

Govt to sell up to 10% in SAIL at floor price of ₹64

Issue will open for non-retail investors today; retail investors will be able to take part on Friday



The Centre aims to raise ₹2,600 crore through the issue

NIKUNJ OHRI

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The government will sell up to 10 per cent of its stake in Steel Authority of India (SAIL) through an offer for sale, a move that's expected to fetch ₹2,600 crore to the exchequer in divestment receipts.

The plan is to sell 206.5 million shares, or 5 per cent, in one of the largest steel-making companies, with a floor price of ₹64 per share. It will sell an additional 5 per cent if the issue is oversubscribed. The govern-

ment's stake will come down from 75 per cent to 65 per cent if the green-shoe option is subscribed.

The issue will open for non-retail investors on January 14, and retail investors will be able to participate on January 15.

SAIL, under the Ministry of Steel, has an annual capacity of producing 21.4 million tonnes of crude steel.

With broad markets at record highs, the government is moving swiftly with stake sales and initial public offerings (IPOs) as it tries to meet its ambitious ₹1.2-trillion target

for the ongoing fiscal year (FY21). The government is also expected to get about ₹1,500 crore from IRFC IPO to be launched on January 18, the first one to make allotment for anchor investors.

DIPAM's target for FY21 also includes the IPO of India's largest insurer LIC and a stake sale in IDBI Bank, taking its cumulative target to ₹2.1 trillion. However, these are unlikely to be completed this year. The government has so far mopped up only ₹13,844.5 crore in divestment receipts.