

GOVERNMENT RAISES RS 2.79 LAKH CRORE THROUGH DIVESTMENT IN LAST 5 YEARS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

NEW DELHI: The government raised Rs 2,79,622 crore from the [disinvestment](#) of public sector undertakings ([PSUs](#)) during 2014-19 compared to Rs 1,07,833 crore during the 10-year UPA rule from 2004-14, Union minister Anurag Singh Thakur said on Tuesday.

Speaking during the Question Hour in the [Rajya Sabha](#), the Minister of State for Finance said, "In five years, we raised double the amount. This was done in an average 21 transactions each year, while it was four between 2004-2014."

During 2014-19, a total amount of Rs 2,79,622 crore was realised from the disinvestment transaction using various modes, he said.

"If you compared it with 2004-14, which was 10 years period, through 40 transactions, only Rs 1,07,833 crore could be raised," Thakur said in the Upper House.

For the current year, the target is to raise Rs 1.05 lakh crore. "We are trying our best to achieve this."

The Minister said that the government follows a policy of disinvestment through minority stake sale and strategic disinvestment. So far, the government has given 'in-principal' approval for strategic disinvestment of 33 central public sector undertakings (CPSEs).

Think-tank Niti Aayog has been mandated to identify such PSUs based on the criteria of national security, sovereign functions at arm's length and market imperfections and public purpose.

In reply to a separate query, Thakur said the Insurance Regulatory and Development Authority of India (IRDAI) has cancelled recruitment exercise initiated in February 2018 due to administrative reason and therefore, there is no need for any enquiry.

The minister said the IRDAI had issued an advertisement for recruitment February 16, 2018.

"During the recruitment process, it was found that the minimum experience criteria mentioned in the notification did not explicitly specify the sector or area of work in which work experience was required. This led to some candidates without useful experience being considered for further stages of recruitment process," he said.

To maintain transparency and avoid possible future litigation, Thakur said the IRDAI cancelled the recruitment on May 20, 2019.

"The expenditure incurred in the process, including advertisement, conducting of written examination and evaluation of answer scripts, was about Rs 22.47 lakh," he added.

IRDAI had received some complaints related to experience criteria, lowering of maximum age, re-allocation of unfilled vacancies, pattern of questions in written examination, rejection of application due to late receipt, reservation of posts and rosters.

"IRDAI has stated that the recruitment process was cancelled due to the reasons as stated above and as such no inquiry was necessitated," the minister said.

On a question related to impact of climate change on lending and risk in financial sector, Thakur said the RBI and the IRDAI are aware of the issues.

The RBI has informed that it is conscious of the role of banks in providing finance for sustainable development and has urged financial institutions to integrate it in their practices, the minister said.

"RBI has apprised that banks have been sensitised to various international initiatives, including the Equator Principles, which are a set of voluntary environmental and social guidelines for ethical project financing, and that banks were asked to adopt lending strategies to keep abreast of developments in the field of sustainable development," he added.

The RBI has further informed that the Indian Banks' Association has formulated the National Voluntary Guidelines for Responsible Financing, which are sector-specific and combine and adapt best practices on green banking, including international standards as well as national experiences.

In addition, RBI has included lending to social infrastructure and small renewable energy projects within [priority sector lending](#) targets, giving a fillip to green financing.

Moreover, he said the National Bank for Agriculture and Rural Development (NABARD), has informed that 38 climate change mitigating projects worth Rs 1,819 crore have been sanctioned under various funding mechanisms.

These projects are related to water resource management, rainwater harvesting, spring shed development, improving water use efficiency through micro irrigation, climate-smart agriculture, crop residue management and integrated farming system, he added.

NABARD has been designated as the national implementing entity by the government for the National Adaptation Fund for climate change and by the international funding entities under the United Nations Framework Convention on Climate Change.

India is signatory to the United Nations Framework Convention on Climate Change (UNFCCC), and is committed to its principles of protecting the climate system against human-induced change.

To address climate change concerns, Thakur said the government is implementing the national action plan on climate change, comprising of eight National Missions.

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