

CPSE divestment: DIPAM invites bids to empanel merchant bankers, law firms

STAKE SALE PUSH. Sale of shares will be carried out via offer for sale, dribbling

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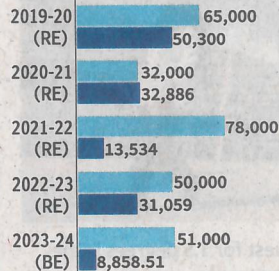
Even as disinvestment proceeds for the current fiscal are unlikely to reach the Budget Estimate, the Finance Ministry has initiated a fresh effort to push minority stake sales in Central Public Sector Enterprises (CPSEs). It has invited bids to empanel merchant bankers-cum-selling brokers (MBSB) and legal advisors for stake sales.

"The GoI intends to empanel MBSBs for two years (further extendable by one year) to disinvest its shareholding through the offer for sale through stock exchange mechanism/sale of shares in the stock market (dribbling) as per SEBI/Stock Exchanges Rules and Regulations," a proposal floated by the De-

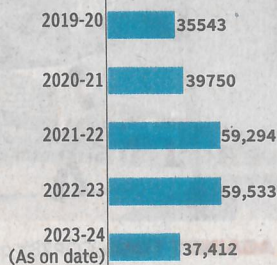
Resources through CPSEs (Amount in ₹ crore)

Disinvestment

■ Estimate ■ Actual receipts



Dividend earnings from CPSEs



Source: Parliament Questions, DIPAM

partment of Investment and Public Asset Management (DIPAM) said. A similar statement has been used for the empanellment of legal advisors.

According to the Department of Public Enterprises (DPE), there are 389 CPSEs in India (as on March 31,

2022), out of which 248 are operational.

Minority stake sales in various PSEs are carried out based on investor interest and market conditions, as per SEBI-approved methods and norms. According to DIPAM, empanelled MBSBs will be required to advise on

the timing and modalities of the OFS. They will advise on regulatory norms and assist in securing approval and exemptions.

BEST RETURNS

They are expected to ensure the best returns to the government and will conduct market surveys, and domestic and international roadshows to generate interest amongst prospective investors.

Empanelled MBSBs are also required to arrange physical and/or online meetings with the top management of key domestic and international investors, including institutional and HNIs, for filling all buckets of various investor categories, including retail, facilitate communication about the growth potential of the company and articulate the key

marketing themes and positioning of the company.

SCOPE OF WORK

Similarly, the scope of work for legal advisors includes drafting, reviewing and finalising the notice for filing with stock exchanges and public notice.

They will be involved in drafting responses to queries received from SEBI, stock exchanges, depositories, etc., until the completion of all activities relating to OFS; draft consent letters for intermediaries to be submitted to DIPAM; provide advice, consulting, and hold discussions with officials of the company during OFS; provide other legal advice on research publication and dissemination, statutory and corporate advertisement in connection with the OFS as may be required.