NITI Aayog for strategic sale in 44 PSUs

New Delhi: NITI Aayog, which has been tasked by the government to identify companies for disinvestment, has made a case for strategic sale in 44 public sector companies.

"Dipam (Department of Investment and Public Asset Management) is working on that (strategic sale), taking it forward. For us, it's an ongoing process, so we are looking at the second lot, the third lot and we will come out with recommendations," NITI Aayog CEO Amitabh Kant told reporters.

Sources, however, said that Dipam is expected to take time before deciding on the detailed roadmap of the proposals and it is currently pursuing sale of ITDC hotels. Strategic sales will result in the government reducing its holding below 50% or selling all shares in the company along with management control to a private entity.

The Narendra Modi government has backed strategic sale after a gap of over a decade when the UPA opted to retain majority control. NDA is of the view that the government should focus only on key sectors and leave the non-core areas for the private sector. In doing so, it has gone back to the Atal Bihari Vajpayee government's policy, which saw the government sell companies such as IPCL, VSNL, Modern Foods and Balco to private players, while Indian Oil acquired oil retailer IBP.

Strategic sales are budgeted to mop up Rs 20,500 crore for the Centre and are seen to be crucial in meeting this year's disinvestment target of Rs 56,500 crore. There is a view within the government that strategic sale may be not a politically prudent proposition and other options such as raising funds through buyback of shares by PSUs will help the Centre raise resources by deploying idle cash lying with state-run firms.

Kant said NITI Aayog's recommendations are based on "a very detailed analysis and inputs that it took", although government sources suggested that a lot of work would be required to be done.

The NITI Aayog CEO also said the panel has given a separate report on loss-making companies. There are 76 such companies which can be revived and some of these needs to be closed, while others need strategic sale.

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