

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

**RAJYA SABHA**  
**UNSTARRED QUESTION NO.3401**  
TO BE ANSWERED ON TUESDAY, JULY 23, 2019  
SHRAVANA 1, 1941 (SAKA)

**DISINVESTMENT OF PROFIT MAKING PSUS**

3401. SHRI SANJAY SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether profit making PSUs are being disinvested;
- (b) if so, the reasons therefor;
- (c) whether after the modernisation and expansion, the Salem Steel Plant is being considered for disinvestment; and
- (d) if so, the reasons therefor?

**ANSWER**

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

(a),(b), (c) and (d): Yes Sir. Government is following a policy of strategic disinvestment with transfer of management control in case of certain selected CPSEs, which are in 'low priority' sectors. Profitability of CPSEs is not a relevant criterion for such selection.

Based on this policy, the Government has accorded 'in-principle' approval for the strategic disinvestment of certain CPSEs, their subsidiaries and units, which includes Salem Steel Plant (SSP), which is a unit of SAIL.

Strategic disinvestment of CPSEs is being guided by the basic economic principle that Government should have no business to continue in sectors, where competitive markets have come of age and economic potential of such entities may be better discovered in the hands of strategic investor due to various factors such as infusion of capital, technological upgradation and efficient management practices.

Besides, in certain other CPSEs, which include profit-making 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.

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