

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 2772
TUESDAY, MARCH 25, 2025
4 CHAITRA, 1947 (SAKA)

Accelerating the disinvestment of PSUs

2772. Dr. Ajeet Madhavrao Gopchade:

Will the Minister of Finance be pleased to state:

- (a) the actions taken by the Ministry to accelerate the disinvestment of Public Sector Undertakings (PSUs);
- (b) the funds expected from this disinvestment; and
- (c) the funding generated from the disinvestment of PSUs over the past three years?

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 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.

Since 2014-15, an amount of about Rs 4,37,442 crore (as on 18.03.2025) 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 11 CPSEs (Air India, NINL and FSNL 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 and Rs 320 crore received respectively as Enterprise Value for NINL and FSNL (Subsidiary) as GoI didn't have any direct equity in these companies. Other transactions yielded Rs. 37,981 crore.

Government has actively pursued the policy of listing of unlisted CPSEs with a view to promote people's ownership in the companies, unlock the true value of CPSE stocks, and to infuse transparency and accountability in their functioning. Since 2014-15, 18 CPSEs (including LIC) have been listed which yielded Rs 51,225 crore. An additional market capitalization of Rs 7.31 lakh crore (Market-capitalization calculated based on listing price) was achieved through the new listings. After listing, further disinvestment by OFS mechanism in various CPSEs yielded Rs 1,34,771 crore and disinvestment proceeds of Rs 45,104 crore were realized from buyback of shares by 45 CPSEs.

The strategic disinvestment process was modified in 2019 to make the process result-oriented and expeditious. New Public Sector Enterprise ("PSE") Policy for Atma Nirbhar Bharat was approved by Cabinet, on 27th January 2021 and was notified on 4th February, 2021. The policy intends to minimize the presence of Government across sectors of economy. Further, the Board of Directors of the Public Sector Enterprises (PSEs) are empowered to recommend and undertake the transactions for Disinvestment (both strategic disinvestment and minority stake sale) or closure of any of their subsidiaries or units or sale of stake in JVs.

Currently, as a part of holistic Public Asset Management strategy, the Government has focussed on a calibrated disinvestment approach through listing/IPO of companies and gradual dilution of minority stake through stock market, consistent with interest of minority shareholders. This calibrated approach has enabled CPSEs to improve their efficiency and growth and become important players in the capital market. The calibrated disinvestment approach also ensures that transactions whenever carried out remain aligned to overall market direction. This has led to enhanced value of the CPSEs increasing returns to shareholders.

(b) & (c): Disinvestment is an ongoing process, and execution/completion of specific transactions hinges upon administrative feasibility, domestic and global economic outlook, geopolitical factors, market conditions, and investor interest. In view of this, it is difficult to anticipate quantum of actual proceeds from disinvestment for a particular period. Actual disinvestment proceeds from Central Public Sector Enterprises (CPSEs) during the last three years are given as under:

Year	Actual disinvestment proceeds (Rs. crore)
2021-22	13,534
2022-23	35,294
2023-24	16,507
