

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2863**  
TO BE ANSWERED ON 3rd AUGUST, 2018  
SHRAVANA 12, 1940 (SAKA)

**Acquisition/Merger/Sale of PSUs**

2863. SHRI K.N. RAMACHANDRAN: SHRIMATI V.SATHYA BAMA: SHRI PR.SENTHIL NATHAN: SHRI BHARATHI MOHAN R.K.:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has given nod for the acquisition, merger and sale of certain Public Sector Undertaking (PSUs) and allied companies with Private and Public Limited Companies;
- (b) if so, the details and the expected gains for the Union Government thereof;
- (c) the details of various legislative process and steps taken by the Government for the smooth execution of such mergers and acquisitions of companies in near future; and
- (d) the effective steps taken by the Government for smooth transfer of assets and liabilities and the Union Government's stand on this?

**ANSWER**

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

- (a) Yes, Sir.
- (b) List of CPSEs for which Government has given 'in-principle' approval for Strategic Disinvestment is given at Annexure.

Strategic Disinvestment 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. Besides, the Government would also be able to monetize its investment in CPSEs.

- (c)&(d) CCEA, in its meeting held on 17.02.2016 approved procedure and mechanism for Strategic Disinvestment of CPSEs. Administrative Department is mandated to lay down process and timelines on the transfer of assets and management control, so that there are no ambiguities or delays when the Administrative Department actually starts transferring the assets etc. Share Purchase Agreement/Share Holders Agreement is executed with the Strategic Partner for smooth transfer of assets and liabilities. Five Guidance Notes have been issued for a uniform process to be followed by all the stake holders.

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**List of CPSEs for which Government has given 'in-principle' approval (Reference Lok Sabha Unstarred Question No. 2863 for reply on 03/08/2018).**

- 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. \*\*
- 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.