GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 1490
TO BE ANSWERED ON TUESDAY, MARCH 15, 2022
24 PHALGUNA, 1943 (SAKA)

Privatisation of Central Electronics Limited (CEL)

1490. **Dr. V. Sivadasan:**

Will the Minister of FINANCE be pleased to state:

(a)whether Government has any plan to privatize the Central Electronics Limited (CEL);
(b) if so, the reasons therefor;
(c) the current status regarding the CEL privatization;
(d) the total cost of assets of CEL;
(e) the total number of employees in CEL; and
(f) the profit earned by CEL, year-wise for the last five years?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KISHANRAO KARAD)

(a) and (b): Yes, Sir. On the recommendation of NITI Aayog, the CCEA on 27th October, 2016 gave 'in principle' approval for strategic disinvestment of 100% shareholding of GoI in Central Electronics Ltd. (CEL). The policy on strategic disinvestment 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.

(c): The first attempt to strategically disinvest CEL did not succeed as no financial bids were received. The process was re-launched with issue of Preliminary Information Memorandum (PIM) and request for Expressions of Interest (EOI) on 03.02.2020. Due process for strategic disinvestment of CEL was thereafter followed. On 29.11.2021, the Alternative Mechanism

(AM), empowered by CCEA, approved the highest price bid for sale of 100% equity shareholding of GoI in Central Electronics Ltd (CEL) based on recommendations of Core Group of Secretaries on Disinvestment (CGD) and Inter Ministerial Group (IMG).

Subsequently some allegations have been received from CEL Employees Association. Pending legal examination of some of these allegations, the IMG has decided to put the Letter of Intent (LOI) on hold. Accordingly, the LOI has not been issued yet.

(d): Details regarding book value of Fixed assets on Historical cost basis are given as under:

S.No	Item	Book Value (Rs. In crore)
1	Leasehold Land (50 acre) (46years of lease over, balance 44 years remaining)	0.16
2	Building	06.50
3	Plant & Equipment	19.08
4	Other assets	09.69

Source: Department of Scientific & Industrial Research

The above values are Written Down Value of Historical cost, the value on which the assets were originally acquired less depreciation till 31.03.2021.

(e): Central Electronics Limited (CEL) has a total of 1010 employees/staff as on 23.01.2022. Out of the 1010 employees, 283 are Regular Staff, 105 are contractual staff and 622 are outsourced (Third party) staff.

(f): The details of profits earned by Central Electronics Limited (CEL) during the last five years are given as under:

(Rs. In crore)

Years	2016-17	2017-18	2018-19	2019-20	2020-21
Profit After Tax (PAT)	16.82	21.71	1.69	3.13	23.46

Source: Department of Scientific & Industrial Research

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