

# Govt to sell 8% in HUDCO; likely to get ₹720 crore

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The government will sell its 8 per cent stake in Housing and Urban Development Corporation (HUDCO)

through an offer for sale (OFS) on Tuesday and is expected to mop up about ₹721 crore from the transaction.

The government's offer to sell its 110 million shares or 5.5 per cent stake in the public sector undertaking (PSU) would open for non-retail investors on Tuesday, and for retail investors on Wednesday, with an option to additionally sell 2.5 per cent shareholding.

The floor price for the sale has been set at ₹45 apiece, which is at a 5 per cent discount to the stock's closing price on Monday.

The sale would reduce the government's shareholding in the company to 81.81 per cent if it exercises the greenshoe option, and offloads the entire 8 per cent in the PSU.

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Institutional or non-retail investors will get an option to carry forward their unallocated bids to the next day for allocation from the unsubscribed portion for retail investors. The issue will open

for retail investors on July 28.

This is the second time the government is offloading its stake in a PSU through an OFS in the current fiscal year — the first one being NMDC — as it looks to meet its ₹1.75-trillion divestment target. So far, the government has mopped up ₹7,646 crore through OFS of NMDC and sold a stake in Axis Bank in the current fiscal year.