

Divestment: Govt may spare PSUs in 'strategic' sectors

OUR BUREAU

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Finance Minister Nirmala Sitharaman said that the government will soon come out with a new policy on Public Sector Enterprises (PSEs) to define strategic sector with a limited number of government-owned companies.

In strategic sectors, at least one enterprise will remain in the public sector, but private sector will also be allowed. In other sectors, PSEs will be privatised, timing for which will be based on feasibility. To minimise wasteful administrative costs, number of enterprises in strategic sectors will ordinarily be only one to four, others will be privatised/merged/ brought under holding companies.

"We are working on it (proposed policy) and it should go to Cabinet soon," she told media here. She added that there could be various models to achieve minimum four PSUs in



Nirmala Sitharaman,
Finance Minister

case of those falling under the strategic sector. Either they will be merged, or they will be brought together in such a way that there are only four or lesser.

GST compensation

There are various media reports suggesting banking, insurance, defence, atomic energy, space, oil and railway could be declared as strategic sectors and accordingly restructuring could take place. As of now, there are nearly 250 Central Public Sector Enterprises (CPSEs).

She mentioned that Attor-

ney General's view on GST compensation was sought after consultation with the States. The GST Council, chaired by the Union Finance Minister and comprising state counterparts, had in March decided to seek views from the AG on the legality of market borrowing by the Council to make good the shortfall in compensation fund.

"The opinion has come... we will hold an exclusive GST Council meeting on the issue of compensation," Sitharaman said, adding that the date of the meeting will be decided shortly. However, she did not give any details about opinion, thought sources said that opinion talks about no obligation on part of Centre to pay compensation and it can allow States to borrow to meet the shortfall.