

**Sale and disinvestment of PSUs**

231. SHRIMATI PRIYANKA CHATURVEDI: Will the Minister of FINANCE be pleased to state:

- (a) whether Government has listed Public Sector Undertakings (PSUs) for disinvestment and sale during the current financial year;
- (b) if so, the details thereof;
- (c) whether the PSUs listed for sale and disinvestment include any profit-making PSUs also; and
- (d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (d) Strategic Disinvestment/sale implies substantial sale of Government shareholding of CPSEs, along with transfer of management control. NITI Aayog has been mandated to identify CPSEs for strategic disinvestment. For this purpose, NITI Aayog applies the criteria of (i) National Security; (ii) Sovereign functions at arm's length, and (iii) Market Imperfections and Public Purpose, for identifying such CPSEs. Profitability/loss is not among the relevant criteria.

Based on the recommendations made by NITI Aayog since 2016, the Government has 'in principle' approved strategic disinvestment in 34 cases (some cases include subsidiaries and some cases include only units/plants). Out of these cases, strategic disinvestment transactions have been completed in 8 cases; 4 cases have been halted as CPSEs are under consideration for closure; 2 cases are held up due to litigation; and remaining 20 transactions are at various stages.

Besides, in certain other CPSEs, where Government continues to retain control, disinvestment of minority stake is made to increase public participation through various SEBI-approved methods such as Initial Public Offer (IPO), Offer for Sale (OFS), Buyback of shares and Exchange Traded Funds (ETFs) offers from time to time. Successful completion of disinvestment transactions is dependent on market condition and investors' interest.

**Fall in GDP**

232. SHRI RAVI PRAKASH VERMA: Will the Minister of FINANCE be pleased to state:

- (a) whether GDP for April to June 2020 quarter has fallen to -23.9 per cent, the worst ever contraction of GDP in the history;

- (b) if so, the details thereof;
- (c) whether economy was on bad track before COVID-19 and 21 days complete lock down has exposed it;
- (d) if so, the details thereof;
- (e) if not, the reasons therefor; and
- (f) the measures Government would take to check fall of GDP and to ameliorate the economic chaos in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) As per the Estimates of Gross Domestic Product for the First Quarter (Q1) of 2020-21 released by the National Statistical Office on 31st August 2020, the real GDP in India contracted by 23.9 per cent during the first quarter of 2020-21 (as against a 5.2 per cent growth in Q1 of 2019-20). On the demand side, private consumption spending fell by 26.7 per cent and Investment demand also declined by 47.1 per cent. On the supply side, the decline in Gross Value Added (GVA) was broad-based with fall of 50.3 per cent seen in construction followed by services like trade, hotels, transport and communication, manufacturing and mining. Agriculture emerged as the bright spot, growing at a healthy rate of 3.4 per cent.

(c) to (e) Indian economy had begun to regain momentum with signs of uptick in consumption and investment towards the end of Q3:2019-20. Economic indicators like Index of Industrial Production (IIP), Index of Core Industries (ICI) and merchandize exports had rebounded with positive growth in February 2020. In response to COVID-19 outbreak, the Government imposed a strict 21 days nationwide lockdown from 25th March, 2020, with subsequent extensions and relaxations, under the Disaster Management Act, 2005 to contain the spread of the virus. As per the Estimates of Gross Domestic Product for the Fourth Quarter (Q4) of 2019-20 released by the National Statistical Office, the real GDP in India grew by 3.1 per cent during January to March quarter of 2019-20.

(f) The Government has announced a special economic and comprehensive package of ₹ 20 lakh crores - equivalent to 10 per cent of India's GDP - to combat the impact of the COVID-19 pandemic in India. It has implemented several measures to

check fall of GDP and to ameliorate the economic chaos in the country which, *inter-alia*, include:-

- (i) Relief measures for households such as in-kind (food; cooking gas) and cash transfers to senior citizens, widows, disabled, women Jan Dhan Account holders, farmers; insurance coverage for workers in the healthcare sector; and wage increase for MGNREGA workers and support for building and construction workers, collateral free loans to self-help groups, reduction in EPF contributions, employment provision for migrant workers (Pradhan Mantri Garib Kalyan Rojgar Abhiyaan).
- (ii) Relief measures for MSMEs such as collateral-free lending program with 100 percent credit guarantee, subordinate debt for stressed MSMEs with partial guarantee, partial credit guarantee scheme for public sector banks on borrowings of non-bank financial companies, housing finance companies (HFCs), and micro finance institutions, Fund of Funds for equity infusion in MSMEs, additional support to farmers via concessional credit, as well as a credit facility for street vendors (PM SVANidhi), amongst others.
- (iii) Regulatory and compliance measures: postponing tax-filing and other compliance deadlines, reduction in penalty interest rate for overdue GST filings, change in government procurement rules, faster clearing of MSME dues, IBC related relaxations for MSMEs, amongst others.
- (iv) Structural reforms announced as part of the Atmanirbhar Package which, *inter alia*, include deregulation of the agricultural sector, change in definition of MSMEs, new PSU policy, commercialization of coal mining, higher FDI limits in defence and space sector, development of Industrial Land/ Land Bank and Industrial Information System, revamp of Viability Gap Funding scheme for social infrastructure, new power tariff policy and incentivizing States to undertake sector reforms.

#### **Allocation of funds to States for battling COVID-19**

233. SHRI TIRUCHI SIVA: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

- (a) the amount requested by each State for the months of March, April, May, June, July, and August. 2020 for battling the pandemic, State-wise;