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IRCON gets Sebi nod for IPO, issue likely in September

PTI ■ NEW DELHI

Market regulator Sebi has given its go-ahead for the initial public offering (IPO) of rail PSU IRCON, which could hit the markets in September to raise about ₹ 500 crore, an official said.

IRCON had filed papers with the Securities and Exchange Board of India (Sebi) for the IPO, through which the government will divest 10 per cent stake or over 99 lakh shares. "Sebi gave its nod for IRCON IPO on July 13," an official told PTI.

The Finance Ministry would now organise roadshows for the share sale and subsequently the IPO would be launched in September, the official added.

The share sale is expected to fetch about ₹ 500 crore to the exchequer. Besides IRCON, the Finance Ministry is also readying share sale plans of IRFC (Indian Railway Finance Corporation) and would file draft prospectus with Sebi soon.

The government plans to launch the IPO of these two central public sector enterprises after the resounding success of RITES IPO, which was subscribed 67 times last month.

The scrip got listed on the bours-

es at a 3 per cent premium. Another rail PSU, RVNL -- a special purpose vehicle which mainly builds infrastructure for high speed rail -- had last month received approval from SEBI to float an IPO by selling 2.08 crore equity shares or 10 per cent stake of the government.

The then Finance Minister Arun Jaitley had announced in the Union Budget in February last year the Government's plan to list rail PSUs.

RITES, RVNL, IRCON, Indian Railway Finance Corp (IRFC) and Indian Railway Catering and Tourism Corporation Ltd (IRCTC) are the public sector undertakings under the Railways Ministry.

Besides rail CPSEs, the other PSUs which have filed draft papers with Sebi are Indian Renewable Energy Development Agency (IREDA), Mazagon Dock Shipbuilders and Garden Reach Shipbuilders & Engineers.

In the first three months of the current fiscal, the government has raised about Rs 9,000 crore via Bharat-22 ETF and RITES stake sale.

The government has targeted to raise ₹ 80,000 crore from PSU disinvestment in current fiscal, lower than over ₹ 1.03 lakh crore last fiscal.