

At ₹20,272 crore, divestment mop up hits 4-year high in just over 3 months of FY27

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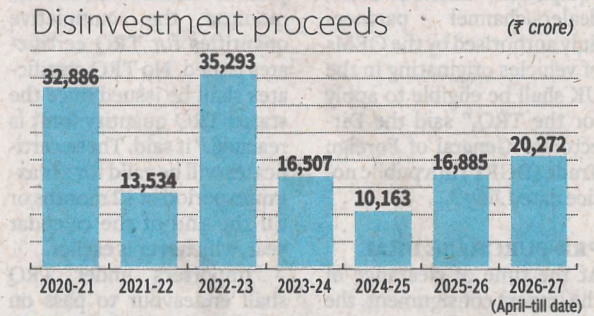
Disinvestment proceeds in just over three months of FY27 have already reached their highest level in four years, according to data from the Department of Investment and Public Asset Management (DIPAM).

The government has completed seven offer-for-sale (OFS) transactions, raising over ₹20,000 crore.

SEVEN OFS DEALS

The stake sales include Central Bank of India (over ₹2,200 crore), Coal India (₹5,500 crore), NHPC (₹4,300 crore), NLC India (₹1,200 crore), GIC Re (₹3,000 crore), Indian Railway Finance Corporation (₹2,000 crore) and Cochin Shipyard (over ₹1,700 crore).

An OFS allows promoters or large shareholders of listed companies to sell shares



Source: DIPAM (Department of Investment and Public Asset Management)

through stock exchanges. It involves fewer regulatory requirements and can be executed much faster than an initial public offering or a follow-on public offer.

While the government has not disclosed its FY27 OFS pipeline, market expectations that more are in the works, including a potential offering in LIC, select public sector banks and financial institutions.

The Centre is also considering listing the Export

Credit Guarantee Corporation and India Infrastructure Finance Company Ltd. Officials remained tight-lipped on the next listing, saying premature announcements could influence market prices.

REVENUE CUSHION

The Budget no longer uses the term “disinvestment”, with such receipts now classified under Miscellaneous Capital Receipts (MCR).

For FY27, the government

has budgeted ₹80,000 crore under MCR, which includes proceeds from minority stake sales, strategic disinvestment, equity management and asset monetisation.

The government holds stake in 68 listed Central Public Sector Enterprises valued at over ₹22.8 lakh crore, besides investments of around ₹19 lakh crore in 16 listed public sector financial institutions, including banks and insurance companies. This provides ample headroom for minority stake sales, particularly as the government needs to cut holdings in several firms to comply with the 25 per cent minimum public shareholding norm.

The need to mobilise non-tax revenue has become more pressing as tax collections are expected to soften, while expenditure on items such as food and fertilizer subsidies could rise because of the continuing conflict in West Asia.