

Selloff Target Fixed at ₹72.5 k cr, Steps to Help Timely Listings

ON TARGET Govt expects to raise another ₹15,000 crore in the next two months

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New Delhi: The government has set a record disinvestment target of ₹72,500 crore for the next financial year with plans to list railway sector firms and general insurers, explore mergers among state-run oil companies and come up with a new central public sector enterprises exchange-traded fund.

The disinvestment target, which experts say is achievable, has allowed the government to step up capital spending while keeping fiscal expenditure in check.

The government expects to raise another ₹15,000 crore in the next two months and clock the highest-ever proceeds from disinvestment at ₹45,550 crore at the end of this fiscal year, against the initial target of ₹56,500 crore.

Of the total disinvestment target for 2017-18, the government expects to garner ₹11,000 crore from the listing of three general insurers and ₹15,000 crore from strategic disinvestment. The government has already approved a set of companies for strategic stake sales including Bharat Earth Movers and Pawan Hans.

In his Budget speech, finance minister Arun Jaitley said the government will put in place a revised mechanism and procedure to ensure time-bound listing of identified state-owned companies on stock exchanges.

"The shares of railway PSEs like IRCTC, IRFC and IRCON will be listed on stock exchanges," he said, adding that the government sees opportunities to strengthen state-owned companies through consolidation, mergers and acquisitions.

"Possibilities of such restructuring are visible in the oil and gas sector. We propose to create an integrated public sector 'oil major,' which will be able to match the performance of international and domestic private sector oil and gas companies," Jaitley said.

While briefing reporters, Jaitley noted that listing norms need to be complied with in the next fiscal year. The market regulator has made it mandatory for listed state-run companies to have a minimum

25% public float. "It is important that the government times the disinvestment programme in a balanced manner and not leave it towards the end of the fiscal," said Jagannadham Thunuguntla, head of research at Karvy Stock Broking.

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