

GOVERNMENT OF INDIA
MINISTRY OF COAL
RAJYA SABHA
QUESTION NO 06.12.2010
ANSWERED ON
IPO OF CIL .

2792

SHRI MOHAN SINGH

Will the Minister of COAL be pleased to state :-

- (a) whether the Coal India Limited (CIL) has issued its IPO and if so, the reasons therefor and the amount likely to be earned by this IPO;
- (b) whether CIL has got the subscribers for its IOP and if so, the number of subscribers thereof;
- (c) the areas where CIL would spend the amount raised from IPOs; and
- (d) whether the exploitation work of those mines which have not been exploited so far, would be initiated by the public sector?

ANSWER

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL AND MINISTER OF STATE (IC) IN THE
MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION

(SHRI SRIPRAKASH JAISWAL)

(a) : Yes, Sir. The policy on disinvestment articulated in the President's Speech to Joint Session of Parliament on 4th June, 2009 and Finance Minister's Budget speech on 6th July, 2009 requires the development of "people ownership" of Central Public Sector Undertakings (CPSUs) majority shareholding and control. In line with this policy announcement, the Cabinet Committee on Economic Affairs in its meeting held on 5th November, 2009 approved the following :

"with the objective of unlocking the true value of Government's enterprises, CPSEs having a positive net worth, no accumulated losses and having earned net profits in three preceding consecutive years, be required to achieve mandatory listing norms of 10% public ownership and all such unlisted CPSEs, be required to list on the stock exchanges thereafter".

In addition, listing of CIL was one of the conditions for the company for its Navratna status, conferred in October, 2008. In view of the above CIL, a profit making CPSE was listed on 4th November, 2010 through Initial Public Offer (IPO).

By divesting 10% of its holding in CIL, Government of India received an amount of Rs.15,199.44 crores.

(b): Yes, Sir. The CIL IPO was oversubscribed by 15.14 times. Out of total 16,64,977 applications received, shares have been allotted to 15,51,250 valid applicants.

(c) Receipts from the said disinvestment are transferred to the National Investment Fund (NIF) and are presently being utilized in six different national schemes namely Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Accelerated Irrigation Benefit Programme (AIBP), Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), Accelerated Power Development Reform Programme (APDRP), Indira Awaas Yojana (IAY) and Mahatma Gandhi National Rural Employment Guarantee Scheme (MG-NREGS).

(d) Coal blocks are allocated under Coal Mines (Nationalisation) Act, 1973 to both public and private companies. The exploitation of coal mine is done by allocatee companies as per prescribed guidelines/policy. As on date 208 coal blocks have been allocated to various public and private sector companies under Section 3(3)(a)

(i) and Section 3(3)(a)

(iii) of the Coal Mines (Nationalisation) Act, 1973. Out of the 208 coal blocks, production in 26 (12 public and 14 private sector companies) coal blocks has started. The remaining blocks are at various stages of development.