

Govt mops up 74% of asset-sale target

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The Centre has already raised nearly three-fourths of its ₹80,000-crore asset-sale target for fiscal year 2027 (FY27), putting it on a stronger footing to meet a goal that it has repeatedly missed in recent years.

The sharp pace of fund-raising has been driven largely by offer-for-sale (OFS) transactions in public-sector companies, which have generated ₹51,787 crore—almost 90% of the total amount raised so far this financial year, according to official data reviewed by *Mint*.

After including ₹6,366.93 crore raised through asset monetisation, the government has mobilised ₹59,082.95 crore, or 73.85% of the ₹80,000-crore target set in the



Fundraising was driven largely by OFS transactions. ISTOCKPHOTO

Union budget under miscellaneous capital receipts.

Notably, the government had missed its budgeted disinvestment target for four consecutive years through FY23, before discontinuing separate targets from FY24.

Data from the department of

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Centre rakes in nearly 74% of ₹80,000 cr asset sale target

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investment and public asset management (Dipam) showed that the bulk of the money came from the ₹31,515-crore realised from the sale of a 6.5% stake in Life Insurance Corp. of India Ltd (LIC) in early August. The transaction was also aimed at reducing the Centre's holding in the insurer to 90% to meet the mandated 10% minimum public shareholding.

Another ₹20,272 crore has come from seven other OFS transactions—₹5,542.36 crore from Coal India, ₹4,357.36 crore from NHPC, ₹3,090.47 crore from GIC, ₹2,266.13 crore from Central Bank of India, ₹2,081.27 crore from IRFC, ₹1,711.24 crore from Cochin Shipyard and ₹1,223.57 crore from NLC India.

The government has also received ₹2,553.43 crore in dividends from public sector undertakings (PSUs), taking total miscellaneous receipts to ₹61,636.38 crore, according to the latest data from Dipam. The proposed strategic sale of IDBI Bank, in which the Centre and LIC jointly hold about 95%,



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could provide a further boost to government receipts.

Separately, the government has received ₹118.73 crore from the strategic disinvestment of Indian Medicines Pharmaceutical Corp. Ltd. and ₹810 crore through remittance from SUUTI (Specified Undertaking of the Unit Trust of India), which are not included in the OFS-led calculation above.

Queries emailed to the spokesperson of the finance ministry and Dipam secretary remained unanswered till press time.

Analysts said strong investor

appetite for the OFS route, where existing shareholders divest their stakes, could help the government meet its FY27 disinvestment and asset-monetisation target.

"We note that the first-quarter fiscal data have, so far, raised no alarm bells. That said, the government needs to build fiscal buffers against unforeseen global and domestic risks, particularly amid uncertainty over the Middle-East crisis and the risk of higher subsidy and import costs," said Madhavi Arora, chief economist, Emkay Global Financial Services Ltd.

Moreover, divestment has consistently fallen short of budgeted targets in recent years, making a stronger push this year both necessary and timely, said Arora.

The pace of stake sales marks a significant acceleration in the government's asset-sale programme. In a written reply to the Lok Sabha on 27 July, minister of state for finance Pankaj Chaudhary said the government had realised ₹26,639.33 crore as of 22 July. The numbers quoted were before the LIC OFS happened.