Impact Of Disinvestment On The Financial And Operating Performance Of The Petroleum Sector In India

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INTRODUCTION

Public Sector Enterprises (PSEs) occupy an important place in the national economies of most countries of the world, irrespective of their political orientation. The causes leading to the emergence and popularity of these enterprises were, however, not the same everywhere. In the developed, free enterprise economies of the west, the emergence of public enterprises was the result of the growing realization about the unworkability of the laissez-faire policy and the widespread social tensions created by capitalism in its unbridled form. In India, ownership reforms in Public Sector Enterprises (PSEs) initiated since 1991 have, till date, been quantitatively modest. It is perhaps too early to judge the effects of these initiatives on their financial performance. While the slow pace of the reforms can be perceived to be an opportunity, there is perhaps merit in carefully reviewing the policy in light of economic theory, and comparative experience. As the bulk of the public investments are in industries with economies of scale and scope (with externalities that, in principle, invite considerable regulation), this study suggests an alternative institutional arrangement for improving PSEs' financial performance: mutual stock holding among complementary enterprises tied around a public sector bank to minimize problems of soft budget constraint, dysfunctional legislative and bureaucratic interference, and to encourage close interaction between banks and firms to promote long-term economic development (Singh, 1986). Disinvestment involves the sale of equity and bond capital invested by the government in PSUs. It also implies the sale of government's loan capital in PSUs through securitization. However, it is the government and not the PSUs who receive the money from disinvestment. Disinvestment is generally expected to achieve a greater inflow of private capital, increase the use of private management practices in PSUs, as well as enable more effective monitoring of management discipline by the private shareholders. Such changes lead to an increase in the operational efficiency and the market value of the PSUs. Disinvestment was initiated by selling undisclosed bundles of equity shares of selected central PSEs to Public Investment Institutions (like the UTI), which were free to dispose off these shares in the booming secondary stock market. Since the stock market remained subdued for much of the 1990s, the disinvestment targets remained largely unmet. The change of government at the Centre in 1996 led to some rethinking about the policy, but not a reversal. A Disinvestment Commission was constituted to advise the government on whether to disinvest in a particular enterprise, its modalities and the utilization of the proceeds (Sudhir, 2004).

At Independence, India's domestic oil production was just 2, 50,000 tonnes per annum. The entire production was from one state -Assam. Most foreign experts had written off India as far as discovery of new petroleum reserves was concerned. The Government announced, under Industrial Policy Resolution, 1954, that petroleum would be the core sector industry. Historically, the Indian Petroleum Industry was controlled by few Anglo-American companies. They maintained their dominance till the end of 1950s. After independence (1947), the newly independent state wanted to play a significant role in this vital industry. The Industry Policy Resolution of 1948 and 1956 clearly documented the government's aspiration and future plans for core industries like petroleum. All future developments in the petroleum industry was reserved for public sector undertakings. But foreign assistance was a necessity, at least in the early stages. As collaborations with Anglo- American oil majors were ruled out, other alternatives were explored.

REVIEW OF LITERATURE

Sharma (1980) conducted a study on the role of Public Sector Enterprises (PSEs) board in public sector and differentiated between public sector management and private sector management. As compared with the private corporations , which enjoy the role of being masters as far as they ensure profit and dividend for the shareholders, public sector enterprises have to be accountable to the Ministries because the major membership is vested in the

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Government.

Gangadhar and Yadagiri (2003) examined the *"Disinvestment In Public Sector Enterprises"*. The study of disinvestment of Central Government public sector enterprises was aimed at examining the following: firstly, to analyze the objectives, existing procedures, administrative machinery for disinvestment and to present the progress and prospects of disinvestment. The second argument was regarding the improvement in the efficiency of the Public Sector Enterprises (PSEs) through disinvestment, and what contribution it can make to improve the efficiency of the working of these enterprises.

Joshi and Goel (2003) analyzed in their study *"Management of Disinvestment In India: A Case Study of BALCO"* that the Govt. initiated the disinvestment process with the expectation that it will encourage efficiency and foster competition and would also divert the resources blocked in PSUs towards more desirable activities such as education, health, and infrastructure development. According to them, not only financial resources will be effectively and efficiently utilized, but other tangible and intangible resources will also be released from the PSUs for optimum use in the above-mentioned areas.

The actual receipts through disinvestment have often fallen far short of their target. A summary of disinvestment from 1991-92 to 2010-11 is given in the Table 1. The Table 1 shows the amount of realization against the envisaged target for each of these years and the number of companies in which equity was sold and methodology was adopted for their disinvestment. The total actual receipt from disinvestment for the years (1991-92 to 2010-11) was ₹ 99,738.92 crore, which is approximately 50 percent of the target receipt. It is clear from the Table 1 that the actual realization from the disinvestment programme has been considerably below the target in most of the cases. Many reasons can be cited for this failure, but the most vital is the non-acceptability of the shares of PSUs in the capital market.

NEED AND SCOPE OF THE STUDY

At present, the Indian economy is going through a process of crucial change. The government has adopted economic reforms to boost the economy for a high level investment of national income and employment. The concept of privatization of Indian public sector enterprises came into existence because of their poor financial and operating performance. Public enterprises in India incur chronic losses, require state financed equity injections and credit from the banking system. Privatization, which is used to mean the transfer of both ownership and control of the firm from the public sector to the private sector, has been viewed as a possible remedy to overcome the malaise of the public sector. It is believed that privatization will reduce the role of the state, lessen the state's fiscal deficit by decreasing the demand for continued financing of firms from the exchequer, and improve the efficiency and the competitive strength of the public sector enterprises. The Petroleum sector is one of the leading public sectors in India operating in the competitive global trading environment, and provides support services to the medium and small-scale sectors. So, it becomes necessary to study the impact of disinvestment on the petroleum sector in India. In the present study, an attempt has been made to examine the impact of disinvestment on the performance of selected units of the petroleum sector. This will throw light on whether the envisaged goal of improvement in performance has been, in fact, achieved. The present study has been confined to study the impact of disinvestment on the financial and operating performance of the petroleum sector. *In the petroleum sector, eight public sector enterprises namely: Cochin Refineries Limited, Madras Refineries Limited, Bharat Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited, Oil and Natural Gas Corporation Limited, Indian Oil Corporation Limited and Bongaigaon Oil Refineries Limited were selected for the present study.*

OBJECTIVES OF THE STUDY

The following objectives have been visualized for the present study:

☸ To study the impact of disinvestment on the financial performance of the petroleum sector in terms of financial strength and corporate liquidity.

☸ To study the impact of disinvestment on the operating performance of the petroleum sector based on sales, investment, employment and asset usage.

Table 1 : Summary Of Receipts From Disinvestment : 1991-92 - Till Date

Year	Budgeted Receipt (₹ Crore)	Receipts Through Sale of Minority Shareholding in CPSEs (₹ Crore)	Receipts Through Sale of Majority Shareholding of one CPSE to Another CPSE (₹ Crore)	Receipts Through Strategic Sale (₹ Crore)	Receipts From other Related Transactions (₹ Crore)	Receipts from Sale of Residual Shareholding in Disinvested CPSEs /Companies (₹ Crore)	Total Receipts (₹ Crore)	Transactions
1991-92	2,500.00	3,037.74	-	-	-	-	**3,037.74**	Minority shares sold in Dec, 1991 and and Feb, 1992 by auction method in bundles of "very good", "good" and "average" companies.
1992-93	2,500.00	1,912.51	-	-	-	-	**1,912.51**	Shares sold separately for each company by auction method.
1993-94	3,500.00	-	-	-	-	-	-	Equity of 6 companies sold by auction method, but proceeds received in 94-95.
1994-95	4,000.00	4,843.10	-	-	-	-	**4,843.10**	Shares sold by auction method.
1995-96	7,000.00	168.48	-	-	-	-	**168.48**	Shares sold by auction method.
1996-97	5,000.00	379.67	-	-	-	-	**379.67**	GDR -VSNL
1997-98	4,800.00	910.00	-	-	-	-	**910.00**	GDR -MTNL
1998-99	5,000.00	* 5,371.11	-	-	-	-	**5,371.11**	GDR-VSNL; Domestic offerings of CONCOR and GAIL; Cross purchase by 3 Oil sector companies i.e. GAIL, ONGC and IOC.
1999-00	10,000.00	** 1,479.27	-	105.45	275.42	-	**1,860.14**	GDR-GAIL; Domestic offering of VSNL; capital reduction and dividend from BALCO; Strategic sale of MFIL.
2000-01	10,000.00	-	1,317.23	554.03	-	-	**1,871.26**	Sale of KRL, CPCL and BRPL to CPSEs; Strategic sale of BALCO and LJMC.
2001-02	12,000.00	-	-	3,090.09	2,567.60	-	**5,657.69**	Strategic sale of CMC, HTL, VSNL, IBP, PPL, hotel properties of ITDC and HCI, slump sale of Hotel Centaur Juhu Beach, Mumbai and leasing of Ashok Bangalore; Special dividend from VSNL, STC and MMTC; sale of shares to VSNL employees.

2002-03	12,000.00	-	-	2,252.72	1,095.26	-	**3,347.98**	Strategic sale of HZL, IPCL, hotel properties of ITDC, slump sale of Centaur Hotel Mumbai Airport, Mumbai; Premium for renunciation of rights issue in favour of SMC ; Put Option of MFIL; Sale of shares to employees of HZL and CMC.
2003-04	14,500.00	12,741.62	-	342.06	-	2,463.73	**15,547.41**	Strategic sale of JCL; Call Option of HZL; Offer for Sale of MUL, IBP, IPCL, CMC, DCI, GAIL and ONGC; Sale of shares of ICI Ltd.
2004-05	4,000.00	2,700.06	-	-	64.81	-	**2,764.87**	Offer for Sale of NTPC and spill over of ONGC; sale of shares to IPCL employees.
2005-06	No target fixed	-	-	-	2.08	1,567.60	**1,569.68**	Sale of MUL shares to Indian public sector financial institutions & banks and employees
2006-07	No target fixed	-	-	-	-	-	-	
2007-08	No target fixed	1,814.45	-	-	-	2,366.94	**4,181.39**	Sale of MUL (₹ 2366.94 cr) shares to public sector financial institutions, public sector banks and Indian mutual funds and sale of PGCIL (₹ 994.82 cr) and REC (₹ 819.63 cr) shares through Offer for Sale.
2008-09	No target fixed	-	-	-	-	-	-	
2009-10	No target fixed	23,552.93	-	-	-	-	**23,552.93**	(₹ 2012.85 - NHPC, ₹ 2247.05 - OIL and NTPC - 8480.098, REC ₹ 882.52, ₹ 9330.42 NMDC,)
2010-11	40,000.00	22,762.96	-	-	-	-	**22,762.96**	₹ 1062.74 SJVN, EIL 959.65, COAL INDIA 15199.44 CR; PGCIL 3721.17; MOIL 1,237.51; SCI 582.45
Grand Total		**81,673.90**	**1,317.23**	**6,344.35**	**4,005.17**	**6,398.27**	**99,738.92**	

Note: Interest not included: NTPC ₹ 5.25 cr., REC: 0.55 cr: NMDC: 3.89 cr.: SJVNL.1.90; EIL:5.47 CR (Total: 17.13 cr.,)

* Out of ₹ 5371.11, ₹ 4184 crore constitute receipts from cross purchase of shares of ONGC, GAIL and IOC.

** Out of ₹ 1479.27, ₹ 459.27 crore constitute receipts from cross purchase of shares of ONGC, GAIL and IOC.

Source: Ministry of Disinvestment

HYPOTHESIS

To achieve these objectives, the following hypothesis has been tested :

☸ **There is no significant impact of disinvestment on the financial and operating performance of the units.**

RESEARCH METHODOLOGY

The above objectives have been studied through the use of secondary data. The secondary data has been collected from published reports of selected Indian public sector enterprises and records of Government of India. The data drawn

Table 2 : Financial and Operating Performance of The Petroleum Sector

Ratio	Pre-disinvestment Era			Post-disinvestment Era				
	Mean	S.D.	C.V.	Mean	S.D.	C.V.	t-value	P
OPERATING PERFORMANCE BASED ON SALES								
Gross Profit Ratio	10.23	22.65	221.41	11.85	12.44	104.98	0.58	0.563
Net Profit Ratio	4.35	26.35	605.75	7.22	7.94	109.97	1.01	0.316
Operating Profit Ratio	11.58	24.11	208.20	11.98	12.7	106.01	0.13	0.89
Material Cost/Net Sales	75.39	24.06	31.91	80.16	18.18	22.68	1.31	0.191
Manpower Cost/Net Sales	2.18	6.87	315.14	2.01	1.44	71.64	-0.21	0.818
R&D Expenditure/Net Sales	8	0.12	1.50	7.28	0.12	1.65	-0.3	0.764
Excise Duty/Net Sales	15.07	16.51	109.56	10.76	10.48	97.40	-1.92	0.056**
OPERATING PERFORMANCE BASED ON INVESTMENT								
Return on Total Assets	10.68	4.76	44.57	12.93	8.4	64.97	1.89	0.06
Return On Net Capital Employed	24.75	14.11	57.01	27.4	22.89	83.54	0.81	0.42
OPERATING PERFORMANCE BASED ON EMPLOYMENT								
Net Profit Per Employee	291.35	451.34	154.91	1226.41	1281.05	104.46	5.14	0*
Gross Profit Per Employee	508.42	551.16	108.41	1980.1	1946.76	98.32	5.38	0*
Net Sales Per Employee	5865.01	4886.68	83.32	21238.55	16465.11	77.52	6.61	0*
FINANCIAL STRENGTH								
Debt Equity Ratio	2.22	1.99	89.64	1.65	1.22	73.94	-2.21	0.028**
Proprietary Ratio	39.19	15.39	39.27	42.44	14.92	35.16	1.73	0.085
Solvency Ratio	60.81	26.39	26.69	57.56	16.21	28.16	-1.96	0.052**
Fixed Assets to Net Worth	151.66	102.89	67.84	112.66	32.21	28.59	-3.49	0.001*
Interest Coverage Ratio	6	6.23	103.83	22.92	64.97	283.46	2.01	0.046**
CORPORATE LIQUIDITY								
Current Ratio	1.56	0.63	40.38	1.51	0.48	31.79	-0.56	0.57
Liquid Ratio	0.86	0.45	52.33	0.95	0.46	48.42	1.17	0.242
ASSET USAGE								
Inventory Turnover Ratio	9.3	8.54	91.83	11.05	7.61	68.87	1.34	0.183
Inventory Conversion Ratio	58.45	30.78	52.66	45.64	25.86	56.66	-2.8	0.006*
Debtors Turnover Ratio	43.64	50.53	115.79	38.92	40.36	103.70	-0.64	0.519
Average Collection Period	31.39	47.27	150.59	18.01	17.14	95.17	-2.54	0.012**
Fixed Assets Turnover Ratio	4.02	3.26	81.09	3.83	2.2	57.44	-0.43	0.666
Working Capital Turnover Ratio	17.26	38.22	221.44	95.65	762.8	797.49	0.79	0.428
Capital Turnover Ratio	365.97	276.03	75.42	347.49	187.12	53.85	-0.5	0.617

* Significant at 0.01 level

** Significant at 0.05 level

Source: Public Sector Enterprises (PSEs) Survey, Various Issues.

from various sources has been analyzed with the help of statistical tests and various accounting tools and techniques - Ratio analysis, mean, standard deviation, co-efficient of variation and student 't' test were used to analyze the sample data. There are 16 Indian public sector enterprises in which the government has made disinvestment. In order to study the impact of disinvestment on public sector enterprises, only the petroleum sector has been selected for the present study. The impact of disinvestment on the financial and operating performance of the petroleum sector has been examined with the help of various ratios based on sales, investment, employment, financial strength corporate liquidity, and asset usage.

RESULTS AND DISCUSSION

After disinvestment in the Cochin Refinery Limited (CRL), there has been an improvement in its profitability. It shows that the management of the firm has been efficient in controlling its various expenditures. The dependence on the outsiders' funds has declined. But the decline in the mean scores of current and liquid ratios is a matter of great concern. In other words, they have been unable to meet its current obligations in time. As far as its asset usage is concerned, it shows mixed results. Bongaingaon Oil Refineries Limited (BORL) failed in controlling its various expenditures in the post-disinvestment period as compared to the pre- disinvestment period. But they have been efficient in the utilization of its resources entrusted to the business. The excessive use of debts as compared to the shareholders' funds and decline in the efficiency in the efficient utilization of its current and liquid assets should not be continued in the long-run.

While studying the financial and operating performance of Madras Refinery Limited (MRL), it has been found that the management of the firm has successfully controlled its various expenditures. The dependence on the outsiders' funds has declined in the post-disinvestment period, and they are utilizing its current and liquid assets efficiently. As far as Oil and Natural Gas Corporation of India Limited (ONGC) is concerned, it has been found that the profitability of the firm increased after disinvestment. It shows that the management of the firm has efficiently controlled its various expenditures, and their investment in research and development programmes has increased after disinvestment. The improvement in the efficiency of the firm in the utilization of the resources entrusted to the business is good for its growth and overall development. There has also been also an improvement in the efficiency of the utilization of the assets after disinvestment.

As far as the Gas Authority of India Limited (GAIL) is concerned, there has been an improvement in its profitability and also in the efficiency of the utilization of the assets. The management of the firm is using less debt as compared to the shareholders' funds and they are efficient in meeting its current obligations in time. It should be continued in the long-run. While studying the financial and operating performance of Bharat Petroleum Corporation of India Limited (BPCL), it has been found that the management of the firm is utilizing its resources efficiently and the contribution of the employees in the net profit, gross profit and net sales of the firm increased in the post-disinvestment period. It shows that they are spending more on the R & D programmes and also on the various development programmes of its manpower. With regard to the financial and operating performance of Hindustan Petroleum Corporation of India Limited (HPCL), it has been found that after using new methods and techniques, the management of the firm successfully controlled its expenditures in the post-disinvestment period. They are using less outsiders' funds as compared to the shareholders' funds. They have also been efficient in the early collection of its debts and conversion of its stock into sales. After disinvestment in the Indian Oil Corporation of India Limited (IOCL), it has been found that due to its uncontrollable expenditures, the profitability of the firm has declined. The management of the firm failed in the efficient utilization of its resources. However, the firm's dependence on outsiders' funds declined. Also, they have been efficient in the utilization of their current and liquid assets. As a result, they have been able to meet their current obligations in time.

☸ **Operating Performance Based On Sales :** The operating performance of the petroleum sector based on sales has shown an improvement in the profitability of all the units of the petroleum sector considered for the present study in the post-disinvestment period as compared to the pre-disinvestment period. As far as its various expenditure ratios are concerned, it has been found that there has been a decline in the mean score of manpower cost in relation to sales in the post-disinvestment period. But in the case of material cost, there has been an upward movement in the mean score of material cost to net sales ratio. It shows that the management of the petroleum sector has successfully controlled its various expenditures, except their material cost in the post-disinvestment period. As a result, there has been an improvement in its profitability. The decline in the mean score of R & D expenditure to net sales and excise duty to net sales ratios indicates that its contribution to the central exchequer and also to the research and development programmes has declined in the post-disinvestment period. In order to compete at the global level and to control the expenditure related to manufacturing and selling and distribution effectively, there should be more provision for R & D programmes in the long-run. On applying the t-test, it has been found that the change is significant at the 1 percent level of significance only in the case of excise duty to net sales ratio.

☸ **Operating Performance Based On Investment :** Studying the operating performance based on investment reveals that there has been an upward movement in the mean scores of return on total assets and return on net capital employed in the post-disinvestment period, as compared to the pre-disinvestment period. It indicates the improved efficiency of the management of this sector in the utilization of their resources entrusted to the business. It should be continued in the long-run in order to improve their goodwill in the global market. However, the change is not significant in any case. Thus, it can be said that there has been a change in the operating performance of the petroleum sector based on investment.

☸ **Operating Performance Based On Employment :** The examination of the operating performance based on employment reveals that there has been a remarkable increase in the contribution of the employees of the petroleum sector in its profitability in the post-disinvestment period as compared to the pre-disinvestment period. In other words, the efficiency of the employees of this sector has improved in the utilization of their assets and resources. This has been possible due to the increased competition in the petroleum sector after partial disinvestment in the units of this sector. The change is significant at the 1 percent level of significance in all the above-mentioned ratios.

☸ **Financial Strength :** As far as their financial strength is concerned, it has been found that the dependence of the units of the petroleum sector on the outsiders' funds has declined in the post-disinvestment period. In other words, the management of the petroleum sector is now using more shareholders' funds or are managing from their own resources in the post-disinvestment period. However, the proportion of the debt capital is more than the shareholders' funds in both the pre and post-disinvestment periods. It is also supported by the improvement in the mean score of proprietary ratio and significant decline in the mean score of the solvency ratio. Also, there has been a significant decline in the mean score of fixed assets to the net worth ratio. The shareholders' funds have not been sufficient in financing their fixed assets in both the pre and post-disinvestment periods. But the profit of the units of the petroleum sector have been sufficient in order to meet their fixed interest charges. The use of outsiders' funds should be limited to improve their long-term solvency in the long-run. The change is significant at the 1 percent level of significance in the case of fixed assets to net worth ratio, and is significant at 5 percent in case of debt equity, solvency and interest coverage ratios.

☸ **Corporate Liquidity :** Studying the corporate liquidity of the petroleum sector revealed that there has been a decline in the mean score of the current ratio. On the other hand, there has been an improvement in the mean score of the liquid ratio in the post-disinvestment period. It shows that the management of the petroleum sector has been efficient in utilizing their liquid assets, but failed in the case of current assets. It is not good for their short-term solvency, and it will adversely affect their short-term solvency in the long-run. In order to meet their current obligations in time and also to improve their short-term solvency, there should be proper utilization of their current assets as well as their liquid assets in the long-run. However, the change is not significant in any case.

☸ **Asset Usage :** As regards to the asset usage of the petroleum sector in the post-disinvestment period, it has been found that there has been an improvement in the utilization of the inventory. But on the other hand, the decline in the mean scores of fixed assets turnover, capital turnover and debtors' turnover ratios indicates the inefficiency of the management in the utilization of their debtors and capital in relation to sales in the post-disinvestment period as compared to the pre-disinvestment period. The examination of the working capital turnover ratio reveals that there has been efficient management and utilization of the working capital in relation to its sales. For the overall development of the petroleum sector, there should also be efficient utilization of its fixed assets and debtors in the long-run. In this way, the sector can efficiently compete in the global market. On applying the t-test, it is found that the change is significant at the 1 percent level of significance in the case of inventory conversion period ratio, and it is significant at 5 percent in the case of the average collection period ratio.

In the present paper, an attempt has been made to analyze the overall operating efficiency with the help of certain indicators based on sales, investment and employment. All the units of the petroleum sector have shown an improvement in their profitability based on sales after disinvestment, with an exception of Indian Oil Corporation of India Limited (IOCL). The operating performance from the view point of investment has also shown an improvement in the efficiency of the utilization of its resources. The operating performance measured in relation to employees has shown a remarkable improvement in the post-disinvestment period. The corporate liquidity and financial strength have presented a mixed picture. The asset usage has been computed in terms of turnover ratios. Most of the ratios of the assets' usage have shown improvement in all the partially disinvested units of the petroleum sector after disinvestment. *Thus, the hypothesis that there is no significant impact of disinvestment on the financial and operating performance of the units of the petroleum sector has been rejected.*

CONCLUSION

It is apparently quite evident that the initiation of disinvestment measures on the selected units of the petroleum sector has been successful. The maximum limit of disinvestment in this sector has been in the case of Hindustan Petroleum Corporation of India Limited (HPCL). But before initiating another round of disinvestment, the government should deeply consider the recommendations of the Rangarajan Committee on privatization. However, the results of the analysis have to be interpreted with caution - by keeping in mind the fact that based on a small size of the sample, a generalization cannot be made for the entire disinvested units in India. Disinvestment can lead to an increase in efficiency through better utilization of resources, but reckless privatization may not provide the ultimate solution for a longer period of time. There should be more provisions for the research and development programmes of these units in order to compete in this global market, and to improve their efficiency in financial control, cost control and quality control, etc. There should be a check on the excessive use of debt/outsiders' funds and the public sector enterprises should arrange the funds from their internal resources. More efforts have to be made for the efficient utilization and management of their assets. In this way, the management of these firms can make an effective check on the wastage of their resources.

The disinvestment policy has to necessarily examine systematically, issues such as the correct valuation of shares, the crowding out possibility, the appropriate use of disinvestment proceeds, and the institutional and other prerequisites. It is further suggested that the proceeds from PE disinvestment should not be used for bridging the government's revenue deficit, but it should be used to meet expenditure on social overhead and infrastructure sectors like education, health, water supply, restructuring of PSEs and providing safety for workers. The government should provide all information about the proposed disinvestment of PEs to the public, financial institutions and other interested parties so that investors may get an opportunity to make the necessary evaluations of such units and come forward for making investments.

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