

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

LOK SABHA
UNSTARRED QUESTION NO. 6460
TO BE ANSWERED ON 6th APRIL, 2018
CHAITRA 16, 1940 (SAKA)

Disinvestment of Profit Making CPSEs

6460. SHRI M.B. RAJESH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has decided to privatise not only the loss making Central Public Sector Enterprises (CPSEs) but also the profit making CPSEs;
- (b) if so, the details thereof; and
- (c) the specific reasons for privatising the profit making CPSEs?

ANSWER

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

- (a) Yes, Sir. Government has 'in-principle' decided to consider Strategic Disinvestment of CPSEs or their subsidiaries/units based on the recommendation of NITI Aayog. However, criteria for identification of CPSEs for Strategic Disinvestment is not based on profitability. NITI Aayog has been mandated to identify the CPSEs for strategic disinvestment. 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.
- (b) List of CPSEs for which Government has given 'in principle' approval for Strategic Disinvestment is given at Annexure-I.
- (c) 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 economic potential of such entities may be better discovered in the hands of the Strategic investors due to various factors, e.g. infusion of capital, technology up-gradation and efficient management practices etc.

Annexure

List of CPSEs for which Government has given 'in-principle' approval (Reference Lok Sabha Unstarred Question No. 6460 for reply on 06/04/2018).

- 1) Scooters India Ltd.
- 2) Bridge & Roof India Ltd.
- 3) Pawan Hans Ltd.
- 4) Bharat Pumps Compressors Ltd.
- 5) Central Electronics Ltd.
- 6) Bharat Earth Movers Ltd.
- 7) Hindustan Newsprint Ltd. (subsidiary)
- 8) Ferro Scrap Nigam Ltd.(subsidiary)
- 9) Hindustan Fluorocarbon Ltd. (subsidiary)
- 10) Units of Cement Corporation of India Ltd.
- 11) Nagarnar Steel Plant of NMDC.
- 12) Bhadrawati, Salem and Durgapur units of SAIL.
- 13) Air India.
- 14) Dredging Corporation of India Ltd.
- 15) HLL Lifecare Ltd.
- 16) Indian Medicines & Pharmaceutical Corporation Ltd.
- 17) Karnataka Antibiotics and Pharmaceuticals Ltd.
- 18) Hindustan Petroleum Corporation Ltd. ** c
- 19) Units / JVs of ITDC.
- 20) Project & Development India Ltd.*
- 21) National Projects Construction Corporation. (NPCC)*
- 22) HSCC (India) Ltd.*
- 23) Hindustan Prefab Ltd.*
- 24) Engineering Projects (India) Ltd.*

* Strategic Disinvestment of these CPSEs are to be done by acquisition by similarly placed CPSEs.

** Strategic Disinvestment process in the case of this CPSE has since been completed.