

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF INVESTMENT
AND PUBLIC ASSET MANAGEMENT

LOK SABHA
UNSTARRED QUESTION NO. 3695
TO BE ANSWERED ON FRIDAY, MARCH 24, 2017
CHAITRA 3, 1939 (SAKA)

Disinvestment of PSUs

3695. SHRIMATI P. K. SREEMATHI TEACHER:
SHRI DIBYENDU ADHIKARI:

Will the Minister of FINANCE be pleased to state:

- (a) the details of total amount mobilised through disinvestment in the last two years and the target for the current year along with the total number of Public Sector Units (PSUs) disinvested/proposed to be disinvested;
- (b) the total profits and contributions in terms of duties and dividends, total asset value, total cash reserves of all PSUs of the country in the last two years; and
- (c) the details of equity and share of the Government along with the proposed utilisation of funds accrued through disinvestment?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (c): The total amount realized through disinvestment of Central Public Sector Enterprises (CPSEs) during 2014-15 and 2015-16 was Rs. 24,349 crore and Rs. 23,997 crore respectively. The Revised Estimate (RE) for disinvestment during 2016-17 is Rs. 45,500 crore, comprising Rs. 40,000 crore from CPSEs' disinvestment and Rs. 5,500 crore from strategic disinvestment.

As a part of the strategy to keep shares readily available for transaction to take advantage of market conditions without any loss of time, the Government has identified some CPSEs for minority stake sale in sectors like mineral & metal, oil, capital goods as well as some mid-size and small stocks.

Government has given 'in-principle' approval for strategic disinvestment of some CPSEs, Units of CPSEs and subsidiaries of CPSEs. However, after completion of the process, specific approval of Government will be sought in each case.

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The details of equity disinvested in CPSEs and GoI's shareholding post-disinvestment during last two years are as follows:

Financial Year 2014-15

Sl. No.	CPSEs	Method of Disinvestment	% of GoI's shares disinvested	% of GoI's Shareholding Post Disinvestment
1	Steel Authority of India Ltd. (SAIL)	OFS	5	75
2	Coal India Ltd.(CIL)	OFS	10	78.65
3	National Fertilizers Ltd. (NFL)	Employees' OFS	0.29	89.71
4	National Thermal Power Ltd. (NTPC)	Employees' OFS	0.04	74.96
5	Metals and Minerals Trading Corporation of India (MMTC)	Employees' OFS	0.073	89.9268
6	Hindustan Copper Ltd. (HCL)	Employees' OFS	0.05164	89.95
7	National Aluminium Company Ltd. (NALCO)	Employees' OFS	0.13	80.93
8	National Mineral Development Corporation (NMDC)	Employees' OFS	0.00	80.00

Financial Year 2015-16

Sl. No.	CPSEs	Method of Disinvestment	% of GoI's shares disinvested	% of GoI's Shareholding Post Disinvestment
1	Rural Electrification Corporation Ltd. (REC)	OFS	5	60.64
2	Power Finance Corporation Ltd. (PFC)	OFS	5	67.80
3	Dredging Corporation of India Ltd.(DCIL)	OFS	5	73.56
4	Indian Oil Corporation Ltd. (IOC)	OFS	10	58.57
5	Engineers India Ltd. (EIL)	OFS	10	59.37
6	National Thermal Power Ltd. (NTPC)	OFS	5	69.96
7	Container Corporation of India Ltd. (CONCOR)	OFS	5	56.80
8	Bharat Dynamics Ltd. (BDL)	Buyback	NA	NA
9	Hindustan Aeronautics Ltd. (HAL)	Buyback	NA	NA

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The receipts from the disinvestment are credited in the National Investment Fund (NIF), a 'public account' and are used for the following approved purposes:

- (i) Subscribing to shares being issued by the CPSEs including PSBs and Public Sector Insurance Companies, on rights basis so as to ensure 51% ownership of the Government in those CPSEs/PSBs/Insurance Companies, is not diluted;
- (ii) Preference allotment of shares of the CPSE to promoters as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 so that Government shareholding does not go down below 51% in all cases where the CPSE is going to raise fresh equity to meet its Capex programme;
- (iii) Recapitalization of public sector banks and public sector insurance companies;
- (iv) Investment by Government in RRBs/IIFCL/NABARD/Exim Bank;
- (v) Equity infusion in various Metro projects;
- (vi) Investment in Bhartiya Nabhikiya Vidyut Nigam Limited and Uranium Corporation of India Ltd;
- (vii) Investment in Indian Railways towards capital expenditure.

(b): The total net profit and contributions in terms of duties and dividends, total asset value and cash & bank balance of all CPSEs in the last two years are as under:

(Rs. in crore)		
Details	2014-15	2015-16
Total Net Profit	102866	115767
Excise & Custom Duties	86985	149553
Dividend	38166	43726
Total Asset Value	3004115	3180644
Cash & Bank Balance	254988	243478
