

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

LOK SABHA
UNSTARRED QUESTION NO. 3123
TO BE ANSWERED ON MONDAY, MARCH 15, 2021
PHALGUNA 24, 1942 (SAKA)

Disinvestment Targets

3123. SHRI RAVNEET SINGH BITTU:

SHRI KUMBAKUDI SUDHAKARAN:

Will the Minister of FINANCE be pleased to state:

- (a) the details of disinvestment targets set in the last five financial years by the Government including the disinvestment target for 2020-21;
- (b) whether the Government has been able to meet its disinvestment targets or there has been shortfall in this regard and if so, the details thereof;
- (c) the details of the reasons, if any, due to which the Government has repeatedly failed to meet its disinvestment targets during the last few years;
- (d) whether the budgeted disinvestment target for 2021 will be met as per the Government assessment and if so, the details thereof and if not, the reasons therefor along with the proportion of disinvestment target for 2020-21 which has been achieved on January 15, 2021 in terms of percentage;
- (e) whether the receipts from disinvestment as a proportion of the total budget have declined since 2014 and if so, the reasons therefor along with the total disinvestment receipts as a proportion of total receipts for each financial year since 2014; and
- (f) whether any steps are being taken by the Government to rationalize its disinvestment targets in a more calibrated manner based on realistic assessment of the economic situation and the need for new job creation as well as welfare of the existing employees in these entities and if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (c): The disinvestment targets and actual receipts during the period 2014-15 to 2020-21 are given as under:

(Rs. in crore)

Year	Revised Estimates (RE)	Disinvestment Receipts
2014-15	26353	24349
2015-16	25314	23997
2016-17	45500	46247
2017-18	100000	100057
2018-19	80000	84972
2019-20	65000	50299
2020-21 (till 09.03.2021)	32000	21303

Disinvestment receipts exceeded the target during 2016-17, 2017-18 and 2018-19, while falling short in 2014-15 and 2019-20. Disinvestment of GOI equity in CPSEs depends largely on market sentiment, investor interest, and market valuation of CPSE stocks. Over a period of time, the scope of minority stake sale has declined and strategic disinvestment & privatization would be the primary mode for disinvestment receipts.

(d): The revised estimate (RE) for disinvestment receipt in 2020-21 is Rs 32,000 crore, against the budget estimate (BE) of Rs 2,10,000 crore (of which Rs. 90,000 crore was envisaged for disinvestment in financial institutions, and Rs 1,20,000 crore was estimated as receipts from disinvestment in CPSEs).

The volatile market conditions arising due to COVID-19 adversely impacted Government's plans for disinvestment. The covid-19 pandemic and contraction in manufacturing and services post lockdown coupled with uncertainty in financial markets, posed significant challenges before the disinvestment efforts of the government, and delayed transactions both for minority stake sale and strategic disinvestment during large part of FY 2020-21. With the recovery of the stock market subsequently, the disinvestment transactions are coming back on track.

As on 09.03.2021, Government has realized disinvestment receipt of Rs. 21,303 crore which is around 67% of Revised Estimate (RE) in 2020-21.

(e) The details of disinvestment receipts as a proportion of total receipts (revenue and capital receipts), and disinvestment receipts as proportion of Budget Estimate (BE) for each financial year since 2014-15 are given as follows:

(Rs. In crores)

Year	Disinvestment Receipts	Total Receipts (revenue+capital)	Budget Estimates (BE)	Receipts as % of total receipts	Receipts as % of BE
2014-15	24349	1585921	43425	1.54%	56.07%
2015-16	23997	1774434	69500	1.35%	34.53%
2016-17	46247	1984089	56500	2.33%	81.85%
2017-18	100057	2137882	72500	4.68%	138.01%
2018-19	84972	2316434	80000	3.67%	106.22%
2019-20	50299	2681360	105000	1.88%	47.90%

Disinvestment receipts as a proportion of the Budget Estimates (BE) has increased during 2014-15 to 2018-19, before declining in 2019-20 reflecting lack of adequate market interest in CPSE stocks.

(f): Disinvestment is an ongoing process and actual transactions are carried out from time to time depending upon market sentiments and investors interest. The indicative disinvestment targets are fixed every year considering the expected market valuation of the CPSE, investor interest, administrative feasibility and overall economic conditions.
