

Small, mid CPSEs may be on FY24 disinvestment list

SHRIMI CHOUDHARY
New Delhi, 10 January

The government may add small- and mid-cap central public sector enterprises (CPSEs) to its list of disinvestment and privatisation candidates for the next financial year.

However, the priority will be speeding up ongoing big-ticket deals, including the stake sale of IDBI Bank, and Container Corporation of India (Concor), a senior government official told *Business Standard*.

"Identifying sectors and companies is an ongoing process of the disinvestment department. So we might draw a fresh list that could have small-, mid-cap CPSEs," the official said. About 40 CPSEs are currently categorised as mid- and small-cap CPSEs. Meanwhile, stake sale in IDBI Bank, Concor, Shipping Corporation, BEML, and NMDC Steel, among others, is currently ongoing.

While IDBI has received preliminary bids for the proposed stake sale, the Department of Investment and Public Asset Management (DIPAM) is working on Concor's Expression of Interest, which is likely to be out by the month-end. The official said they were awaiting merger notice on Shipping Corp from the Ministry of Corporate Affairs.

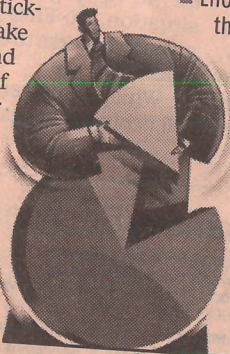
Government officials hinted that efforts were being taken to conclude stake sale of Shipping Corp and BEML by March.

Meanwhile, the privatisation of two public sector banks would take longer, and may not be part of the privatisation plan for the financial year ending March 31, 2024 (FY24), another official added. DIPAM was going slow on the PSB privatisation keeping in mind the volatile markets, the official added.

In the 2021 Budget speech, Finance Minister Nirmala Sitharaman had announced the privatisation of a couple of state-run lenders and a general insurance company. Ahead of the forthcoming Budget, the government has

IN THE WORKS

- Govt's priority continues to be speeding up ongoing big-ticket deals
- These include stake sale of IDBI Bank, Concor, Shipping Corporation, BEML, and NMDC Steel
- Efforts are being taken to conclude the stake sale of Shipping Corp and BEML by March, say officials
- The FY24 disinvestment target may be set below ₹60,000 crore, against ₹65,000 crore for the current fiscal year
- Privatisation of two PSBs would take longer, and may not be the part of FY24 privatisation plan



achieved almost half the disinvestment target of ₹65,000 crore for the current fiscal year. FY23 disinvestment receipts are unlikely to be anywhere close to the budgeted target. To date, DIPAM has raised over ₹67,000 crore, with ₹31,106 crore as disinvestment receipts and over ₹36,000 crore as dividend.

"The disinvestment department is hopeful of having a lower disinvestment target for FY24 - less than what is budgeted for this fiscal year," one of the officials cited above said.

The government may set the FY24 disinvestment target below ₹60,000 crore for FY24, according to sources.

It is learnt that DIPAM had proposed to North Block to make dividends a part of the overall budgeted target for disinvestment. Currently, PSU dividends received by the Centre do not count as disinvestment proceeds.

"Disinvestment should be looked at from the prism of reviving loss-making companies instead of setting some goals. Dividends from CPSEs (which is non-tax revenue) and disinvestment (which is miscellaneous capital receipts) are the two responsibilities of DIPAM. Both should be looked at, as far as resources to the government are concerned," an official said.