

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:6130

ANSWERED ON:05.05.2000

IDENTIFICATION OF PSUS FOR DISINVESTMENT

A.P. JITHENDER REDDY;AJAY CHAKRABORTY;ANANTA NAYAK;DR. KIRIT SOMAIYA;GADDE RAMAMOCHAN;SHIVAJI MANE;SRIKANTA DATTA NARASIMHARAJA WADIYAR;SRIPRAKASH JAISWAL;V. SAROJA;VENKATA KRISHNAM RAJU UPPALAPATI

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Government have identified certain public sectors unit for strategic sale in the current year;
- (b) if so, the details of PSUs with percentage of shares in each of this companies to be sold;
- (c) the total amount the Government expect to mop up by this exercise;
- (d) the modalities by which these shares would be sold;
- (e) the manner in which the tranperancy in the whole process is maintained;
- (f) the steps taken to protect the interest of the employees working in this units;
- (g) the details of the PSUs which have become more efficient after disinvestment;
- (h) whether is some cases the PSUs could not achieve the disinvestment target from sale of equity; and
- (i) if so, the details thereof, PSUs-wise?

Answer

MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE C
DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITELY)

- (a) to (d) Government has decided to disinvest its shareholding in non-strategic public sector undertakings only, as per its declared policy on disinvestment. The percentage of shares to be disinvested and the modalities of sale are decide, keeping in view various factors including the market conditions, financial performance of the company and the views of the concern Ministries/Departments at appropriate time. The budgeted target is to raise Rs. 10,000 crores through disinvestment during the year 2000-2001.
- (e) The manner in which disinvestment takes place largely depends on the recommendations of the disinvestment commission other expert committees and the advise of the professional consultants Global Advisors for the specific transaction . The procedure followed for disinvestment of Government equity in PSEs are similar to those followed in other parts of the world and are carried out with the assistance of professional advisors of repute, selected through the process of competitive bidding. These procedure are completely transparent in nature.
- (f) The Government shall protect the legitimate interest of the employees through the shareholding arrangements with the strategic partner.
- (g) Disinvestment of more than 51% of the government held shareholding has been done in only one PSU viz. ModernFood Industries Ltd. so far. It has been done recently and its performance after transfer of managemement can be judged only after sufficient period of time.
- (h) Government held shares are sold by the government and not to PSUs.
- (i) Does not arise.