

Privatisation process for non-strategic sectors set for rejig

NIKUNJ OHRI

New Delhi, 2 December

The Centre is set to rejig the privatisation process for companies in non-strategic sectors such as steel, tourism, urban development, and healthcare, which have been identified under the new Public Sector Enterprises (PSE) policy for Atmanirbhar Bharat.

The Core Group of Secretaries on Disinvestment (CGD), headed by Cabinet Secretary Rajiv Gauba, has cleared the process, and this would involve the Department of Public Enterprises (DPE) examining non-strategic sectors and identifying PSEs in these areas for privatisation, an official said.

According to the PSE policy, companies in non-strategic sectors would be considered for privatisation, wherever feasible, or else they would be closed.

"In non-strategic sectors, the policy mandate is either to privatise PSUs or close them. These sectors will now be examined by the DPE," the official said.

After sectoral evaluation, the DPE would recommend names of PSUs in non-strategic sectors to the Department of Investment and Public Asset Management (Dipam). The exercise would be similar to the one undertaken by the NITI Aayog for strategic sectors.

Following the identification of

ILLUSTRATION: BINAY SINHA



HOW IT WILL WORK

- ▶ Dept of Public Enterprises to examine non-strategic sectors, identify PSUs for privatisation and closure
- ▶ Dipam to seek Cabinet approval for identified PSUs
- ▶ Exercise would be similar to the one undertaken by NITI Aayog for strategic sectors
- ▶ Non-strategic sectors include steel, tourism, urban development, healthcare

PSUs for privatisation or closure by the DPE, the names would be taken by Dipam for Cabinet approval.

"The CGD has decided that the task of getting any Cabinet approval required for privatisation will rest with Dipam," the official quoted above said. Earlier, it was being considered that the DPE should be given the mandate of seeking Cabinet approval for strategic disinvestments. Turn to Page 17 ▶

Privatisation..

The Aayog had also suggested empowering the policy think-tank to directly seek Cabinet approval once it identifies PSUs for privatisation. "The CGD has settled the matter and now decided to rest these powers with Dipam," the official said. Once names of PSEs are approved by the Cabinet Committee on Economic

Affairs, the timing and sequencing of the transaction would be decided by DIPAM. This would be based on sectoral trends, administrative feasibility, investors' interest and market appetite, he added.