

GOVERNMENT OF INDIA  
MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES  
DEPARTMENT OF HEAVY INDUSTRY  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 354**  
ANSWERED ON 15.09.2020

FDI IN HEAVY INDUSTRY SECTOR

354. SHRI P. RAVEENDRANATH KUMAR:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES भारी उद्योग एवं लोक उद्यम मंत्री be pleased to state:

- (a) whether the Government proposes to encourage more FDI Equity in the Heavy Industry Sector in the country, during the next four years, to align with its “Make in India Initiative”;
- (b) if so, the details thereof, industry-wise;
- (c) whether the Government has any proposal to reduce its equity in the public sector heavy Industry, during this current FY 2020-21; and
- (d) if so, the details in this regard, industry-wise?

**ANSWER**

THE MINISTER OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES  
(SHRI PRAKASH JAVADEKAR)

(a) & (b): Government has put in place a liberal and transparent policy for attracting Foreign Direct Investment (FDI), wherein most of the sectors are open to FDI under the automatic route. Government reviews FDI policy on an ongoing basis and changes are made in the FDI policy regime, from time to time, to ensure that India remains increasingly attractive and investor-friendly investment destination. FDI in various sectors including heavy Industry Sector is allowed in a calibrated manner after having consultations with stakeholders including concerned Ministries/ Departments, State Governments, apex industry chambers, Associations and other organizations taking into consideration their views/comments.

(c) & (d): The Government follows a policy of disinvestment through minority stake sale and Strategic disinvestment. Strategic Disinvestment implies substantial sale of Government shareholding of a CPSE along with transfer of management control. The policy of strategic disinvestment is followed in respect of the CPSEs which are not in ‘priority sector’. For this purpose, NITI Aayog has been mandated to identify such CPSEs based on the criteria of (i) National Security; (ii) Sovereign functions at arm’s length, and (iii) Market Imperfections and Public Purpose. In certain other CPSEs, policy of minority stake sale without transfer of management control through various SEBI approved methods, is being followed in order to unlock the value, promote public ownership and higher degree of accountability. The various modes of disinvestment commonly used for minority stake sale includes Initial Public Offer (IPO), Offer for Sale (OFS), Buyback of shares and Exchange Traded Funds (ETF). Disinvestment policy covers the heavy industry as well.

Disinvestment is an ongoing process, and timing of transactions depend upon the prevailing market conditions and investors’ appetite.

-----