



Ministry of Finance

# NALCO OFS over-subscribed 3 times; Government of India to raise Rs. 1200 crores

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The Central Government has successfully divested 9.2% of paid-up capital in National Aluminum Company Ltd. (NALCO) to raise Rs. 1,200 crore to begin FY 2017-18 with a bang. Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Government of India is set a record target of realizing Rs. 72,500 crore through disinvestment. This follows an all-time high achievement of Rs. 46,247 crore during 2016-17.

Originally, the disinvestment in NALCO OFS was pegged at 5% of paid-up capital, but seeing the overwhelming response from the market, DIPAM exercised the green shoe option to retain over-subscription and raised the offer to 9.2% on Wednesday, 19th April, 2017. With this transaction, the Government of India shareholding in NALCO has come down to 65.37%.

If the original OFS offer of 5% is considered, the issue is over-subscribed by 2.56 times and if the revised offer of 9.2% is taken, the issue is subscribed 1.43 times. The green shoe option (over-subscription option) was used by the Government for the first time, since the modified OFS procedure spanning 2 days (T and T+1 day) was put in place by SEBI in 2016.

The retail investor continues to back disinvestments of CPSEs by DIPAM. For the fourth time in a row, retail investors out-performed institutional investors. This is particularly satisfying to DIPAM, as one of the objectives of disinvestment policy is to make PSU shareholding broad-based so that nation's wealth is shared by its citizens.

Encouraged by the successful completion of NALCO OFS, DIPAM is gearing

- up for a series of disinvestments throughout the year to meet its target.

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