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# Centre extends bidding deadlines for Pawan Hans disinvestment

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**The government had invited expressions of interest from bidders for its 51% stake in mini-Ratna PSU Pawan Hans, with January 19 as the deadline.**

The Finance Ministry has extended the bidding deadlines for the strategic disinvestment of Pawan Hans by a month, citing logistical challenges faced by interested bidders due to the COVID-19 pandemic.

This marks another setback for the government's already dented plans to raise ₹2.1 lakh crore through disinvestment in 2020-21, with just about ₹14,000 crore raised so far through minority stake sales.

No strategic sales have been concluded so far this year, even as a new public sector policy promised last May to energise privatisation of public sector firms is yet to be firmed up. The extended timelines for Pawan Hans' stake sale requires potential bidders to submit physical copies of the required documents by the first week of March, making it difficult to expect the sale process to be completed this financial year.

In December 2020, the government had invited expressions of interest from bidders for its 51% stake in mini-Ratna PSU Pawan Hans, with January 19 as the deadline. The balance 49% stake in the firm is owned by ONGC, and the successful bidder would get an option to buy out the oil major's stake on similar price and terms as agreed for the Centre's stake.

The deadline for evincing interest has now been extended till February 18 "considering the prevailing Covid-19 situation and consequent logistical challenges faced by Interested Bidders", the Department of Investment and Public Asset Management (DIPAM) said in a notification.

Strategic sales of public sector firms like Air India and BPCL are unlikely to conclude this year, nor is the plan to list the Life Insurance Corporation of India on the bourses likely to take off by March 31, 2021, as amendments are needed to the LIC Act of 1956.

The government could miss its disinvestment targets for the year by a wide margin, but the pressure on the exchequer to raise resources to prop up a fledgling economic recovery and meet expectations of higher outlays for healthcare could translate into even stiffer disinvestment targets in 2021-22.

The increase in public spending in the upcoming Budget will have to be financed to a large extent by garnering disinvestment proceeds and monetising assets, **Brickwork Ratings said in its latest economic outlook report released last week. "The next year will present greater opportunities to fast-track strategic disinvestment not merely to raise resources for revival, but also to eliminate the need for the government's involvement in non-strategic areas," it said.**