

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:2258

ANSWERED ON:06.08.2003

PRIVATISATION OF GOVERNMENT AND SEMI-GOVERNMENT INSTITUTIONS

THAAWAR CHAND GEHLOT

Will the Minister of DISINVESTMENT be pleased to state:

- (a) the Government and semi-Government institutions in which private investment has been made from 1991 to 2002;
- (b) the economic and physical condition of the above institutions as on 2002;
- (c) the economic and physical condition of the workers and employees working in them after the privatisation of the above institutions;
- (d) whether there has been any increase in the monetary benefits to the employees after privatisation; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF COMMUNICATIONS & INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHOURIE)

(a): The list of Central Public Sector Undertakings (CPSUs) in which minority shareholding of the Government was sold to the public is at Annexure - I. The list of Central Public Sector Undertakings (CPSUs) sold through a process of Strategic Sale alongwith the transfer of management control is at Annexure - II.

(b): There has been improvement in the performance of most PSUs post-disinvestment. Information provided on the performance by some disinvested PSUs is given in Annexure - III.

Modern Food Industries (India) Ltd. (MFIL) and Paradeep Phosphates Ltd. (PPL) were loss-making companies prior to disinvestment. Post disinvestment, sales have increased and loss levels have been significantly reduced. Indian Pharmaceuticals Corporation Ltd. (IPCL) was a profitable company, which was disinvested in June, 2002. During 2002-2003, as reported by the company, there has been a 6% increase in gross turnover and a 90.65% increase in net profit as compared to the same period in the previous year. In Bharat Aluminium Co. Ltd. (BALCO) various operational and input costs have been reduced, the production of hot metal has increased and the new management is considering a substantial increase in the capacity. These examples show that efficiency enhancement has been achieved by disinvested PSUs.

(c) to (e): Protection of employees' interest is an integral part of the disinvestment policy. Adequate provisions are made in the Transaction Agreements entered into at the Strategic Sale with the Strategic Partner to ensure that there is no retrenchment of employees for one year after disinvestment and where necessary, Voluntary Retirement Scheme (VRS) is implemented only in accordance with the Department of Public Enterprises (DPE) guidelines or the VRS which was prevailing in the company prior to disinvestment, whichever is more beneficial for the employees. As per the information provided by the companies, there have been no cases of retrenchment. The wages of the workers have been increased and allowances enhanced in some of the disinvested PSUs viz., Paradeep Phosphates Ltd. (PPL), Modern Food Industries Ltd. (MFIL), Hotel Kanishka New Delhi, Indo Hokke Hotels Ltd. Rajgir and BALCO.

ANNEXURE-I

ANNEXURE-I REFERRED TO IN REPLY TO PART (A) OF THE LOK SABHA UNSTARRED QUESTION NO.2258 FOR 6.8.03 REGARDING PRIVATISATION OF GOVERNMENT AND SEMI-GOVERNMENT INSTITUTIONS BY SHRI THAAWAR CHAND GEHLOT.

The list of Public Sector Undertakings which were disinvested through sale of minority shares

Sl.No. Name of PSUs

- 1 Andrew Yule
- 2 Bharat Earth Movers Ltd.
- 3 Bharat Electronics Ltd.
- 4 Bharat Heavy Electricals Ltd.
- 5 Bharat Petroleum Corporation Ltd.
- 6 Bongaigaon Refineries & Petrochem. Ltd.

- 7 CMC Ltd.
- 8 Cochin Refineries Ltd.
- 9 Dredging Corp. of India Ltd.
- 10 Fertilisers Chem. (Travancore) Ltd.
- 11 HMT Ltd.
- 12 Hindustan Cables Ltd.
- 13 Hindustan Copper Ltd.
- 14 Hindustan Organic Chemical Ltd.
- 15 Hindustan Petroleum Corporation Ltd.
- 16 Hindustan Photofilms Mfg. Co. Ltd.
- 17 Hindustan Zinc Ltd.
- 18 Indian Petrochemicals Corporation Ltd.
- 19 Indian Railway Contt. Company Ltd.
- 20 Indian Telephone Industries Ltd.
- 21 Madras refineries Ltd. (Chennai Petroleum Corp. Ltd.)
- 22 Mahanagar Telephone Nigam Ltd.
- 23 Minerals & Metals Trading Corporation Ltd.
- 24 National Aluminium Company Limited
- 25 National Fertilisers Limited
- 26 National Minerals Development Corporation Ltd.
- 27 Neyveli Lignite Corporation
- 28 Rashtriya
- 29 Chemicals & Fertilisers Ltd.
- 30 State Trading Corporation
- 31 Steel Authority of India Limited
- 32 Videsh Sanchar Nigam Ltd.
- 33 Container Corporation of India
- 34 Indian Oil Corporation Ltd.
- 35 Oil and Natural Gas Corporation
- 36 Engineers India Ltd.
- 37 Gas Authority of India Ltd.
- 38 India Tourism Development Corporation
- 39 Kudremukh Iron Ore Comp. Ltd.

ANNEXURE-II

ANNEXURE-II REFERRED TO IN REPLY TO PART (A) OF THE LOK SABHA UNSTARRED QUESTION NO.2258 FOR 6.8.2003 REGARDING PRIVATISATION OF GOVERNMENT AND SEMI-GOVERNMENT INSTITUTIONS BY SHRI THAWAR CHAND GEHLOT.

Disinvestment through strategic sale since 1999-2000 till date.

Sl.No. Name of PSUs/unit

- 1 Modern Food Industries (India) Ltd.
- 2 Bharat Aluminium Co. Ltd. (BALCO)
- 3 CMC Ltd.
- 4 HTL Ltd.
- 5 Lagan Jute Machinery Company Ltd.
- 6 IBP Co. Ltd.
- 7 Videsh Sanchar Nigam Ltd.
- 8 Paradeep Phosphates Ltd.
- 9 Hindustan Zinc Ltd.
- 10 Maruti Udyog Ltd.
- 11 Indian Petrochemicals Corporation Limited (IPCL)

India Tourism Development Corporation (ITDC) Hotels Located at

- 12 Agra
- 13 Bodh Gaya
- 14 Hasan
- 15 Mamallapuram
- 16 Madurai
- 17 Qutub-New Delhi
- 18 Lodi-New Delhi
- 19 Udaipur
- 20 Manali

- 21 Kovalam
- 22 Aurangabad
- 23 Airport Kolkata
- 24 Khajuraho
- 25 Varanasi
- 26 Indraprastha, New Delhi
- 27 Chandigarh Project
- 28 Ranjit, New Delhi
- 29 Kanishka, New Delhi
- 30 Bangalore Ashok (including Airport Restaurant, Bangalore)
@ (Lease cum Management Contract)

Hotel Corporation of India Limited (HCI) Hotels Located at

- 31 Juhu-Mumbai
- 32 Rajgir
- 33 Airport Mumbai

ANNEXURE-III

ANNEXURE-III REFERRED TO IN REPLY TO PART (B) OF THE LOK SABHA UNSTARRED QUESTION NO.2258 FOR 6.8.2003 REGARDING PRIVATISATION OF GOVERNMENT AND SEMI-GOVERNMENT INSTITUTIONS BY SHRI THAWAR CHAND GEHLOT.

Sales/Profit figures of disinvested PSUs

Sl.No Company Name Period Sale Net Profit
(Rs. in crore) (Rs. in crore)

1	MFIL	Jan to Dec.,2001	232	(-)12
2	BALCO	2001-2002	714.65	18.76
3	CMC	2002-2003	614.73	37.05
4	HTL	2002-2003	250.59	(-)17.21
5	VSNL	Nine months ending Dec.,2002	3780	589
6	IBP	2002-2003	8926	87
7	PPL	2002-2003	603.45	(-)68.71
8	HZL	2002-2003	1649.51	145.15
9	IPCL	2002-2003	5029	204
10	MUL	2002-2003	9064	146.40