

Public Enterprise Policy

18. In the Union Budget 1998-99, disinvestment in Public Sector Enterprises (PSEs) namely GAIL, VSNL, CONCOR and IOC was announced. The CONCOR issue was introduced in the market in November 1998 and raised Rs.221.65 crore. It was also announced that Government holding in Indian Airlines would be brought down to forty nine per cent over the coming three years. To underscore the Government's commitment to privatisation, the Budget also indicated that in the majority of cases, Government shareholding in Public Sector Enterprises will be brought down

to twenty six per cent. However, the Government will continue to retain majority holding in PSEs involving strategic considerations.

19. The Disinvestment Commission has so far submitted eight reports covering forty three PSUs. In its last report submitted in August 1998, the Commission has made specific recommendations for Air India Ltd. and Central Electronics Ltd, suggesting strategic sale for the former and deferment of disinvestment in the latter. Ten more PSUs have been referred to the Commission in November 1998. The Commission has undertaken diagnostic studies in respect of these undertakings for giving recommendations.