

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

RAJYA SABHA
UNSTARRED QUESTION NO. 1086

TO BE ANSWERED ON TUESDAY, DECEMBER 7, 2021

16 Agrahayana, 1943 (Saka)

Adoption of the new policy on Public Sector Enterprises (PSE)

1086. Shri Sambhaji Chhatrapati:

Will the Minister of FINANCE be pleased to state:

- (a) whether any decision has been taken on new policy on Public Sector Enterprises (PSE) under Atmanirbhar Bharat Abhiyan;
- (b) if so, the major highlights thereof;
- (c) the manufacturing sectors which Government has identified to play a major role in the near future; and
- (d) whether any decision has also been taken to strengthen such PSUs by way of efficient technology upgradation and modernization of machinery and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KISHANRAO KARAD)

- (a) to (d) In February, 2021 the Government notified the New Public Sector Enterprise (“PSE”) Policy for Atmanirbhar Bharat under which the public sector commercial enterprises are being classified as Strategic and Non-Strategic sectors. Following four broad Strategic Sectors have been delineated based on the criteria of national security,

energy security, critical infrastructure, provision of financial services and availability of important minerals:

- i. Atomic Energy, Space and Defence;
- ii. Transport and Telecommunication;
- iii. Power, Petroleum, Coal and other minerals;
- iv. Banking, Insurance and Financial Services.

In Strategic sectors, bare minimum presence of the existing public sector commercial enterprises at Holding Company level will be retained under Government control. The remaining enterprises in a Strategic sectors, will be considered for privatisation or merger / subsidiarization with another PSE or for closure.

PSEs in Non-Strategic sectors shall be considered for privatisation, where feasible, otherwise such enterprises shall be considered for closure.

‘In-principle’ approval of the Cabinet Committee on Economic Affairs (CCEA) for strategic disinvestment of a specific PSE is taken from time to time, on a case-to-case basis. The timing for specific transactions is however, contingent, inter alia, on the considerations of appropriate sequencing, sectoral trends, administrative feasibility, investors’ interest, etc.

The new Policy will help infusion of private capital, technology, innovation and best management practices in PSEs to help realize the vision of Atmanirbhar Bharat. Post-disinvestment growth of PSEs may generate higher economic activities in manufacturing and services resulting in new job opportunities and growth of the ancillary industries.

Copy of the New Public Sector Enterprise (“PSE”) Policy for Atmanirbhar Bharat is available on the website of DIPAM (dipam.gov.in).
