

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF DISINVESTMENT

**LOK SABHA**  
**STARRED QUESTION NO. \*194**  
TO BE ANSWERED ON 11<sup>th</sup> DECEMBER, 2015  
AGRAHAYANA 20, 1937 (SAKA)

**Disinvestment in PSUs**

\*194 ADV. NARENDRA KESHAV SAWAIKAR:  
SHRIMATI V. SATHYA BAMA:

Will the Minister of FINANCE be pleased to state:

- (a) the salient features of the present disinvestment policy of the Government;
- (b) Whether the Government has taken note of reservations expressed over disinvestment policy, if so, the response of the Government thereon;
- (c) whether the Government proposes to devise new guidelines to disinvest loss making Central Public Sector Enterprises (CPSEs)/Public Sector Undertakings (PSUs);
- (d) If so, the details of CPSEs/PSUs/banks disinvested/likely to be disinvested/funds collected during each of the last three years and the current year, CPSE/PSU/Equity-wise; and
- (e) whether the Government proposes to utilise the above funds in new Government enterprises and also plan to infuse it as capital in loss making PSUs, if so, the details thereof and the steps taken thereon?

**ANSWER**

**THE MINISTER OF FINANCE IN THE MINISTRY OF FINANCE**  
**(SHRI ARUN JAITLEY)**

(a) to (e) A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK  
SABHA STARRED QUESTION NO. 194 TO BE ANSWERED ON 11<sup>TH</sup>  
DECEMBER, 2015 REGARDING ‘ DISINVESTMENT IN PSUs ’**

(a) The current disinvestment policy approved by the Government on 5<sup>th</sup> November, 2009 envisages development of people’s ownership of Central Public Sector Enterprises (CPSEs) so as to share in their wealth and prosperity, while ensuring that the Government equity does not fall below 51% and Government retains management control. The salient features of the present disinvestment policy of the Government are as follows:

- (i) Listed CPSEs (not meeting SEBI’s minimum mandatory shareholding of 10% which now stand revised to 25%) are to be made compliant through sale of shares by Government or by the CPSEs through issue of fresh shares or a combination of both;
- (ii) Unlisted CPSEs with no accumulated losses and having earned net profit in three consecutive preceding years are to be listed.
- (iii) In case of profit making minority stake sale (disinvestment upto 49% equity of Central Public Sector Enterprises), management control of Central Public Sector Enterprises (CPSEs) with 51 % will remain with the government;

(b) The Trade Unions in the past have expressed concern over disinvestment in CPSEs . In this regard, it has been clarified that disinvestment is being done as per the extant Government policy and SEBI guidelines.

(c) In the budget speech of 2015-16, it has been stated that disinvestment would include both disinvestment in loss making units, and some strategic disinvestment. Pursuant to this announcement, inter-ministerial consultations are ongoing.

(d) The details of the CPSEs/ PSUs disinvestment during the last 3 years and the current year is as follows:

**Financial Year 2012-13**

<b>S.No.</b>	<b>Name of CPSE</b>	<b>Receipts (in Rs. crore)</b>
1.	National Building Construction Corporation	124.97
2.	Hindustan Copper Ltd.	807.03
3.	NMDC Ltd.	5,973.27
4.	Oil India Ltd.	3,141.51
5.	NTPC Ltd.	11,457.54
6.	Rashtriya Chemicals and Fertilizers Ltd. (RCF)	310.15
7.	National Aluminium Company Ltd. (NALCO)	627.84
8.	Steel Authority of India Ltd. (SAIL)	1,514.50

<b>Total</b>	<b>23,956.81</b>
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### **Financial Year 2013-14**

Sl. No.	Name of CPSEs	Receipts (in Rs. Crore)
1	Hindustan Copper Ltd.(HCL)	259.56
2	ITDC Ltd.	30.17
3	MMTC Ltd.	571.71
4	National Fertilizers Ltd. (NFL)	101.08
5	State Trading Corporation Ltd.(STC)	4.54
6	Neyveli Lignite Corporation Ltd. (NLC)	358.21
7	Engineers India Ltd. (EIL)	497.32
8	Indian Oil Corporation Ltd. (IOCL)	5,341.49
9	CPSE-Exchange Traded Fund	3,000
10	National Hydroelectric Power Corporation (NHPC)	2,131.28
11	Power Grid Corporation of India Ltd. (PGCIL)	1,637.32
12	Bharat Heavy Electricals Ltd. (BHEL)	1,886.78
	<b>Total</b>	<b>15,819.46</b>

### **Financial Year 2014-15**

Sl. No.	Name of CPSEs	Receipts (in Rs. Crore)
1	SAIL	1,719.54
2	Coal India Ltd.(CIL)	22,557.63
	<b>Total</b>	<b>24,277.17*</b>

\* An additional amount of Rs.71.54 crore has also been realized through employees OFS.

### **Financial Year 2015-16**

Sl. No.	Name of CPSEs	Receipts (in Rs. Crore)
1	Rural Electrification Corporation Ltd. (REC)	1,608.00
2	Power Finance Corporation Ltd. (PFC)	1,671.00
3	Dredging Corporation of India Ltd.(DCIL)	53.33
4	Indian Oil Corporation Ltd. (IOC)	9,369.00
	<b>Total</b>	<b>12701.33</b>

The Government has also identified some CPSEs for disinvestment during the year in sectors, which includes defence, fertilizer, heavy engineering, minerals and metals, oil, power, steel, technical consultancy, tourism, transport services, trading and

marketing. The actual realization from disinvestment of a CPSE depends on the prevailing market conditions and extant policy considerations.

(e) In January 2005, the Government decided to constitute a “National Investment Fund” (NIF) into which the realisation from sale of minority shareholding of the Government in profitable CPSEs would be channelized. Presently, the receipt from NIF is used for the following approved purpose:

- (i) Subscribing to shares being issued by the CPSE 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) Regulation, 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) Recapitalisation of public sector banks and public sector insurance companies.
- (iv) Investment by Government in RRBs/ IIFCL/NBARD/Exim Bank;
- (v) Equity infusion in various metro projects;
- (vi) Investment in Bhartiya Nabhikiya Vidyut Nigam Limited and Uraninum Corporation of India Ltd;
- (vii) Investment in Indian Railways towards capital expenditure.

The NIF fund is maintained in the Public Account and the allocation as per the above purpose is made by Department of Economic Affairs, Ministry of Finance.

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