

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
RAJYA SABHA
UNSTARRED QUESTION NO. 1323
TO BE ANSWERED ON 19th December, 2022

PRIVATE SHAREHOLDING IN DEFENCE PUBLIC SECTOR UNITS

1323 SHRI ABIR RANJAN BISWAS:

Will the Minister of Defence be pleased to state:

- (a) the details of Government and private shareholding in defence public sector units, year-wise since 2017;
- (b) whether it is a fact that Government shareholding in HAL has been decreased during the last five years whereas private shareholding increased, if so, the reasons therefor; and
- (c) whether the increase of private shareholding in strategic and nationally important defence PSUs is a way forward in right direction, if so, the details thereof?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a): The details of Government and private shareholding in defence public sector units are as under: -

Sl. No.	Defence Public Sector Undertakings (DPSUs)	Year	Government Shareholding in DPSUs	Private shareholding in DPSUs
1	Hindustan Aeronautics Limited	2017-18	89.97 %	10.03 %
		2018-19	89.97 %	10.03 %
		2019-20	89.97 %	10.03 %
		2020-21	75.15 %	24.85 %
		2021-22	75.15 %	24.85 %
2	Bharat Electronics Limited	2017-18	66.79 %	33.21 %
		2018-19	58.83 %	41.17 %
		2019-20	51.14 %	48.86 %
		2020-21	51.14 %	48.86 %
		2021-22	51.14 %	48.86 %
3	Bharat Earth Movers Limited (BEML)	2017-18	54.03 %	45.97 %
		2018-19	54.03 %	45.97 %
		2019-20	54.03 %	45.97 %
		2020-21	54.03 %	45.97 %
		2021-22	54.03 %	45.97 %

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4	Bharat Dynamics Limited	2017-18	87.75 %	12.25 %
		2018-19	87.75 %	12.25 %
		2019-20	87.75 %	12.25 %
		2020-21	74.93 %	25.07 %
		2021-22	74.93 %	25.07 %
5	Mishra Dhatu Nigam Limited (MIDHANI)	2017-18	74 %	26 %
		2018-19	74 %	26 %
		2019-20	74 %	26 %
		2020-21	74 %	26 %
		2021-22	74 %	26 %
6	Mazagon Dock Shipbuilders Limited	2017-18	100 %	-
		2018-19	100 %	-
		2019-20	100 %	-
		2020-21	84.83 %	15.17 %
		2021-22	84.83 %	15.17 %
7	Garden Reach Shipbuilders & Engineers Limited	2017-18	100 %	-
		2018-19	74.5 %	25.5 %
		2019-20	74.5 %	25.5 %
		2020-21	74.5 %	25.5 %
		2021-22	74.5 %	25.5 %
8	Goa Shipyard Limited	2017-18	98.30 %	1.70 %
		2018-19	98.30 %	1.70 %
		2019-20	98.30 %	1.70 %
		2020-21	98.30 %	1.70 %
		2021-22	98.30 %	1.70 %
9	Hindustan Shipyard Limited	2017-18	100%	-
		2018-19	100%	-
		2019-20	100%	-
		2020-21	100%	-
		2021-22	100%	-

In addition to above, 7 New Defence Public Sector Undertakings have been incorporated on 1st October 2021 as 100% Government Owned Defence Public Sector Undertakings which have been formed out of 41 erstwhile Ordnance Factories under Ordnance Factories Board. These 7 New Defence Public Sector Undertakings are Advanced Weapons And Equipment India Limited (AWEIL), Gliders India Limited (GIL), Troop Comforts Limited (TCL), Armoured Vehicles Nigam Limited (AVNL), Munitions India Limited (MIL), Yantra India Limited (YIL) and India Optel Limited (IOL).

(b): Yes, Sir. Due to listing of HAL share on the Stock Exchanges, the Government Shareholding in the Company has been reduced by way of disinvestment of its equity share in the Company to the public.

Since as per Regulation 19A of the Securities Contract (Regulation) Rules, 1957, every listed company has to increase its public shareholding to at least 25% within a period of 3 years or within such extended period as may be specified by SEBI (i.e. up to August 2024 in case of PSUs), 4,95,62,773 equity share of Rs. 10/- each was further disinvested by the Government of India, by way of an Offer for Sale (OFS) made during August, 2020.

(c): It is submitted that Government of India is still retaining the control over all the Defence PSUs by retaining more than 50% of shares. Defence Sector is driven by high end technologies and innovations which is dynamic and futuristic for a modern military. By disinvestment, the DPSUs are getting the required fund for development of new products and technologies. This is very essential to make India Atmanirbhar in Defence Sector and for enhanced exports of Defence Equipments to other countries.
