

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

LOK SABHA
UNSTARRED QUESTION NO. 3920
TO BE ANSWERED ON 10th AUGUST, 2018
Shravana 19, 1940 (SAKA)

Disinvestment of PSUs

3920. SHRI DEVAJIBHAI G. FATEPARA: SHRI SHIVKUMAR UDASI: SHRIMATI K. MARAGATHAM:

Will the Minister of FINANCE be pleased to state:

- (a) whether NITI Aayog had identified some Public Sector Undertakings (PSUs) for disinvestment and the Government is planning to disinvest in dozens of PSUs and if so, the details thereof;
- (b) whether the disinvestment programme had got off to a successful start during the current financial year with its initial public offer getting oversubscribed and if so, the details thereof;
- (c) whether the Government has lined up an ambitious disinvestment target of Rs. 80,000 crore for the current financial year and if so, the details thereof;
- (d) whether the target seems to be crucial for the Government's spending plans while ensuring that it stays within the fiscal deficit target of 3.3 per cent of GDP and if so, the details thereof; and
- (e) whether the market conditions in the country and world are favourable for sale of stake of PSUs and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON. RADHAKRISHNAN)

- (a) Sir, NITI Aayog gives its recommendations only on Strategic Disinvestment of CPSEs. The details of CPSEs, recommended by NITI Aayog are at Annexure. Apart from Strategic Disinvestment, the disinvestment in PSUs is undertaken through various modes including OFS, IPO, etc. 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 including mineral & metal, oil & energy, capital goods as well as some mid-size and small stocks.
- (b) Yes, Sir. The proceeds in respect of MIDHANI, launched in March 2018, was received in April 2018. The issue was subscribed 1.21 times. In June 2018, IPO for RITES was launched. The issue was subscribed 67.24 times.
- (c) Yes, Sir. The competent authority has approved undertaking of disinvestment process through Strategic Disinvestment, OFS, IPO, etc. as mentioned at para (a) above.
- (d) Proceeds from disinvestment of the CPSEs are credited to the Government Account as Capital receipts. The same contributes towards reducing the fiscal deficit for the year.
- (e) Sale of the Government of India equity in the CPSE through stock market cannot be predicted in view of uncertainties in the market. The sale of shares in CPSEs is undertaken after considering various factors including prevalent market price and other relevant conditions. The actual realization may be higher or lower depending on the market conditions and the investor interest prevailing at the time of actual disinvestment.

List of CPSEs for which Government has given 'in-principle' approval for Strategic Disinvestment (Reference Lok Sabha Unstarred Question No. 3920 for reply on 10/08/2018).

- 1) Scooters India Ltd.
- 2) Bridge & Roof India Ltd.
- 3) Pawan Hans Ltd.
- 4) Bharat Pumps Compressors Ltd.
- 5) Central Electronics Ltd.
- 6) Bharat Earth Movers Ltd.
- 7) Hindustan Newsprint Ltd. (subsidiary)
- 8) Ferro Scrap Nigam Ltd.(subsidiary)
- 9) Hindustan Fluorocarbon Ltd. (subsidiary)
- 10) Units of Cement Corporation of India Ltd.
- 11) Nagarnar Steel Plant of NMDC.
- 12) Bhadrawati, Salem and Durgapur units of SAIL.
- 13) Air India.
- 14) Dredging Corporation of India Ltd.
- 15) HLL Lifecare Ltd.
- 16) Indian Medicines & Pharmaceutical Corporation Ltd.
- 17) Karnataka Antibiotics and Pharmaceuticals Ltd.
- 18) Units / JVs of ITDC.
- *19) Project & Development India Ltd.
- *20) National Projects Construction Corporation. (NPCC)
- *21) HSCC (India) Ltd.
- *22) Hindustan Prefab Ltd.
- *23) Engineering Projects (India) Ltd.
- **24) Hindustan Petroleum Corporation Ltd.