

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2931**  
TO BE ANSWERED ON MONDAY, AUGUST 7, 2023  
SRAVANA 16, 1945 (SAKA)

**PRIVATISATION OF HLL LIFECARE LIMITED**

2931. SHRI N.K. PREMACHANDRAN

Will the Minister of FINANCE be pleased to state :

- (a) whether the Government proposes to privatise the HLL Life Care Ltd. ;
- (b) if so, the details thereof ;
- (c) the details of action taken by the Government for the privatisation of HLL ;
- (d) whether the Government proposes to consider the request of stakeholders to stop the privatisation process, if so, the details thereof and the action taken thereon;
- (e) whether the Union Government has received any request from the State Government of Kerala to hand over HLL Limited, if so, the details thereof and the action taken thereon ;
- (f) whether the Union Government restricted Kerala to take part in the bid process for disinvestment of HLL Life Care, if so, the details thereof and the reasons therefor;
- (g) whether the Government is promoting privatisation in the disinvestment process, if so, the details thereof and the reasons therefor; and
- (h) the action taken or likely to be taken by the Government to protect the employees under disinvestment process?

**ANSWER**

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

- (a) to (c)** HLL Lifecare Limited is under strategic disinvestment on ‘a going concern’ basis in accordance with the bidding process approved by the CCEA. In order to implement the CCEA’s decision, various intermediaries viz., Transaction Advisor, Legal Adviser and Asset Valuer have been appointed by the Government in order to facilitate the transaction.

Preliminary Information Memorandum (PIM) inviting Expression of Interest (EoI) from prospective bidders was issued by the Government in December 2021. Multiple EoIs were received from the Interested Bidders. Further, Qualified Interested Bidders (QIBs) were given access to the Virtual Data Room (VDR) in June 2022 and due diligence is being carried out by the prospective bidders.

**(d)** No, Sir.

**(e) and (f)** Transaction Adviser, to which the EoI (Expression of Interest) bids were submitted, has informed that a State Government had submitted its bid as the Lead Member of a Consortium in response to the Expression of Interest (EoI)/ Preliminary Information Memorandum (PIM) floated by DIPAM and the bid was given due consideration as per the provisions of the PIM/EoI. However, as the said bid did not meet the eligibility criteria as per the provisions of the PIM/EoI, the EoI of the State Government could not qualify. A communication in this regard has been sent by the Transaction Adviser to the State Government.

**(g)** Disinvestment process of the Government has two components- (i) Minority stake sale through listing (IPO) and stake dilution through stock exchange with Government retaining majority ownership and management control (ii) strategic disinvestment through which management control is passed to strategic acquirer.

Strategic disinvestment is based on the rationale that wherever competitive industry has come of age, the economic and job-creating potential of the public enterprise and the economy is better realized in the hands of private sector through infusion of capital and better management practices, while freeing public resources for social sector and infrastructure.

In February, 2021, the New Public Sector Enterprise (“PSE”) Policy for Atmanirbhar Bharat has been issued which lays down a broad roadmap for existing PSEs. The policy has delineated four broad Strategic Sectors based on the criteria of national security, energy security, critical infrastructure, provision of financial services and availability of important

minerals. In Strategic sectors, bare minimum presence of the existing public sector commercial enterprises at Holding Company level will be retained under Government control. The remaining enterprises in a Strategic sector will be considered for privatisation or merger/subsidiarization with another PSE or for closure. PSEs in non-strategic sectors shall be considered for privatisation, where feasible, otherwise such enterprises shall be considered for closure. The enterprises such as Not-for-profit companies, or providing support to vulnerable groups, or having developmental/promotional roles, etc., are exempted from the scope of the policy.

- (h)** The terms and conditions in the Share Purchase Agreement (SPA)/Share Holders Agreement (SHA) for strategic disinvestment/privatisation contain employee related provisions to suitably address employees concerns such as employee protection, gratuity and provident fund. Further, labour laws and regulations relating to protection, working conditions, welfare, etc., as applicable will also continue to be applicable to the privatised PSEs. After privatisation, the prospects of the employees are also expected to improve with the growth in production, productivity and profitability.

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