

# Disinvestment and Privatization in India

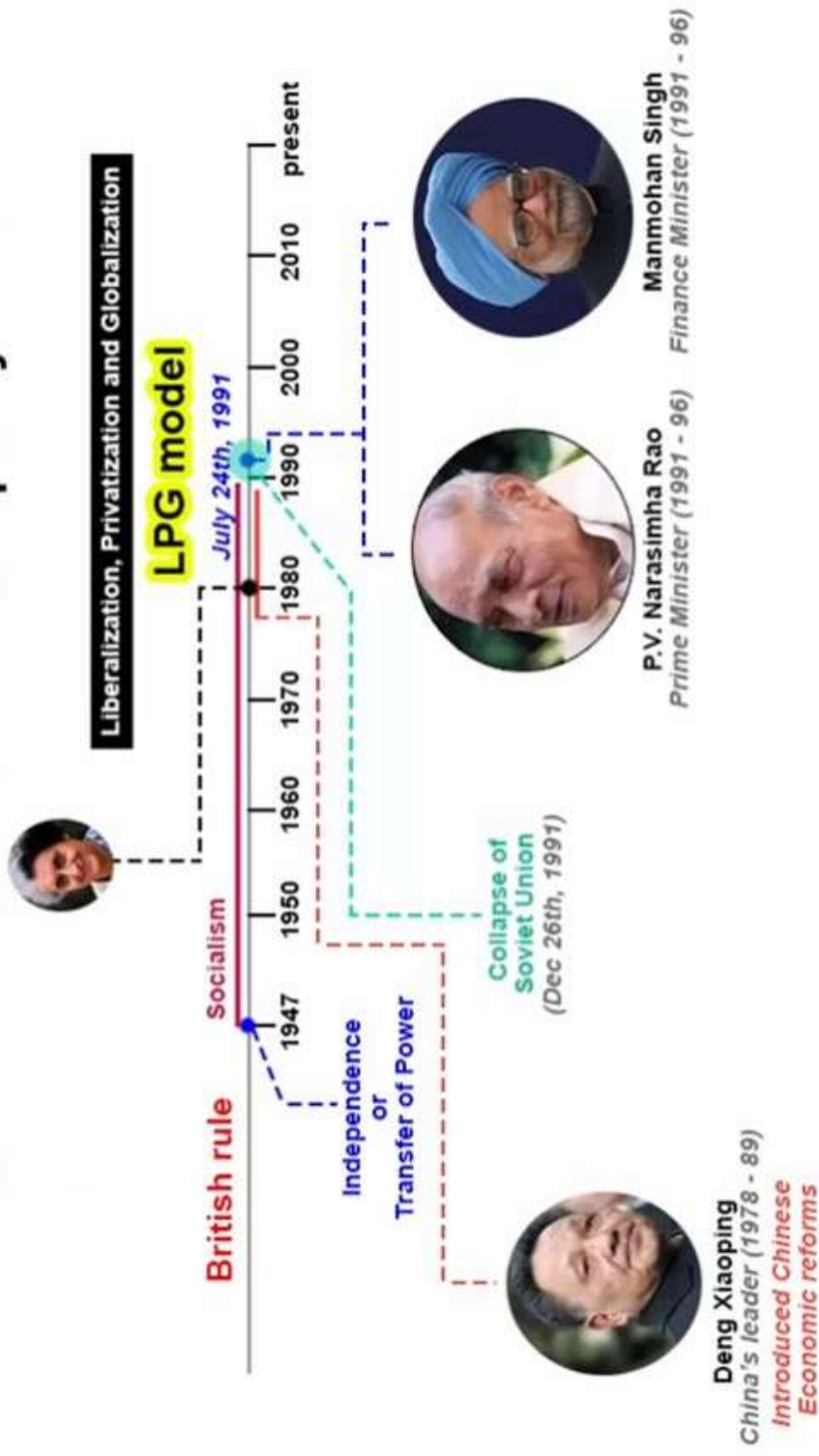
GROUP 5

Raj Patil - CS18BTECH11039

Muppalla Hema Varshita - EE17BTECH11022

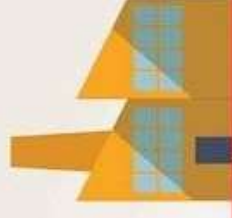
# History

## Disinvestment & Privatization policy in India





# TOP 10 LOSS-MAKING GOVT COMPANIES



Company	Net Loss (Rs cr)	% Share
BSNL	-7,993	25.57
AIR INDIA	-5,338	17.07
MTNL	-2,973	9.51
Hindustan Photo Films *	-2,917	9.33
Western Coal Field	-1,757	5.62
Bharat Coking Coal	-1,391	4.45
Rashtriya Ispat Nigam	-1,369	4.38
India Infrastructure Finance	-1,155	3.69
Eastern Coalfield	-931	2.98
STCL	-657	2.1
<b>Total</b>	<b>-25,480</b>	<b>84.71</b>

Source: Public Enterprises Survey 2017-18, Vol 1  
\*Provisional



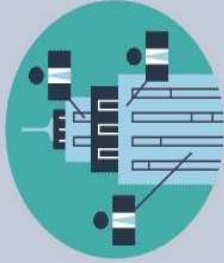
# Differences Between Capitalism and Socialism



Capitalism is an economic system where the means of production are owned by private individuals.



The means of production, such as money and other forms of capital, are owned by the state or public.



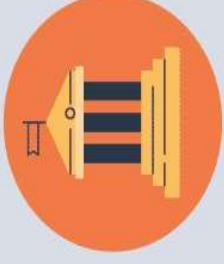
Companies live by the profit motive. They exist to make money. All companies have owners and managers.



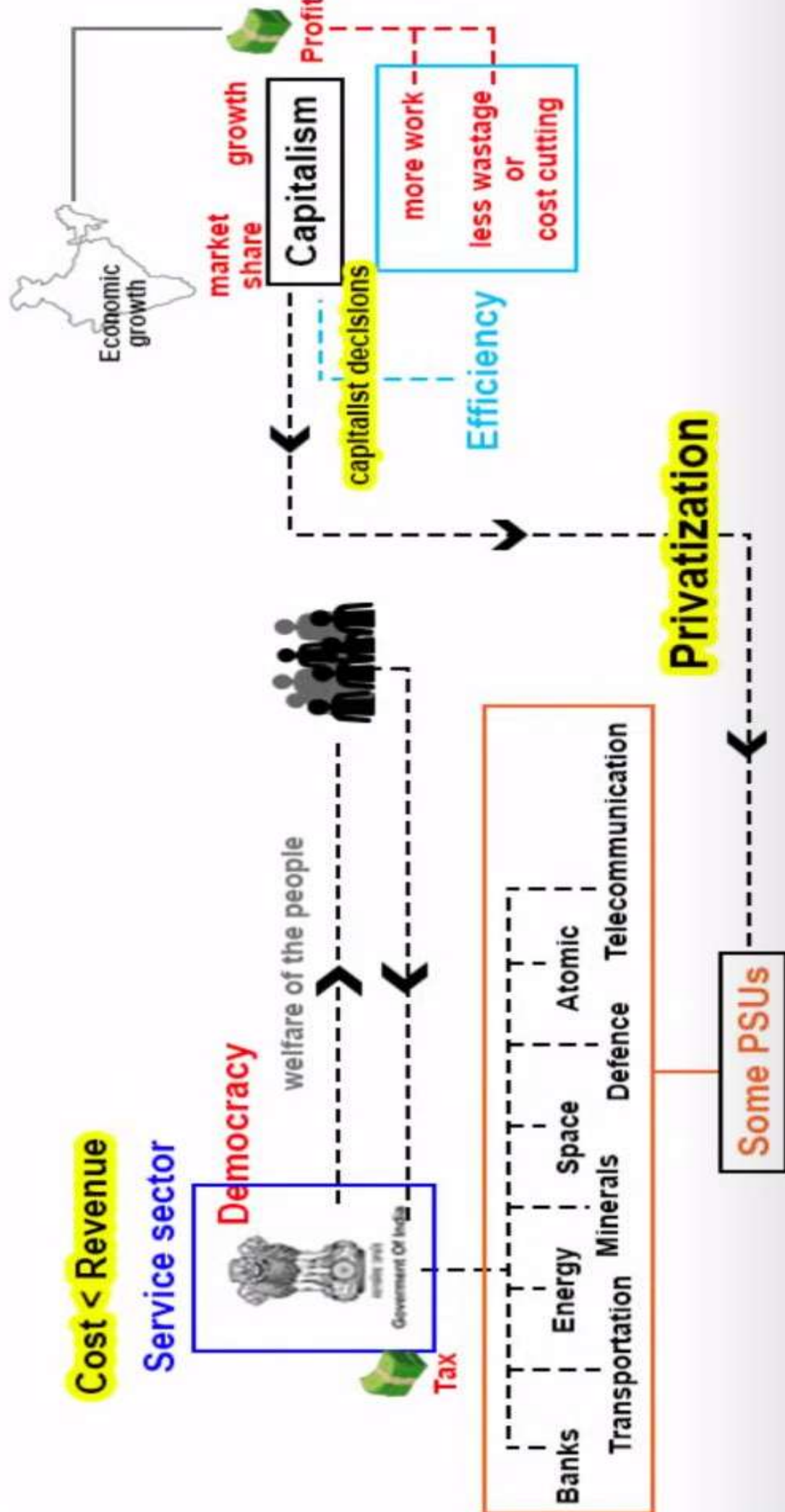
Under a socialist system, everyone works for wealth that is in turn distributed to everyone.



It is the government's job by enforcing laws and regulations to make sure there is a level playing field for privately-run companies.



The government decides how wealth is distributed among the people. They provide for the people.



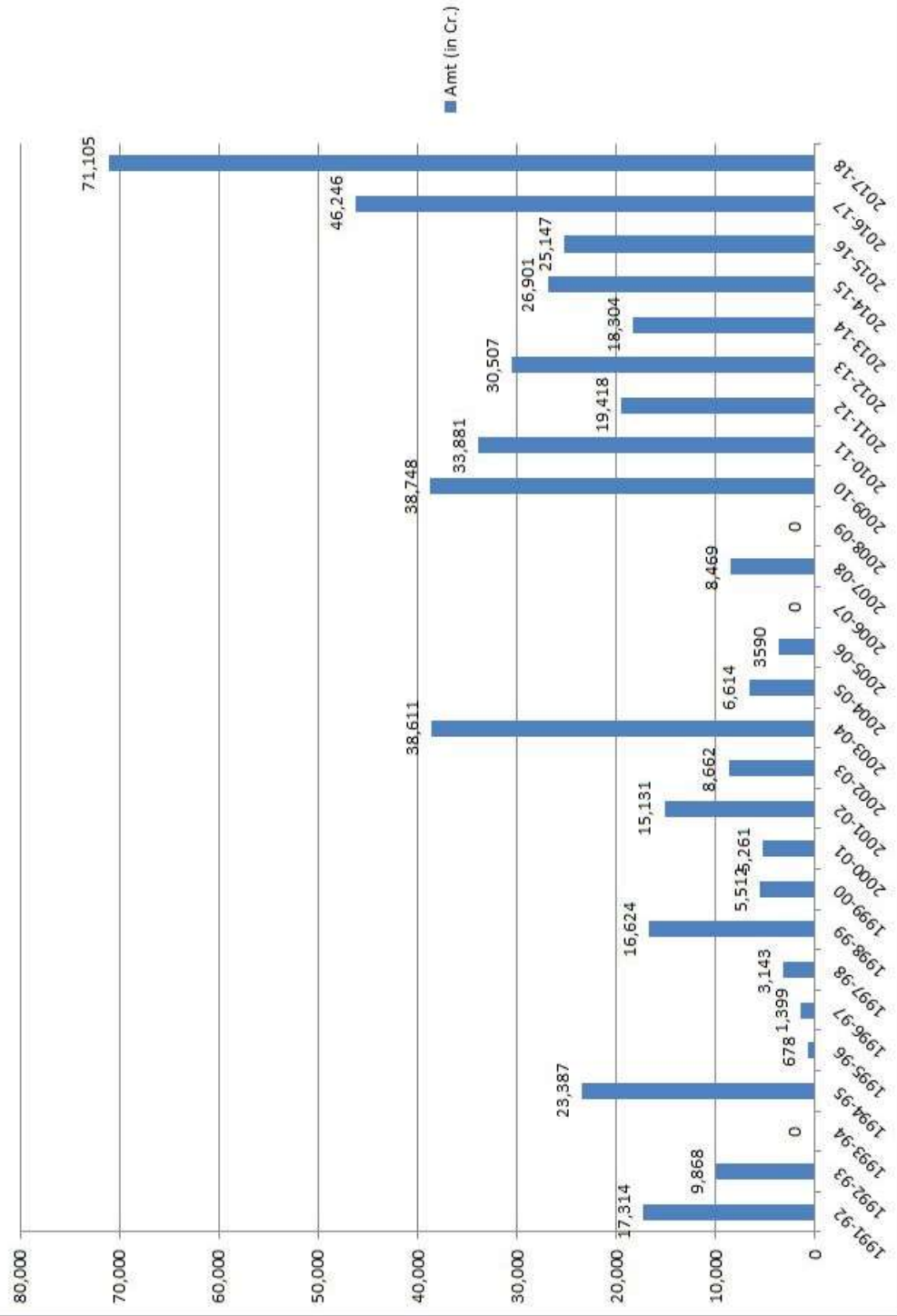
# DISINVESTMENT

- Dissolving/Liquidating assets.
- Can be done Partially or fully
- Half-Govt and Half-Private
- Unlock true market value of PSUs

India

SOCIALISM → CAPITALISM

## India - Disinvestment over the Years

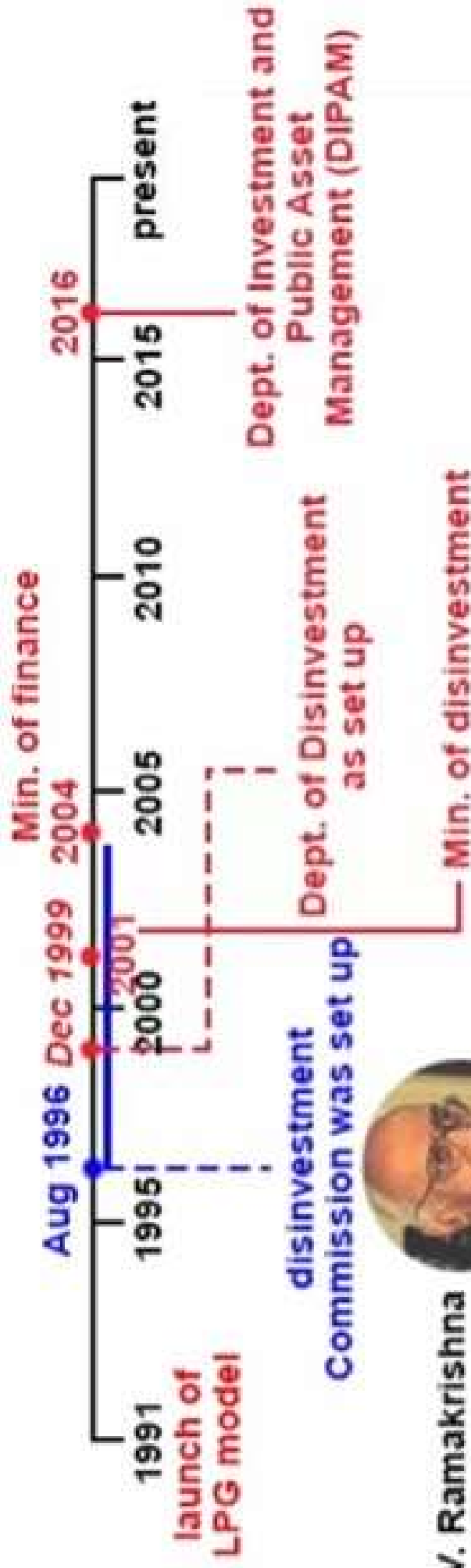




# IMPORTANT TERMS

1. DISINVESTMENT TARGET
2. FISCAL DEFICIT
3. STRATEGIC DISINVESTMENT - Minor, Major and Complete Privatization

# HISTORY OF DISINVESTMENT



**G.V. Ramakrishna**  
*Chairman*

# Disinvestment Today

[www.livemint.com](http://www.livemint.com) > budget > news > government-sects...

## Government sets ₹2.1 trillion disinvestment target - Mint

01-Feb-2020 — Government sets ₹2.1 trillion disinvestment target 'Reforms and stimulus has largely been an off-Budget item, so the government - 'Introduce ...

[economictimes.indiatimes.com](http://economictimes.indiatimes.com) > ... > Economy > Policy

## disinvestment target: Government pegs Rs 2.1 lakh crore ...

01-Feb-2020 — NEW DELHI: The government on Saturday 2020-21 at Rs 1.20 lakh crore, nearly double of Rs 65,000 c

[www.financialexpress.com](http://www.financialexpress.com) > Budget 2021

## Budget 2021: FY21 disinvestment target

17-Dec-2020 — Prime Minister Narendra Modi's government lakh crore via disinvestment in the current financial year -



# Motifs for Disinvestment

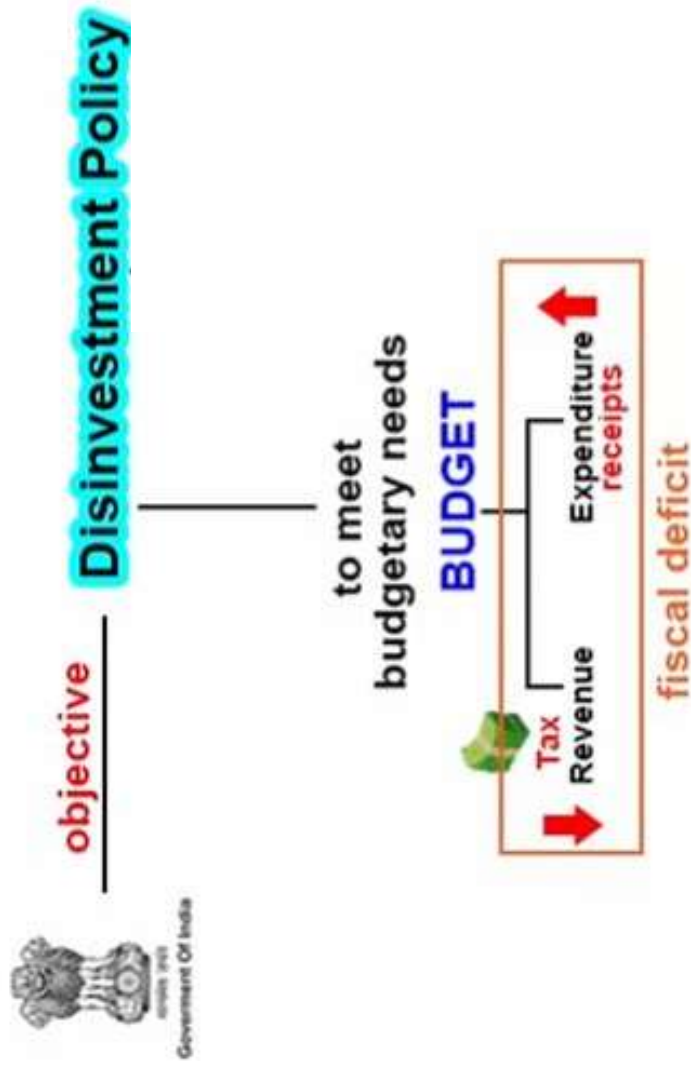


सत्यमेव जयते  
Government Of India

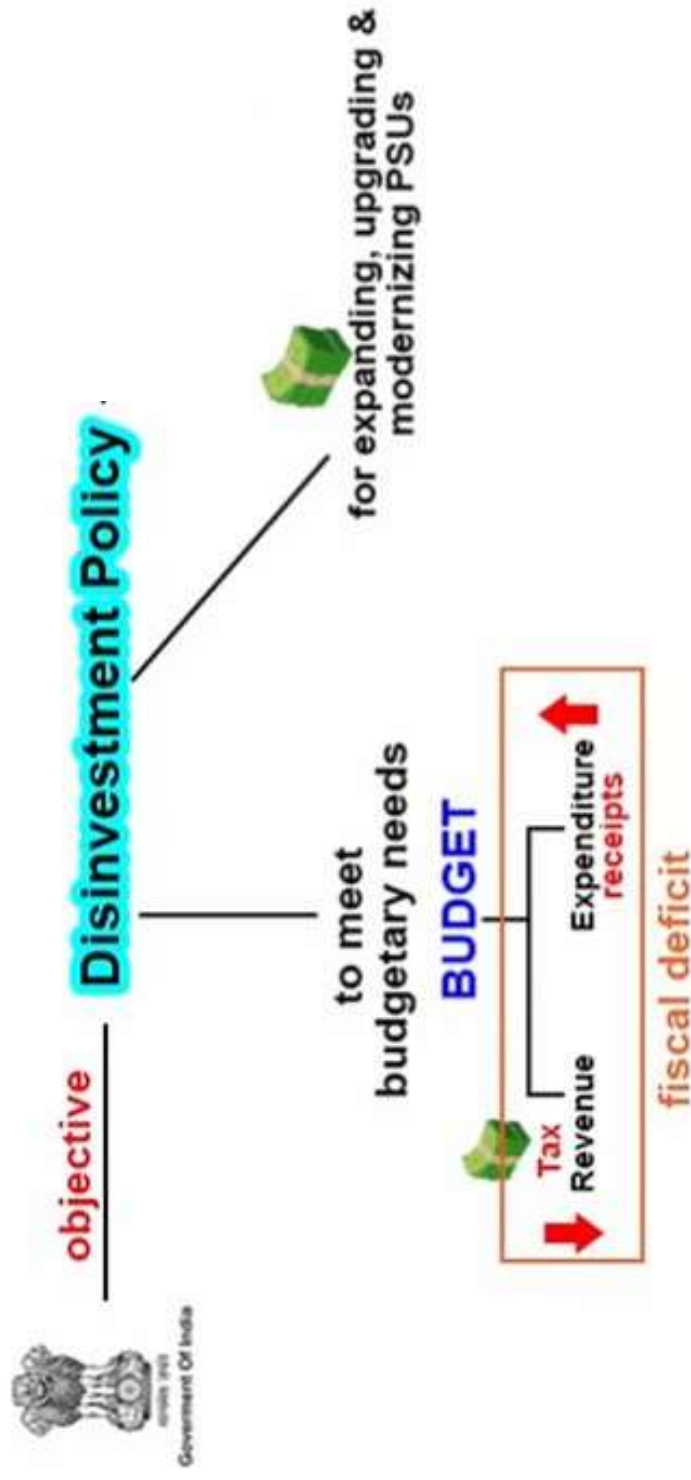
**objective**

**Disinvestment Policy**

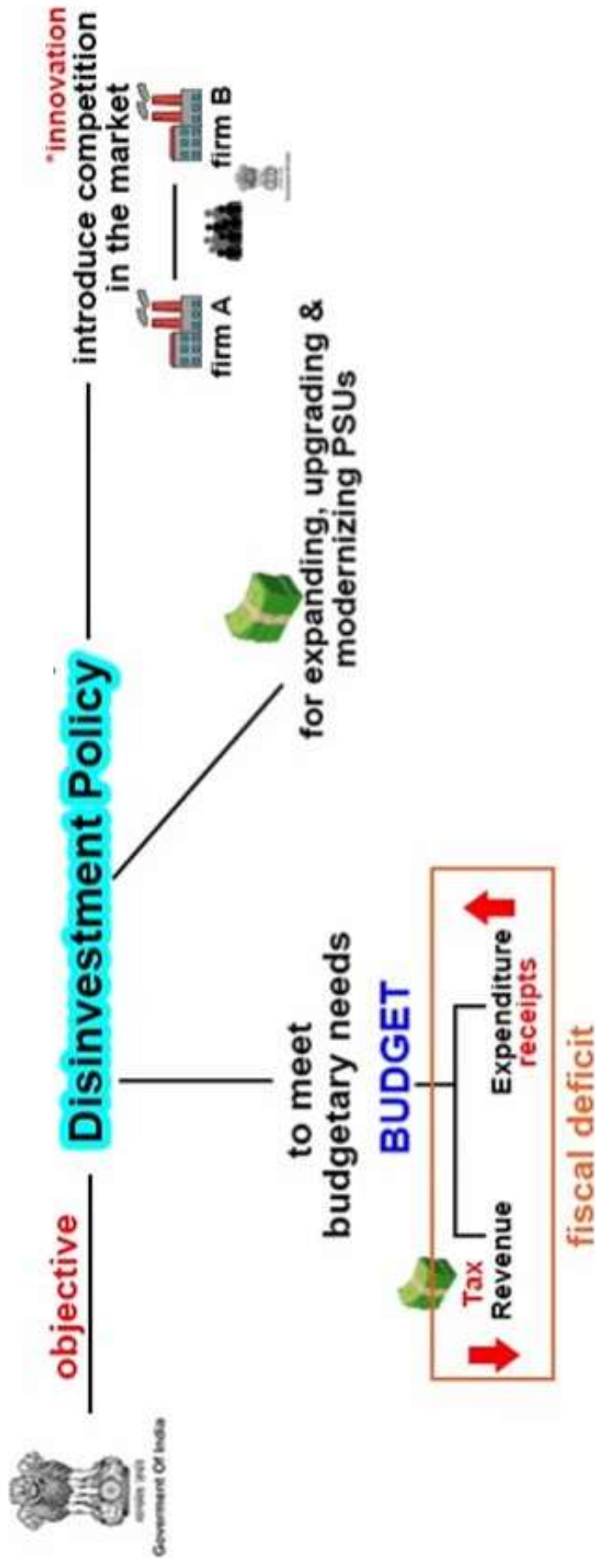
# Motifs for Disinvestment



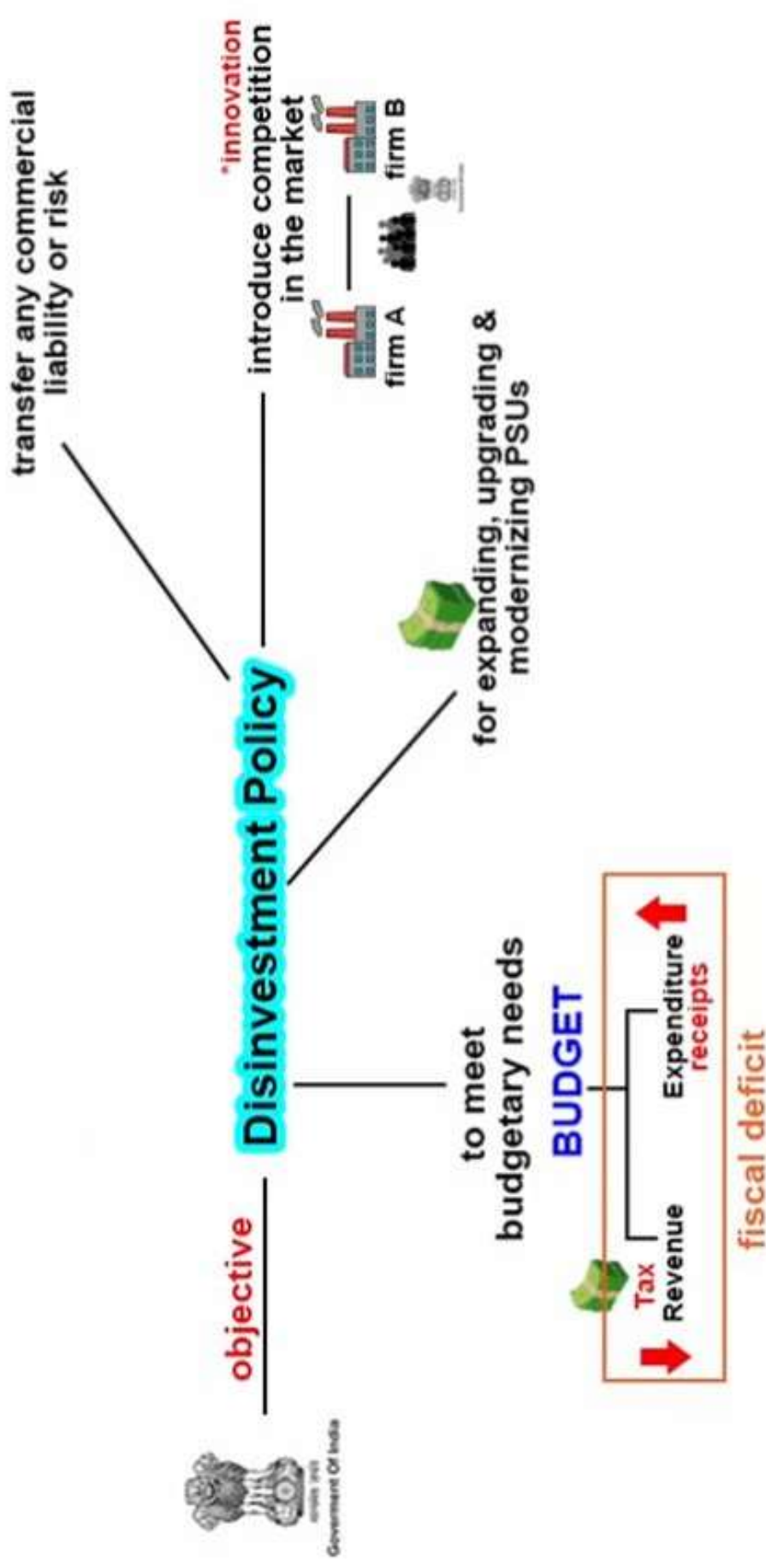
# Motifs for Disinvestment



# Motifs for Disinvestment



# Motifs for Disinvestment





# Motifs for Disinvestment



**objective**

timesofindia.indiatimes.com › ... › India Business News ›

**Bank Strike today: Bank strike enters day 2 as employees ...**

4 hours ago — Bank strike enters day 2 as employees protest against privatisation.

TIMESOFINDIA.COM | Updated: Mar 16, 2021, 12:42 IST. A poster can be seen on the ...

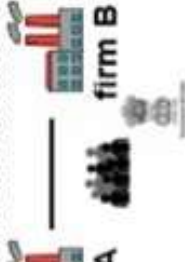
ny commercial  
ity or risk

www.thehindu.com › News › National ›

**Bank employees go on strike against privatisation - The Hindu**

17 hours ago — In a statement, the All-India Bank Employees Association said nearly 10 lakh employees, officers and managers began a two-day strike on Monday ... Meanwhile, a joint platform of 10 Central trade unions also observed Monday as "anti-privatisation day," a statement said.

\*innovation  
oduce competition  
in the market



www.cnbctv18.com › finance › bank-strike-for-2-days-...

**Bank strike latest updates: Employees continue their protest ...**

1 hour ago — Visuals from Mumbai. UFBU had called a two-day nationwide strike against the privatisation of Public Sector Banks and 'retrograde banking ...



scroll.in › India › Banking In India ›

**Bank strike: Services affected today as employees begin two ...**

21 hours ago — Nine bank unions on Monday started a nationwide two-day strike against the move to privatise public sector banks and 'retrograde' reforms. ...

**fiscal deficit**

**Maharatna**



**Maharatna**



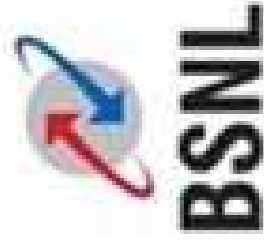
**Maharatna**



**Maharatna**



**Navratna**



**Navratna**

**Navratna**



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## Criteria for Extent of Disinvestment : Strategic PSUs

- 1. Atomic energy, space & defence**
- 2. Transport & telecommunication**
- 3. Power, Petroleum, Coal & other minerals**
- 4. Banking, Insurance & financial services**

## Conclusion

# REVISITING THE ROLE OF GOVERNMENT

