

Govt set to exceed fundraising goal on PSU stake sales

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THE UNION GOVERNMENT expects to exceed this fiscal year's goal of raising ₹80,000 crore (\$8.4 billion) through the sale of stakes in state-run firms and other asset monetisation methods, sources said, helping public finances strained by the West Asia conflict.

The US-Israeli war on Iran has driven up fertiliser import costs and fuel subsidies, sparking concern that the government could fall short of its budget goals. The government has often missed its target for divestments and asset monetisation in recent years.

The government this week completed the sale of shares worth ₹31,550 crore (\$3.3 billion) in Life Insurance Corporation (LIC), its biggest divestment in years. Combined with sales of shares in firms such as Coal India and Indian Railway Finance Corp, more than \$5.5 billion has been raised to date. According to one of the sources, the sale of the government's stake in IDBI Bank should also conclude this fiscal year, potentially adding \$2.5 billion to state coffers.

Moreover, Finance Minister Nirmala Sitharaman has given quarterly targets to the ministry's divestment department to boost stake-sale receipts, the second source said.