

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:755

ANSWERED ON:25.02.2011

DISINVESTMENT

Alagiri Shri S. ;Jaiswal Shri Gorakh Prasad ;Naranbhai Shri Kachhadia;Patel Shri Devji;Rathod Shri Ramesh;Sivakumar Alias J.K. Ritheesh Shri K.

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of the present disinvestment policy of the Government;
- (b) whether the Disinvestment Commission has recommended for disinvestment of some of the Public Sector Undertakings (PSUs) including profit making PSUs;
- (c) if so, the names of such PSUs recommended for disinvestment during the last three years alongwith the names of the PSUs disinvested so far;
- (d) the targets set for disinvestment and the achievements made in this regard so far; and
- (e) the measures taken by the Government to achieve the revenue target set through disinvestment?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (S.S. PALANIMANICKAM)

(a) The present disinvestment policy of the Government is that:

(i) Already listed profitable Central Public Sector Enterprises (CPSEs) (not meeting mandatory shareholding of 10 per cent) are to be made compliant by 'Offer for Sale' by Government or by the CPSEs through issue of fresh shares or a combination of both.

(ii) Unlisted CPSEs with no accumulated losses and having earned net profit in three preceding consecutive years are to be listed.

(iii) Follow-on public offers would be considered taking into consideration the needs for capital investment of CPSE, on a case by case basis, and Government could simultaneously or independently offer a portion of its equity shareholding.

(iv) In all cases of disinvestment, the Government would retain at least 51 per cent equity and the management control.

(v) All cases of disinvestment are to be decided on a case by case basis.

(vi) The Department of Disinvestment is to identify CPSEs in consultation with respective administrative Ministries and submit proposal to Government in case requiring Offer for Sale of Government equity.

(b) & (c): There has been no Disinvestment Commission in existence during last three years.

(d) The Budget Estimates for disinvestment proceeds are Rs.40,000 crore for the year 2010-11.

(e) During the current financial year so far Government have raised Rs.22,144 crore from disinvestment in SJVN Limited, Engineers India Limited, Coal India Limited, Power Grid Corporation of India Limited, MOIL Limited and Shipping Corporation of India Limited. Disinvestment of 5 per cent paid-up equity capital of Oil and Natural Gas Corporation Limited (ONGC), Steel Authority of India Limited (SAIL) and Power Finance Corporation Limited (PFC) and 10 per cent in HCL out of Government shareholding are under implementation.