

Q1FY27 disinvestment flows top FY26 mopup

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Q1 disinvestment receipts exceed FY26 proceeds

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"The OFS for Indian Railways Finance Corporation closed with an enthusiastic response from the retail investors," Disinvestment Secretary Arunish Chawla said in a post on X. "Combined with the institutional investors, 22.88 crore shares were sold to the minority shareholders over the two trading days for an estimated amount of ₹2,084 crores," Chawla added.

The government had raised ₹16,480 through minority stake sale in other five public sector undertakings (PSUs) earlier



ILLUSTRATION: BINAY SINHA

this year, according to the data available with the Department of Investment and Public Asset Management (DIPAM).

With revenue of ₹6,367 crore from asset monetisation along with disinvestment receipts of ₹18,564 crore, the government has met 31 per cent of its miscellaneous capital receipts target of ₹80,000 crore projected in the Budget for FY27.

Disinvestment has emerged as a priority for the government following a moderation in direct tax collections growth to 5 per cent in FY26 from over 12 per cent in the preceding four years. The government missed its direct tax collection target in FY26 after exempting tax on income up to ₹12 lakh.

Disinvestment kitty

Figures in ₹ cr

FY22	13,534
FY23	35,294
FY24	16,507
FY25	10,163
FY26	16,886
FY27 (so far)	18,564

Source: DIPAM

After meeting its disinvestment receipts target only thrice in a decade, the government has discontinued the practice of giving a Budget target for it since the interim Budget of FY25. The miscellaneous capital receipts estimate in the Budget includes proceeds from disinvestment as well as asset monetisation.

However, the government's disinvestment programme has really gathered pace this year, mostly through minority stake sale in PSUs. Experts are of the view that the Centre may even outdo miscellaneous capital receipts target for FY27.

"The government is carrying out all these OFS when the

market is relatively volatile than in earlier years. This shows an urgency on disinvestment side — probably to compensate for likely revenue shortfall from other areas," Bank of Baroda Chief Economist Madan Sabnavis said. "It is quite possible that they may exceed the miscellaneous capital receipts target," he added.

Shortfall in indirect tax and non-tax revenue is likely in FY27, according to Sabnavis. "Some revenue slippage is possible in indirect tax due to the excise duty cut on fuel, and under-recoveries by oil marketing companies may also lead to lower dividends from them," Sabnavis said.

The finance ministry did not immediately respond to an email seeking its comments.

The government, which had carried out OFS in five PSUs in entire FY26, has already offloaded stake in six state-owned companies through OFS in just three months of FY27. In fact, the disinvestment receipts in April-June period are more than annual proceeds recorded in the last three financial years.