

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 179**  
TO BE ANSWERED ON MONDAY, NOVEMBER 18, 2019  
KARTIKA 27, 1941 (SAKA)

**Disinvestment of PSUs**

179. Shri Shivakumar C. Udasi:  
Shri Muraleedharan:  
Shri Rajeshbhai Chudasama:  
Shri Malook Nagar:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the target set by the Government / Department of Investment and Public Asset Management to raise the amount through disinvestment drive during the financial year along with the steps taken to accelerate the disinvestment process;
- (b) whether the Government has taken any decision on BPCCL and other Public Sector Undertakings (PSUs)/ State-owned companies for disinvestment and if so, the details thereof and the reasons therefore;
- (c) the details of proceeds received due to disinvestment of PSUs, year-wise along with the details of PSUs where disinvestment took place, either fully or partially including the percentage of stake sold;
- (d) whether the PSUs sold were profit-making or loss-making and if so, the details thereof along with the number of PSUs which were converted from the stature of PSU to private and the reasons for selling profit-making PSUs;
- (e) the efforts made by the Government to restructure and re-finance the undertakings to revive before taking a decision of disinvestment; and
- (f) the details of provisions being made by the Government to tide over the loss incurred by loss-making telecom Government undertakings like BSNL, MTNL etc?

## ANSWER

### THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR)

- a) The Budget target for disinvestment during 2019-20 has been set at Rs. 1,05,000 crore. For achieving disinvestment targets, the Government uses various modes of disinvestment including Initial Public Offer (IPO), Offer For Sale (OFS), Buyback of Shares, Strategic Disinvestment and Exchange Traded Funds (ETF). The execution and outcome of disinvestment transactions is dependent on the prevailing market conditions and investor interest.
- b) The list of CPSEs 'In-principle' approved for strategic disinvestment by CCEA is at Annexure-I. The decision regarding strategic disinvestment of BPCL has not yet been taken by CCEA.
- c) The details of proceeds received due to disinvestment of PSUs during 2014-15 to 2018-19 are at Annexure-II.
- d) Government has been following policy of strategic disinvestment which is guided by the economic principle that Government should not continue in business in sectors, where competitive markets have come of age and economic potential of such entities may be better discovered in the hands of strategic investor due to factors such as infusion of capital, technological upgradation and efficient management practices. Profitability of CPSEs is not the criteria for selection of CPSE, for this purpose. Besides, in certain other CPSEs, which also include profit-making CPSEs, policy of minority stake sale without transfer of management control through various SEBI approved methods, is also being followed.
- e) Central Public Sector Enterprises (CPSEs) function under the administrative control of their respective Ministries/ Departments. The administrative Ministries/ Departments take measures for revival/ restructuring in respect of CPSEs under their administrative control on a case to case basis. In this regard, Department of Public Enterprises (DPE) has issued guidelines on 29.10.2015 on revival/ restructuring of CPSEs. These guidelines are implemented by the concerned administrative Ministries/ Departments of CPSEs.

f) BSNL and MTNL have been incurring losses since 2009-10. On the basis of their financial performance, BSNL and MTNL were classified by DoT as "Incipient sick CPSE" in 2017. As per the guidelines dated 29.10.2015 issued by Department of Public Enterprises on "Streamlining the mechanism for revival and restructuring of sick/incipient sick and weak Central Public Sector Enterprises", DoT initiated the process for preparation of restructuring/revival plan of BSNL/MTNL. IIM Ahmedabad and M/s Deloitte were engaged to prepare a Revival/Restructuring plan for BSNL and MTNL respectively. Based on their reports, DoT, in consultation with BSNL/MTNL, prepared a comprehensive revival plan. The revival plan was submitted for the consideration of the Cabinet which was approved by it in its meeting held on 23.10.2019. The revival plan consists of several measures including reduction of staff cost through Voluntary Retirement Scheme, allotment of spectrum for 4G services, monetization of land and building, tower and fiber assets of BSNL/MTNL, debt restructuring through sovereign guarantee bonds and in-principle approval of merger of BSNL and MTNL. BSNL, MTNL and Government have initiated the process for implementation of these measures.

Details of CPSEs approved for Strategic Divestment

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

**Annexure-II**

**Disinvestment receipts during last 5 years including current Financial Year**

Sl. No.	CPSEs	Method of Disinvestment	% of GoI's Shares Disinvested	Receipts (in Rs. Crore)
<b>Financial Year 2014-15</b>				
1.	Steel Authority of India Ltd. (SAIL)	OFS	5	1,719.54
2.	Coal India Ltd.(CIL)	OFS	10	22,557.63
3.	National Fertilizers Ltd. (NFL)	Employees' OFS	0.29	3.60
4.	National Thermal Power Ltd. (NTPC)	Employees' OFS	0.04	48.16
5.	Metals and Minerals Trading Corporation of India (MMTC)	Employees' OFS	0.073	4.16
6.	Hindustan Copper Ltd. (HCL)	Employees' OFS	0.05164	3.17
7.	National Aluminium Company Ltd. (NALCO)	Employees' OFS	0.13	12.45
8.	National Mineral Development Corporation (NMDC)	Employees' OFS	0.0000088	0.0040
	<b>Total</b>			<b>24,348.71</b>
<b>Financial Year 2015-16</b>				
1.	Rural Electrification Corporation Ltd. (REC)	OFS	5	1,608.00
2.	Power Finance Corporation Ltd. (PFC)	OFS	5	1,671.00
3.	Dredging Corporation of India Ltd.(DCIL)	OFS	5	53.33
4.	Indian Oil Corporation Ltd. (IOC)	OFS	10	9,369.00
5.	Engineers India Ltd. (EIL)	OFS	10	642.50
6.	National Thermal Power Ltd. (NTPC)	OFS	5	5014.55
7.	Container Corporation of India Ltd. (CONCOR)	OFS	5	1155.20
8.	Bharat Dynamics Ltd. (BDL)	Buyback	NA	198.85
9.	Hindustan Aeronautics Ltd. (HAL)	Buyback	NA	4284.37
	<b>Total</b>			<b>23,996.8*</b>
*An Additional amount of Rs. 8,152 crore has also been realized on account of sale of bonus debentures of NTPC to EPFO.				
<b>Financial Year 2016-17</b>				
	<b>CPSEs' Disinvestment</b>			
1.	National Hydroelectric Power Corporation Ltd. (NHPC)	OFS	11.36	2716.55
2.	Indian Oil Corporation Ltd. (IOC) – ()	Employees' OFS	0.5	262.49
3.	National Thermal Power Corporation Ltd. (NTPC)	Employees' OFS	0.22	203.78
4.	National Aluminium Company Ltd. (NALCO)	Buyback	NA	2831.71
5.	Hindustan Copper Ltd. (HCL)	OFS	7	399.93
6.	National Mineral Development Corporation Ltd. (NMDC)	Buyback	NA	7519.15
7.	Manganese Ore India Ltd. (MOIL)	Buyback	NA	793.87

8.	National Building Construction Corporation Ltd. (NBCC)	OFS	15	2201.14
9.	Bharat Electronics Ltd. (BEL)	Buyback	NA	1802.60
10.	Engineers India Ltd. (EIL)	Employees' OFS	0.5	31.38
11.	Coal India Ltd. (CIL)	Buyback	NA	2638.24
12.	National Hydroelectric Power Corporation Ltd. (NHPC)	Employees' OFS	0.09	21.27
13.	Dredging Corporation India Ltd. (DCIL)	Employees' OFS	0.09	0.93
14.	Container Corporation of India Ltd. (CONCOR)	Employees' OFS	0.25	9.34
15.	CPSE-Exchange Traded Fund (CPSE-ETF)	FFO-1	BEL - 0.85, CIL - 0.65, CONCOR - 1.40, EIL - 1.34, GAIL - 1.21, IOCL - 0.69, OIL - 0.75, ONGC - 0.60, PFC - 1.04, REC - 1.27	5999.99
16.	Manganese Ore India Ltd. (MOIL)	OFS	10	484.95
17.	Bharat Electronics Ltd. (BEL)	OFS	5	1672.66
18.	National Hydroelectric Power Corporation Ltd. (NHPC)	Buyback	NA	1948.52
19.	Neyveli Lignite Corporation Ltd. (NLC)	Buyback	NA	1429.38
20.	CPSE-Exchange Traded Fund (CPSE-ETF)	FFO-2	BEL - 0.38, CIL - 0.26, CONCOR - 0.55, EIL - 0.51, GAIL - 0.46, IOCL - 0.26, OIL - 0.29, ONGC - 0.27, PFC - 0.40, REC - 0.50	2499.99

**Total** **35,467.87**

**Other Disinvestment**

21. Divestment of SUUTI Holdings and Revenue from SUUTI Holdings **10,778.71**

**Grand Total** **46,246.58**

**Financial Year 2017-18**

<b>CPSE's Disinvestment</b>				
1.	Hindustan Copper Ltd. (HCL)	Employees' OFS	0.07	3.73
2.	National Aluminium Company Ltd. (NALCO)	OFS	9.2125	1,191.73
3.	Housing & Urban Development Corporation Ltd. (HUDCO)	IPO	10.193	1,207.35
4.	Oil India Ltd. (OIL)	Buyback	5.6 (pre buyback paid up equity)	1,135.26
5.	Rashtriya Chemicals and Fertilizers Ltd. (RCFL)	OFS	5	205.15
6.	National Fertilizers Ltd. (NFL)	OFS	15	530.72
7.	Hindustan Copper Ltd. (HCL)	OFS	6.83	404.71
8.	Cochin Shipyard Ltd. (CSL)	IPO (piggy back)	25	470.01
9.	Engineers India Ltd. (EIL)	Buyback	6.64 (post buyback equity)	657.81

10.	National Thermal Power Corporation Ltd. (NTPC)	OFS	6.63	9,117.92
11.	Bharat Electronics Ltd. (BEL)	Employees' OFS	0.25	79.51
12.	National Thermal Power Corporation Ltd. (NTPC)	Employees' OFS	0.12	151.14
13.	Bharat Dynamics Ltd. (BDL)	Buyback	25	450.53
14.	Neyveli Lignite Corporation Ltd. (NLC)	OFS	5	722.29
15.	Hindustan Copper Ltd. (HCL)	Employees' OFS	0.0064	0.36
16.	National Aluminium Corporation Ltd. (NALCO)	Employees' OFS	0.4	50.51
17.	Bharat 22 ETF	NFO	*	14,500
18.	Mazagon Dock Shipbuilders Ltd. (MDL)	Buyback	10	253.48
19.	Security Printing & Minting Corporation of India Ltd. (SPMCIL)	Buyback	10	455.00
20.	Ircon International Ltd. (IRCON)	Buyback	5	190.59
21.	Hindustan Aeronautics Ltd. (HAL)	Buyback	7.5	921.50
22.	Garden Reach Shipbuilders & Engineers Ltd. (GRSE)	Buyback	7.5	77.62
23.	Hospital Services Consultancy Corporation Ltd. (HSCC Ltd.)	Buyback	25	49.55
24.	National Buildings Construction Corporation Ltd. (NBCC Ltd.)	Employees' OFS	0.21	29.96
25.	National Mineral Development Corporation Ltd. (NMDC Ltd.)	OFS	2.52	1,223.13
26.	Satluj Jal Vidyut Nigam Ltd. (SJVN Ltd.)	Buyback	5	558.68
27.	Antrix Corporation Ltd.	Buyback	15	238.92
28.	Bharat Electronics Ltd. (BEL)	Buyback	5	217.76
29.	Manganese Ore (India) Ltd. (MOIL)	Buyback	7.5	130.85
30.	Bharat Dynamics Ltd. (BDL)	IPO	12	950.35
31.	Hindustan Aeronautics Ltd. (HAL)	IPO	10	4,054.66
<b>Total</b>				<b>40,230.78</b>
<b>Other (Listing of Insurance Companies)</b>				
32.	General Insurance Corporation of India (GIC)	IPO (Piggy Back)	12.50	9,704.16
33.	The New India Assurance Company Ltd. (NIA)	IPO (Piggy Back)	11.65	7,653.32
<b>Total</b>				<b>17,357.48</b>
<b>Strategic disinvestment</b>				
34.	Disinvestment strategic holdings in SUUTI*	Strategic disinvestment	-	4,153.65
35.	HPCL – ONGC Deal	Off Market	51.11	36,915.00
36.	Income from Management of SUUTI's Investment	-	-	1,400.00
<b>Total</b>				<b>42,468.65</b>
<b>Grand Total</b>				<b>1,00,056.91</b>

\* (1) Axis Bank Ltd. 1.49%, (2) Bank of Baroda 0.89%, (3) BEL 2.01%, (4) BPCL 1.03%, (5) CIL 0.51%, (6) EIL 3.55%, (7) Gail India Ltd. 1.39%, (8) ITC Ltd. 1.05%, (9)

Indian Bank 0.38%, (10) IOCL 0.60%, (11) L&T Ltd. 2.45%, (12) NBCC (India) Ltd. 0.82%, (13) NHPC Ltd. 0.90%, (14) NLC India Ltd. 0.43%, (15) NTPC Ltd. 1.19%, (16) NALCO Ltd. 7.87%, (17) ONGC 0.59%, (18) PFC 0.71%, (19) PGCIL 1.63%, (20) REC 0.91%, (21) SJVN Ltd. 0.40%, (22) State Bank of India 0.77%.

### Financial Year 2018-19

<b>CPSEs' Disinvestment</b>				
1.	Mishra Dhatu Nigam Ltd. (MIDHANI)	IPO	25	434.14
2.	Bharat 22 ETF	ETF	*	8,325.26
3.	Rail India Technical and Economic Service (RITES)	IPO	12.60	460.51
4.	Indian Railway Construction Company (IRCON) International Ltd.	IPO	10	466.00
5.	Garden Reach Shipbuilders & Engineers Ltd. (GRSE)	IPO	25.5	342.90
6.	Coal India Ltd. (CIL)	OFS	3.19	5,218.30
7.	Kudremukh Iron Ore Company Ltd (KIOCL) Ltd.	Buyback	1.983	205.34
8.	CPSE-ETF	FFO 3	**	17,000
9.	National Aluminium Corporation Ltd. (NALCO)	Buyback	1.80	260.41
10.	Neyveli Lignite Corporation Limited) (NLC) India Ltd.	Buyback	0.48	989.86
11.	Coal India Ltd. (CIL)	Employees OFS	0.01	17.33
12.	Cochin Shipyard Ltd. (CSL)	Buyback	3.233	137.29
13.	Bharat Heavy Electricals Ltd. (BHEL)	Buyback	3.15	992.41
14.	National Hydroelectric Power Corporation Ltd. (NHPC)	Buyback	^	397.90
15.	Bharat 22 ETF	FFO 2	***	10,404.59
16.	Indian Oil Corporation Ltd. (IOCL)	Buyback	3.3875	2,647
17.	Oil & Natural Gas Corporation Ltd. (ONGC)	Buyback	0.43	2,510.51
18.	CPSE-ETF	FFO 4	****	9,350.07
19.	Coal India Ltd. (CIL)	Buyback	0.19	1,039.71
20.	National Mineral Development Corporation Ltd. (NMDC)	Buyback	2.56	768.77
21.	Oil India Ltd. (OIL)	Buyback	0.15	720.80
22.	Metal Scrap Trade Corporation Ltd. (MSTC Ltd.)	IPO	25.10	210.60
<b>Total</b>				<b>62,899.70</b>
<b>Strategic Disinvestment</b>				
23.	HSCC (India) Ltd.	Strategic Disinvestment	100	285.00
24.	Dredging Corporation of India Ltd. (DCIL)	Strategic Disinvestment	73.44	1,049.17
25.	PEC-REC Deal	Strategic Disinvestment	52.63	14,499.99
26.	National Projects Cons. Corp. Ltd. (NPCC)	Strategic Disinvestment	98.89	79.80
<b>Total</b>				<b>15,913.96</b>



<b>Other Disinvestment</b>			
27.	SUUTI Sale of Axis Banks Shares	-	5,378.66
28.	Sale of Shares under the custody of CEPI	-	779.02
<b>Total</b>			<b>6,157.68</b>
<b>Grand Total</b>			<b>84,971.34</b>

\*(1) L&T 0.74%, (2) ITC 0.42%, (3) Axis Bank Ltd. 0.57%, (4) SBI 0.33%, (5) Bank of Baroda 0.29%, (6) Indian Bank 0.14%, (7) PFCL 0.27%, (8) RECL 0.33%, (9) NHPC 0.29%, (10) SJVN Ltd. 0.14%, (11) NTPC 0.50% (12) PGCIL 0.57%, (13) ONGC 0.24%, (14) IOCL 0.23%, (15) BPCL 0.38%, (16) GAIL 0.52%, (17) EIL 0.00%, (18) BEL 0.69%, (19) NBCC 0.54%, (20) CIL 0.23%, (21) NLC 0.10%, (22) NALCO 3.62%.

\*\* (1) ONGC 1.83%, (2) NTPC Ltd. 2.84%, (3) IOCL 2.69%, (4) CIL 2.21%, (5) BEL 4.16%, (6) REC Ltd. 5.14%, (7) PFC Ltd. 4.16% (8) OIL 2.94%, (9) NBCC (India) Ltd. 3.18%, (10) NLC (India) Ltd. 1.47%, (11) SJVN Ltd. 1.10%.

^Post buyback the GoI equity share capital increase from 73.67% to 73.83%.

\*\*\* (1) Axis Bank Ltd. 0.96%, (2) Bank of Baroda 0.49%, (3) BEL 1.17%, (4) BPCL 0.64%, (5) CIL 0.38%, (6) EIL 0.02%, (7) Gail India Ltd. 0.88%, (8) Indian Bank 0.24%, (9) IOCL 0.38%, (10) ITC Ltd. 0.67%, (11) Larsen & Toubro Ltd. 1.26%, (12) NALCO 4.77%, (13) NBCC (India) Ltd. 0.92%, (14) NHPC Ltd. 0.49%, (15) NLC India Ltd. 0.18%, (16) NTPC Ltd. 0.86%, (17) ONGC 0.40%, (18) PFC 0.46%, (19) PGCIL 0.97%, (20) REC 0.22%, (21) SJVN Ltd. 0.24%, (22) State Bank of India 0.57%.

\*\*\*\* (1) ONGC 1.03%, (2) NTPC Ltd. 1.67%, (3) IOCL 1.27%, (4) CIL 1.36%, (5) BEL 1.92%, (6) REC Ltd. NA, (7) PFC 1.98%, (8) OIL 1.37%, (9) NBCC (India) Ltd. 1.47%, (10) NLC India Ltd. 0.71%, (11) SJVN Ltd. 0.51%.

### Financial Year 2019-20

<b>CPSEs' Disinvestment</b>			
1.	Rail Vikas Nigam Ltd. (RVNL)	IPO	475.89
2.	CPSE-ETF	FFO-V	10,000.39
3.	Indian Railways Catering & Tourism Corporation (IRCTC)	IPO	637.97
4.	Bharat 22 ETF	FFO 2	4,368.80
<b>Total</b>			<b>15,483.05</b>
<b>Other Disinvestment</b>			
5.	Enemy Shares Sale	-	1,881.21
<b>Grand Total</b>			<b>17,364.26</b>

\*(i) 1.27% ONGC, (ii) 1.90% NTPC Ltd., (iii) 0.68% IOCL, (iv) 1.70% CIL, (v) 2.89% BEL, (vi) 2.89% PFC, (vii) 2.04% OIL, (viii) 2.26% NBCC, (ix) 1.06% NLC, (x) 0.78% SJVN Ltd.