

Stock exchange debut: Govt shortlisting profit-making subsidiaries of CPSEs

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THE FINANCE MINISTRY is in the process of shortlisting profit-making subsidiaries of CPSEs having a minimum stipulated net worth, which can be listed on the stock exchanges, an official said.

Currently, profit-making CPSEs with a minimum net-worth of ₹500 crore are listed on the exchanges.

The Department of Investment and Public Asset Management (DIPAM) will be consulting administrative ministries and central public sector enterprises (CPSEs) before finalising the names of the subsidiaries for the stock exchange debut.

"We are drafting a list of subsidiaries of CPSEs which can go in for listing through initial public offer. The net-worth threshold for such listing too would be decided after deliberation," an official said.

In 2017-18, there were 257 operational CPSEs, of which 184 were profit-making. Most of the profit-making subsidiaries of CPSEs are in coal, power and oil and gas sector.

The official said CPSE arms having a track record of making

profit for at least three years are likely to be picked up for listing.

DIPAM, the official said, is preparing the pipeline of state-owned firms which can be listed on the exchanges in the current fiscal or subsequent fiscals. The pipeline is necessary as the gov-

ernment holding in most of the bluechip CPSEs is close to 51%.

Though the listing of CPSE subsidiaries will not fetch the government any money directly, it would get money in the form of dividend from the parent company.