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Govt plans IREDA, ECGC IPOs in FY24

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The Centre has started preparations for initial public offerings of two central public sector undertakings, ECGC Ltd and Indian Renewable Energy Development Agency Ltd (IREDA), in the first quarter of 2023-24.

“Work has begun. The IPOs should take place in FY24. We are trying an early timeline,” said an official requesting anonymity. The government had launched the

Life Insurance Corp. of India IPO in May 2022.

The public share sale was oversubscribed, allowing the Centre to mop up ₹20,516 crore from selling 3.5% equity in the

insurer. But, the share price of LIC has fallen by over 25% since, and is at ₹698.6, below the listing price of ₹949 apiece.

While the initial plan was to list the relatively smaller companies in FY23, the government wanted to allow the sales to have maximum absorption, and therefore decided to push it to the next financial year, the official said.

The public listing of ECGC, a wholly-owned central public sector enterprise that provides exporters credit risk insurance and related service for improving their competitiveness, had been given the go ahead in September 2021 by the Cabinet after it agreed to invest ₹4,400 crore over five years.

The Centre’s plans included raising ECGC’s underwriting capacity to ₹88,000 crore and propelling additional exports of ₹5.28 trillion over five years, through capital infusion and

an IPO. It also aimed to create 590 million new jobs including an additional 26 million formal sector workers.

For mini-Ratna IREDA, the Cabinet had given its nod for

listing in 2019 and in January 2022, it had approved capital infusion of ₹1,500 crore that would help lend additional ₹12,000 crore to the renewable energy sector, and meet debt requirements with additional capacity of 3500-4000 MW. The IPO will help the CPSE generate 10,200 jobs every year, and to cut CO2 equivalent emissions by about 7.49 million tonnes.

The public listing of ECGC received the go ahead in September 2021, while IREDA got Cabinet nod for listing in 2019