should also be brought within the compass of this disinvestment.

For example, there are companies like Maruti. There is Indian Airlines. There is Steel Authority of India. There are so many other joint ventures. All these, up to now, have been kept out of the area of disinvestment. But I apprehend now that after so many years of working, the Government is eager to step up the pace of disinvestment and to see that more and more Public Sector Undertakings including joint ventures are brought within this compass of disinvestment. I would not name the paper. One newspaper which is very kindly disposed towards the private sector has also approvingly commented that Shri Jaitley is just the right person for this job.

Sir, the Disinvestment Commission was set up in 1991, that is, eight years ago, a pretty long time. I should just point out that Government's announced strategy in disinvestment is something which the Finance Minister has spelt out a number of times in both the Houses and outside the Parliament also.

As far as we have understood it, the Government's intention -though we do not agree with it at all - was that fairly large sums of money which are locked up or tied up in the capital holdings of public sector enterprises should be made available. For what?

Firstly, they should be made available in order to help them to see that the Government's own funds are further strengthened and replenished by diverting this money from the public sector units to strengthen the Government Budget.

Secondly, they said that there are some non-strategic Public Sector Undertakings which are running at losses should be strengthened. We wish to use this money for the purpose of strengthening of those units, and we will see that this money is used in order to bring out some viable plans and schemes for strengthening these weaker units and give them a better chance to function properly and efficiently.

Shri Yashwant Sinha was speaking on the 13th of December, in the other House on the same subject. He has stated:

"That the Government has decided that in the generality of the cases, the Government's shareholding in public sector enterprises will be brought down to 26 per cent, (which means the minority shareholding and the majority share holding will not be any longer held by the Government.)"

The second point which I made was that this is contradictory. In the cases of public sector enterprises inviting speedy consideration, the Government will continue to retain the majority of shareholding. Just before this, he has said that in the case of these Government enterprises, the share holding should be brought down to 26 per cent. He says just after that:

"In the cases of public sector enterprises inviting speedy consideration, the Government will continue to retain the majority of shareholding."

I think, this question should be clarified by the hon. Minister when he replies as to what exactly the Minister of Finance meant by this.

I am still quoting Shri Yashwant Sinha. The third point he made was that the interests of the workers will be protected in all cases. Of course, the actual practice that is going on is very contrary to this. Numerous cases are being raised in the House during Question Hour, during Zero Hour, and through Matters under Matters Rule 377. The hon. Members are citing instances of so many of these public sector enterprises where the workers' interests far from being protected - are being very much sacrificed. They are being subjected even to non-payment of wages for several months. The Government's strategy towards public sector enterprises will continue to encompass a judicious mix of strengthening these strategic units and privatising the non-strategic units. Privatising non-strategic units through gradual disinvestment and all strategic sales and devising a viable rehabilitation strategy for weaker units are the scheme.

This is what the Finance Minister has said. He has mentioned later on:

"Strategic sale means sale of some strategic units to strategic parties who are willing to buy them. The difference between disinvestment and strategic sale is that when we undertake a strategic sale, we hand over the management to the strategic partners."

So, this is a plan which includes general selling of shares to the public. It also includes selling out of joint ventures. It also includes strategic sale, meaning that not only sale of the equity but even transfer of the management may be made to the strategic partners who are willing to persist this sale. So, it is a very broad compass and under these different heads, we would like to know from the Government how many different undertakings they have tried to dispose of under these various heads.

We are, of course, completely opposed to this policy because this is another name for dismantling and demolishing the whole structure of the public sector which has been built up over so many years, costing thousands of crores of the people's money. The public sector in the industrial field has played a very vital and strategic part in strengthening our whole industrial infrastructure and in providing this country's economic sinews that much of the strength which it was lacking until the public sector came into play. Disinvestment may be a polite word, but actually what it amounts to is demolishing the private sector and taking out one by one important public sector units and transferring them to the private sector. But the Government does not say like that. They are not frank enough to admit what the whole game is behind this policy. We are totally opposed to this and I wish to emphasise the fact that earlier on when this Disinvestment policy first started, it was stated that only part of the money which would be received from the sale of the shares, would go into what was called the Disinvestment Fund. That was one of the main recommendations which had been made. It was said that ten per cent of the proceeds realised from the sale of shares would be put into this Disinvestment Fund. The first Report of the Disinvestment Commission which was submitted in February, 1977, in fact, said that this Disinvestment Fund could be utilised by the Government to replace the budgetary support which is supposed to come from the budget to various units. Often it is not given on the plea that there are no budgetary resources with which to help these individual units. The Disinvestment Commission had proposed that the Disinvestment Fund created within the sale proceeds of the companies' shares and transferred to the private sector, should be used for the purpose of giving budgetary support to units which were urgently in need of that.

As far as I am aware, there are no examples of the budgetary support being given to public sector units out of this Disinvestment Fund because as far as I know, this Disinvestment Fund has existed only on paper; this has not come into actual operation.

Then, the tenure of this Disinvestment Fund itself has ended on the 30th of November this year.

It was working upto 30th November, 1999. But, after that the Government had disinvested the Disinvestment Commission. The Disinvestment Commission no longer exists. It has been allowed to lapse as it were. Before it lapsed, it had submitted some 12 Reports to the Government. We do not know the fate of those Reports. In many of them, the Disinvestment Commission had suggested that instead of large scale selling of shares, what should be done was to work out some viable schemes for strengthening the weaker units for giving them the possibility of restructuring, for improving their technology, improving their management and thereby reducing the budgetary deficits from which they suffer.

Also, the hon. Minister of Finance himself had claimed that a part of these proceeds from the sale of public sector shares would be used by the Government for what he has called the social sector. In fact, in one case he had stated that this money would be used for construction of houses, construction of roads, supply of water to rural areas and so on and for this kind of social purposes would also be one of the objectives of this budgetary exercise. However, I believe that due to inter-Ministerial difficulties and inter-Ministerial rivalries, there being a number of Ministries which are supposed to look after this disinvestment sector, there are difficulties. Technically, of course, the Finance Ministry is the boss, as it were. But other Ministries are also involved - either those which are directly concerned with the particular industry with which that enterprise is concerned or which are concerned with export and import. They were being looked after by different Ministries. This has led to a number of differences among them which have prevented effective action being taken.

As far as I am aware, disinvestment has actually been carried out in 39 public sector enterprises and from 1991-92 to 1999-2000, the

amount which has been received by the Government through disinvestment of Central Public Sector Undertakings is Rs. 18,288 crore, nearly Rupees two hundred thousand crore. This is what they have received. How has this money been used? Except by saying that it has been credited to the Consolidated Fund of India, there is no further information available as to the breakup of this expenditure. Everything goes to the Consolidated Fund of India. That we know. But what about the breakup of this money? How much of it was spent on reviving the sick or weak units by improving their management, giving them better technology and other methods? How much of it was used for paying off for workers who were supposed to take the so-called voluntary retirement and leave their service and go? That is also included in this. How much was spent on what are called the social benefits or bringing about social improvements in the social sector?

These things have not been either spelt out or told to the country or the House. I would like to know from the hon. Minister about these details.

Then Sir, there is a seeming contradiction. The Finance Minister's statement in the other House that the Government's shareholding would be reduced to 26 per cent does not make any sense. That means the Government wants, in all these holdings, in all these public sector enterprises, to become a minority shareholder. What is the meaning of it? I am not able to follow. If it is so, it is a very serious matter. It means that the Government is actually liquidating its holdings in the public sector and demitting the whole thing to the private sector because he has said elsewhere, as I have quoted a little bit earlier, that the Centre would also be holding a majority of shares in what are called the strategic units. There is a difference between what they say are losing units, the units which have been making financial losses for a long period—these can be sold, but there will be nobody to buy them—and those units which have been running in profits. These units may command a good share price in the market, but why should they be sold since they are showing a good performance and getting high profit?

The rehabilitation of weaker units, non-strategic units, is one of the declared aims. I suggest that it has not been done at all. If anything has been done, we would like to know some instances, some examples from the Minister. What are the units where they have gone in for this kind of a viable rehabilitation of the weaker units? I would like to know whether sale of units in sectors like oil, petroleum, power and so on, which are strategic certainly by any means, include the question of handing over the management of these units to the strategic partners assuming that the people who are willing to buy shares in these sectors are also not domestic purchasers, but international purchasers, which means foreign companies. They have not procured it. They are also included as bidders for the purchase of shares and if they buy a sizeable quantity of shares, the Government's policy is to allow them to also become partners in the management. That is a very far-reaching step, the Government is intending to take.

There was a discussion the other day, Sir, and I think, the Power Minister was involved about a reported move of the National Thermal Power Corporation (NTPC) to take over all the shares of the NHPC. Both are public sector enterprises and both of them are operating in this very strategic sector of power. We know that the power requirements in this country are also growing all the time and they are not able to meet the requirements at present by their installed capacity. So, the Government is very much interested in seeing that the capacity to generate more power is increased substantially, but the method for doing this, which appears to be under consideration, is for one of them to buy up all shares of the other. This is a curious method. Of course, it was denied here by the Power Minister who said that no such decision had been taken yet. He did not deny whether it was under consideration or not.

He said that the matter was still being considered, but no final decision had been taken. This is one of the options, and his option is this one. Just recently, although the Finance Minister, on the floor of the House, very strenuously denied that it amounted to privatisation, we have had the example of the two insurance corporations, the LIC and the GIC, into which entry of the private sector has now been permitted by a Bill which has been introduced recently in Parliament. Though the Bill has not been passed yet, the idea is that in these two very old, very traditional, very well established and very well performing public sector corporations in the field of insurance, which cannot possibly be accused of either being inefficient or running in losses, they are going to allow the private sector to come in. Even though it is argued that since their total holding capacity of shares will be limited and they will not be able to hold more than the ceiling, but anyway, this is a very very important step that they are taking which is, in our opinion, a signal to the foreign investors abroad, and it was meant to be that they should be encouraged to come and invest in our country because these were two sectors where the foreign insurance companies were very very anxious and eager to be able to enter for the sake of making higher profits. This was being strenuously objected and opposed by different sections of public opinion in this country, not only by trade unions. There is a wrong impression sought to be created that on this insurance question, this was a dispute between the workers' unions and the company management. That is not so. The point is that in the case of the insurance companies, allowing foreign capital to come into these two sectors would change the whole balance of capital holding in this country, and would lead to a very massive fall, I should say, in public sector performance and investments.

Then, Sir, another example I would like to just briefly mention is the Gas Authority of India. The Gas Authority of India is one of the so-called Navratnas. It is competent according to the Government's own reports which I was looking at. They say that it is professionally managed, very efficiently managed; it is a competent company and it has made a net profit this year of Rs. 1,060 crore. The Disinvestment Commission to whom this Gas Authority of India was referred -- I do not know as to why it was referred -- recommended that Rs. 21,000 crore worth of shares of the Gas Authority of India may be placed in the domestic and the international markets for purchasers who might be interested in buying, mainly they would be international purchasers. So, after that, this has happened very recently, we would like to know as to what is the strategic move that the Government has undertaken by putting both these very flourishing and efficient public sector companies on to the bargaining table of the Disinvestment Commission. Twenty-five per cent of the shares, I am told of the Gas Authority of India are already being sought to be purchased by two companies which are themselves the competitors of the Gas Authority of India.

1629 hours (Shri P.H. Pandiyan in the Chair)

One is ENRON in the State of Maharashtra, the other is the British Gas Company. Both these international companies which are very very strong and powerful multinationals have expressed their desire to get into this field and to buy up to 25 per cent shares of the Gas Authority of India. What is the reason for it, why it should be permitted, we do not understand because the Government itself admits that the Gas Authority of India is a highly efficient and professional company which has been doing extremely well and is meeting the requirements of the community.

So, everything, as I see at present, the original objectives -- the original strategy behind this Disinvestment policy, as stated eight years or seven years ago by the then Finance Minister -- do not hold good any more. The aims for which this was introduced are now being replaced by the kind of a panicky move by the Government to sell out as quickly as they can so that the public sector companies in these important fields are replaced as soon as possible by private sector companies who are willing to come in and make profits. In fact, the market is being sold out. The market is being sold out and this is a part of the policy of the present Government; this is a part of the re-structuring New Economic Policy which is being followed for the last few years and which we have opposed strenuously and we shall continue to oppose. It is because actually it will mean that ultimately everything would be sold out.

Sir, just now when I was coming to the House I met a friend who told me -- I do not know the source of his information, he told me that he would meet me later on and tell me -- that there is a move afoot on the part of the Government...

SHRI SOMNATH CHATTERJEE (BOLPUR): Banks also.

SHRI INDRAJIT GUPTA : Privatisation of banks, anyhow are on the anvil. Already there are so many private banks and foreign banks functioning in this country. We know, lately there has been a Committee's Report advising that more public sector banks should be privatised. But what my friend was telling me was that there is a move now and there is canvassing going on for allowing foreign private sector to come into the retail trade in this country. Retail trade in this country will also be allowed to be penetrated by foreign capital. I do not know whether this is correct or not.

Sir, I suppose, we have one of the most flourishing private retail businesses in India which are manned, owned and controlled by our own people. There is nothing wrong with them. But if this is a move which is just as a parallel move going on to introduce foreign capital into the printed media in this country -- which is also being strenuously opposed by all media people and non-media people and if the newspapers, the Press, the retail business, the insurance business everything is to be handed over to the foreign capital -- then, I do not know, where will we be left at the end of another couple of years?

Sir, therefore, in the polite name of disinvestment what is taking place is actually selling out of the entire business of this country to the private sector, to the foreign parties who are certainly not coming here out of any intention of charity or love towards us but purely in order to make money and augment their profits. It is a matter of shame that this Government which earlier on, many of stalwarts of this Party, were talking about Swadeshi, I do not know, if they still adhere to that objective of Swadeshi or not. They are, in any case, a party now to all these moves.

Sir, my friend, Shri Ram Naik is sitting here and he, of course, will also throw some light on this question as to why they are so eager to sell out everything in this country to the foreign parties and foreign business interests.

Sir, therefore, I am totally opposed to this whole Disinvestment policy. It is a cloak to hide what is actually the real motive of the Government and what is going on. Therefore, I would urge upon the House to be vigilant, to keep a vigilant eye on the movements of this Government and to resist, with all possible means, these moves to privatise everything in this country and hand the resources of this country over to foreign parties who are eager to get in.

SHRI PRIYA RANJAN DASMUNSI : Mr. Chairman, Sir, this discussion within the scope of Rule 193 initiated by the father of the House Shri Indrajit Gupta relates to a matter of great significance and deserves the attention of the House. The whole nation is curiously watching as to what would be the policy of this Government in regard to disinvestment.

">Sir, when I saw on the television that the Government led by Prime Minister Atal Bihari Vajpayee issued a communique from Rashtrapati Bhavan for setting up a separate Department called the Department of Disinvestment headed by our dear Minister Shri Arun Jaitley, I thought that the Prime Minister had either lost confidence in the Finance Minister or the Finance Minister is not found competent by him to deal with this important financial task under his umbrella. Anyway, it is a concern of the Cabinet, and the Prime Minister has the full authority to decide on such matters. However, I felt the first thing that was disinvested was the power of the Finance Minister which had already been disinvested to a safe dispensation headed by Shri Arun Jaitley.

">The policy of disinvestment has not yet been spelt out by the Government but the Department has been created. It is a fact that at the time of announcement of the policy of economic liberalisation by the Government headed by Shri P.V. Narasimha Rao, it was felt that budgetary support to the loss-making PSUs should be reduced gradually. So, the budgetary support as a percentage of the total plan outlay of the public sector has declined considerably from 32 per cent in 1990 to 13 per cent in 1995.

">There is no dispute over the view that the public sector required greater scrutiny. But when the Disinvestment Commission, constituted during the United Front Government which was supported by us from outside, made it

">abundantly clear that the ultimate outcome of the disinvestment should be (a) to further strengthen the management of the public sector and (b) to modernise them and to ensure further upgradation of technology, and to see that the surplus available is spent on social sector, human resource sector, etc.

">I apprehend, the Minister may correct me if I am wrong, that the party in power had made a very high-tuned campaign before election saying that the economic scenario of the country was absolutely stable and rosy and that everything was in order. The Finance Minister, Shri Yashwant Sinha, during his interview "Hard Talk" on BBC further stressed on it. I presume the Government is now realising that they made a mess of the entire fiscal front. It was to compensate the Rs.10,000 crore budgetary deficit that it was hurriedly thought to off-load even the shares of the Navaratnas at any price. It was exposed in the case of GAIL.

">Shri Ram Naik was saying yesterday on television that he was also considering a 10 per cent further off-load of the shares of Indian Oil Corporation. It is unfortunate that they talk such things on television and not in Parliament.

">THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): Since the issue is raised, I will reply to it.

">SHRI PRIYA RANJAN DASMUNSI: I am just reminding him of what he said on the television.

">Sir, with all its right or wrong recommendations, the Ramakrishna Commission, for which I do not hold any brief, submitted seven reports. One of the reports says:

">"The Disinvestment Commission has urged the Government to recommend an audit of investment transactions in public sector undertakings by the Comptroller and Auditor General of India within six months of the completion of the transaction."

">The Commission had said in its Fifth Report that:

">"In order that the disinvestment is ultimately in the best interest of the public while, at the same time, establishing a proper environment for decision-making, it is essential that audit of each disinvestment by C&AG is conducted thoroughly, expeditiously with the involvement of professionals familiar with the working of the industry and the capital markets."

">The Commission had said that the reasons are very clear.

">The Commission further said that:

">"The people involved in the transaction would be available for examination at a time when their memory will be fresh with regard to the action taken and decision arrived at as soon as the disinvestment..."

">Now, in case of GAIL which has been much talked about in this country, what was the urgency to sell it when the market price was low? Sir, I can show through the Report of the Disinvestment Commission that they have purposely advised the ONGC not to come under this list at the moment because they are expecting some better price later on, or when the administered price of the fuel would be finally settled down. Now, since they are advising in one way, the Government is responding to their advice. Whom did the GAIL dispose of their shares? They disposed of their shares to British companies and to Enron, who are the competitor of GAIL, and thereby, they will not only have their market command but also the ultimate command in terms of production-controlling management.

">Would the Minister consider recommending for such disinvestment including the GAIL's to refer to the Comptroller and Auditor General for quick audit, and explain the transparency in that matter? This is one of the recommendations.

">Sir, now conveniently they are choosing something. The Government had got the mandate in the name of NDA. They have come out. The Government has a Disinvestment Commission now to run and plan the direction. The Commission, rightly or wrongly, has got certain kind of autonomy, if not the statutory provisions laid down, which the Parliament can do later on, that too if the Government comes forward. But there is a Department without explaining or placing them before the Table of the House. What is the new approach of this Government in regard to the Disinvestment policy of the country? They have come out in a piecemeal manner. They are disposing of the GAIL in one manner, planning about the NTPC in another manner, and thinking about the ONGC and IOC in some other manner. In the meantime, they have also created a Department of Disinvestment just to work out an immediate need of meeting the budgetary deficit. One of the objectives or conditions of the Disinvestment Commission, if I have heard correctly about the proceedings of the then U.F. Government is that 'It would not aim to meet the budgetary deficit. It has some other works to do.' I have repeated about it earlier also, and I do not want to repeat the same now. That is why, we want to know about the policy. Will they come out with the policy first? What is their policy in regard to disinvestment?

">Sir, the hon. Minister has given a very beautiful nomenclature Navratnas -- these are the nine jewels of our country which prove to be worthy of the nation. Who are they? They are the public sector companies. Who are the management? They are our people. The nine jewels prove to be worthy of the nation, and the Government is only considering them whenever they find, in the disinvestment ratio, without considering the market price, to disinvest their share capital at the earliest.

">Instead of approaching the international market, the Bharat Petroleum, the Indian Oil Corporation, and the Hindustan Petroleum, will go to the Middle-East or will go to France to buy equity of Gulf oil companies in the Middle-East to operate here, to augment more money for us. The Government is thinking otherwise. "How quickly, they can off-load some of the shares?" Actually they are not 'some of the shares', they are 30 per cent, 40 per cent, 41 per cent or even 42 per cent. They are selling them to those who can ultimately take the command of the oil sector.

">Now, Sir, through you, I would like to address a very political question to the hon. Minister. He should not take it as technical. We know about the US design in the Middle-East. Why are they creating trouble for Iraq day in and day out? The ultimate design of the US is to get hold of the oil industry in the Middle-East, maybe, after five years, 10 years or 15 years. India's nine jewels are proving their mastery on their feet, be it the Indian Oil, be it the Hindustan Petroleum, be it the GAIL, be it the Bharat Petroleum, be it the IBP, and finally be it the ONGC. They are planning how to off-load their shares and give them to the British companies or to Enron. Do they want all the Middle-East business to be taken over by the US arrangements? Therefore, this matter is not merely of some technical words.

">The disinvestment will strengthen this Unit. Disinvestment will fetch some new resources to the Consolidated Fund of India and thereafter all these things will be planned. These are all nothing. The whole approach of yours is, as I understand from your Government, in the absence of your policy, you are very hurriedly planning to please and satisfy some of your masters, if I may use the word, who are planning to visit India very soon, as quickly as possible so that the overall arrangement in the name of economic revolution policy is settled and settled for ever. I strongly feel, therefore, that before you decide anything, you must take the House into confidence placing before it your disinvestment policy. About which areas are you thinking? There are three types of units in public sector, units which you call nine jewels, and units which are healthier. The study has revealed that with some upgradation and modernisation of technology, they can stand on their own feet and there are units which can go for joint sector. You are not using that. You are saying that strategic partner takes them. The ultimate end of it is total

">privatisation and giving it to the banks. Therefore, I feel that Government is not serious in this matter. Therefore, instead of placing a policy paper on this matter, they have created a Department to meet their immediate requirements in the Budget.

">In the Bharat Petroleum Corporation, now the Government holding is 66.20 and offloaded 33.80. In the Gas Authority of India, the Government holding is 67.34, and off loaded 32.66. In Hindustan Organics, the Government holding is only 58.61 and offloaded 41.39. In Hindustan Petroleum, Government holding is 51.06 and offloaded 48.94. In Mahanagar Telephone Nigam, the Government holding is 56.20 and offloaded 43.80. In Videsh Sanchar Nigam, 52.96 is the corporate holding and offloaded 47.04; And

">I have quoted a few of these from the Navaratnas. What message are you trying to give through this process of disinvestment? Have you been able to achieve even one thing for the last 1 1/2 years? Here is the middle order public sector unit. Have you tacked with joint venture programme, a joint sector, to run the show? No. Not a single one. Have you been able to tie up the technology, if I may say so, of the six public sectors to modernise? No. You are coming out with this policy to destroy all those dreams of Pandit Jawaharlal Nehru in those areas of public sector where commanding height of economy has been proposed. Yes, there are arguments. I know. Rs.200,000 crore have been spent. What is the result? There are losses and losses incurred by a lot of people. I do agree that in a developing nation like India, with social obligation and social compulsions, without considering the professional aptitude of the management, we did employ people. Did we commit a crime by giving employment to the people? You should not take the statement that the public sector units are not running in good health in a casual manner. We have to probe. I still consider that if professional aptitude of the management is further monitored and if we get good market access in appropriate time, SAIL in this country could come out from losses. It could and it can. There are arrears. For instance, Dr. Bolla Bulli Ramaiah is here. He handled the Commerce Ministry. If you do not develop STC and MMTC as professional marketing organisations in Government itself, how can they grow? In a few of them, of course, in some cases we took action where the management was wrong. You are taking it as a business, giving it to somebody else and ask them to shut down the door and go back. Is it not a fact? I also handled that Department for a long time. Therefore, the Government is not serious.

">There has been a definite under-pricing of the shares of GAIL. When we sold the GAIL shares, the share price was at an all time low. The urgency was that the British Gas Company and Enron at that time dictated, 'You will have to sell the shares today; otherwise, we will not buy them tomorrow' and you had succumbed to that without considering the recommendations of the Commission.

">MR. CHAIRMAN : There are five more hon. Members to speak.

">SHRI PRIYA RANJAN DASMUNSI : I will take very little time.

">The period over which the disinvestment is made is very important. There is no option of strategic sales as proposed by the Commission but the strategic sales shall ultimately lead to the total privatization of those units. What are the checks and balances that the Government is considering in this matter? I know, the Government will come out with its reply that it was the Congress Party which initiated liberalization. Yes, it was the Congress and UF Governments that thought of disinvestment. There, it was clearly laid down that the proceeds of disinvestment shall be utilized to modernize the unit itself; and also to spend for the health and social sectors.

">We are, of course, consistent in our approach. But when we proposed all these things as our philosophy, Shri Ram Naik and those in Government now, raised the flag of Swadeshi. So, I now watch with great interest that if before the dawn of the new millennium anyone is to be rewarded for greater inconsistency in their political prophecies, it is your Government and your Party. Your inconsistency has converted the idea of Swadeshi into sattaseen. To keep the power with you, you accept whatever suits you, forgetting your ideology.

">श्री किरौटी सोमैया (मुम्बई उत्तर-पूर्व) : महोदय, मैं सबसे पहले आदरणीय प्रधानमंत्री को को धन्यवाद देना चाहूंगा और उनका अभिनंदन करना चाहूंगा कि १९९१ के बाद १९९९ में, नौ वर्ष पश्चात डिसइन्वेस्टमेंट का महत्व समझ कर इन्होंने एक अलग डिपार्टमेंट का प्रारम्भ किया। उसका इंचार्ज हमारे मित्र एफिशिएंट परसन अरुण जेटली जी को बनाया है। मुझे विश्वास है कि डिसइन्वेस्टमेंट के क्षेत्र में अरुण जी अरुणोदय जरूर लाएंगे।

">

महोदय, आज मैं वास्तव में जो चर्चा करने जा रहा हूँ वह राजनीति से ऊपर उठ कर करने का मेरा विचार है। डिसइन्वेस्टमेंट, यानी हम राष्ट्र की सम्पत्ति बेचने जा रहे हैं। मैं विपक्ष से भी यही प्रार्थना करना चाहता हूँ और हमारे जो सत्ताधारी पक्ष और सहयोगी हैं उनसे भी यही विनती करना चाहूंगा कि मैं जो कुछ बोलने जा रहा हूँ उसे कोई व्यक्तिगत अवमानना या अपमान न समझें। मैं चार्टर्ड एकाउंटेंट हूँ, इसलिए मैंने इसे कुछ विशेष समझने का प्रयत्न किया।

I am getting more and more confused when I get more and more details.

यहां बैठे हुए जो तीन हिस्से हैं, इन तीनों ने नौ वर्षों के दरम्यान सरकारें बनाई हैं, इन तीनों सरकारों ने नव वर्ष में नौ रत्नों को ही बेचा है। हम जो एक-दूसरे पर अंगुली उठाते हैं, मेरी प्रार्थना है कि हम अंगुली न उठाएँ, क्योंकि अगर एक अंगुली मैं उठाऊंगा, वह कांग्रेस और विपक्ष के ऊपर जाएगी तो तीन अंगुलियां मेरे ऊपर भी आएंगी। जब सम्माननीय इन्द्रजीत गुप्त जी ने चर्चा का प्रारम्भ किया तो मैं नोट कर रहा था, लेकिन मैं उस पर ज्यादा बोलने वाला नहीं हूँ। मेरे साथी प्रियरंजन दासमुंशी जी ने बात छोड़ी कि नेहरू जी ने जब सोशलिज्म शुरू की तो फिर मनमोहन जी और राव जी ने क्यों यू टर्न ले लिया। मैं उसमें नहीं जाऊंगा, क्योंकि आज मैं राजनीति से ऊपर उठ कर सदन से प्रार्थना करने जा रहा हूँ कि हम थोड़ा गहराई से विचार करें। ऐसा न हो जाए, ठ

Hindustan is available for sale. Come and exploit us, whether you are an internal industrialist or an outside multinational."

किरौटी सोमैया जारी नववर्ष के अगर हम आंकड़े देखें तो जैसा मैंने कहा है कि मैं किसी टोका-टिप्पणी में नहीं जाना चाहता हूँ, माननीय इन्द्रजीत गुप्त जी ने जब बीजेपी सरकार के ऊपर उंगली उठाई तो वे भी दो-तीन साल मंत्री रह चुके हैं। उस समय क्या हुआ? डिस-इन्वेस्टमेंट कमीशन की जो रिक्मंडेशन मेरे माननीय मित्र प्रियरंजन दासमुंशी जी जो पढ़ रहे थे वह उनके जमाने की रिपोर्ट थी और उनको समर्थन आपकी सरकार कर रही थी। लेकिन मैं फिर भी उसमें जाना नहीं चाहता हूँ।

During 1991-95, they have collected Rs.9794 crore. Where has that money gone? They had created a consolidated fund, a separate disinvestment fund. Where has that money gone? It has gone to fill up the deficit.

फिर भी मैं आपसे प्रार्थना करना चाहता हूँ कि आप इसे छोड़ें। जो मैं कहना जा रहा हूँ वह मेरी सरकार के लिए भी आश्चर्य की चीज है। मेरी प्रार्थना केवल यह है कि आप इस चर्चा को दलों से ऊपर उठाएँ। आपने जो बात ऑडिट के बारे में कही है, मैं भी ऑडिट की बात चाहता हूँ और यह भी चाहता हूँ कि माननीय अरुण जी इसका प्रारम्भ करें।

Let there be a separate audit.

हमने जो पाइंट उठाये थे और आगे जाकर जिसकी रिसर्च आगे जाकर डिस-इंवेस्टमेंट कमीशन ने की। कल्पना यह है कि न केवल इस डिस-इंवेस्टमेंट को पार्टिकुलर कंपनी रखेंगे जैसे गेल, एमटीएनएल, वीएसएनएल और आईपीसीएल - यह क्यों हुआ, कैसे हुआ? लेकिन उसमें जो कमियां होंगी, उसको सुधारने के लिए हम इस ऑडिट का उपयोग कर पायेंगे।

At the same time, that can help create accountability also.

इसके लिए इस ऑडिट की संकल्पना बहुत अच्छी है। न केवल ऑडिट बल्कि यह जो विचार रखा गया है कि एक ब्वाइंट पेपर, पॉलिसी पेपर

Certainly it is a very important matter.

इसके लिए कोई कमेटी भी नियुक्त हो। केवल सदन के सदस्यों से ही राय न ली जाये बल्कि बाहर भी बहुत एक्सपर्ट बैठें हैं उनकी भी सलाह हमें लेनी चाहिए। एक एक्सपर्ट ने जानकारी दी तभी मुझे पता चला। सदन में ५ मार्च १९९९ को एक उत्तर दिया गया। अगर हम कमियां नहीं बताएंगे तो मंत्री महोदय को कैसे पता चलेगा कि एडमिनिस्ट्रेशन में क्या चल रहा है। वित्त मंत्री जी से पांच मार्च १९९९ को डिस-इंवेस्टमेंट के बारे में एक प्रश्न पूछा गया कि १९९८-९९ का आपका टार्गेट क्या है,

The reply was Rs.5000 crore.

जब सिर्फ २६ दिन बाकी थे उन्होंने कहा कि

He had collected only Rs.1200 crore.

लेकिन आगे उत्तर में दिया गया कि हम बाकी के तीन हजार आठ सौ करोड़ जल्दी क्लैक कर लेंगे।

अभी ७ दिसम्बर १९९९ को जो दूसरा उत्तर आया है उसमें उन्होंने दिया है

In 1998-99, we could complete our target of Rs.5000 crore; not only Rs.5000 crore, but also we had collected Rs.5371 crore.

जब मैंने उत्तर पढ़ा था तो मैंने वित्त मंत्री का अभिनंदन किया था। लेकिन जब मैंने मुम्बई में इसकी चर्चा की तो मुझे पता चला

It is a shocking surprise.

मैं मंत्री महोदय से विनती करूंगा कि आप आज नहीं तो कभी स्पष्ट करो कि हम किसको फंसा रहे हैं। इस पर तीनों बजटों के लोगों को विचार करने की जरूरत है।

I do not know; I am not sure; let the Minister and the Government confirm it.

यह २६ दिन में बाकी का जो डिस-इंवेस्टमेंट हुआ

It was completely a window-dressing.

एक सरकारी कंपनी ने दूसरी सरकारी कंपनी को शेयर बेचे, दूसरी ने तीसरी को और तीसरी सरकारी कंपनी ने पहली कंपनी के शेयर लिये। गेल ने १५०० करोड़ के शेयर बेचे। माननीय राम नाईक जी उसी दिन बता देते तो इतना हंगामा नहीं होता। साठ रुपये में उन्होंने जो डोमैस्टिक सेल किया है वह मेरे ख्याल से ६० रुपये में गेल ने जो बेचे वे ओएनजीसी को बेचे। फिर आईओसी ने १० प्रतिशत शेयर ओएनजीसी को १२०० करोड़ रुपये के बेचे, फिर ओएनजीसी को २६०० करोड़ रुपये के शेयर आईओसी और गेल ने परचेज किये।

17.00 hrs.

श्री सोमैया जारी यह केवल एन.डी.ए. गवर्नमेंट के समय नहीं हुआ। आपकी गवर्नमेंट के समय का मैं बता सकता हूँ लेकिन मैं उसमें नहीं जाना चाहता हूँ। इस पर विचार करने की आवश्यकता है। जब डिसइन्वेस्टमेंट कमीशन प्रारम्भ हुआ, मैं उसके पहले की स्थिति बता सकता हूँ -

"The conventional view stated about two decades ago is in the context of British privatisation programme, that blue chip PSUs should not be sold to meet Budgetary deficits as this would amount to selling the family silver to pay the butler".

डिसइन्वेस्टमेंट के बाद क्या परिस्थिति पैदा हुई? पिछली तीन सरकारों ने जल्दी ही डेफिसिट फाइनेंसिंग कवर करने के लिए इसे यूज किया। मुझे पता है एडमिनिस्ट्रेशन का यह रिफ्लैक्ट है। अगर इसे क्लैक करके

Consolidated fund

में नहीं डाला जाता तो डेट बढ़ जाता और ६०-६५ करोड़ रुपए दूसरी जगह पब्लिक सेक्टर में लगते या मिल कर लगते

What are you selling? You are selling the blue chip companies. You are selling the VSNL and the MTNL. You are disposing of the GAIL and the IPCL.

ऐसे में क्या रह जाता है? केवल सिक यूनिट्स रह जाएंगी। दस साल के बाद ऐसी स्थिति पैदा हो जाएगी कि बेचने के लिए कुछ नहीं बचेगा और पगार देने के लिए सिक इंडस्ट्री रह जाएंगी। ऐसे में क्या परिस्थिति पैदा होगी? आज वी.एस.एन.एल. का ४९ परसेंट चला गया और ५१ परसेंट बाकी है। बाकी कम्पनियों के बारे में भी यही स्थिति है।

What type of argument is this?

आप चाहें डिसइनवैस्टमेंट किसी चीज का करें लेकिन डेफिसिट फाइनेंसिंग में उसे यूज नहीं करें।

The Government will have to borrow more. Sometimes, we have to demarcate.

हमें कहीं न कहीं लाइन बनानी पड़ेगी। ब्रिटिश प्राइवेटाइजेशन का उदाहरण देखा जाए।

Unlike the Margaret Thatcher's style of privatisation guided by the conviction that Government-controlled PSUs are less efficient, the policy followed in India was driven by the Central Government's need to mobilise the resources for bridging the Budgetary gap.

क्या इंग्लैंड जैसा प्राइवेटाइजेशन का मॉडल यहाँ नहीं लाया जा सकता?

You are disposing of the whole unit.

मुझे यह बात समझ में नहीं आती है। अनेक जगहों में इस डिपार्टमेंट ने अलग-अलग रिपोर्ट दी है।

We will have a strategic partner. We will keep 26 or 30 per cent. We will transfer the management.

मुझे सचमुच यह बात समझ में नहीं आती है। आई.पी.सी.एल. का मामला चल रहा है। उसमें ५९ परसेंट गवर्नमेंट की हॉल्डिंग है।

You want to sell 26 per cent of the shares. You want to dispose of 33 or 34 per cent of the shares. 33-34

परसेंट शेयर बेच देंगे, कम्पनी ट्रांसफर कर देंगे और बाद में प्राइवेट कम्पनियाँ आ जाएंगी।

Whether it is an Indian company or multi-national company.

वे क्या करेंगे?

You will have a minor partner.

वे कम्पनी का प्रॉफिट लेकर बाकी सभी को एक्सप्लॉयट करेंगे। ऐसे में २६ परसेंट की क्या वैल्यू रहेगी?

You will get dividend.

अगर उसने डिविडेंड डिक्लेयर नहीं किया तो

Let us have some discussion.

इस पर इन्डिफेबल डिस्कशन करने की आवश्यकता है। इसमें सभी को कंटीब्यूट करना चाहिए।

किसी कम्पनी को १५-२० परसेंट या ३० परसेंट बेचने के बदले कम्पनी को हन्डेड परसेंट बेच दो।

You decide which company it should be. Let the House decide it.

कम्पनी को हन्डेड परसेंट बेचने से एक्सप्लॉयटेशन रुकेगा। ब्लू चिप बेच देंगे तो होटल बिजनेस रह जाएगा। क्या गवर्नमेंट होटल चलाएगी? इस बात पर विचार करने की आवश्यकता है।

आज पब्लिक सेक्टर की क्या स्थिति है?

The accumulated loss of PSUs has reached a staggering amount of Rs.42,500 crore at the end of 31st March, 1998.

क्या ब्लू चिप कम्पनी के शेयर इसके लिए बेचे जाएंगे? सरकार को इस बारे में सोचना चाहिए। डिसइनवैस्टमेंट का जो भी प्रॉफिट आएगा, उसका अलग फंड बनाया जाए। इसका यूटिलाइजेशन किस प्रकार से हो, इस पर भी विचार करने की आवश्यकता है।

श्री किराँत सोमैया जारी वास्तव में यह फंड

reconstruction of some of the industries or starting new industries.

वास्तव में ये फंडस फारेन या एक्सट्रानल डेट को कम करने के लिये यूटिलाइज करना चाहिये इसका फायदा इतना होगा कि जो इंस्ट्रुमेंट बरडन है, वह कम होता जायेगा। इसलिये मैं मंत्री महोदय से प्रार्थना करूँगा कि आपने एक अच्छा डिपार्टमेंट हाथ में लिया है।

IPCL

डिसइनवैस्टमेंट के बारे में मेरे मन में जो सवाल है, मैं उन्हें आपके सामने रखना चाहता हूँ। क्या मंत्री जी इनका उत्तर देंगे?

IPCL



के लिये कितने बिउस मंगाये गये? कितने फाइनल हुये? चार बिडर्स आये, एक ने विदड़ा कर लिया और कम्पनी सैक्रेटरी के कोर ग्रुप ने दूसरे को रिजेक्ट कर दिया

Now, only two persons remain.

आप कहते हैं कि चार में से ३ रह गये और उनमें से दो ने कार्टेल बना लिया, सिंडिकेट बना लिया, आपके हाथ में क्या मिलेगा?

Even that can be manipulated. Has it not happened so? I would like to request the hon. Minister IPCL

के लिये गये डेढ़ साल में क्या व्यवहार हुआ है, उसके संबंध में इंक्वायरी करें। गवर्नमेंट या फाइनेंशियल इंस्टीट्यूशन्स ने खुद ने पैसा दिया। फिर

It is being used against us only. IPCL

के शेयर भाव पिछले महीने दीवाली पर ५८ से ६० रुपये थे, मार्च तक वे ६० से १०० रुपये के बीच में खेल रहे थे। उसके बाद आज शेयर का भाव १३० से १३५ रुपया हो गया है। आपको यह जानकर आश्चर्य होगा कि यू.टी.आई. ने एक करोड़ रुपये से ज्यादा के शेयर्स बेचे।

I may be wrong.

वह १०० रुपये से कम दाम में बेचे या ६० से ७० रुपये के बीच बेचे?

Who were the market brokers? Who had cornered these shares? It was three off-shore funds. They are holding 12.5 per cent of the IPCL shares. Do you know why?

वह बेनामी है क्योंकि

IPCL

में डिस्इन्वेस्टमेंट की कंडीशन ऐसी है कि जो भी बिडर एकत्रायर करेगा, गवर्नमेंट का करेगा।

he will have to have a open public offer.

कि उसको २० परसेंट शेयर मार्किट में से एकत्रायर करना पड़ेगा उन्होंने १२.४ परसेंट ऑफ शोर फंड्स के द्वारा एकत्रायर किया है। इसका मतलब यह है कि दूसरे के सिर पर गोली रख रहे हैं क्योंकि मार्किट में अवैलेबल नहीं है, यही अवैलेबल है। दूसरा, १०-१२ परसेंट या तो उसे अपने फेवर में या फिर बाद में ब्लैक मार्किट में करेंगे।

Is it true?

यू.टी.आई. ने ने गत वर्ष में एक करोड़ के शेयर

IPCL

को बेचे, वे किस रेट पर बेचे? उन्होंने भी कनफर्म किया है कि १.४.१९९९ से आज तक एक भी शेयर नहीं बेचा है, मार्च ३१ के पहले एक करोड़ ६४ लाख के शेयर्स

IPCL

के बेचे।

At what rate? For whom? Who took the decision?

मैं इस बारे में चर्चा करूंगा यूनिट-६४ के बारे में कि दीपक पारिख कमेटी की रिपोर्ट इस सदन के समक्ष रखी जाये।

Once again I request you

यह यू.टी.आई.-६४ है कि किस प्रकार यून होना है क्योंकि कभी कोआलीशन गवर्नमेंट यून करती है तो कभी कोई प्राइवेट इंडस्ट्रियलिस्ट यून करता है।

इसलिये मेरा कहना है कि कोई भी ऐसा शेयर सेल न हो जाये जिससे इस देश की बाद में मनोपोली हो जाये।

The Disinvestment Commission has rejected an application from an industry which is going to create a monopoly.

कोर कमेटी ने वह रिजेक्शन हटा दिया, क्यों? मैं यह बताना चाहूंगा कि किस प्रकार से

IPCL

का मार्किट रिगिंग होता है। अभी १० दिन पहले मुम्बई स्टॉक एक्सचेंज में शेयर का भाव १२२ पाइंट ऊपर चढ़ गया क्योंकि इकोनामिक टाइम्स में यह न्यूज आया था कि

The Government has fixed up the floor price of IPCL at the rate of Rs.180 to Rs.200.

सरकार १८०-२०० में शेयर बेचेगी ।

Due to this rigging and manipulation in the market

यह

IPCL

शेयर १३१ रुपये था, वह १४४ रुपये में जाकर रिगिंग के कारण १२८ रुपये पर क्लोज हुआ।

जब उसकी नेट एसेट वैल्यू १२६ थी और ये कोई छः महीने में डेवलप नहीं हुई। पिछले साल का जो फाइनेंशियल रिजल्ट था

The net asset value was more than Rs.126. Now, you please enquire which Government institution sold it.

इसलिए मैं इतनी ही प्रार्थना करना चाहूंगा और सुरेश प्रभु जी का ध्यान दिलाना चाहूंगा।

मैं एक दूसरा उदाहरण देना चाहता हूँ। गैल का जो इश्यू था, उसका मार्केट प्राइस १४५ था तब मुम्बई स्टॉक एक्सचेंज का इन्डेक्स ४००० था और आज मुम्बई स्टॉक एक्सचेंज का इन्डेक्स ५००० है लेकिन गैल का मार्केट वैल्यू सिर्फ ७२ है। इसमें कोई गवर्नमेंट का सवाल नहीं है। जिनको जिस-जिस कंपनी में इंटरस्ट होता है, वह गवर्नमेंट किसी का भी हो, वह मार्केट मैन्युपुलेट करते हैं।

They are using our own financial institutions against us.

इसलिए मैं माननीय मंत्री महोदय को कुछ और सुझाव देना चाहूंगा कि जब भी डिसइन्वेस्टमेंट के बारे में सोचे तो अलग-अलग प्रकार से सोचना पड़ेगा। एक स्ट्रैटेजिक सेल हो। डिस्मिशन लेने में चार-पांच साल लगते हैं तो अच्छे बिडर्स निकल जाते हैं। इसलिए क्विक डिस्मिशन होना चाहिए। बेचना है तो बेचो नहीं बेचना है तो बंद करो। सी.एम.सी. का इश्यू अभी आया है और

The State Bank of India has become a lead manager.

यह गवर्नमेंट कंप्यूटर कंपनी है। सी.एम.सी. इतनी पुरानी कंपनी है लेकिन उसकी मार्केट वैल्यू क्या है -- ५४२ रुपये, और काले कंसल्टेंट नाम की दो करोड़ रुपये की कंपनी कुछ महीने पहले ही मार्केट में आई और उसका मार्केट प्राइस ६२५ रुपये है। उसके सामने इनफोसिस १०००० रुपये, सत्यम १८३४ रुपये, पी.एस.आई. डेटा १२६४ है। इसके लिए मेरी प्रार्थना है कि टाइम, प्राइस और स्ट्रैटेजी फाइनेंस पर हम विचार करेंगे तो मुझे पूरा विश्वास है कि हमने जो भी पी.एस.यू. और डिसइन्वेस्टमेंट का प्रोग्राम बनाया है उसमें हम अच्छी तरह से सक्सेसफुल होंगे। उसको व्हाइट पेपर कहो या पॉलिसी पेपर करो जो भी कहना है कहो, लेकिन जो देश की महत्वपूर्ण चीज है, वह सब इसका बैलेन्स करें। एक बाजू नवरत्न बेचें, लेकिन साथ-साथ बोल्ड डिस्मिशन लें और जो सिक यूनियंस हैं उनको भी डिस्पोज ऑफ करने का प्रयत्न करें। मुझे विश्वास है कि अरुण जी इस सबको अच्छी स्पिरिट में लेंगे और डिसइन्वेस्टमेंट में अरुणोदय लाएंगे। धन्यवाद।

SHRIBASU DEB ACHARIA (BANKURA): Mr. Chairman, Sir, when the first public sector undertaking of our country was inaugurated by the first Prime Minister of India, he said that he is not inaugurating an industry but he is inaugurating a temple of modern India. These temples of modern India are now being demolished and destroyed by this Government. Sir, the basic theme of both the Industrial Policy Statement of 1948 and the Industrial Policy Statement of 1956 was the policy of self-reliance. This policy of self-reliance was given a go-by in 1991 when the policy of liberalisation was adopted. We objected to that and opposed to it at that time also. But in 1991, when the new Industrial Policy was announced and adopted by the then Government what did the Government say in regard to disinvestment of the shares of public undertakings?

">In order to raise resources and encourage wider public participation, a part of the Government shareholding in public sector would be offered to mutual fund, financial institutions, general public and workers. GAIL is a glaring example. The Government did not allow to sell the shares of the Gas Authority of India at Rs.127 per share. But after two years, what is the change in the situation? The Government reduced the price, sold the shares of the Gas Authority of India at Rs.80 per share! As a result of this, what is the loss to the exchequer? The loss is to the extent of Rs.600 crore. By selling the shares of the Gas Authority of India how does the Government ensure a wider public participation?

In 1996, the Disinvestment Commission was set up. In the Common Minimum Programme of the United Front Government it was included that as there was no transparency, to have a transparent policy, there should be a Disinvestment Commission. The Disinvestment Commission has made certain important recommendations. When the Government of India found that the recommendations were not to their convenience, their reply is awaited.

The first recommendation was to set up a Disinvestment Fund. What was the object of this disinvestment? The object of disinvestment was not to bridge the fiscal deficit. The object of disinvestment was to create a Fund. That was in the Common Minimum Programme of the United Front Government. What they had stated was that the revenue generated from such disinvestment would be utilised in two vital areas of the country, namely, health and education particularly in the poor and backward areas of our country. A part of such revenue would be earmarked to create an Investment Fund which would be utilised to strengthen other public sector enterprises. The Government owes an explanation as to how much they have spent for health and education in the poor and backward areas and how much they have earmarked, out of Rs.18,282 crore which was the fund raised up to 30.11.1999, for the revival and revamping of sick public undertakings.

Yesterday only I raised the problems of fertilizer units of our country. From Gorakhpur to Ramagundam, all the units have been closed. The Gorakhpur unit has been closed. The FACT in Cochin has been closed. In Uttar Pradesh, the Gorakhpur unit is there. In Bihar and Barauni, there is no production in the units. In the Durgapur unit in West Bengal, there is no production. There are three units in Namrup in Assam. One is functioning. Two have been closed. The Talcher unit, which is a coal-based Fertilizer Plant in Orissa, has been closed. In Andhra Pradesh, the Ramagundam unit has been closed. My TDP friends will admit that it is also a coal-based Fertilizer Plant and it has also been closed...(Interruptions)

Now, I would like to know from the hon. Minister that out of Rs.18,282 crore, how much money they are planning to spend in order to revive these seven or eight Urea Units of our country which are vitally needed for agricultural production. What we are hearing from the

Government is that our public sector undertakings are incurring losses. They never said how much the Government of India had received from the public sector undertakings towards excise duty, sales tax and dividend. They never say about the employment generated by these public sector undertakings. They never say about the social obligations which these public sector undertakings do undertake. Out of the 242 public sector undertakings, only 236 are operational now. There are 74 Ministers!...(Interruptions) How many private sector undertakings like the Enron and the British Gas Company undertake the social obligations like our public sector undertakings? Shri Ram Naik is eager to sell the GAIL to Enron because the Enron is in Maharashtra. They are selling the shares of the Gas Authority of India at throw away prices, whatever price they may get. The assets created by millions and millions of people of our country are being squandered away by the Government. I would like to put this question whether we should allow it or not; whether we should allow this Government to sell out, to squander the assets created by the toil of the millions and millions of workers of our country.

Can the Government say that during the super-cyclone period, how many of the Private Companies like the Enron and the British Gas Company came forward to adopt one village or one district like it was done by the Bharat Heavy Electrical Limited? Can we forget all these things? Of course, there are some chronically sick public sector undertakings. There are some public sector undertakings which are not public sector undertakings since their inception. There are some Units which were closed down or abandoned by the erstwhile owners. Those units were taken over by the Government of India and then subsequently they were nationalised. No investment was made. There are the undertakings like the National Textiles Corporation, the NJMC etc. They were all in the private sector.

They were taken over and these units were closed down; not a single paisa was spent on them. In the case of Bengal Potteries, I had met the Prime Minister at least 25 to 30 times, - I had gone to meet the Prime Minister alongwith Kumari Mamata Banerjee; we had gone together, because there is no difference of opinion between us when it comes to the interest of the labour force and the interest of any industry in West Bengal - but ultimately that prestigious company was wound up.

Without spending a single paisa, the Government has come to the conclusion now that this company cannot be revived. But there are some companies with potentiality which can be revived and one such company is the Rehabilitation Industries Corporation Limited. What was the object of setting up this company? The Rehabilitation Industries Corporation Limited was set up in 1959 by the Government of India in Calcutta with the primary objective of rehabilitating refugees from Bangladesh, Burma and Sri Lanka. Employment opportunities were sought to be created through the establishment of manufacturing facilities in low to average skill industries such as industrial estates, taxi cooperative societies etc. The purpose of setting up this company was to rehabilitate the refugees. But now the Government has decided to wind up this company and that its shares should be sold out. Who will buy its shares?

Sir, the hon. Minister of Petroleum and Natural Gas is sitting here. I would submit that private companies will be ready to buy the share of GAIL and IPCL. But what was the recommendation of the Disinvestment Commission with regard to the sale of the share of IPCL? I quote:

"However, care should be taken while pre-qualifying bidders to ensure that strategic sale does not lead to market dominance by a single player."

By the term "single player" what was in the mind of the Disinvestment Commission? They thought that the majority of the shares should not go to any particular company. Now, the Reliance Industries Limited wants to buy the shares of IPCL to have dominance in the field of petrochemical products of our country. The Disinvestment Commission has categorically recommended against it. But that has not been taken into consideration while selling out the shares of IPCL.

Sir, we were surprised when the Government took a decision to sell out the shares of nine jewels, which were called 'Navratnas'. There are some public sector undertakings which are called mini-Ratnas.

MR. CHAIRMAN : Shri Basu Deb Acharia, please conclude.

SHRI BASU DEB ACHARIA : Sir, I have just started.

MR. CHAIRMAN: Shri Acharia, only seven minutes have been allotted to your party by the Business Advisory Committee.

SHRI BASU DEB ACHARIA : Sir, this is a very important subject involving 242 public sector undertakings and an investment of Rs.1,92,222 crore in these units. So, you allow me... (Interruptions)

MR. CHAIRMAN : The Business Advisory Committee has allotted the time.

SHRI BASU DEB ACHARIA : This is for the sake of allotment. And for the Panel of Chairmen, there is no restriction. ... (Interruptions)

This is the main reason. The Government is facing serious economic crisis. The gross fiscal deficit is half done. The budgeted estimates in 1998-99 was around 22 per cent higher than the budgeted estimate. The tax and non-tax receipts have declined. The Government borrowings have been disproportionately high. Only in the month of April and June, Government has borrowed 40 per cent of the total yearly borrowings. The gross fiscal deficit for April, 1999 was Rs. 16,355 crore. In April, 1998, it was Rs. 12,355 crore. Thus, in order to bridge this fiscal deficit, they want to sell out even the blue-chip companies and the 'Navratnas' at throwaway prices.

I would like to quote from an article written by Shri Prithvi Nandy. He is neither a writer, nor a Member from the Opposition Benches but a Member from the Treasury Benches. Shri Geete will agree with me.

After the debate in the Rajya Sabha, Shri Nandy wrote an article and I quote:

"Last week in Parliament saw the Leftists arguing passionately against the GAIL disinvestment strategy followed by the BJP Government. So well argued was their case that I found myself, even as I sat in the treasury benches, in complete sympathy with them. For the shabby manner in which the disinvestment was done would put any self-respecting Government to shame."

He further said:

"The offloading of PSU stocks must be done within the strictest framework of public scrutiny. No Government has the mandate to sell off national institutions, some of them priceless value, built up by the dedication and efforts of millions of proud Indians (and the taxes you and I have paid, at absurdly high percentages of our income) for a song."

He has further said:

"No one should suspect that the family silver is being sold surreptitiously at the dead of night to those who are offering us but a fraction of their actual price. In that case, even the alliance partners of the BJP will have no option but to join the chorus of Opposition and ask for a parliamentary probe."

This is in regard to selling of shares of Gas Authority of India. I have said that the Government owes an explanation not only to this House but to the country at large. Why was the price reduced?

When, in 1997, the Government -- whichever Government at that point of time was there -- did not agree to sell it out at Rs.125 per share, how can this Government sell out the shares of Gas Authority of India at a throw away price?

I demand that there should be a Parliamentary probe in the whole affairs of disinvestment of Gas Authority of India. Just after coming to power, how could they take such a decision against the interest of the nation? I oppose the entire disinvestment of public sector undertakings and I urge upon the Government that the PSUs, including the NTC...

श्री आचार्य जारी काशी राम राणा जी, आप क्या पढ़ रहे हैं, मैं आपकी बात बोल रहा हूँ। अगर आपको २३०० करोड़ रुपया महाराष्ट्र में मुम्बई में जमीन बेचने से मिल जाता, आपका समूचा एन. टी. सी. रिवाइव हो जाता। हम भी गये थे, जो छोटी कमेटी बनाई थी। वहाँ तब के मुख्य मंत्री, अब हमारे उद्योग मंत्री हो गये हैं। हम जोशी जी से मिले, लेकिन वे एग्री नहीं हुए, बोले हम लोग जमीन नहीं बेचेंगे। इससे आपको पैसा नहीं मिला। अगर १८,००० करोड़ रुपये में से आपको ३,००० करोड़ रुपया मिल जाता तो आपका समूचा एन.टी.सी. रिवाइव हो जाता।

श्री राम नाईक : आप लैंड बेचना चाहते हैं क्या ?

... (व्यवधान)

श्री बसुदेव आचार्य : सरप्लस लैंड क्यों नहीं बेचना चाहते हैं।

... (व्यवधान)

श्री सोमनाथ चटर्जी : हम लोगों ने आपको कोआपरेट किया।

... (व्यवधान)

He went in that Committee along with the Minister.

SHRI RAM NAIK: I was also with them. But I opposed that.

SHRI BASU DEB ACHARIA : Yes, he was also there accompanied by Shri Madhukar Sirpotdar. We went there along with Shri R.L. Jalappa.

So, I urge upon the Government to take urgent steps to revive the public sector undertakings which have the potentiality to be revived. In the interest of the workers and in the interest of the nation, the Government should stop this disinvestment policy, selling out the shares at throw away prices to the foreign and Indian companies. If the Government sells out shares at throw away prices, then how can India be built by Indians? This way India can be built by only Enrons and British Gas companies. Does the Government want that?

श्री सोमनाथ चटर्जी : मलकानी जी क्या बोल रहे हैं, आप जाकर वह सुनो न।

... (व्यवधान)

SHRI BASU DEB ACHARIA : I have not quoted Shri Malkani as to what he said in the other House. He totally opposed the Disinvestment Policy. So, I oppose the disinvestment and I oppose this selling out of shares of the public sector undertakings.

I demand that there should be delinking of disinvestment from the Budgetary process of the Government.

I suggest the fund which has been raised to the extent of Rs.18,222 crore be spent to revive the PSUs. Up to 30th November, 1999, out of Rs.43,000 crore which was the target this year, they could raise only Rs.14,000 crore. That is why, the Prime Minister thought it wise to create a separate Department for disinvestment.

SHRI SOMNATH CHATTERJEE : He is the liquidator.

SHRI BASU DEB ACHARIA : He is the official liquidator. Shri Jaitley, you are the official liquidator.

MR. CHAIRMAN : Please conclude. You have taken half-an-hour time.

SHRI BASU DEB ACHARYA :

I am concluding. I have not taken half-an-hour. I have taken only 10 minutes time. So, I again urge upon the Government...

SHRI SOMNATH CHATTERJEE : You do not urge. What is the use of urging? You demand.

SHRI BASU DEB ACHARIA : So, again I demand not to close down our Public Sector Undertakings, not to demolish the temples of modern India. You spend a sum of Rs.18,000 crore to revive all our sick Public Sector Undertakings. Thank you.

SHRI SOMNATH CHATTERJEE : Including NTC.

DR. B.B. RAMAIAH (ELURU): Hon. Chairman, Sir, the main discussion is disinvestment which is the most important item. The three aspects which we have to see are: whether we should continue with the disinvestment; if it is so, for what purpose we have to do it; and how do we utilize the fund.

">Disinvestment was started in the year 1991-92. The object was very clear. It was to see that we should be able to strengthen the strategic industries and also we give proper consideration for their sickness. What we said in the second object is also very clear. As Shri Acharia has mentioned, the policy and the Common Minimum Programme of the United Front Government, while focussing on the economic growth with social justice, emphasized that the Public Sector would continue to be an important component of Indian industry. It stated that any decision on disinvestment should be taken and implemented in a transparent manner. That is the main object.

">Revenues generated from disinvestment should be utilized in the vital areas of health and education, particularly, in the poor and backward districts of the country. This is the main object. So, our main object now is to see whether this has been utilized, whether this object is practised and implemented.

">The second thing that we find is that in the earlier disinvestment, there were a number of lapses. So, we said we should start with the Disinvestment Commission. Of course, the tenure of Disinvestment Commission is over by 30th November. I am sure the Government will again re-consider and see that they should be able to strengthen the Disinvestment Commission.

">Many hon. Members have mentioned so many issues. So many issues have come up. I do not want to go into those facts about IPCL, GAIL and various other organizations, how they have performed and what has happened to them.

">But we should strengthen these organizations. We should have proper people who can be able to really do justice in the country's interest. We should see that the workers' interest is protected carefully. This is the main object on which you have to say something.

">Some time ago, we started nationalizing our industries but later on we found there were some problems in nationalization. We also changed our policy due to circumstances and conditions of international and national policies of the Government. I know our hon. Member, Shri Somnath Chatterjee very well. In West Bengal, they want to invest in more industries and they want to have more participation. They want more collaboration to come. We are doing this in the interest of the country, workers and development. Everybody who is interested in the country's development would do that. In the process, sometimes, we may misuse; we may go in a wrong direction. So, we should always see that we go in the right direction. In other countries also there is sickness either in the private sector or in the public sector, they are showing a lot of interest. So many countries are interested in it. But what is required is, how to strengthen this, how to utilize the resources of these organizations. That is why, the financial institutions or the banks or the Government should always see that the lapses are set right, either in collaboration or through mergers or amalgamation or in whatever possible way.

">There are weaknesses which may be due to quality of the product or due to the technological evolutions or due to marketing strategy or some other things. We should not hesitate to see that that is put into operation rather than keeping them idle so that they make losses. (Interruptions).

">Sir, as our hon. Members have said, I would like to see that they should be properly attended to without any hesitation and without any reservation. We want to see that the assets of these units must be utilised in the interests of the country and the people. That is the main object which we have to see.

">Sir, some of the hon. Members have said that there are 242 units in the public sector, out of which 162 units are in the manufacturing sector and 74 units are in the services sector. But out of these units what we find is that 129 units are doing well and 104 units are losing heavily. So, this is the responsibility of the Government to see how they can be run effectively.

">I have visited a number of units at different places. What has happened in the case of Indian Telephone Industry? As long as they were selling to the Government, they made a profit of Rs. 200 crore. The moment it was decided that they have to compete with the other units, they lost Rs. 95 crore. That means they have big assets.

">SHRI SOMNATH CHATTERJEE : Now, they are making profits.

">DR. B.B. RAMAIAH : I will tell you what had happened. I will give you all the details. Then, I told them how to do it. They have a lot of assets and manpower. I said that they require collaboration and technology in order to see that the manpower and resources can be utilised in the best interests. So, they changed the strategy. The same thing happened in the Bharat Electronics Limited. They were making only black and white TVs. I said that they should change the technology and should have a different collaboration methods. So, the policy of the Government should be able to save the industrial development of the country and utilise the resources usefully. Sir, Rs. 1,93,000 crore is invested in the public sector. What is the return now? We are receiving dividend which is less than Rs. 10,000 crore. We need to strengthen these units. We have to see how to strengthen these units and disinvestment is one of the steps. What are the requirements of the social obligations of these units? We have said that there should be a Disinvestment Commission and we should also have a Development Fund. The purpose of this Development Fund should be to help the research and development of new technologies. This is how we can help them. For example, the units like Indian Telephone Industries, Bharat Electronics Limited, etc. also require the

development of new technologies. These funds should be utilised to help them in the fields where they are lacking. I am sure that the hon. Minister will take these factors into consideration while utilising the funds.

We should look into another important aspect and that is the fiscal deficit. We are paying an interest of Rs. 88,000 crore. We should not blame one another. The country has been ruled by different parties at different points of time. There might have been different interests at that time. But we should see the present position. What had happened in the case of Asian giants. They are also facing problems today. So, we have to watch these things and we have to take a correct path by keeping in view the developments all over the world.

Our Defence expenditure is also going up. It is about Rs. 46,000 crore and it may even go up further. We never expected this to go up so much. Now, so much of funds are required to give relief to people in the case of natural calamities like droughts, floods, earthquakes, cyclone, etc. So, sometimes what we are providing in the Budget is not sufficient due to such calamities. But we need resources and unless we adopt some other strengthening methods, our fiscal deficit will go on increasing and inflation also will go up. We have to see how to control this.

Sir, there are huge public sector undertakings like Indian Oil Corporation, Gas Authority of India Limited, Hindustan Machine Tools, Vizag Steel, etc. and restructuring of these units are very much required. Vizag Steel produces excellent quality products. They have good markets. But the Government should do restructuring of the finances of these units. The interest is a big liability for them. So, the part of the interest should be converted into equity. If this is done, they would be able to restructure the whole unit.

There is a tremendous potential in units like the Vizag Shipyard, etc. But what is required is the development of modern technology.

Now, disinvestment also has gone to different stages. Though it was started in 1991-92 with Rs. 3,038 crore, it has come to Rs. 1,913 crore in 1993-94. Later on, it has again picked up and it came to Rs. 4,800 crore in 1994-95.

Then again it became Rs.362 crore. In 1998-99, it was Rs.5,371 crore and this year again it has come down to Rs.1,478 crore. We need at least Rs.16,000 crore. That provision is there in the Budget. But what are the important things? The first thing is that we have to strengthen the market conditions. The second one is the market strategies. Another thing is that when we decide that we are going to disinvest in so much quantity, the market may depress. So, before we take any decision, we have to be careful about the market and the other things that are required, that is, how much you want to sell, to what extent you sell, and so on. The moment you say that you want to sell a huge quantity, the market again goes down. For deciding the strategy of these things, we need experts who are able to do the job, but still we need disinvestment. When to do this and how to do this is more important. So, across the party lines, we have to give our suggestions, our cooperation, our collaboration in the interest of the country, in the interest of development, in the interest of workers. I do not want to say that this is not the policy that we do it, but this is required for corrections. Huge corrections are very important and I look forward to everyone of you to be able to participate.

SHRI SOMNATH CHATTERJEE : I am sure, they have not even consulted you. They do not believe in consultation.

DR. B.B. RAMAIAH : Whatever it is, some of these things are required and, I am sure, they would be able to strengthen this...(Interruptions)

DR. B.B. RAMAIAH : Well, I think no matter whatever it is. I said, this has to be done in the interest of the country, in the interest of the people, in the interest of the workers. No matter whoever does it, the country is more important, the object is more important, not the basis on which probably some of these things have happened....(Interruptions)

MR. CHAIRMAN : Now please conclude. You have taken five minutes extra. You were allotted only six minutes but you have taken five minutes more.

DR. B.B. RAMAIAH : Sir, the purpose of today's discussion is only to see what are the things that have happened, what are the problems that are being faced and what are the suggestions that we can give. That is the main objective of this discussion. I still feel that disinvestment has to be done, but it has to be done in a proper way, by a proper method, and the Government should take all these things into consideration before they go further. I thank you very much, Sir.

DR. V. SAROJA (RASIPURAM): Thank you, Mr. Chairman, for giving me this opportunity to participate in the discussion on disinvestment policy of the Government. Having participated in the discussion on sick public sector undertakings, it is my bounden duty to say something about the disinvestment policy of this Government.

">The Disinvestment Commission was set up by a Resolution passed on 23rd August, 1996. It is only an advisory body. Recently they have come to a conclusion that a separate department will be set up. What for? To contribute more to close down all the public sector undertakings and to declare 242 public sector units as sick units! I want to know the function of this separate department. What is it that they are going to achieve by having a separate department, which was not there for all these years? I want to know from the hon. Minister what is the criteria fixed by the Government for any disinvestment. I want a pointed answer for this.

">Having decided about disinvestment, is it a fact that the shares are sold at a lower rate than the rate at which these should be sold in the market? What makes them to sell these shares at a lower rate? Where is the hurry? What is the compulsion and what are all the public sector undertakings that are coming under this specific group?

">Thirdly, I would like to know whether it is a fact that preference is given for foreign companies than the local companies, and if so why?

">I am a Member of Parliament from Tamil Nadu. I am a doctor by profession. I submit that slowly the disinvestment policy is encroaching more upon the health sector thereby the aim of achieving Health for All by 2010 will be totally defeated. The Hindustan Photofilms Limited at Ooty in Tamil Nadu is manufacturing X-Ray films. It has been referred to BIFR. I want a White Paper to be

placed on the Table of the House about it because I want to

">know more about the details of that company. Patients, not only from Tamil Nadu but from all over India, are suffering for want of the investigation material. They are also being put to great hardship.

">In this connection I demand from the Government as to why they are not thinking about having separate Employment Exchanges for the workers who are working in these Public Sector Undertakings and who would soon be out of employment. It is easy to declare a Unit as a sick Public Sector Undertaking. But what is the Government proposing to do with those workers who are working in these sick PSUs? They are to be properly placed. There are many problems from the workers' side. Therefore, I urge upon the Government to have a separate Employment Exchange for these workers so that the rehabilitation process is hastened.

">Most of my senior colleagues have pointed out many things about GAIL which is a surprise and shock not only to the Members of Parliament but to the entire people of India. The Government should be committed for the decisions it takes.

">It is rather a surprise to me. Why have you taken up the disinvestment of even the profit-making industries also? What was the necessity or compulsion? The Government should come out with details. How are you spending the money that is accrued through this disinvestment? It is said that it will be used for the health facilities and for the social obligations. But it is only on paper. I want to know the exact details.

">In its Eighth Report, the Disinvestment Commission said :

">"The Commission is pleased to note that subsequent to its Fifth Report, Government is firming up plans for sale of Government equity in GAIL, CONCOR, and Indian Oil Corporation during the current fiscal year and that decisions have been taken on some of the recommendations of the Commission made in its earlier Reports such as granting greater autonomy to PSUs and induction of non-official directors".

">I feel that the obligation of the PSUs for the social sector is also the same.

">MR. CHAIRMAN : Madam, your Party has been allotted two minutes. I have given you five more minutes. Please conclude by 6 p.m.

">DR. V. SAROJA : Thank you sir.

">I want to know from the Government whether it is proposed to offer shares of the Public Sector Undertakings to general public instead of offering a whole block of shares to some selected companies.

">I would like to know one thing from the hon. Minister. What is the present status of this? It may not be out of place to mention if I say that when the discussion about the sick Public Sector Undertakings was going on last time, the hon. Minister had promised that a White Paper would be placed before the House regarding all these Public Sector Undertakings. Therefore, I request that a White Paper should be placed before the House on the Disinvestment Policy and also about the institutions which fall under this Policy.

">I suggest that the Government's Policy should adopt schemes for the welfare of the people, and should not be at the cost and suffering of them, and also not affecting the Indian public and its economy.

">MR. CHAIRMAN : We will continue this discussion tomorrow.

">1800 hours

">The Lok Sabha then adjourned till Eleven of the Clock on

">Friday, December 17, 1999/Agrahayana 26, 1921 (Saka).

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