

Revised procedure for strategic disinvestment of CPSEs

November 1, 2019

Source: PRS, *Monthly Policy Review*

The Union Cabinet approved changes in the procedure for strategic disinvestment of Central Public Sector Enterprises (CPSEs)

Key highlights

- **Earlier, NITI Aayog was responsible for identifying CPSEs for strategic disinvestment and advising on the number of shares to be sold**
- As per the revised procedure, these functions will be performed by a Consultative Group, which consists of the Secretaries of:
 1. The Department of Investment and Public Asset Management
 2. (DIPAM)
 3. The administrative Ministry
 4. The Ministry of Corporate Affairs
 5. The Department of Public Enterprises, and
 6. CEO, NITI Aayog
- **The Group's recommendations will be examined and executed by an Inter-Ministerial Group** which will be co-chaired by the **Secretary, DIPAM**, and the **Secretary of the administrative Ministry**. Earlier, only the administrative Ministry was responsible for these functions.
- **Application: The revised procedure will apply to cases where the financial bids have not been invited or must be invited again due to the failure of the previous**

transaction. Note that DIPAM has invited proposals to engage advisors who would carry out undertaking detailed analysis for the restructuring of CPSEs