

Estimation of profits through the sale of CPSE

2615. PROF. M. V. RAJEEV GOWDA: Will the Minister of FINANCE be pleased to state:

(a) the amount of revenue Government is planning to generate through disinvestments in Central Public Sector Enterprises (CPSEs) in the current financial year;

(b) the amount of revenue Government is planning to generate through the sale of assets through asset monetisation of the CPSEs;

(c) whether Government is planning to sell the assets of CPSEs at market price;

(d) whether the Ministry is following the guidelines of NITI Aayog in determining and evaluating the core and non-core assets of PSUs; and

(e) the estimated date for the completion of asset monetisation by the Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) During the current Financial Year 2019-20, the Revised Estimate of receipts from disinvestment has been kept at ₹ 65,000 crore.

(b) to (e) The Department is following the Asset Monetization Framework for Central Public Sector Enterprises (CPSEs)/ Public Sector Undertakings (PSUs) /Other Government Organizations approved by the Cabinet in its meeting held on 28.02.2019.

The scope of the institutional mechanism approved by the Cabinet covers monetization of the following:

- (i) Identified non-core assets of CPSEs under strategic disinvestment;
- (ii) Immovable Enemy Property under the custody of Custodian of Enemy Property (CEPI), MHA as per sub-section 6 of section 8 A of the Enemy Property Act 1968; and
- (iii) Assets of other CPSEs/ PSUs/ other Government Organizations with the approval of the Competent Authority;
- (iv) Sick/loss making CPSEs under closure shall follow the DPE closure guidelines dated 14.6.2018 in this regard. However, any sick/loss making CPSEs can also adopt this framework with the approval of Competent Authority.

The asset monetisation of identified assets is to be carried out through a competitive bidding process. The completion of the process depends on market conditions and investment interest. There is no specific revenue target from asset monetisation.

Disinvestment of CPSUs

2616. SHRI MANAS RANJAN BHUNIA: Will the Minister of FINANCE be pleased to state:

- (a) whether Government is planning to disinvest the different CPSUs;
- (b) if so, the planning of disinvestment;
- (c) how many CPSUs and what are the CPSUs going to be disinvested; and
- (d) how much fund would be procured from this disinvestment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) The Government is following 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 '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.

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 include Initial Public Offer (IPO), Offer for Sale (OFS), Buyback of Shares and Exchange Traded Funds (ETF).

(c) So far, the Government has given 'in-principle' approval for strategic disinvestment of 34 CPSEs including subsidiaries, Units and Joint Ventures with sale of majority stake of Government of India and transfer of management control. List of CPSEs, subsidiaries, units and Joint Ventures for which Government has given 'in-principle' approval for strategic disinvestment is given in Statement (See below). This includes profit making as well as loss making CPSEs.