

More CPSU stake sale may follow after BPCL, CONCOR: Garg

Former finance secretary says another extremely positive outcome for the government is the receipt of extraordinarily large surplus transfer from RBI

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SUCCESSFUL DISINVESTMENT OF Bharat Petroleum, Container Corporation of India and Shipping Corporation will lay the foundation of a much ambitious programme for stake sale in the central public sector undertakings, former finance secretary Subhash Chandra Garg said on Friday.

From the perspective of non-tax income and receipts, 2019-20 will be an eventful year witnessing some extraordinarily positive events and a few misses, Garg said in a blog.

"Initiation of strategic stake sale in BPCL, CONCOR



and SCI was a path-breaking measure and if carried to its logical end, privatisation agenda, stalled for last more than 15 years, would come back on track.

"These three transactions would lay foundation for a much more ambitious programme of disinvestment of central public sector undertakings," he said.

The former finance secretary also noted that if this larger and more ambitious programme of strategic disinvestment can be announced, company by company in the Budget 2020-21, it would send very clear and positive message.

He pointed out that another extremely positive outcome for the government was the receipt of extraordinarily large surplus transfer from the RBI.

The government received about ₹1.5 lakh crore, which was higher than the transfer received in the last three years together.

"It is unlikely to continue in 2020-21, but if the RBI does not end up retaining any part of surplus in 2020-21 distribution, the government can expect to get about ₹90,000 crore.

"If RBI retains, it might be about ₹10,000 crore less," he said.