

# DIVESTMENT



Divestment can be defined as the action of selling or liquidating an asset or subsidiary.

In most contexts, **divestment typically refers to sale from the government, partly or fully, of a government-owned enterprise.**

A company or a government organisation will typically disinvest an asset either as a strategic move for the company, or for raising resources to meet general/specific needs.

The idea was first floated in the 1991 Budget by then Finance Minister Manmohan Singh while he began liberalising and reforming the economy. **For divestment, the government either sells stakes in public-sector units or lists them on the stock exchange.** The Atal Bihari Vajpayee government is known for fast-tracking disinvestment by setting up a separate ministry of disinvestment - Department of Investment and Public Asset Management (DIPAM)

Trend of Divestment so far:

