

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4158
ANSWERED ON:14.12.2001
STRATEGIC SALE
T.M. SELVAGANAPATHI

Will the Minister of FINANCE be pleased to state:

- (a) whether the Unit Trust of India has selected over 30 companies in which it has a substantial stake for a block on strategic sale;
- (b) if so, the details thereof;
- (c) whether the Union Trust of India is planning to make a consortium approach with other financial institutions for sale of stake to get best value for it; and
- (d) if so, the progress achieved in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH):

- (a) and (b) According to UTI, its Board of Trustees at its meeting held on 13th June, 2001 decided that the Unit Trust may identify exist opportunities wherever available, initially where the Unit Trust holds around 10% or more than 10% equity stake in the Company, with the focus on the companies having (a) poor performance reflected by lower return on capital employed and return on net worth and (b) high level of liquidity of the stocks reflected by low volumes in the stock exchanges. The Unit Trust is open to offload its stake in companies, wherever, such exercise can fetch the best value for the unit-holders as well as enhance the shareholders value without destabilizing management with proven track record to the extent possible. There is no list of 30 companies selected by the Trust.
- (c) Wherever the interests of other investment institutions are similar, a joint approach may be resorted to.
- (d) Consultations among financial institutions a continuing process.