

Govt gets proposals to push divestment amid weak show

Told To Use Proceeds For Specific Purposes Like Infra Creation

TIMES NEWS NETWORK

New Delhi: Amid a weak disinvestment performance so far this financial year, there are at least two proposals on the table to step up privatisation and use the proceeds for specific purposes.

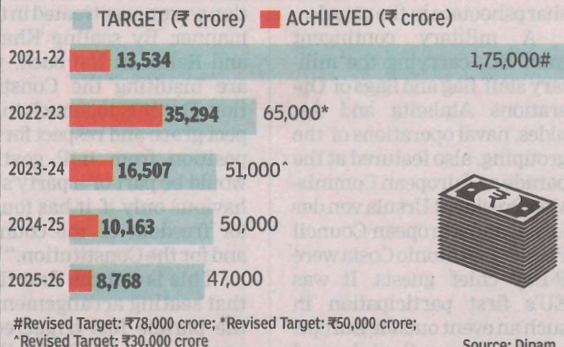
Industry body CII, govt departments and think tank NITI Aayog have proposed that govt should significantly step up privatisation and use the proceeds for specified purposes, such as investment in further infrastructure creation, especially high-profile projects. One of the proposals before the finance ministry is to call it a wealth fund by channelising the receipts.

While the Centre in the past did seek to transfer the money from disinvestment into a dedicated fund to be used for specified purposes, it proved to be a non-starter.

How the money is now used, in case the proposal is cleared, also remains to be seen,

Call For **Stepping Up Privatisation**

Annual CPSE Disinvestment Scorecard



en, given that govt's earlier experiment with the National Investment and Infrastructure Fund by leveraging India's foreign exchange reserves has not been very successful.

In any case, apart from Air India, the Modi govt has a poor record of privatisation and asset monetisation, both identified as priorities in the past. During the last five years, Air

India and Neelachal Ispat Nigam and Ferro Scrap Nigam are listed as the only strategic sales, although the Centre only owned shares in the airline.

While the department of investment and public asset management has been working on IDBI Bank stake sale, the transaction has been dragging on and will spill over into next fiscal year.

There is no word on the other deals either — from Shipping Corporation to Concor and BEML — giving the impression that the Centre is no longer interested in privatisation. Petroleum minister Hardeep Puri had also announced that the sale of oil retailers was on hold.

While the 2024 electoral outcome was seen to have prompted a go-slow, in recent months, govt has decided to move ahead with critical reforms, be it implementing the labour codes or signing trade pacts or slashing GST.

But with elections in five states and polls in Uttar Pradesh due next year, a strong political will is required to put the privatisation programme back on track. Even the asset monetisation programme, which included hotels, such as Ashok in the Capital and stadiums, has not made major headway with NHAI and Powergrid resorting to the InvIT route for its road projects.