

GOVERNMENT OF INDIA
MINISTRY OF POWER
RAJYA SABHA
QUESTION NO 21.12.2009
ANSWERED ON
USE OF IPO PROCEEDS BY NHPC .

3518

SHRI KALRAJ MISHRA

Will the Minister of COAL/COAL/POWER be pleased to state :-

- (a) whether it is a fact that the National Hydro Power Corporation (NHPC) is facing problems in depositing Rs.4,000 crores collected through IPOs due to guidelines of public sector enterprises;
- (b) if so, whether it is also a fact that NHPC is using interest component in view of these guidelines;
- (c) if so, the details in this regard; and
- (d) whether other PSUs which are coming with IPOs would also face the same problem?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI BHARATSINH SOLANKI)

- (a) to (c): NHPC has intimated that they are not facing any problem in depositing the IPO proceeds as per the guidelines of investment of Public Sector Enterprises, which provide for deposit in bank on Card rates. These guidelines do not provide for competitive bidding which could fetch higher rates of interest for the deposit/investment and to the extent there is loss in interest. However, the same can not be quantified.
- (d) :The guidelines circulated by the Government will apply equally in all cases of IPO proceeds of Public Sector Undertakings. No such problem of utilizing IPO proceeds is envisaged for power sector CPSUs proposing an Initial Public Offer/Follow-on Public Offer.