

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT
AND PUBLIC ASSET MANAGEMENT

RAJYASABHA
UNSTARRED QUESTION NO 1326
TO BE ANSWERED ON TUESDAY, MARCH 14, 2017
PHALGUNA 23, 1938 (SAKA)

Different valuation methods for sale of PSUs

1326. SHRI DEVENDER GOUD T.:

Will the Minister of FINANCE be pleased to state :

- (a) the details of the PSUs that are going to be put on sale by Government;
- (b) the number of PSUs in which Government is planning to bring down its stake;
- (c) whether it is a fact that Government is contemplating five different valuation methods for the sale of PSUs; and
- (d) if so, the details thereof and how such methods are helpful to PSUs?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b): Disinvestment in Central Public Sector Enterprises (CPSEs) is undertaken as per the extant disinvestment policy of the Government on 'minority stake sale' and 'strategic disinvestment'.

As a part of the strategy to keep shares readily available for transaction to take advantage of market conditions without any loss of time, the Government has identified some CPSEs for minority stake sale in sectors like mineral & metal, oil, capital goods as well as some mid-size and small stocks.

Government has given 'in-principle' approval for strategic disinvestment of some CPSEs, Units of CPSEs and subsidiaries of CPSEs. However, after completion of the process, specific approval of Government will be sought in each case again.

(c) & (d): No Sir. However, the most appropriate valuation method or combination of methods has to be employed on case to case basis, depending on the sector, the business of the company, assets it holds, and any other relevant factor.
