

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1264**  
TO BE ANSWERED ON MONDAY, FEBRUARY 10, 2020  
MAGHA 21, 1941 (SAKA)

**Disinvestment of PSUs**

1264. SHRI ANNASAHEB SHANKAR JOLLE; SHRIMATI RITA BAHUGUNA JOSHI

Will the Minister of FINANCE be pleased to state:

- (a) the details of current disinvestment policy of the Government;
- (b) whether the Government has realised the set targets for disinvestment and if so, the details thereof;
- (c) Whether the Government proposes to disinvest loss making PSUs;
- (d) if so, the details thereof including the plan of the Government propose for PSUs like BSNL and MTNL along with the measures taken in this regard and the extent to which it is beneficial for the current state of economy; and
- (e) the initiative taken by the Government to prevent PSUs from becoming sick?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)

- (a) The current disinvestment policy of the Government comprises the following:
  - (i) Minority stake sale in listed CPSEs to achieve wider public ownership of CPSEs and to meet minimum public shareholding norms of 25 % as per SEBI regulations. Listing of unlisted CPSEs is one of the important modes of minority stake sale to promote people's ownership and improve the efficiency of companies through accountability to its stake holders. While pursuing this objective of disinvestment, the Government will normally retain majority shareholding, i.e. at least 51% and management control of the CPSE. However, in select CPSEs Government may reduce equity below 51%, while retaining management control on a case to case basis. However, no such CPSEs have been approved by Government so far, in which GoI equity can be reduced below 51%.
  - (ii) Strategic Disinvestment by way of sale of substantial portion of Government shareholding in identified CPSEs up to 50 per cent or more, along with transfer of management control.

(b) Details of disinvestment targets and receipts during the last five years are given below:

Year	Target (RE) (in Rs. crore)	Achievement (in Rs. crore)
2014-15	43,426	24,349
2015-16	25,312	23,997
2016-17	56,500	46,247
2017-18	1,00,000	1,00,057
2018-19	80,000	84,972

(c) The Government follows a policy of disinvestment through strategic disinvestment and Minority stake sale. Profitability/loss of CPSE is not the relevant criteria for disinvestment. The Government has 'in principle' approved strategic disinvestment in 34 CPSEs since 2016, which are profit-making or loss-making, or CPSEs which may have made profits in some financial years and losses in some other financial years.

(d) At present, there is no proposal for disinvestment in BSNL and MTNL. Both the CPSEs have been incurring losses since 2009-10. The Cabinet in its meeting held on 23.10.2019 approved a revival plan for BSNL and MTNL. The revival plan includes, inter alia, (i) measures to reduce staff cost through a Voluntary Retirement Scheme (VRS), (ii) Administrative allotment of spectrum to BSNL and MTNL for providing 4G services, (iii) Monetisation of land/building and tower/fibre assets, (iv) Debt restructuring by raising Sovereign Guarantee Bonds and (v) 'in-principle' approval for merger of BSNL and MTNL.

The VRS was offered by both BSNL and MTNL during the period 4.11.2019 to 3.12.2019. The VRS has taken effect from 31.1.2020. In total, 78569 employees of BSNL and 14387 employees of MTNL have opted for VRS.

(e) The Department of Public Enterprises (DPE) has issued guidelines on 29.1.2015 for 'Streamlining the Mechanism for Revival and Restructuring of Sick/incipient sick and Weak CPSEs'. As per the guidelines, the administrative Ministries/Departments are responsible to monitor the sickness of CPSEs under their control, based on their performance and to take redressal measures. Based on their assessment, Administrative Ministries/Departments take measures which may include preparation of proposals for revival/restructuring/closure, etc of CPSEs and implementation of such plans in consultation with stakeholders.

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