
SAIL issues INR 1,000 crore commercial paper

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The Steel Authority of India has issued commercial paper of INR 1,000 crore. Papers worth INR 500 crore for a period of 87 days have been issued at a coupon rate of 3.39 per cent, with another INR 500 crore of commercial paper of 79 days' tenure at a coupon rate of 3.04 per cent. In June, SAIL had invited bids for commercial paper of INR 1,000 crore but had not issued any.

The bids for three-month and six-month tenure papers had been at 4.15% and 5.25% interest rates, but were not issued because the market rates were too high on that day. In May, SAIL had raised INR 1,000 crore worth commercial paper of one year tenure at a rate of 5.9%.

The steel PSU is looking to borrow to the tune of INR 5,000 to INR 6,000 crore for its expansion plans, Mr S.K. Roongta chairman of SAIL had said announcing the company's annual results recently. It is currently undertaking a capacity expansion and expects to double its capex investment to INR 10,000 crore during this fiscal.

(Sourced from Business Line)

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