

Listing, OFS to top agenda for disinvestment



THE CENTRE WILL focus on minority stake sales and the listing of profitable

CPSEs in FY27 to mobilise resources and bridge the shortfall caused by the failure to execute the IDBI Bank sale, sources said, reports

Prasanta Sahu. ■ PAGE 2

TRANSACTIONS EXPECTED TO BE TIMED AS PER MARKET CONDITIONS

Listing, OFS to top CPSE disinvestment agenda

PRASANTA SAHU
New Delhi, April 30

THE GOVERNMENT WILL focus on minority stake sales and the listing of profitable central public sector enterprises (CPSEs) in FY27 to mobilise resources and bridge the shortfall caused by the failure to execute the IDBI Bank strategic sale, sources said.

In addition to disinvestment through minority stake sales, the government is likely to accelerate asset monetisation.

Out of ₹80,000 crore in miscellaneous capital receipts, the government may have estimated around ₹35,000 crore from the strategic sale of its stake on offer in IDBI Bank.

The Department of Investment and Public Asset Management (DIPAM) has been asked to step up preparations for the listing of unlisted CPSEs as well as undertake OFS in listed firms.

However, the transactions are expected to be timed

VOLATILE MARKET

Centre's revenue receipts from CPSEs in FY26

Dividends

₹78,438 crore

Asset monetisation

₹28,420 crore

Disinvestment

₹16,886 crore

according to market conditions, given the volatility caused by the West Asia conflict.

Besides a likely OFS in Life Insurance Corporation (LIC), there could be a push to list several CPSEs, including Export Credit Guarantee Corporation (ECGC) and India Infrastructure Finance Company Ltd (IIFCL).

OFS in a few other financial institutions are also expected, subject to market conditions.

The bid for the strategic

sale of a 60.72% stake in IDBI Bank unravelled because of a steep reserve price of ₹90,000 crore, sources had said.

The offer comprised 30.48% from the government and 30.24% from LIC, along with transfer of management control.

The government has decided to restart the strategic sale of IDBI Bank, which could take some time, given market conditions.

The LIC board recently proposed the issuance of bonus

■ Out of ₹80,000 cr in miscellaneous capital receipts, the government may have estimated around ₹35,000 cr from the strategic sale of its stake on offer in IDBI Bank

■ Besides a likely OFS in Life Insurance Corporation, there could be a push to list several CPSEs, including Export Credit Guarantee Corporation (ECGC) and IIFCL



shares in a 1:1 ratio. This may help facilitate an OFS in the insurer, as the lower per-share price could make the offer more affordable to a larger section of investors.

The Centre collected ₹45,306 crore in miscellaneous capital receipts (₹16,886 crore in disinvestment and ₹28,420 crore in asset monetisation), as against the revised estimate of ₹47,000 crore and the previous revised estimate of ₹33,837 crore.