

Divestment mop-up in 2 months of FY27 tops FY25 collection

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The government's mop-up under 'Miscellaneous Capital Receipts' (MCR) crossed more than 23 per cent of the Budget Estimate in just a little over two months of FY27, driven primarily by robust disinvestment earnings. Significantly, disinvestment earnings in just two months exceeded the mop up of full FY25 and nearly 72 per cent of full FY26.

The Budget pegged MCR at ₹80,000 crore. According to the Budget document, these include receipts on account of management of equity investments and public assets through various mechanisms. Put simply, MCR primarily includes disinvestment (sale of minority share holdings and strategic disinvestment) and asset monetisation.

Data from DIPAM show that the government off-loaded parts of its stake in three Central Public Sector Enterprises (CPSEs) — Central Bank of India, Coal India and NHPC — and mobilised ₹12,165 crore. At the same time, revenue from asset monetisation (InvIT) was over ₹6,300 crore. These two taken together gave over

Miscellaneous capital receipts over the years

(in ₹ crore)	Dividend	Disinvestment	Asset Monetisation	Total
2021-22	59,294	13,534	-	72,828
2022-23	59,533	35,294	-	94,827
2023-24	64,030	16,507	-	80,537
2024-25	74,129	10,163	-	84,292
2025-26	78,438	16,886	28,420	123,744
2026-27	1,877	12,166	6,367	20,410

Source: DIPAM (April-till date)

₹18,000 crore to the central exchequer or 23.16 per cent of full-year estimates under the MCR. This is critical as receipts from taxes are expected to be lower, while the revenue expenditure (such as subsidy on food and fertilizer) is expected to shoot up mainly on account of the West Asia war.

The first sign of stress on central finances was when the fiscal deficit in value terms surged nearly 94 per cent in April compared to the corresponding month of the last fiscal. As a percentage of the BE, fiscal deficit was over 21 per cent as compared to 11 per cent.

Asked about raising the MCR to ₹80,000 crore in FY27 BE from BY26 RE of ₹33,817 crore and whether such a higher estimate means monetisation of equities or monetisation of assets, Economic Affairs Secretary Anuradha Thakur

said: "It will be more of assets monetisation as a strong pipeline was announced."

GOVT SHAREHOLDING

Budget documents do not use the word 'disinvestment,' but it is still an important part of the MCR. There are 68 CPSEs listed on stock exchanges. The value of government shareholding in these companies is over ₹23.66 lakh crore. Apart from these, 16 public financial institutions (banks and insurance companies) are also listed, and the value of government shareholding in these institutions is over ₹15 lakh crore.

This offers substantial scope for minority stake sales. With several CPSEs and public financial institutions yet to meet the 25 per cent minimum public shareholding requirement, more OFS issues are likely in this fiscal and the next.