

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4726

ANSWERED ON:07.08.2009

SHAREHOLDING IN LISTED COMPANIES

Bairwa Shri Khiladi Lal;Khaire Shri Chandrakant Bhaurao;Patel Shri Devji;Pradhan Shri Nityananda

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes minimum public shareholding in listed companies;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether promoters' stake in listed companies is being brought down to a certain level;
- (d) if so, the details thereof;
- (e) whether stake of foreign portfolio investors, institutional investors and mutual funds will be taken into account for calculating promoters' stake; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) : Yes, Sir.

(b) to (f): In order to have a deep and vibrant secondary market, the share of public holding needs to be at a substantial level and accordingly a concept paper has been floated in the website of Ministry of Finance suggesting increase in the level of public shareholding to twenty five percent.

Non promoter holding is treated as public shareholding which would also include foreign portfolio investors, institutional investors and mutual funds.