

# Govt aims to raise ₹15,000 crore by cutting stakes in 18 firms to 75%

Reuters

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**NEW DELHI:** India's government aims to raise up to ₹15,000 crore (\$2.18 billion) by reducing its stake in 18 state firms to 75%, a finance ministry official involved in the matter said on Monday, as it looks to boost revenues and rein in the fiscal deficit.

Finance Minister Nirmala Sitharaman set an ambitious target of ₹1.05 lakh crore from the sale of stakes in state-run companies, compared with ₹85,000 crore the previous year, in her budget on Friday for the fiscal year that began on April 1.

While a third of the divestment target will be met by the outright sale of state enterprises, including Air India, the other sales will be done through a rule under which all listed entities must have a public float of at least 25% after three years of listing.

But governments have been putting this off for state firms, winning extensions from the Securities Exchange Board of India (Sebi) each year.

"The government will aim to meet the Sebi norms in state-owned companies this fiscal," said the ministry official, who declined to be identified as he is not allowed to speak to the media, referring to the Sebi.

The government is planning to sell 10% each in state-owned reinsurers General Insurance Corporation of India (GIC) and New India Assurance (NIA) which will bring its holding down to 75% in the two giant companies.

In her budget, Sitharaman proposed increasing the minimum public shareholding for listed entities to 35% from 25% as part of efforts to make the market more accessible to retail investors. But the finance ministry official said the new regulation would require at least two years to go into force after approval by the Sebi.