

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

LOK SABHA
UNSTARRED QUESTION No. 1771
TO BE ANSWERED ON MONDAY, March 02, 2020
Phalgun 12, 1941 (Saka)

Disinvestment of Loss Making PSUs

1771. SHRI VELUSAMY P.:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is true that as per a report, the Government will recommend loss making PSUs identified for strategic stake sale for closure and will not wait endlessly and won't make repeated attempts to get a bidder,
- (b) if so, the details thereof along with the reaction of the Government thereto;
- (c) the steps which are being taken regarding the assets of the PSUs and the fate of the employees if the PSUs were closed abruptly without any bidder to revive;
- (d) the number of companies or PSUs which were identified for disinvestment and the period of pending disinvestment; and
- (e) the manner in which the Government will achieve the target of disinvestment?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

- (a) & (b) Government follows a policy of strategic disinvestment of CPSEs, which are not in 'priority sector'. For this purpose NITI Aayog has been mandated to identify such CPSEs based on the criteria of (i) National Security; (ii) Sovereign function at arm's length; and (iii) Market Imperfections and Public Purpose. Profitability and loss are not among the relevant criteria.

Government also follows a policy of closure of CPSEs as per the approved revised guidelines dated 14.06.2018 issued by the Department of Public Enterprises (DPE). Government may consider closure of the CPSE on a case to case basis even in cases earlier approved for strategic disinvestment.

(c) The guidelines dated 14.06.2018 on closure of CPSEs addresses these concerns also.

(d) The government had given 'in-principle' approval for strategic disinvestment of 34 CPSEs, including subsidiaries, Units and Joint Ventures. List of CPSEs, Subsidiaries, Units and Joint Ventures for which Government has given 'in-principle' approval, which are still pending for strategic disinvestment, is given at Annexure - I.

(e) The Budget target (revised) for disinvestment during 2019-20 has been set at Rs. 65,000 crore. For achieving disinvestment targets, Government, in addition to strategic sale, also uses various modes of minority stake sale which include Initial Public Offer (IPO), Offer For Sale (OFS), Buyback of Shares and Exchange Traded Funds (ETF). The execution and outcome of disinvestment transactions is dependent on the prevailing market conditions and investor interest.

Annexure – I

Annexure to Lok Sabha Unstarred Question No. 1771 for reply on 02.03.2020.

List of CPSEs, including Subsidiaries, Units and Joint Ventures 'in-principle' approved by Government which are pending strategic disinvestment.

S.No	Name of CPSE	Date of CCEA approval
1.	Project & Development India Ltd.	27.10.2016
2.	Hindustan Prefab Limited (HPL).	27.10.2016
3.	Engineering Project (India) Ltd.	27.10.2016
4.	Bridge and Roof Co. India Ltd.	27.10.2016
5.	Hindustan Newsprint Ltd(subsidiary)	27.10.2016
6.	Scooters India Limited	27.10.2016
7.	Bharat Pumps & Compressors Ltd	27.10.2016
8.	Cement Corporation of India Ltd (CCI)	27.10.2016
9.	Central Electronics Ltd	27.10.2016
10.	Bharat Earth Movers Ltd. (BEML)	27.10.2016
11.	Ferro Scrap Nigam Ltd.(sub.)	27.10.2016
12.	Nagarnar Steel Plant of NMDC	27.10.2016
13.	Alloy Steel Plant, Durgapur; Salem Steel Plant; Bhadrawati units of SAIL	27.10.2016
14.	Pawan Hans Ltd.	27.10.2016
15.	Air India and its five subsidiaries and one JV.	28.06.2017
16.	HLL Life Care	01.11.2017
17.	Indian Medicine & Pharmaceuticals Corporation Ltd. (IMPCL)	01.11.2017
18.	Kamrajar Port	28.02.2019

19.	Various Units of Indian Tourism Development Corporation (ITDC)	Approval taken on various dates after completion of the disinvestment
20.	Karnataka Antibiotics & Pharmaceuticals Ltd.	01.11.2017
21.	Hindustan Antibiotics Ltd. (HAL)	28.12.2016 and 17.07.2019
22.	Bengal Chemicals and Pharmaceuticals Ltd. (BCPL)	28.12.2016 and 17.07.2019
23.	(a) Bharat Petroleum Corporation Ltd(except Numaligarh Refinery Limited) (b) BPCL stake in Numaligarh Refinery Limited to a CPSE strategic buyer.	20.11.2019
24.	Shipping Corporation of India (SCI)	20.11.2019
25.	Container Corporation of India (CONCOR)	20.11.2019
26.	THDC India Limited (THDCIL), to be sold to a strategic CPSE buyer, namely, NTPC Ltd.	20.11.2019
27.	North Eastern Electric Power Corporation Limited (NEEPCO), to be sold to a strategic CPSE buyer, namely, NTPC Ltd.	20.11.2019
28.	Nilachal Ispat Nigam Limited (NINL), a JV company of four (04) CPSEs and two (02) State PSUs	08.01.2020