

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:531  
ANSWERED ON:26.02.2015  
DISINVESTMENT OF CIL  
Jayadevan Shri C. N.;Roy Prof. Saugata

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

- (a) whether the Government proposes to disinvest 10 per cent Government's equity in Coal India Limited (CIL);
- (b) if so, the details thereof and the amount raised thereby along with the purpose for which it is likely to be utilised;
- (c) whether this proposal has been opposed by the Central Trade Unions in Coal Industry; and
- (d) if so, the reaction of the Government thereto?

**Answer**

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) & (b): Government has disinvested 10% paid up equity capital in Coal India Ltd. (CIL) out of Government of India's Shareholding of 89.65% through offer for Sale (OFS) method on 30.01.2015. The total proceeds received to the Government of India is Rs. 22556.46 crore.

The disinvestment proceeds with effect from the fiscal year 2013-14 have been credited to the existing "Public Account" under the head National Investment Fund (NIF) and they would remain there until withdrawn/invested for the approved purposes. It was decided that the NIF would be utilized for the following purposes:

- (i) Subscribing to the shares being issued by the CPSEs including Public Sector Banks (PSBs) and Public Sector Insurance Companies, on rights basis so as to ensure 51% ownership of the Government in those CPSEs/PSB/ Insurance Companies, is not diluted.
- (ii) Preferential allotment of shares of the CPSE to promoters as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 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 capital expenditure program.
- (iii) Recapitalization of public sector banks and public sector insurance companies
- (iv) Investment by Government in RRBs/IIFCL/NABARD/ Exim Banks.
- (v) Equity infusion in various Metro projects.
- (vi) Investment in Bhartiya Nabhikiya Vidyut Nigam Limited and Uranium Corporation of India Ltd.;
- (vii) Investment in Indian Railways towards capital expenditure.

(c) & (d): The issue of disinvestment in Coal India Limited was raised by Central Trade Unions and they were informed in the meetings held on 22.11.2014 & 07.01.2015 that the disinvestment is being undertaken to comply with SEBI guidelines of minimum public share holding of 25% for listed companies.