

Disinvestment policy to be reviewed by new govt

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NEW DELHI: The new government formed after the general elections will review the existing disinvestment policy in the light of changed economic and geopolitical circumstances, which will include re-examination of the Bharat Petroleum Corporation Ltd's (BPCL) strategic sale, on hold since May 2022 after an unsuccessful attempt, two officials said on Thursday.

This is one of the reasons why disinvestment has no specific estimate in the interim budget for 2024-25, unlike in the past, one official with direct knowledge of the matter said requesting anonymity.

"A considered view will be taken only after the new government is formed and proposals for the full budget (2024-25) are discussed," another official added. A full budget is expected by July.

The full budget for FY25 is expected to be presented by the new government at the centre after the general elections. An interim budget is a vote on account, presented in an election year to cover expenditure for a brief period to keep the government functioning. Union finance minister Nirmala Sitharaman presented the



This will include review of BPCL's strategic sale, on hold since May 2022. REUTERS

interim budget on February 1, 2024, which had no specific mention of disinvestment estimates under the head of non-debt capital receipts.

While budget estimates for 2023-24 (presented in Parliament on February 1, 2023) had a specific number of ₹51,000 crore as disinvestment receipts, the same was missing in the revised estimate for the same fiscal year. "This is a change in approach from sell-off to wealth management. The approach is to optimise values of public assets," the second official said.

As for now, the government's disinvestment policy is the same as was mentioned in the budget for 2021-22 that was presented by the finance minister

on February 1, 2021. Based on the New Public Sector Enterprise Policy for Aatmanirbhar Bharat (approved by the cabinet, on January 27, 2021 and notified on February 4, 2021), a disinvestment road map has been provided for all non-strategic and strategic sectors. The policy advocates maintaining bare minimum presence of the public sector in strategic areas while privatising the rest. It divides the strategic sectors into four areas -- atomic energy, space and defence; transport and telecommunications; power, petroleum, coal and other minerals; and banking, insurance and financial services.

Under the policy, blue-chip public sector company Bharat Petroleum Corporation Ltd (BPCL) also figured in the list for sale. After more than two years of efforts, also during the peak period of the Covid-19 pandemic, the department of investment and public asset management (DIPAM) on May 26, 2022 put on hold its sell-off plan mainly because of a poor response.

"The proposed disinvestment of BPCL was a cabinet decision, hence it cannot be shelved. Its fate will be decided after elections by the new regime," the first person said.