

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
LOK SABHA
UNSTARRED QUESTION NO. 560
TO BE ANSWERED ON MONDAY, MONDAY, JULY 24, 2023
SRAVANA 2, 1945(SAKA)

Disinvestments

560. SHRI N. REDDEPPA:

Will the Minister of FINANCE be pleased to state:

- (a) the details of all disinvestments conducted during the last five years;
- (b) the details of the proposed disinvestment for this financial year;
- (c) whether any of the disinvested companies were profit-making at the time of disinvestment; and
- (d) if so, the details thereof and if not, the reasons for disinvesting them?

ANSWER

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

- (a): The details of disinvestment through Minority Stake Sale and strategic disinvestment during 2018-19 to 2022 -23 are given at **Annexure**.
- (b) : The Budget Estimate for disinvestment receipts in FY 2023-24 has been kept at Rs.51,000 crore.

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). Of the remaining 23 cases, 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. Remaining 14 transactions are at various stages.

In other PSEs, where the Government continues to retain control, disinvestment through minority stake sale is carried out through various SEBI-approved methods such as Initial Public Offer (IPO), Offer for Sale (OFS), Buyback of shares etc. from time to time based on prevailing market conditions and investor interest.

(c) & (d): Of the 9 CPSEs strategically disinvested during the period 2018-19 to 2022-23, seven CPSEs were profit making at the time of disinvestment. Minority stake sales in various CPSEs were carried out during the period as per SEBI approved methods and norms.

However, profit /loss is not among the relevant criteria for privatization/disinvestment. 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.

Annexure

Annexure to the Rajya Sabha Unstarred question No.560 for answer on 24.7.2023

Details of Disinvestment conducted during the period 2018-19 to 2022-23

A. Completed Strategic Disinvestment Transactions

Year	CPSE
2018-19	1. REC Limited
	2. HSCC (India) Limited
	3. National Projects Construction Corporation Limited (NPCC)
	4. Dredging Corporation of India Limited (DCIL)
2019-20	1. THDC India Limited
	2. North Eastern Electric Power Corporation Limited (NEEPCO)
	3. Kamarajar Port Limited
2021-22	1. Air India ^
2022-23	1. Neelanchal Ispat Nigam Limited (NINL)

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

NOTE 1: NINL was a Joint Venture company, in which 4 CPSEs namely MMTC, NMDC, BHEL and MECON and 2 State PSUs of Odisha Government; namely IPICOL and OMC were share-holders. GOI holds no equity in NINL.

NOTE 2: No strategic disinvestment was carried out 2020-21.

B. Initial Public Offer (IPO)

Year	Name of the Entity
2018-19	1. MSTC Limited
	2. Garden Reach Shipbuilders & Engineers Limited (GRSE)
	3. IRCON (International) Limited
	4. RITES Limited
	5. Mishra Dhatu Nigam Limited (MIDHANI)
2019-20	1. Rail Vikas Nigam Limited (RVNL)
	2. Indian Railways Catering and Tourism Corporation (IRCTC)
2020-21	1. Mazagon Dock Shipbuilders Limited (MDL)
	2. Indian Railway Finance Corporation (IRFC)
	3. RailTel Corporation of India Limited
2022-23	1. Life Insurance Corporation of India (LIC)

NOTE: No IPO was launched during 2020-21

C. Offer for Sale (OFS) including Employees OFS

Year	Name of the Entity
2018-19	1. Coal India Limited (CIL)
2019-20	1. RITES Limited
2020-21	1. Hindustan Aeronautics Limited (HAL)
	2. Bharat Dynamics Limited (BDL)
	3. Indian Railway Catering and Tourism Corporation Limited (IRCTC)
	4. Steel Authority of India Limited (SAIL)
	5. IRCON International Limited
	6. Tata Communications Limited

	7. Rail Vikas Nigam Limited (RVNL)
2021-22	1. SUTTI (AXIS BANK)
	2. NMDC Limited
	3. Housing & Urban Development Corporation Ltd (HUDCO)
	4. Hindustan Copper Limited (HCL)
2022-23	1. Oil and Natural Gas Corporation Limited (ONGC)
	2. Paradeep Phosphate Limited (PPL)
	3. Indian Railway Catering and Tourism Corporation Limited (IRCTC)
	4. Hindustan Aeronautics Limited (HAL)

D. Buyback Transactions

Year	Name of the PSE
2018-19	1. KIOCL Limited
	2. National Aluminum Company Limited (NALCO)
	3. NLC India Limited
	4. Cochin Shipyard Limited (CSL)
	5. Bharat Heavy Electricals Limited (BHEL)
	6. NHPC Limited
	7. Indian Oil Corporation Limited (IOCL)
	8. Oil & Natural Gas Corporation Limited (ONGC)
	9. Coal India Limited (CIL)
	10. NMDC Limited
	11. Oil India Limited (OIL)
2019-20	1. MOIL Limited
	2. Mazagon Dock Shipbuilders Limited (MDL)
	3. Security Printing & Minting Corporation India Limited (SPMCIL)

2020-21	1.	RITES Limited
	2.	KIOCL Limited
	3.	NTPC Limited
	4.	NMDC Limited
	5.	Engineers India Limited (EIL)
	6.	National Aluminum Company Limited (NALCO)
	7.	GAIL (India) Limited
2021-22	1.	MOIL Limited
2022-23	1.	GAIL (India) Limited

E. Exchange Trade Funds

a) CPSE ETF*

Year	Issue	Constituents
2018-19	FFO 3	1. Bharat Electronics Limited
		2. Coal India Limited
	FFO 4	3. NBCC (India) Limited
		4. SJVN Limited
		5. NLC India Limited
2019-20	FFO 5	6. NTPC Limited
		7. Indian Oil Corporation Limited
	FFO 6	8. Oil Natural Gas Corporation
		9. Power Finance Corporation Limited
		10. Oil India Limited

*GAIL, CONCOR, EIL and REC were excluded whereas NTPC, NBCC, NLC and SJVN were included at different stages

b) Bharat 22 ETF

Year	Issue	Constituents
2018-19	FFO 1 FFO 2	<ol style="list-style-type: none"> 1. Axis Bank 2. Bank of Baroda 3. Bharat Electronics Limited 4. Bharat Petroleum Corporation Limited 5. Coal India Limited 6. Engineers India Limited 7. Gail India Limited 8. Indian Bank
2019-20	FFO 3	<ol style="list-style-type: none"> 9. Indian Oil Corp Limited 10. ITC Limited 11. Larsen & Toubro Limited 12. National Aluminum Company Limited 13. NBCC (India) Limited 14. NHPC Limited 15. NLC India Limited 16. Oil & Natural Gas Corporation Limited 17. NTPC Limited 18. Power Finance Corporation Limited 19. Power Grid Corporation of India Limited 20. Oil India Limited 21. SJVN Limited 22. State Bank of India
