

Privatization plans of 9 PSUs on hold after opposition from ministries

Reuters
feedback@livemint.com
NEW DELHI

Prime Minister Narendra Modi is pouring billions into ailing state-run firms after slowing ambitious divestment plans that were intended to reduce the role of the state in business, according to government officials and a document reviewed by *Reuters*.

Less than a month into 2025, New Delhi has plans to invest about \$1.5 billion in financial rescue packages for two state-owned firms after failing to sell them to private companies.

It has also decided to put in

“abeyance” privatization of at least nine state-owned units after opposition from relevant ministries, according to a document that detailed recommendations of a government panel set up to identify privatization candidates.

The document, reviewed by *Reuters*, did not cite reasons for the decision. The nine firms include Madras Fertilizers, Fertilizer Corp of India, NBCC (India), and MMTC the document showed.

Housing and Urban Development Corp, that was also identified for privatization, has now been ‘exempted’, implying it will not be sold, according to



The government may infuse around \$230-\$350 million in Pawan Hans to modernize its ageing fleet of helicopters. HT

the document.

Among the state-owned companies being revived with government funding is heli-

copter operator Pawan Hans.

The government is planning to infuse around \$230-\$350 million in Pawan Hans to mod-

ernize its ageing fleet of helicopters after four failed attempts to sell the company, two government officials said.

The amount of infusion is still being finalized as the options being considered for fleet modernization include both outright acquisition and leasing, one of the officials said.

The officials declined to be identified because of the sensitivity of the issue.

India’s finance and civil aviation ministries did not immediately reply to e-mails seeking comment on the privatization plans or on the Pawan Hans investment.

The fund infusion in Pawan

Hans and plans to halt the privatization of nine firms have not been previously reported.

In 2021, Modi’s government announced a major programme to privatize most state-run companies.

The plan was so drastic that even in the four sectors that India sees as sensitive, such as telecoms and banking, it wanted to keep only a minimum presence, while exiting from all other sectors.

But now it is planning rescue and revival for companies even outside the sensitive sectors.

Last week, the government announced a \$1.3 billion plan to revive debt-laden steel pro-

ducer Rashtriya Ispat Nigam Ltd (RINL).

The government has also allocated ₹8,000 crore in 2024-25 for bond repayments of state-run telco MTNL that has seen a series of defaults lately, according to budget documents for the current year.

Four years since the privatization policy was announced, the Modi government has had only three successes, out of which Air India’s sale to the Tata Group was the largest. The other two were indirect holdings in steel-maker Neelachal Ispat Nigam Ltd to Tata Steel and Ferro Scrap Nigam to Konoi Transport Co.

CORRECTIONS AND CLARIFICATIONS

Mint welcomes comments, suggestions or complaints about errors.

Readers can alert the newsroom to any errors in the paper by emailing us, with your full name and address to feedback@livemint.com.

It is our policy to promptly respond to all complaints. Readers dissatisfied with the response or concerned about *Mint*’s journalistic integrity may write directly to the editor by sending an email to asktheeditor@livemint.com

Mint’s journalistic Code of Conduct that governs our newsroom is available at www.livemint.com