

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

LOK SABHA  
UNSTARRED QUESTION NO. 1350  
TO BE ANSWERED ON 22<sup>nd</sup> DECEMBER, 2017  
Pausha 01, 1939 (Saka)

**IMPACT OF DISINVESTMENT**

1350 SHRI SANTOKH SINGH CHAUDHARY:

Will the Minister of FINANCE be pleased to state:

- (a) the details of number of Central Public Sector Undertakings (CPSUs) in the country, total investment therein, business transacted annually by them and the number of persons employed in these CPSUs;
- (b) whether the Government has decided for total disinvestment / privatisation of some of the profit making CPSUs and if so, the details thereof;
- (c) whether the Government has studied the results of such a negative step in view of the gloomy employment scenario and public sentiments in the country; and
- (d) if so, the details thereof and the steps taken to revisit such a regressive decision?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PON. RADHAKRISHNAN)**

- (a) As per the Public Enterprises survey 2015-16, which is available on the website of Department of Public Enterprises (DPE) at <http://dpe.gov.in>, there was 320 Central Public Sector Enterprises in the Country. Total investment therein was Rs. 11,71,844 crore. business transacted annually by them was Rs. 18,54,667 crore and the number of persons employed in these CPSEs is 12.34 lakh (excluding contractual workers).
- (b) to (d) Criteria for strategic disinvestment of CPSEs is not based on profitability. NITI Aayog has been mandated to identify the CPSEs for strategic disinvestment. NITI Aayog in its report has stated that it has been guided by the basic economic principle that the Government should have no business to continue to engage itself in manufacturing/producing goods and services in sectors where the competitive markets have come of age, and such entities would most likely perform better in the private hands due to various factors e.g. technology up-gradation and efficient management practices; and would thus add to the GDP of the country.

NITI Aayog has classified CPSEs into "high priority" and "low priority" based on (a) National Security (b) Sovereign function at arm's length, and (c) Market Imperfections and Public Purpose, for the purpose of strategic disinvestment. The CPSEs falling under "low priority" are covered for strategic disinvestment.

On strategic disinvestment, it is expected that the strategic buyer will bring in funds/technology/new management etc. for the optimum development of business potential and growth of the companies. The growth of companies, post disinvestment, would be able to generate higher economic activity.

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