

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:497

ANSWERED ON:03.12.2004

DISINVESTMENT OF PSU

Pallani Shamy Shri K.C .;Rao Shri Sambasiva Rayapati

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has set up a group of Ministers to decide on price band for disinvestment of Public Sector Undertakings (PSUs);
- (b) if so, whether this group of Ministers has decided the modalities of disinvestment of certain PSUs;
- (c) if so, the recommendations made and the time by which these are likely to be effected;
- (d) whether the Government proposes to create disinvestment fund; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a) Yes, Sir. An Empowered Group of Ministers (EGOM) has been constituted to take decisions on all issues related to Price Band for the sale of Government shares through GDR / Domestic Capital Market route prior to the book building exercise and to decide the Final Price of Sale in all cases.
- (b) No, Sir.
- (c) Does not arise in view of reply to part (b) above.
- (d)&(e) Finance Minister in the Budget Speech for 2004-2005 has said that the disinvestment proceeds will be part of the Consolidated Fund of India but the manner in which these proceeds are used for specified social sector schemes will be reported to the House while presenting the Budget for 2005-2006.