

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:3532

ANSWERED ON:11.12.2001

SHARE CAPITAL OF GOVERNMENT IN NON-STRATEGIC PSUs

BHAN SINGH BHAURA;BIKRAM SARKAR;DALIT EZHILMALAI;KANTILAL BHURIA;MOHANBHAI DELKAR;PRAKASH YASHWANT AMBEDKAR;RAMESH CHANDAPPA JIGAJINAGI;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Government have initiated the process to disinvest and bring down Government share capital up to 26% or below in respect of some non-strategic Public Sector Undertakings as part of economic reforms;
- (b) if so, the details of names of such `non-strategic` Public Sector Undertakings being covered under the above process;
- (c) the eventual impact on the control/ownership/management of such PSUs consequent upon reduction of `Government stakes in share capital`;
- (d) the steps taken by the Government for job security of employees of such PSUs; and
- (e) the `special measures` being taken to safeguard the interests of SCs, STs and OBCs as envisaged under Article 46 of the Constitution?

Answer

MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) Yes, Sir.

(b) The enterprises, including subsidiaries, for which disinvestment has been approved by the Government and is currently under implementation are: Air India Ltd. (AI), Bharat Heavy Plates and Vessels Ltd. (BHPV), Engineering Project (India) Ltd. (EPIL), Hindustan Cables Ltd. (HCL), Hindustan Copper Ltd. (HCL) - Phase I, Hindustan Organic Chemicals Ltd. (HOCL), Hindustan Salts Ltd., Hindustan Zinc Ltd. (HZL), Indian Airlines Ltd. (IA), Indian Petrochemicals Corporation Ltd. (IPCL), India Tourism Development Corporation Ltd. (ITDC), BP Ltd., Instrumentation Ltd., Jessop & Co. Ltd. (JCL), Madras Fertilizers Ltd. (MFL), Minerals and Metal Trading Corporation of India Ltd. (MMTC), National Fertilizers Ltd. (NFL), NEPA Ltd., Paradeep Phosphates Ltd. (PPL), Sponge Iron India Ltd. (SIIL), State Trading Corporation of India Ltd. (STC), Tungbhadra Steel Products Ltd. (TSPL), Videsh Sanchar Nigam Ltd. (VSNL), Instrumentation Control Valves Ltd. (ICVL), Maruti Udyog Ltd., MECON Ltd., National Aluminium Company Ltd. (NALCO), Hotel Corporation of India Ltd. (HCIL). Disinvestment process in respect of two hotels of ITDC at Bodhgaya and Hassan has been completed.

(c) Impact on control/ownership/management depends on the quantum of reduction of Government stakes in share capital. If the Government share is reduced to a level below 50%, the company will no longer remain as a Government Company.

(d) & (e) Protection of interest of workers is an integral component of the disinvestment policy. This is ensured by making appropriate provisions in the Share Holders' Agreement. A `best efforts` clause is also incorporated in the Share Holders' Agreement mentioning the benefits given by the Government to the members of Scheduled Castes/Scheduled Tribes/physically handicapped persons and other socially disadvantaged categories of the society stating that the strategic partner shall use its best efforts to cause the company to provide adequate job opportunity to such persons. The provisions made in this regard in respect of BALCO are given in the Annexure.