

**GOVERNMENT OF INDIA  
DISINVESTMENT  
LOK SABHA**

UNSTARRED QUESTION NO:2363  
ANSWERED ON:03.12.2002  
DISINVESTMENT OF HEAVY INDUSTRIES  
GUNIPATI RAMAIAH;HARIBHAU MAHALE

**Will the Minister of DISINVESTMENT be pleased to state:**

- (a) whether the Government have identified heavy industries for disinvestment;
- (b) if so, the names of the industries for which decision has been taken for disinvestment;
- (c) the financial position of these industries;
- (d) the basis of the priority fixed for disinvestment, if any; and
- (e) the time by which these are likely to be disinvested ?

**Answer**

THE MINISTER OF DISINVESTMENT, MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN SHOURIE):

(a) As per the policy of disinvestment, the Government has classified Public Sector Undertakings as 'Strategic' and 'Non-Strategic', The following industries have been identified as 'Strategic' industries.

(i) Arms & Ammunitions and the allied items of defence equipment, defence air-crafts and warships;

(ii) Atomic Energy (except in the areas related to the generation of nuclear power and applications of radiation and radio-isotopes to agriculture medicine and non-strategic industries);

(iii) Railway Transport. All other Public Sector Undertakings are considered as 'Non-Strategic' for which disinvestment of Government equity to a level of 26% or lower, if necessary, is decided on a case by case basis.

(b) and (c) There are 54 cases at different stages of processing. The list of such PSUs, their status and their financial position is given in the statement enclosed.

(d) The priority for disinvestment is determined keeping in view market conditions, the nature of disinvestment and any other factor, which is likely to impact the realisable value.

(e) Disinvestment is a continuous process. However, the procedure followed for disinvestment is complex, involving multilayered inter-ministerial consultation and joint decision making. This makes it difficult to predict as to when exactly a particular case will mature. Disinvestment is also dependent on market conditions since Government carefully calibrates the timing to ensure that the best sale realisation is achieved. This makes the time factor for completion somewhat uncertain. For these reasons, it is difficult to predict in each case, by when it will be finalized. However, all efforts are being made to achieve the target for disinvestment.