

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
LOK SABHA
UNSTARRED QUESTION NO. 3324
MONDAY, DECEMBER 16, 2024
AGRAHAYANA 25, 1946 (SAKA)

Disinvestment Targets

3324. Shri K C Venugopal:

Will the Minister of **FINANCE** be pleased to state:

- (a) the details of disinvestment targets set and achieved by the Government during the last five financial years and the current year, year-wise;
- (b) whether the Government has any plans to disinvest any profit making PSUs to achieve its disinvestment targets for the financial year 2024-25; and
- (c) if so, the details thereof and whether the Government has any plans to reconsider its decision to disinvest any profit making PSUs?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) : The details of Revised Estimates (RE) and actual disinvestment proceeds from Central Public Sector Enterprises (CPSEs) are given as under:

(Rs. crore)

Year	Revised Estimate (RE)	Actual Realisation
2019-20	65,000	50,300
2020-21	32,000	32,886
2021-22	78,000	13,534
2022-23	50,000	35,294
2023-24	There is no specific estimate for disinvestment receipts at RE stage	16,507
2024-25	There is no specific estimate for disinvestment receipts at BE stage.	8,625 (as on 10.12.2024)

Separate disinvestment target/estimate has been discontinued since the RE stage of FY 2023-24. During FY 2023-24, Rs.51,000 crore was estimated for disinvestment and Rs. 10,000 crore for other capital receipts at BE stage. However, at the RE stage Rs. 30,000 crore was kept under “Miscellaneous Capital Receipts - Receipts” at the RE stage which accounted for the receipts under erstwhile categories of disinvestment and other capital receipts such as asset monetization. During FY 2024-25, there is no specific estimate/target for disinvestment receipts. So far, Government has realised Rs. 8,625 crore through various minority stake sale disinvestment transactions during the current financial year.

(b) & (c): Government carries out disinvestment through (i) minority stake sale and (ii) strategic disinvestment of CPSEs. Minority stake sale in CPSEs without transfer of management control is implemented through various SEBI-approved methods such as Initial Public Offer (IPO), Offer for Sale (OFS), Buyback of shares etc., in order to unlock the value, promote public ownership, meet the minimum public shareholding norms of SEBI and for ensuring higher degree of accountability. Strategic Disinvestment implies entire or substantial sale of Government shareholding of a CPSE along with transfer of management control. In case of Privatization, which is a sub-set of strategic disinvestment, the Government equity in CPSE and its management control is transferred to a private strategic buyer(s) and in other cases of strategic disinvestment, the Govt. equity is transferred to another CPSE along with control.

The policy on strategic disinvestment/privatization is based on the economic principle that Government should discontinue 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. Profitability/loss is not among the relevant criteria for privatization/strategic disinvestment.

Disinvestment is an ongoing process, and execution/completion of specific transactions hinges upon market conditions, domestic and global economic outlook, geopolitical factors, investor interest and administrative feasibility. The Government, since 2016, has given ‘in-principle’ approval for strategic disinvestment of 36 cases of PSEs and/or Subsidiaries/ Units/ Joint Ventures of PSEs/ Bank. Out of the 36 cases, 33 cases are being handled by DIPAM and 3 cases are being handled by the respective Administrative Ministry/Department. Out of the 33 cases being handled by DIPAM, strategic disinvestment transactions have been completed in 10 cases (8 transactions are in CPSE to CPSE space while Air India and NINL have been privatized); 5 PSEs are under consideration for closure; 1 case held up due to litigation and 1 case is under Corporate Insolvency Resolution Process (CIRP) in NCLT and 2 transactions found not feasible. Out of remaining 14 transactions, EoI has not been issued or transactions have been called off after issuance of EoI/RFP in case of 6 PSEs and 8 transactions are at various stages of the Strategic Disinvestment process. Details are given at Annexure-I.

**Annexure referred in reply to the Lok Sabha Unstarred Question No. 3324 raised by
Shri K C Venugopal, Hon'ble M.P regarding Disinvestment Targets.**

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

1. Ongoing Transactions being processed by DIPAM wherein EoI has been issued

S.No.	Name of PSE
1.	BEML Limited
2.	The Shipping Corporation of India Limited
3.	HLL Lifecare Limited
4.	Project & Development India Limited
5.	Ferro Scrap Nigam Limited (subsidiary) #
6.	Indian Medicines Pharmaceuticals Corporation Limited
7.	NMDC Steel Limited (NSL)
8.	IDBI Bank.

Strategic buyer selected and Share Purchase Agreement (SPA) has been signed between M/s. Konoike Transport Co. Ltd, M/s MSTC Ltd and M/s FSNL Ltd. Transaction moved to concluding stage.

2. Transactions where EoI has not been issued or transactions called off after issuance of EoI/RFP:

9.	Bharat Petroleum Corporation Ltd (except Numaligarh Refinery Limited)
10.	Pawan Hans Limited
11.	Central Electronics Limited (CEL)
12.	Alloy Steel Plant, Durgapur; Salem Steel Plant; Bhadrawati Steel Plant - units of Steel Authority of India Limited
13.	Container Corporation of India Limited
14.	Rashtriya Ispat Nigam Ltd.

3. Transactions being processed by respective Administrative Ministries

S.No.	Name of PSE
15.	Various Units of India Tourism Development Corporation Limited
16.	Hindustan Antibiotics Limited
17.	Bengal Chemicals & Pharmaceuticals Limited

4. Transactions halted as the PSEs recommended / approved for closure; or any other reason

S.No.	Name of PSE
18.	Hindustan Fluorocarbons Limited (subsidiary) *
19.	Scooters India Limited ^
20.	Bharat Pumps & Compressors Limited *
21.	Hindustan Prefab Limited**
22.	Units of Cement Corporation of India Limited (Nayagaon Unit) #

*Government approved for closure of the Company.

^ Company has been delisted from stock exchanges

** CPSE is under closure.

Transaction not feasible and the mines are being returned to the State Governments.

5. Transactions held up due to litigation

S.No.	Name of PSE
23.	Karnataka Antibiotics & Pharmaceuticals Limited

6. Under Corporate Insolvency Resolution Process (CIRP) in NCLT

S.No.	Name of PSE
24.	Hindustan Newsprint Limited (subsidiary)**

** In January, 2021 National Company Law Tribunal approved a 146-crore bid of the Kerala Industrial Infrastructure Development Corporation (KINFRA), Government of Kerala to acquire Hindustan Newsprint Ltd. HNL was renamed as Kerala Paper Products Limited (KPPL) in 2021.

7. Transactions not feasible.

S.No.	Name of PSE
25.	Engineering Project (India) Limited
26.	Bridge and Roof Company (India) Limited

8. Transactions Completed

S.No.	Name of PSE
27.	Hindustan Petroleum Corporation Limited (HPCL)
28.	Rural Electrification Corporation Limited (REC)
29.	HSCC(India) Limited
30.	National Projects Construction Corporation Limited (NPCC)
31.	Dredging Corporation of India Limited (DCIL)
32.	THDC India Limited (THDC)
33.	North Eastern Electric Power Corporation Limited (NEEPCO)
34.	Kamrajar Port Limited
35.	Air India ^^
36.	Neelachal Ispat Nigam Limited (NINL)

^^ Subsidiaries which are now with AIAHL are still to be divested
