

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4403  
ANSWERED ON:20.08.2010  
DISINVESTMENT IN NAVRATNA COMPANIES  
Rajaram Shri Wakchaure Bhausahb

**Will the Minister of FINANCE be pleased to state:**

- (a) the disinvestment policy of the Union Government relating to Navratna Public Sector Undertakings (PSUs);
- (b) whether any part of the shares of such undertakings have been sold during the last three years; and
- (c) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (S.S. PALANIMANICKAM)

(a): The objectives of the disinvestment policy is to develop people's ownership' of CPSEs to share in their wealth and prosperity while ensuring that Government equity does not fall below 51% and Government retains management and control. As per this policy:

(a): Listed CPSEs that do not meet the mandatory requirement of 10% public shareholding are to be made complaint; and

(b): Unlisted CPSEs are to list on Indian stock exchanges through public offerings out of Government's shareholding or issue of fresh shares or a combination of both.

(b): Yes, Sir.

(c): During the last three years the following disinvestments were made in the Navratna Companies:

2007-08

(i) Power Grid Corporation of India Ltd.(PGCIL) – Government offered for sale 5% of the pre-issue paid up capital of Power Grid Corporation of India Ltd. out of Government shareholding in conjunction with issue of fresh equity of 10% by the Company. Government realized an amount of 994.82 crore.

(ii) Rural Electrification Corporation of India Ltd. – Government offered for sale 10% of the pre-issue paid up capital of Rural Electrification Corporation of India Ltd. out of Government shareholding in conjunction with issue of fresh equity of 10% by the Company. Government realized an amount of `819.63 crore.

2009-10

(i) NMDC Ltd. – Government offered for sale 8.38% of the pre-issue paid up capital of NMDC Ltd. out of Government shareholding. Government realized an amount of of `9930.42 crore.

(ii) NTPC Ltd. - Government offered for sale 5% of the pre-issue paid up capital of NTPC Ltd. out of Government shareholding. Government realized an amount of of 8480.10 crore.

(iii) Rural Electrification Corporation of India Ltd. - Government offered for sale 5% of the pre-issue paid up capital of Rural Electrification Corporation of India Ltd. out of Government shareholding in conjunction with issue of fresh equity of 15% by the Company. Government realized an amount of 882.51 crore.

(iv) Oil India Ltd. – Government of India offered for sale 10% pre-issue paid-up capital in favour of IOC, BPCL and HPCL in the ratio of 2:1:1 in conjunction with the issue of 11% post-issue paid up capital. Government realized an amount of `2247.05 crore.