

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 1663
TUESDAY, DECEMBER 10, 2024
19 AGRAHAYANA, 1946 (SAKA)

Disinvestment in public sector enterprises

1663. Shri Jose K. Mani:

Will the Minister of Finance be pleased to state:

- (a) the status of disinvestment in public sector enterprises;
- (b) the amount of revenue generated through disinvestment in the last financial year; and
- (c) whether there are any plans to privatize major public sector enterprises in the near future?

ANSWER

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

(a): 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 are 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.

Since 2014-15, an amount of about Rs. 4,36,748 crore (as on 04.12.2024) has been realized as disinvestment proceeds using various modes/instruments. This includes Rs 3,30,049 crore

realized from minority stake sale, and Rs. 69,412 crore realized from strategic disinvestment transactions in 10 CPSEs (Air India & NINL have been privatized and in remaining 8 CPSEs strategic disinvestment was in CPSE to CPSE space). Amount received from strategic disinvestment (Rs. 69,412 crore) does not include Rs. 12,100 crore received as Enterprise Value for NINL transaction as GoI didn't have any direct equity in this Joint Venture of Central and State PSEs. Other transactions yielded Rs. 37,287 crore.

(b): During the last Financial Year 2023-24, Rs. 16,507 crore was realised as disinvestment proceeds through various minority stake sale transactions in CPSEs.

(c): 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-I

Annexure referred in reply to the Rajya Sabha Unstarred Question No. 1663 raised by Hon'ble M.P Shri Jose K. Mani regarding Disinvestment in public sector enterprises.

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.
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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 CPSEs 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 CPSE
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
