

**Government directions to RBI**

575. SHRI SHANTARAM NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether Government of India gave any directions to the Reserve Bank of India between 1st November and 8th November, under section 7 of the Reserve Bank of India Act, 1934, if so, the details thereof;

(b) whether the Governor of Reserve Bank of India was consulted in the matter by the Government; and

(c) if so, the contents of the communication of consultation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): (a) No, Sir.

(b) and (c) The matter was under discussion and consultation with RBI for several months preceding 8th November, 2016. The Government in a letter dated 7th November, 2016 requested RBI to consider cancellation of legal tender character of ₹ 500 and ₹ 1000 denomination with the objective to eliminate black money and to curb the infusion and circulation of Fake Indian Currency Notes (FICN). The Central Board of the Reserve Bank in its meeting held on November 8, 2016 deliberated in detail a proposal for withdrawal of legal tender status of banknotes in the denomination of ₹ 500 and ₹ 1000 of existing and any older series in circulation and after due examination, recommended withdrawal of legal tender status of such notes. The legal tender character of banknotes of the Specified Bank Notes in the denominations of ₹ 500 and ₹ 1000 in circulation as on the 8th November, 2016 was cancelled by the Central Government, on recommendation of the Central Board of RBI, with effect from the expiry of the 8th November, 2016 in exercise of the powers conferred by sub-section (2) of section 26 of the Reserve Bank of India Act, 1934 (2 of 1934), with the objective to eliminate black money and to curb the infusion and circulation of Fake Indian Currency Notes (FICN).

**Disinvestment of PSUs**

576. SHRI K. C. RAMAMURTHI: Will the Minister of FINANCE be pleased to state:

(a) the number of Public Sector companies that disinvested by Government in the last three years and the current year, year-wise;

(b) the reasons and justification for disinvestment of each PSU; and

(c) whether it is a fact that in the last week of December, 2016, Cabinet approved closure of IDPL, Rajasthan Drugs and Pharmaceuticals Ltd., if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): (a) The details of disinvestment of Central Public Sector Enterprises (CPSEs) in the last three years and current financial year are as under:—

**Financial Year 2013-14**

Sl.No.	Name of CPSEs	Receipts (in ₹ in crore)
1.	Hindustan Copper Ltd.(HCL)	259.56
2.	India Tourism Development Corporation Ltd. (ITDC)	30.17
3.	Metals and Minerals Trading Corporation of India Ltd. (MMTC)	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	3,000.00
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

**Financial Year 2014-15\***

Sl. No.	Name of CPSEs	Receipts (₹ in crore)
1.	Steel Authority of India Ltd. (SAIL)	1,719.54
2.	Coal India Ltd. (CIL)	22,557.63

\*An additional amount of ₹ 71.54 crore has been realized during 2014-15 through employees' OFS in NFL, NTPC, MMTC, HCL, NALCO and NMDC.

**Financial Year 2015-16**

Sl. No.	Name of CPSEs	Receipts (₹ in 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

Sl. No.	Name of CPSEs	Receipts (₹ in crore)
4.	Indian Oil Corporation Ltd. (IOC)	9,369.00
5.	Engineers India Ltd. (EIL)	642.5
6.	National Thermal Power Corporation Ltd. (NTPC)	5014.55
7.	Container Corporation of India Ltd. (CONCOR)	1155.20
8.	Bharat Dynamics Ltd. (BDL)	198.85
9.	Hindustan Aeronautics Ltd. (HAL)	4284.37

**Financial Year 2016-17**

Sl. No.	Name of CPSEs	Receipts (₹ in crore)
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**CPSEs' Disinvestment**

1.	National Hydroelectric Power Corporation Ltd. (NHPC)	2716.55
2.	Indian Oil Corporation Ltd. (IOC)	262.49
3.	National Thermal Power Corporation Ltd. (NTPC)	203.78
4.	National Aluminium Company Ltd. (NALCO)	2831.71
5.	Hindustan Copper Ltd. (HCL)	399.93
6.	National Mineral Development Corporation Ltd. (NMDC)	7519.15
7.	Manganese Ore (India) Ltd. (MOIL)	793.87
8.	National Buildings Construction Corporation Ltd. (NBCC)	2201.14
9.	Bharat Electronics Ltd. (BEL)	1802.60
10.	Engineers India Ltd. (EIL)	31.38
11.	Coal India Ltd. (CIL)	2638.24
12.	National Hydroelectric Power Corporation Ltd. (NHPC)	21.27
13.	Dredging Corporation of India Ltd. (DCIL)	0.93
14.	Container Corporation of India Ltd. (CONCOR)	9.34
15.	CPSE-Exchange Traded Fund (ETF)	5999.99
16.	Manganese Ore (India) Ltd. (MOIL)	484.95

**Strategic Disinvestment**

17.	Disinvestment of SUUTI Holdings in L and T	3096.35*
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\*Including remittance of ₹ 1000 crore from SUUTI.

(b) Disinvestment in Central Public Sector Enterprises (CPSEs) is undertaken as per the extant disinvestment policy of the Government on 'minority stake sale' and 'strategic disinvestment'.

(c) Government has decided for the closure of Indian Drugs and Pharmaceuticals Ltd. (IDPL) and Rajasthan Drugs and Pharmaceuticals Ltd. (RDPL) after settling their liabilities from the sale proceeds of their surplus and vacant land. These loss making CPSEs had become sick with huge pending liabilities.

**Warning of RBI on sharp rise of NPAs in PSU Banks**

577. SHRI C. M. RAMESH: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that RBI has recently released Financial Stability Report;
- (b) whether it is also a fact that RBI has warned a sharp rise in NPAs from 9.1 per cent in 2016 to 9.8 per cent by March, 2017, and 10.1 per cent by March, 2018;
- (c) how Ministry looks at this since PSU banks are mainly hit due to this trend; and
- (d) to what extent demonetisation has added fuel to higher NPAs in the coming years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) Reserve Bank of India (RBI) has recently released the latest Financial Stability Report (FSR) on 29.12.2016 pertaining to December, 2016.

(b) The stress test indicated that under the baseline scenario, the Gross Non-Performing Assets (GNPA) ratio may increase from 9.1 per cent in September, 2016 to 9.8 per cent by March, 2017 and further to 10.1 per cent by March, 2018. If the macroeconomic conditions deteriorate, the GNPA ratio may increase further under such consequential stress scenarios.

(c) The Financial Stability Report (FSR) reflects the collective assessment and view of the Sub Committee (FSDC-SC) of the Financial Stability and Development Council (FSDC), on the current stability of, and systemic risks facing, the Indian financial system in the context of the prevailing global economic and financial environment.

(d) Such study has not been made in the latest FSR for December, 2016.

**Time-limit for exchange and withdrawal of old currency notes**

578. SHRI HUSAIN DALWAI: Will the Minister of FINANCE be pleased to state:

- (a) how did Government arrive at the conclusion that a 50 day period would be sufficient to exchange and withdraw 86 per cent of the currency in circulation;