
NTPC share sale to fetch USD 1.8 billion - Mr Mitra

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It is reported that a 5% stake sale of the state run power producer National Thermal Power Corporation could fetch the government USD 1.8 billion.

Mr Sunil Mitra disinvestment Secretary said that the government mandated more sales of shares by state firms and changed the rules on how it can use the proceeds, as it seeks to boost revenues and rein in a widening budget deficit.

Mr Mitra said that the 5% stake sale in NTPC could fetch the government more than three times the INR 27 billion it got five years ago when it offloaded 5.25% of shares.

Mr Mitra said that "Now, after the recent cabinet approval, we are going to 5% stake in NTPC. We would be offloading this through offer for sale. The expected value that we, that we anticipate in this five percent public offering is more than three times we got near five years ago. That is because that enterprise value has gone up substantially."

Last week, the cabinet approved a long pending divestment policy that mandates at least 10 percent public holding in state-run firms and use the proceeds for social schemes until March 2012 to cut its fiscal deficit.

(Sourced from sindhtoday.net)

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