

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

LOK SABHA
UNSTARRED QUESTION NO. 3031
TO BE ANSWERED ON MONDAY, MARCH 15, 2021
Phalgun 24, 1942 (Saka)

Disinvestment of PSUs

3031. SHRI MANOJ KOTAK: SHRI PINAKI MISRA: SHRIMATI RAKSHA NIKHIL KHADSE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has approved 'in-principle' strategic disinvestment in 34 cases since 2016;
- (b) if so, the names of companies/PSUs which have been identified for disinvestment, State-wise along with the criteria adopted in this regard;
- (c) whether any Expert Committee was appointed for the purpose and the same has recommended names of PSUs for disinvestment and if so, the details thereof;
- (d) the details and number of PSUs, among these PSUs which are profit making and those which are running in loss for the last three years;
- (e) the details of receipts that the Government plans to accrue via disinvestment in 2021-22 along with the anticipated time within which disinvestment process will commence and is completed; and
- (f) whether the Government has assessed the impact of the disinvestment on employees and if so, the number of employees that are expected to be impacted as a result of this?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) to (d) The government has so far given 'in-principle' approval for strategic disinvestment of 35 CPSEs and Subsidiaries/Units/Joint Ventures of CPSEs since 2016, the list of which is annexed. This is based on the recommendations of NITI Aayog, which has been mandated to identify CPSEs for strategic disinvestment. For this purpose NITI Aayog identified these CPSEs based on the criteria of (i) National Security; (ii) Sovereign function at arm's length; and (iii) Market Imperfections and Public Purpose.

Profitability or loss of the CPSE is not a relevant criterion for disinvestment. This list includes profit-making as well as loss-making CPSEs.

(e) In the Budget for the financial year 2021-2022, target for disinvestment receipts has been kept at Rs.1.75 lakh crore (BE). The quantum of disinvestment receipts and timing of disinvestment transactions will depend on the prevailing markets conditions and investors' interest.

(f) On strategic disinvestment, it is expected that the strategic buyer will bring in new funds, technology and improved management practices for optimum development of business potential and growth of the CPSE. The growth of the company post-disinvestment would be able to generate higher economic activity, growth of the ancillary industries and contribute to the economic growth of the country, which will result in creation of new job opportunities. The proposed strategic disinvestment of the company is on a 'going concern' basis, with change in ownership only and employees will generally continue to be company's employees. Further, the agreed terms and conditions laid down in the Share Purchase Agreement may have specific clauses in respect of the employees. Post-disinvestment, the prospects of the employees are expected to improve with the growth in production, productivity and profitability.

Annexure to Lok Sabha Unstarred Question No. 3031 for reply on 15-03-2021

List CPSEs and Subsidiaries/Units/Joint Ventures of CPSEs for which Government has given 'in-principle' approval for strategic disinvestment since 2016.

a) Ongoing Transactions

| <u>S.No</u> | <u>Name of CPSE</u> | <u>Registered Head Quarter</u> | <u>PAT(Rs.in Lakh)2017-18</u> | <u>PAT(Rs.in Lakh)2018-19</u> | <u>PAT(Rs.in Lakh)2019-20</u> |
|--------------------|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 1. | Project & Development India Limited | Noida (UP) | 269 | 3036 | 3183 |
| 2. | Engineering Project (India) Limited | New Delhi | 14 | -3303 | 92 |
| 3. | Bridge and Roof Co. India Limited | Howrah (WB) | 1657 | 3333 | 3142 |
| 4. | Units of Cement Corporation of India Limited | New Delhi | 1799 | 635 | -5094 |
| 5. | Central Electronics Limited | Sahibabad (Uttar Pradesh) | 2170.53 | 168.82 | NOT AVAILABLE |
| 6. | BEML Limited | Bengluru (Karnataka) | 12944 | 6349 | 6838 |
| 7. | Ferro Scrap Nigam Limited (subsidiary) | Bhilai (Chhattisgarh) | 807 | 2669 | 3058 |
| 8. | Nagarnar Steel Plant of NMDC Limited | Hyderabad (Andhra Pradesh) | 380588 | 464211 | 361012 |
| 9. | Alloy Steel Plant, Durgapur; Salem Steel Plant; Bhadrawati Steel Plant - units of Steel Authority of India Limited | New Delhi | -48171 | 217882 | 202154 |
| 10. | Pawan Hans Limited | Noida (UP) | 1929 | -6920 | -2808 |
| 11. | Air India and five of its subsidiaries | New Delhi | -533774 | -847480 | -847480 |
| 12. | HLL Lifecare | Tiruvananthapuram (Kerala) | -6958 | 1847 | 11049 |

| | | | | | |
|-----|---|-----------------------|---------|--------|---------------|
| | Limited | | | | |
| 13. | Indian Medicines Pharmaceuticals Corporation Limited | Uttarakhand | 766 | 558 | 45 |
| 14. | Various Units of India Tourism Development Corporation Limited | New Delhi | 1771 | 3957 | 2248 |
| 15. | Hindustan Antibiotics Limited | Pune (Maharashtra) | 20832 | -7110 | -13830 |
| 16. | Bengal Chemicals & Pharmaceuticals Limited | Kolkata (West Bengal) | 1006 | 2526 | 1307 |
| 17. | (a) Bharat Petroleum Corporation Ltd(except Numaligarh Refinery Limited) (b) BPCL stake in Numaligarh Refinery Limited to a CPSE strategic buyer. | Mumbai (Maharashtra) | 797630 | 713202 | 268319 |
| 18. | The Shipping Corporation of India Limited | Mumbai (Maharashtra) | 25375 | -12199 | 30235 |
| 19. | Container Corporation of India Limited | New Delhi | 104446 | 121341 | 37578 |
| 20. | Neelachal Ispat Nigam Limited | Bhubaneswar (Odisha) | -37766 | -40219 | NOT AVAILABLE |
| 21. | Rashtriya Ispat Nigam Ltd. | Visakhapatnam (AP) | -136901 | 9671 | -391017 |

b) Transactions held up due to litigation

| <u>S.No</u> | <u>Name of CPSE</u> | <u>Registered Head Quarter</u> | <u>PAT(Rs.in Lakh)2017-18</u> | <u>PAT(Rs. in Lakh)2018-19</u> | <u>PAT(Rs.in Lakh)2019-20</u> |
|-------------|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| 22. | Hindustan Newsprint Limited (subsidiary) | Kottayam (Kerala) | -10165 | -13186 | -13185 |
| 23. | Karnataka | Bengaluru(KN) | 1174 | 1582 | 2299 |

| | | | | | |
|--|---------------------------------------|--|--|--|--|
| | Antibiotics & Pharmaceuticals Limited | | | | |
|--|---------------------------------------|--|--|--|--|

c) Transactions halted as the CPSEs recommended / approved for closure

| S.No | Name of CPSE | Registered Head Quarter | PAT(Rs. in Lakh)2017-18 | PAT(Rs. in Lakh)2018-19 | PAT(Rs. in Lakh)2019-20 |
|------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| 24. | Hindustan Fluorocarbons Limited (subsidiary)* | Medak (Telangana) | -77 | 170 | -363 |
| 25. | Scooters India Limited# | Lucknow (UP) | -1862 | -463 | -1573 |
| 26. | Bharat Pumps & Compressors Limited@ | Naini, Allahabad (UP) | -4392 | -3348 | -2699 |
| 27. | Hindustan Prefab Limited | New Delhi | 193 | 214 | 214 |

* CCEA approved closure of the CPSE on 22.01.2020

CCEA approved closure of the CPSE on 20.01.2021

@ CCEA approved closure of the CPSE on 09.12.2020

d) Transactions Completed

| S.No | Name of CPSE | Registered Head Quarter | PAT(Rs. in Lakh)2017-18 | PAT(Rs. in Lakh)2018-19 | PAT(Rs. in Lakh)2019-20 |
|------|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 28. | Hindustan Petroleum Corporation Limited | Mumbai (Maharashtra) | 635707 | 602866 | 263726 |
| 29. | Rural Electrification Corporation Limited | New Delhi | 441989 | 576372 | 488616 |
| 30. | HSCC(India) Limited | Noida (UP) | 2358 | 4981 | 3763 |
| 31. | National Projects construction corporation Limited | Faridabad (Haryana) | 3036 | 1937 | 1937 |
| 32. | Dredging Corporation of India Limited | Vizag(AP) | 1714 | 3803 | 551 |
| 33. | THDC India Limited | Rishikesh (Uttarakhand) | 77116 | 118991 | 92025 |
| 34. | North Eastern Electric Power Corporation Limited | Shillong (Meghalaya) | 27466 | 21106 | 16584 |
| 35. | Kamraj Port Limited | Chennai (Tamil Nadu) | 39418 | 34035 | 24903 |