

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
(DIPAM)

LOK SABHA
UNSTARRED QUESTION NO. 1374
TO BE ANSWERED ON MONDAY JULY 01, 2019
ASHADHA 10, 1941 (Saka)

Asset Monetisation of Public Sector Enterprises

1374. SHRI NITESH GANGA DEB:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Department of Investment and Public Asset Management (DIPAM) is working on restructuring and asset monetisation of public sector enterprises for better management and competitiveness in the present world;
- (b) if so, the details of these public sector enterprises; and
- (c) the amount of disinvestment which Government plans to make during the current fiscal year?

ANSWER

MINISTER OF FINANCE
(Smt. NIRMALA SITHARAMAN)

- (a) & (b): Yes Sir. Cabinet in its meeting on 28.02.2019 approved procedure and mechanism for Asset Monetization of Central Public Sector Enterprises (CPSEs)/Public Sector Undertakings (PSUs)/other Government Organizations and Immovable Enemy Properties. The policy framework lays down the Institutional framework for monetization of the following:
- a. Identified non-core assets of CPSEs under strategic disinvestment;
 - b. Immovable Enemy Property under the custody of Custodian of Enemy Property (CEPI), MHA as per sub section 6 of section 8A of the Enemy Property Act, 1968;
 - c. This framework is also available for use to monetize assets of other CPSEs/PSUs/other Government Organizations with the approval of the Competent Authority;
 - d. Sick/Loss making CPSEs under closure normally follow the DPE closure guidelines dated 14.06.2018 in this regard. However, any sick/loss making CPSE can also adopt this framework with the approval of Competent Authority.

The objective of the asset monetization programme of the Government of India is to unlock the value of investment made in public assets which have not yielded appropriate or potential returns so far.

As regards restructuring of Public Sector Enterprises, DIPAM issued guidelines on Capital Restructuring of Central Public Sector Enterprises on 27.05.2016. These Guidelines lays down general principles and mechanism for capital restructuring of CPSEs regarding payment of dividend, issue of bonus shares, buyback of shares by CPSEs and shall apply to all corporate bodies where government of India and/or government controlled one or more body corporate have controlling interest. The focus of these guidelines is on optimum utilization of funds by CPSEs to spur economic growth.

- (c) As per the Budget Estimate for 2019-20 as announced in the Interim Budget, estimates for disinvestment proceeds has been kept at Rs. 90,000 crore.