DoD working on strategic sale of PSUs: Secy

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THE disinvestment department is working out modalities for strategic sale of PSUs which will see management control passing on to the private sector, a top government official said on Thursday.

"Strategic sale is transferring the management control. It is a strong intent of the government and details are being worked out," disinvestment secretary Aradhana Johri said.

Johri said that although the policy of strategic sale has been there in the past, it would be a priority issue for the government during the next financial year.

"The policy of strategic sale has always been there. It has been the policy in the last NDA government. The policy has never been set aside. In this budget (for 2015-16), there is a statement of intent, that, well this is going to be a priority of the government," she said.

For the full fiscal, the government has budgeted to raise Rs 28,500 crore through strategic sale. This is over and above Rs 41,000 crore to be raised through divestment of minority stake in PSUs. Johri clarified that strategic sale does not include residual sale of government equity in non-government firms.

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gory, that is sale of shares in non-government companies. Where the management control is with someone else and government holds (minority) shares," she said.

Between 2001-02 and 2003-04, the NDA government had sold shares either through strategic stake sale (involving an effective transfer of control and management to a private entity) or through an offer for sale to the public.

The PSUs in which equity was offloaded as part of the strategic sale between 2001-04, include BALCO, HZL, CMC, ITDC, VSNL, Maruti Suzuki, Jessop & Company, Hotel Corporation of India and Indian Petrochemicals.