

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:146

ANSWERED ON:19.11.2010

DISINVESTMENT

Patel Shri R.K. Singh;Semmalai Shri S.

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

(a) whether the shareholding of the Government of India has been disinvested in certain Public Sector Undertakings (PSUs) during the last three years;

(b) if so, the details thereof;

(c) the manner in which the sale proceeds of such disinvestment was/is being utilized; and

(d) the details of PSUs proposed to be disinvested during the remaining years of the Eleventh Five Year Plan?

**Answer**

THE MINISTER OF FINANCE (PRANAB MUKHERJEE)

(a) to (d) A statement is laid on the table of the House.

STATEMENT REFERRED TO IN PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 14 FOR 19 NOVEMBER, 2010 BY SHRI R.K. SINGH PATEL AND SHRI S. SEMMALAI REGARDING DISINVESTMENT.

(a) & (b) Yes, Sir, Government has disinvested its shareholding by way of public offerings in the domestic market during the last three years as per details given below:

S.No.	Name of the Company	Year	Percentage of fresh equity disinvested	Percentage of fresh equity received by Government	Amount	Government's shareholding
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1.	Power Grid Corporation of India Limited	2007-08	5	10	994.82	86.36
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2.	Rural Electrification Corporation Limited	2007-08	10	10	819.63	81.82
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2008-09 - - - -

3.	NHPC Limited	2009-10	5	10	2,012.85	86.36
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4.	Oil India Limited	2009-10	10	11	2,247.05	78.44
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5.	NTPC Limited	2009-10	5		8,480.10	84.50
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6. Rural  
Electrification Corporation  
Limited 2009-10 5 15 882.52 66.80

7. NMDC Limited 2009-10 8.38 - 9,930.42 90.00  
(March)

(c) The proceeds from the disinvestment in Power Grid Corporation of India Limited and Rural Electrification Corporation of India Limited completed in the year 2007-08 amounting to 1,814.45 crore were channelised into National Investment Fund. The Fund is maintained outside the Consolidated Fund of India.

In view of the difficult economic situation caused by the global slowdown of 2008-09 and a severe drought that was likely to adversely affect the 111 Plan growth performance. Government in November 2009 decided to give one time exemption for utilization of proceeds from disinvestment of CPSEs for a period of three years - from April 2009 to March 2012- i.e. disinvestment proceeds during this period would be available in full for meeting the capital expenditure requirements of selected social sector programmes decided by Planning Commission/Department of Expenditure. The status quo

(i) Mahatma Gandhi National Rural Employment Guarantee Scheme

(ii) Indira Awas Yojana

(iii) Rajiv Gandhi Gramin Vidyutikaran Yojana

(iv) Jawaharlal Nehru National Urban Renewal Mission

(v) Accelerated Irrigation Benefits Programme

(vi) Accelerated Power Development Reform Programme

(d) During the current financial year, i.e. 2010-11 Government has disinvested its shareholding by way of public offerings in the domestic market in the following companies:

s. No.	Name of the Company	Year	Percentage of equity disinvested	Percentage of fresh equity received by Government	Amount of shareholding received (Rs. in crore)
1.	SJVN Limited	2010-11 (May)	10.03	-	1,062.74 64.90
2.	Engineers India Limited	2010-11 (July)	10	-	960.00 80.40
3.	Coal India Limited	2010-11 (October)	10	-	15,199.00 90.00
4.	Power Grid Corporation of India Limited	2010-11 (November)	10	10	3,721.17 69.42

(In addition, 25% share holding is with Government of Himachal Pradesh)

2. Engineers India Limited (July)

3. Coal India Limited (October)

4. Power Grid Corporation of India Limited

Further, the following disinvestment proposals have been approved by Government and are under various stages of implementation.

(i) MOIL Limited: The Initial Public Offering by way of disinvestment of 10% by Government in conjunction with 5% each by Government of Maharashtra and Government of Madhya Pradesh is expected to open for public subscription on 26th November, 2010 as mentioned in the Red Herring Prospectus.

(ii) Shipping Corporation of India Limited: The follow-on public offering by way of disinvestment of 10% of paid-up equity capital of the Company in conjunction with issue of fresh equity of equal size by the Company is expected to open for public subscription on 30 November, 2010 as mentioned in the Red Herring Prospectus.

(iii) Hindustan Copper Limited: The follow-on public offering by way of disinvestment of 10% of paid-up equity capital of the Company in conjunction with issue of fresh equity of equal size by the Company. The Red Herring Prospectus is yet to be filed.

(iv) Steel Authority of India Limited: The follow-on public offering by way of disinvestment of 5% of paid-up equity capital of the Company in conjunction with issue of fresh equity of equal size by the Company. The Red Herring Prospectus is yet to be filed.

Government has not so far finalized the programme for disinvestment for 2011-12, the terminal year of the Eleventh Five-Year Plan.