

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

**LOK SABHA**  
**UNSTARRED QUESTION No. 3577**  
TO BE ANSWERED ON Monday, March 16, 2020  
Phalgun 26, 1941 (Saka)

**Disinvestment Process**

3577. SHRI SYED IMTIAZ JALEEL:  
SHRI ASADUDDIN OWAISI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Department of Investment and Public Asset Management has started the process of completing the strategic sale of PSUs that have been identified by the Government;
- (b) if so, the target fixed by the Government along with the revenue receipt of sale of Government holding in different PSUs during the financial year 2020-21;
- (c) the details of PSUs identified for such strategic sale;
- (d) the time by which the whole process is likely to be completed; and
- (e) the reasons for sale of its share in PSUs?

**ANSWER**

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

- (a) Since October, 2016, Government has given 'in-principle' approval for strategic disinvestment of 34 CPSEs including their Subsidiaries, Units and Joint Ventures, which implies sale of majority stake and transfer of management control. The process for strategic disinvestment has been completed in case of 5 CPSEs. The process is at different stages in other cases.
- (b) Budgetary target for disinvestment receipt has been set at Rs. 2.10 lakh crore for the financial year 2020-21.

- (c) List of CPSEs, Subsidiaries, Units and Joint Ventures for which Government has given 'in-principle' approval for strategic disinvestment is given at Annexure-1.
- (d) Completion of the disinvestment process depends on the prevailing market conditions and investor's interest.
- (e) The Government follows a policy of disinvestment through minority stake sale and Strategic disinvestment. Strategic Disinvestment implies substantial sale of Government shareholding of a CPSE along with transfer of management control. The policy of strategic disinvestment is followed in respect of the 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 functions at arm's length, and (iii) Market Imperfections and Public Purpose.

Strategic disinvestment of CPSEs is being guided by the basic economic principle that Government should discontinue in sectors, where competitive markets have come of age and economic potential of such entities may be better discovered in the hands of strategic investor due to various factors such as infusion of capital, technological upgradation and efficient management practices; and would thus add to the GDP of the country.

In certain other CPSEs, policy of minority stake sale without transfer of management control through various SEBI approved methods, is being followed in order to unlock the value, promote public ownership and higher degree of accountability. The various modes of disinvestment commonly used for minority stake sale includes Initial Public Offer (IPO), Offer for Sale (OFS), Buyback of shares and Exchange Traded Funds (ETF).

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**Annexure-1**

Annexure to reply to Lok Sabha unstarred question no. 3577 for reply on 16.03.2020

**a) Transactions Completed**

<b>S.No.</b>	<b>Name of CPSE</b>
1.	Hindustan Petroleum Corporation Limited
2.	Rural Electrification Corporation Limited (REC)
3.	Hospital Services Consultancy Ltd. (HSCC)
4.	National Project construction corporation (NPCC)
5.	Dredging Corporation of India Ltd. (DCIL)

**b) Transactions in process**

<b>S.No</b>	<b>Name of CPSE</b>
6.	Project & Development India Ltd.
7.	Hindustan Prefab Limited (HPL).
8.	Engineering Project (India) Ltd.
9.	Bridge and Roof Co. India Ltd.
10.	Hindustan Newsprint Ltd(subsidiary)
11.	Scooters India Limited
12.	Bharat Pumps & Compressors Ltd
13.	Units of Cement Corporation of India Ltd (CCI)
14.	Hindustan Fluorocarbon Ltd. (HFL) (sub.)*
15.	Central Electronics Ltd
16.	Bharat Earth Movers Ltd. (BEML)
17.	Ferro Scrap Nigam Ltd.(sub.)
18.	Nagarnar Steel Plant of NMDC
19.	Alloy Steel Plant, Durgapur; Salem Steel Plant; Bhadrawati units of SAIL
20.	Pawan Hans Ltd.
21.	Air India and its five subsidiaries and one JV.
22.	HLL Life Care Ltd.
23.	Indian Medicine & Pharmaceuticals Corporation Ltd. (IMPCL)
24.	Kamrajar Port Ltd.
25.	Various Units of Indian Tourism Development Corporation (ITDC)
26.	Karnataka Antibiotics & Pharmaceuticals Ltd.
27.	Hindustan Antibiotics Ltd. (HAL)
28.	Bengal Chemicals and Pharmaceuticals Ltd. (BCPL)

\* Subsequently, CCEA has given in-principle approval for closure of the Company.

### **3. Recent 'in principle' approval for strategic disinvestment**

<b>S.No.</b>	<b>Name of CPSE</b>
<b>29.</b>	(a) Bharat Petroleum Corporation Ltd(except Numaligarh Refinery Limited) (b) BPCL stake in Numaligarh Refinery Limited to a CPSE strategic buyer.
<b>30.</b>	Shipping Corporation of India (SCI)
<b>31.</b>	Container Corporation of India (CONCOR)
<b>32.</b>	THDC India Limited (THDCIL), to be sold to a strategic CPSE buyer, namely, NTPC ltd.
<b>33.</b>	North Eastern Electric Power Corporation Limited (NEEPCO), to be sold to a strategic CPSE buyer, namely, NTPC ltd.
<b>34.</b>	Nilachal Ispat Nigam Limited (NINL)