

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

GOOD RESPONSE FROM FIIS IN GOVERNMENT OFS TRANSACTIONS

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There are reports in media that Government transactions are salvaged by Life Insurance Corporation (LIC) of India and Public Sector Banks (PSBs). However, this is not based on facts.

During the year 2012-13, the Department of Disinvestment completed 7 OFS transactions – the major ones being Oil India Ltd., NMDC Ltd., NTPC Ltd., and SAIL. The Government raised about Rs.23,830 crore from 7 offerings. 39% of this amount came from FIIs. Only about 25% came from Insurance Companies including LIC and less than 10% from Banks including Public Sector Banks.

In the 4 big Issues, viz., Oil India Ltd., NMDC Ltd., NTPC Ltd., and SAIL an amount of Rs. 22,087 crore was raised, out of which the contribution of FIIs was 42%, Insurance Companies including LIC was 22%, and Banks including Public Sector Banks was less than 9%.

Government while deciding the pricing of a particular offering take into consideration factors like the strength of the Company, market conditions, investor interest, and participation of all categories of investors, etc.; and fix a very reasonable level of price. Given the inherent strength of the Government Companies, long-term investors' participation is good in Government Issues - whether FIIs or Domestic Institutions like LIC.
