

Govt set to close loss-making PSUs

No Repeated Attempts At Divestment And Endless Wait To Get Buyers

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The government will recommend loss-making PSUs identified for strategic stake sale for closure and will not wait endlessly and won't make repeated attempts to get a bidder.

The Centre has taken a political call to accelerate strategic sale of loss-making PSUs as some of them have been waiting for years to get a buyer, sources said. "There are several cases where the disinvestment process has been going for years. There is very little interest in some of the companies. Keeping all these factors in mind, it has been decided that wherever buyer interest is muted we will recommend for closure of the unit," said an official, who did not wish to be quoted.

The government has identified several top companies for offloading stake and management control, including Bharat Petroleum Corporation. The government aims to raise a large chunk of Rs 1.05 lakh target set for the current year from strategic sale in these companies.

The government will also not opt for the insolvency and bankruptcy route for loss-making PSUs, the official said as this will mean workers will lose out in getting their dues. During the past five years, the government had identified about 33 loss-making state-run companies for disinvestment as well as closure. While only a handful of firms have been under the process of closure, the list of entities identified for sale has remained static. The government has managed to sell some of the loss-making hotel properties and transferred some of the units to state governments.

For example, decision for sale of Scooters India was taken in 2016 and expression of interest was unveiled in May 2018. No progress has been made after that. The government has also been hunting for a buyer for the country's biggest state-run helicopter firm Pawan Hans. Several extensions have been announced for the sale process but a buyer has not been found.

Bharat Pumps and Compressors has been under the disinvestment process for a number of years and a suitor is yet to be found. "The view within the government is that we should move and not let precious government revenue be wasted," said the official.

This is also part of the government's overall strategy to revamp and restructure public sector enterprises ecosystem in the country and get out of non-viable businesses and sectors.

