

Centre keeps SUUTI as backup in case divestment target falls short

ARUP ROYCHOUDHURY

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The government has kept the stake that it holds in various listed companies through the Specified Undertaking of Unit Trust of India (SUUTI) as an emergency option in its disinvestment plans, and will only offload a part of the stake in the remainder of 2018-19 if there is any shortfall from the ₹80,000-crore target.

Through SUUTI, the government holds a 9.56 per cent stake in Axis Bank, 7.96 per cent in ITC and 1.79 per cent in Larsen & Toubro. The combined value of these stakes is ₹46,173.35 crore, as of Monday. SUUTI holds smaller stakes in many other listed companies.

Sources told *Business Standard* that any offloading of SUUTI stakes by the Department of Investment and Public Asset Management (Dipam) will only happen in February and March. "SUUTI is our backup option. If there is a shortfall of less than ₹10,000 crore, then we will sell part of that



THE HOLDINGS

	Shareholding*(%)	Value of shares held (₹ cr)
Axis Bank	9.56	16,116.39
ITC	7.96	26,774.38
Larsen & Toubro	1.79	3,282.58
Approx total**		46,173.35

*As for quarter ending December 31, 2018 | **Govt has small shareholdings in many other companies through SUUTI

stake on the exchanges," said a senior official.

As of mid-January, the government has garnered ₹35,134.76 crore in disinvest-

ment proceeds. For the rest of the year, it plans to complete the strategic sale of Pawan Hans, Central Electronics, and possibly

Scooters India before March 31.

There will be initial public offerings of Mazagon Docks, rail companies RVNL and IRFC (in which 10 per cent each will be divested) and MSTC. Then there are state-owned companies buying back shares, which could garner the exchequer between ₹12,000 crore and ₹15,000 crore.

And, top sources have indicated that the Centre is still trying to push through the acquisition of its stake in SJVN Ltd by NTPC Ltd, valued at around ₹7,000 crore. The Cabinet has already cleared the selling of "enemy shares", currently with the Custodian of Enemy Property for India (CEPI), in 996 companies, and gave its nod to the government divesting its entire stake in Dredging Corporation of India (DCI) to a consortium of four ports. These two could add around ₹3,070 crore to the disinvestment kitty. All this of course adds to the planned acquisition of Centre's ₹121 billion stake in REC by PFC.