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The government is likely to invite financial bids for Shipping Corporation of India by September, after the process of demerger of non-core assets is completed, an official said.

As part of the strategic-sale process, the government is hiving off Shipping House and the training institute and some other non-core assets of Shipping Corporation of India (SCI).

"The process of demerger is time consuming. We would be ready to invite financial bids in 3-4 months," the official said.

The board of Shipping Corp met last week and approved an updated demerger scheme for hiving off the non-core assets of SCI to Shipping Corporation of India Land and Assets Ltd (SCILAL) including Shipping House, Mumbai and MTI (Maritime Training Institute), Powai to complete the process of de-merging all the non-core assets to the new company SCILAL.

As per the balance sheet of SCI, the value of non-core assets held for demerger as of March 31, 2022, stood at Rs 2,392 crore.

The SCI board in August last year, had approved a demerger scheme for hiving off the identified non-core assets and incorporated SCILAL in November 2021, for holding such assets of the company, which is under the Ministry of Ports Shipping and Waterways.

The Ministry in April 2022, had directed SCI to expedite the process of demerger of non-core assets of SCI to SCILAL and also requested the Board of SCI to review the demerger scheme for hiving off the non-core assets, including Shipping House, Mumbai and MTI, Powai.

"Such modifications do not have any impact on carrying value of non-core assets in the financial statements. The implementation of the Scheme including the modified scheme is in process and considering the reiteration by MoPSW and DIPAM to expedite the demerger process, there is a certainty of completion of the process in the near future," as per the SCI independent auditor's report presented to the Board.

In March last year the government had received multiple bids for privatisation of Shipping Corporation of India.

The Department of Investment and Public Asset Management (DIPAM) in December 2020, had

invited expressions of interest (EoI) for strategic disinvestment of its entire stake of 63.75 per cent in Shipping Corp of India, along with the transfer of management.

The Cabinet in November in 2020, had given in-principle approval for strategic divestment of Shipping Corp.

The privatisation of SCI is now likely to be completed in the current fiscal. The government has budgeted to garner Rs 65,000 crore from CPSE disinvestment in the ongoing 2022-23 fiscal. While the government has already raised Rs 3,000 crore from minority share sale in ONGC, another Rs 21,000 crore would come in from the ongoing IPO of Life Insurance Corporation this month and Rs 211.14 crore after the handover of Pawan Hans management control to Star9 Mobility Pvt Ltd, a consortium of Big Charter Pvt Ltd, Maharaja Aviation Pvt Ltd and Almas Global Opportunity Fund SPC, by June.