

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

RAJYA SABHA

QUESTION NO02.03.2010

ANSWERED ON

SHARE VALUE OF PSUS UNDER DISINVESTMENT .

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SHRI SYED AZEEZ PASHA

Will the Minister of COALHEALTH AND FAMILY WELFARE INFORMATION AND BROADCASTING FINANCE be pleased to state :-

- (a) whether Government has set a target of Rs.30,000 crores from stake sales in Public Sector Units (PSUs) in 2010-11;
- (b) whether a final list of PSUs has been made for this purpose;
- (c) what is the criteria fixed to select PSUs for this purpose;
- (d) whether it is a fact that flooding the market will cause loss of their share values; and
- (e) what is the strategy behind the timing of this proposed sale?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(S.S. PALANIMANICKAM)

- (a) Disinvestment proceeds have been estimated at Rs. 10,000 crore for the year 2010-2011.
- (b) This is an ongoing exercise. No such final list has been prepared.
- (c) As per policy all listed profitable PSUs not meeting the mandatory public shareholding of 10% are to be made compliant and all CPSUs having positive networth, no accumulated losses and having earned net profit for three preceding consecutive years, are to be listed through public offerings out of Government shareholding or issue of fresh equity by the company or a combination of both.
- (d) No Sir. Since October 2004, market capitalization of five companies which have been listed has increased. by 3.8 times from Rs.78,841 crore of book value to Rs.2,98,929 crore as on 12.2.2010.
- (e) The quantum of disinvestment, timing of the public offerings etc. are decided on a case by case basis.