

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:35

ANSWERED ON:20.11.2009

DISINVESTMENT IN PSUS

Rathod Shri Ramesh;Satpathy Shri Tathagata

Will the Minister of FINANCE be pleased to state:

(a) the policy of the Government with regard to disinvestment of profit- making as well as loss-making Public Sector Undertakings (PSUs); and

(b) the details of such PSUs to be disinvested during 2009-10 and 2010-11 alongwith the extent of disinvestment proposed in each case?

Answer

THE MINISTER OF FINANCE (PRANAB MUKHERJEE)

(a) & (b) A statement is laid on the Table of the House.

Statement referred to in part (a) and (b) of Lok Sabha Starred Question No.35 for 20.11.2009 by Shri Ramesh Rathod and Shri Tathagata Satpathy regarding Disinvestment in PSUs

(a) The policy on disinvestment articulated in the President's Speech to joint Session of Parliament on 4th June, 2009 and Finance Minister's Budget Speech on 6th July, 2009 requires the development of 'people ownership' of Central Public Sector Undertakings (CPSUs) to share in their wealth and prosperity, with Government retaining majority shareholding and control, This objective is relevant to profit-earning CPSUs as it is only these that will sustain investor-interest for sharing in their prosperity.

In line with this policy announcement, Government has decided that:

(i) already listed profitable CPSUs not meeting the mandatory public shareholding of 10% are to be made compliant; and
(ii) all CPSUs having positive networth, no accumulated losses and having earned net profit for three preceding consecutive years, are to be listed through public offerings out of Government shareholding or issue of fresh equity by the company or a combination of both.

(b) The Department of Disinvestment is in dialogue with the administrative Ministries and the CPSUs to assess their capital expenditure requirements through issue of fresh equity. Disinvestment is a continuous process and each case is considered on a case-by-case basis for approval by Government in accordance with disinvestment policy.