

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT
LOK SABHA
UNSTARRED QUESTION NO. 179
TO BE ANSWERED ON MONDAY, JULY 21, 2025
ASHADHA 30, 1947 (SAKA)

Disinvestment of Loss Making PSUs

179. Shri Rao Rajendra Singh:

Will the Minister of FINANCE be pleased to state:

- (a) the details of targets and achievements made by the Government through disinvestment process during the last five years;
- (b) whether the Government has been successful in making disinvestment of its stakes in loss-making PSUs during the last three years and if so, the details thereof; and
- (c) the names of PSUs, especially Public Sector Banks (PSBs) which the Government proposes to disinvest along with the amount likely to be received therefrom and the reasons due to which the Government is contemplating to disinvest from such organisations?

ANSWER

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

(a): Revised Estimate and Actual Realisation of disinvestment proceeds for the last five years are given as under:

(Rs. crore)

Year	Revised Estimate (RE)	Actual Realisation
2020-21	32,000	32,886
2021-22	78,000	13,534
2022-23	50,000	35,294
2023-24		16,507

Year	Revised Estimate (RE)	Actual Realisation
2024-25	There is no specific target for disinvestment receipts	10,163

Fixing separate disinvestment targets has been discontinued since the Revised Estimate (RE) of FY 2023-24. However, Rs. 30,000 crore, Rs.33,000 crore and Rs.47,000 crore kept under Miscellaneous Capital Receipts for RE 2023-24, RE 2024-25 and BE 2025-26 respectively, which includes estimated receipts on account of management of equity investments and public assets through various mechanisms.

(b) & (c): Government carries out disinvestment in Public Sector Enterprises (PSEs) through (i) Minority Stake Sale through various SEBI-approved methods such as Initial Public Offer (IPO), Offer for Sale (OFS), Buyback of shares etc. and (ii) Strategic Disinvestment i.e. entire or substantial sale of Government shareholding to a strategic buyer along with transfer of management control.

The policy on strategic disinvestment/privatization is based on the economic principle that Government should minimize presence in sectors, where competitive private sector has 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, efficient management practices etc. Profitability/loss is not among the relevant criteria for privatization/strategic disinvestment. The following CPSEs were strategically disinvested during the last four years.

S. No	Financial Year	Name of the CPSE /Entity	Profit /Loss making at the time of privatisation
1	2021-22	Air India and its subsidiary AIXL and AISATS(JV)	Loss making

2	2022-23	Neelachal Ispat Nigam Limited (NINL)	Loss making
3	2024-25	Ferro Scrap Nigam Limited (FSNL), a subsidiary of MSTC Ltd.	Profit making

As far as PSBs/Banks are concerned, the IDBI Bank is under strategic disinvestment with transfer of management control. For other PSEs/Banks, disinvestment through minority stake sale is carried out through various SEBI-approved methods from time to time based on prevailing market conditions in order to unlock the value, promote public ownership and meet the minimum public shareholding to ensure higher degree of accountability.

Disinvestment transaction depends upon administrative feasibility, market conditions, economic outlook and investor interest. In view of this, it is difficult to anticipate quantum of actual proceeds from disinvestment during the current Financial Year.
