

Cabinet nod to make GSTN 100% govt co

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The Union Cabinet today cleared a proposal to convert GST Network (GSTN), which provides IT infrastructure for the new indirect tax regime, into a 100 per cent government-owned company, finance minister Arun Jaitley said.

Briefing reporters about the decisions taken in the Cabinet meeting, the finance minister said after restructuring of GSTN, ownership will be equally divided between the Centre and states. Shares for each state will be worked on pro-rata basis.

Currently, the Centre and states together hold 49 per cent stake in the GST Network. The remaining 51 per cent is held by five private financial institutions ~ HDFC Ltd, HDFC Bank Ltd, ICICI

Bank Ltd, NSE Strategic Investment Co and LIC Housing Finance Ltd.

Mr Jaitley said the policy decision to change the ownership structure of the GSTN was taken earlier and was also approved by the GST Council.

GSTN board will initiate the process for acquisition of equity held by the private companies.

The existing composition of the board will be changed through induction of three directors from the Centre and the states and three other independent directors to be nominated by the board and one chairman and the CEO. Thus the total number of directors is 11, an official statement added.

The GSTN was incorporated as a private limited company on 28 March 2013 under the UPA government.