

GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY

RAJYA SABHA
UNSTARRED QUESTION NO.1171
TO BE ANSWERED ON 30.08.2015

Under-valuation of land under PSUs

1171. SHRI VIJAY JAWAHARLAL DARDA:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) the prescribed norms of valuation of all kinds of lands viz., freehold, leased, donated in the PSUs annual accounts;
- (b) whether it is a fact that PSUs under the Department of Heavy Industries, do not reflect the contemporary value of their land in their Books and if so, the reasons therefor;
- (c) whether such a practice of artificial under-valuation of land in the Books has denied these PSUs the opportunity to access to bank finance on the basis of their net worth, if so, the reasons therefor; and
- (d) the steps that are being taken to reflect true value of lands in PSUs annual accounts?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI G.M. SIDDESHWARA)

(a) & (b): The valuation of land held by Public Sector Undertakings (PSUs) is done as per the provisions contained in the Companies Act, 2013 and relevant Accounting Standards and amendments issued thereunder from time to time. The same norms are being followed by the PSUs under the Department of Heavy Industry.

(c) No, Sir. PSUs are free to get their assets including land, assessed at current market value as per accounting standards while accessing bank finance on the basis of their net worth.

(d) Does not arise.
