

# LIC IPO Only After 3 Other PSU Selloffs

National Fertilisers, Mishra Dhatu Nigam and Rashtriya Chemical & Fertilizers to be divested through OFS route by next quarter

## 'Insurer's Listing likely by Q4'

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**New Delhi:** The government is looking to complete at least three public sector disinvestment transactions before rolling out the mega initial public offer (IPO) of Life Insurance Corporation of India early next year, a finance ministry official said.

At least three firms - National Fertilisers Ltd, Mishra Dhatu Nigam Ltd and Rashtriya Chemical & Fertilizers Ltd - will be divested through offer on sale, or OFS, route within the next quarter, the official said.

"We expect that the LIC offer should hit the markets early next year, so by that time we should be able to complete these issues as already necessary approvals are in place," he said.

Earlier this month, the cabinet committee on economic affairs, or CCEA, gave its in-principle approval to list LIC.

A 10% stake sale in the insurer could fetch around ₹1.5 lakh crore as per industry estimates. The government is simultaneously pursuing strategic disinvestment in companies such as Air India and BPCL.

"We expect a good response for these OFS issues," the above-quoted official said, adding that it may also launch the initial public offer of WAPCOS Limited where it plans to offload 25% stake.

The government will disinvest

### Clearing the Decks

Approvals in place for stake sale in NFL, RCF & Midhani

May also push for WAPCO initial offering

Will sell 20% stake in NFL and 10% each in RCF & Midhani

May garner around ₹1500 crore through these transactions



So far raised ₹7,646 crore through proceeds

20% stake in National Fertilizers where it holds 74% stake and will sell 10% each in Rashtriya Chemical & Fertilizers and defence PSU Mishra Dhatu Nigam (Midhani) where it holds 75% and 74% stakes, respectively, the person said.

Earlier this week, the government sold 8% stake in Housing and Urban Development Corporation Ltd (Hudco) through the OFS route. The issue got subscribed almost two times by non-retail investors. So far in this fiscal, the government has garnered ₹7,646 crore through minority stake sale, of which ₹3,651 crore was from NMDC OFS and ₹3,994 crore from sale of SUUTI stake in Axis Bank.

### Nod to LLP Act Amendments

**New Delhi:** Continuing efforts to foster ease of doing business as well as encourage startups ecosystem, the government on Wednesday approved amendments to the Limited Liability Partnership (LLP) Act, including decriminalising 12 offences under the law. -PTI

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**New Delhi:** Public listing of Life Insurance Corporation of India, which is likely to be the largest for Indian markets, is expected in the fourth quarter of the ongoing financial year, department of investment and public asset management secretary TK Pandey said Wednesday.

He added that the ongoing strategic disinvestments of Bharat Petroleum Corporation Limited and Air India were likely to conclude within this fiscal. "This should be the largest issue India has seen. That's our estimate," he said in response to a question from SBI Capital Markets MD Arun Mehta. "That's what I see in the last quarter," he said when asked about the timing of the listing. The government expects LIC's initial public listing to fetch around ₹1 lakh crore while strategic sale of BPCL is likely to bring in ₹75,000-80,000 crore.

Pandey backed privatisation of government owned companies under the new Public Sector Enterprise policy where government will mandatorily exit from non-strategic sector and be present only minimally in four strategic sectors. However, he added that the private sector must come forward to participate in privatisation.

"After probably 17 years India needs to see some privatization. It's a message to all the stakeholders," he said. "As much as the government would

### NEED OF THE HOUR

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TK PANDEY  
DIPAM SECRETARY

like to disinvest, we also need businesses to come forward and participate in our bidding processes. Essentially, we have to really create a market for public assets and the market is well created when there is a transparency competitive bidding," he added. While responding to a question on disinvestment of Air India, Pandey said that while the sale was delayed by two years, it was in the direction of government moving out of businesses that were not doing well under government control.

"We had a turnaround plan in Air India, we didn't succeed in the public sector. So let's admit it and let us really hope that somebody could be able to put it together something... take it over and carry on and let the employment be safe," he said.