

# New proposal in the works to give Dipam more teeth

## Cabinet to discuss plan on strategic sale policy soon

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The Union Cabinet, led by Prime Minister Narendra Modi, will soon take up a proposal to give more power to the Department of Investment and Public Asset Management (Dipam) to carry out privatisation and "strategic sale" for state-owned companies.

According to this plan, once a PSU is cleared for strategic sale, Dipam will become the administrative ministry, irrespective of whichever department the relevant PSU comes under. Additionally, the companies being considered under this plan are not just some smaller PSUs staving off a shutdown, but bigger names such as Container Corp, Shipping Corp, and Bharat Earth Movers.

"Dipam will have more powers after the new proposal is cleared. Now, it has to depend on the line ministry even to have regular meetings on privatisation proposals. And not all the line ministries are as keen on strategic sales," said an official with knowledge of the matter.

"After the approval of the new plan, Dipam will

become the administrative department for all strategic sales. The inter-ministerial group on strategic sales will be headed by the Dipam secretary and co-chaired by the secretary of the administrative ministry. The move will make privatisation process much faster," the official said.

The person added that the Cabinet note could be sent for approval this week or the next. "It will be in Dipam's interest to make the privatisation process much faster. We have identified some of the companies we will move on quickly after getting the approvals," he said.

The new process will not be applicable for strategic sale candidates, for which the work is already underway, like Scooters India, Pawan Hans, Air India, and others. It will be in place for entirely new candidates. The person said these companies could include marquee PSUs and not just loss-making ones, depending on political clearance.

Dipam is faced with its steepest yearly target yet, tasked with meeting ₹1.05 trillion for 2019-20. Apart from Air India, the Centre is also looking at divesting its entire 53.29 per cent stake in Bharat Petroleum. The new process will help it carry out another PSU big sale, officials said.

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