

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 4145**

TO BE ANSWERED ON MONDAY, MARCH 22, 2021

Chaitra 1, 1943 (Saka)

**New PSE Policy**

4145. SHRI MANNE SRINIVAS REDDY:

SHRI KOMATI REDDY VENKAT REDDY:

SHRI KOTHA PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the new Public Sector Enterprises (PSEs) policy envisages that the strategic sectors have limited number of players restricting it to maximum four PSEs of a holding nature and the remaining enterprises would be rationalized in terms of mergers, amalgamations and privatization if feasible as part of the 'Atmanirbhar Bharat Abhiyan' and there would be a maximum of four public sector companies in strategic sectors and State-owned firms in other segments would eventually be privatised;
- (b) if so, the details thereof particularly in Andhra Pradesh and Telangana;
- (c) whether the Government needs to build our capabilities and emphasise our domestic production for global and domestic outreach at a globally competitive cost and ensure that the desired results are achieved in the collaborative effect of the private sector to enhance wealth, improve R&D and growth of the economy; and
- (d) if so, the details thereof and the steps being taken by the Government in this regard?

## ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) and (b): In the Budget 2021-22, Government has announced a New Public Sector Enterprise (PSE) policy, which provides for a roadmap for disinvestment of PSEs in all non-strategic and strategic sectors. As per the policy, four broad strategic sectors have been identified, where bare minimum presence of the existing public sector commercial enterprises at Holding Company level will be retained under Government control, while the rest will be considered for privatization or merger or subsidiarization with another PSE or for closure. In the remaining sectors, where feasible, all CPSEs will be considered for privatization, otherwise such enterprises shall be considered for closure. The identification of CPSEs to be retained in a strategic sector shall be subsequently done with the approval of a group of Ministers called as 'Alternative Mechanism'. The new PSE Policy is available on the website of DIPAM.

(c) and (d): PSE Policy aims at making newer investment opportunities available for private sector, so as to allow infusion of private capital, technology, innovation and best management practices. Privatization of the PSEs will help discovery of true economic potential of such entities which may result in generation of higher economic growth of the company, development of ancillary industries, which may add to the GDP of the country and creation of new job opportunities.

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