

₹60k cr sell-off goal likely in FY24

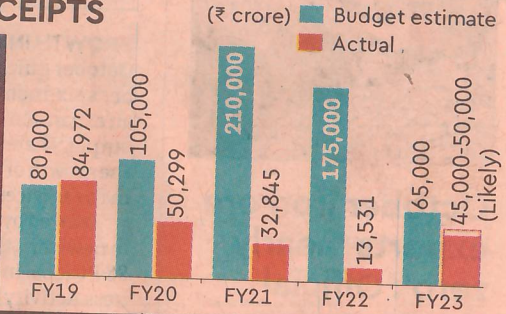
Receipts this fiscal to fall short of Budget target by ₹20,000 cr

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THE GOVERNMENT MAY set the disinvestment target for the next financial year at a "realistic level" close to the Budget Estimate (BE) of ₹65,000 crore for the current year, sources told *FE*. They said disinvestment receipts in 2022-23 could be ₹45,000-50,000 crore, provided the proposed stake sale in Hindustan Zinc goes through.

Disinvestment receipts are at ₹24,544 crore or 38% of the annual target so far

DISINVESTMENT RECEIPTS



this year. This includes ₹20,516 crore garnered from a 3.5% stake dilution in LIC through an initial public offer.

The government plans to sell some of its stake in Vedanta-controlled Hindustan Zinc in the current fiscal. Its residual 29.54% stake in the integrated miner and

non-ferrous metal producer is worth about ₹36,000 crore at current market prices. The government will sell part of this stake in the current fiscal and the balance in FY24, a senior official said.

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The government may also look at offloading a part of the indirectly held stakes through the Specified Undertaking of the Unit Trust of India (SUUTI) in ITC and Axis Bank in FY23. SUUTI's 7.91% stake in ITC is worth about ₹34,700 crore and its 1.55% stake in Axis Bank is worth ₹4,100 crore at current market prices. Financial bids are also shortly expected for strategic disinvestment of 26% (worth about ₹1,600 crore at current market prices) in BEML, formerly Bharat Earth Movers, out of the 54.03% stake in the defence PSU.

"Disinvestment is dependent on so many factors, including market appetite and conditions, which are unpredictable," the official said.

Some of the transactions, including strategic disinvestment of IDBI Bank and Container Corporation (ConCor), were to initially be

completed in the current fiscal, but may fructify only next fiscal.

On October 7, the Centre invited expressions of interest for IDBI Bank and offered to sell a total 60.72% stake in the bank, including 30.48% (₹14,600 crore at current prices) held by the government and 30.24% by LIC.

It will soon invite expressions of interest for strategic sales of ConCor and two former Air India arms — Air Transport Services and Air India Engineering Services — by November-December.

The government plans to sell a 30.8% stake in ConCor, worth about ₹15,000 crore at current market prices, out of its 54.8% holding in the container business company, along with management control to a strategic buyer.