

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO. 3900

TO BE ANSWERED ON 16 MARCH 2026 / PHALGUNA 25, 1947 (Saka)

Redefining Government Company for Listed CPSEs

3900. Com. Selvaraj V:

Shri Subbarayan K:

Will the Minister of Finance be pleased to state:

- (a) whether it is a fact that the Economic Survey 2025-26 has proposed redefining a Government company for listed Central Public Sector Enterprises (CPSEs) to 26 per cent ownership from 51 per cent now to preserve control while enabling monetization;
- (b) if so, the details thereof and Government's decision thereon;
- (c) whether the Government has decided dilution of Government stake in the Public Sector Undertakings (PSUs) accordingly; and
- (d) if so, the details thereof and the revenue expected to be generated thereby?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (d): The Economic Survey 2025-26 has, as part of its analytical discussion, noted that presently the definition of a 'government company' under the Companies Act, 2013 warrants at least 51 per cent of its stake to be held by the central or state government. Since effective control requires only about a 26 per cent stake, the Survey observed that the Government could consider amending the definition of 'Government Company', limited to listed entities, to allow them to remain as government companies with a minimum of 26 per cent ownership, thereby retaining special resolution rights, while enabling the government to monetise its stake. Alternatively, it was indicated that if the objective is eventual privatisation, the Government could continue phased market sales below 51 per cent and even towards full exit, without changing the legal definition of "government company".

However, this is an analytical observation made in the Survey to stimulate policy discourse. No policy decision has been taken by the Government to amend the definition of 'government company' or to dilute its stake in Public Sector Undertakings (PSUs) on this basis. The Government's disinvestment and asset monetisation programme is pursued on a case-by-case basis, taking into account strategic considerations, market conditions, and the public interest. The revenue generated through any such measures depends on prevailing market conditions at that time. As no policy decision has been taken in this regard, no specific revenue projection is available at this stage.
