

# Govt Looks to Sell Viable Infra Projects

Plans to monetise projects such as power and steel plants to boost greenfield investment as well as create fresh capacity

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New Delhi: The government is looking to sell successfully running public sector infrastructure projects such as power and steel plants to private companies in a bid to boost green-field investment and create fresh capacity.

A proposal is being worked out to monetise commercially viable assets operated and held by state-owned companies such as NTPC and Steel Authority of India Ltd.

Two senior government officials confirmed the plan and said the Department of Investment and Public Asset Management and NITI Aayog, the government's think-tank, are expected to identify such projects, assess their valuation and decide on a mechanism to sell them.

"We will ask companies like

**Sell To Invest**

**GOVT DRAWING UP A** plan to sell public sector infrastructure assets

**PSUS TO BE ASKED** to sell operating and profitable projects to private firms

On lines of highways under **Built, Operate and Transfer (BOT)**

**NITI AAYOG HAS** also suggested to handover O&M to private cos

**ANOTHER OPTION** is to give these projects on lease for 20 yrs or more

**HOW DOES IT HELP**

Move to help create new Infrastructure

Funds generated can be used to set up greenfield projects

This will make up for the lack of private investment

CPSEs, however, feel that this may disrupt their operations

NTPC, SAIL and BHEL, among others, to identify projects that can be put up for sale," said one of the officials. Apart from outright sale, assets can be leased out for 20 years or more, the official said.

The second official said NITI Aayog has recommended that the government should exit infrastructure projects across sectors and hand over their operation and maintenance to private companies,

much along the lines of highways.

"The Aayog has been of the view that the government must start the process of reverse BOT (build, operate and transfer), sell out projects and let the private sector handle it," the official said, adding that the government should focus on creating new projects including roads, airports, power and steel plants.

The government feels the role of central public sector enterprises

is to develop new infrastructure and create a market rather than just earn returns from their investments.

However, the chairman and managing director of a CPSE did not favour this idea and instead suggested the government should help private companies take on new projects and provide faster regulatory clearances.

"They had come out with a plug-

and-play policy – they need to introspect on why it has not attracted private participation," the CMD said, not wanting to be identified.

Finance minister Arun Jaitley had announced the plug-and-play model for big-ticket infrastructure projects in the 2015 budget, allowing for winners of infrastructure contracts to start implementing their projects immediately, with the government providing all regulatory clearances.

UD Choubey, director general of the Standing Conference of Public Enterprises, the apex body of central government-owned units, said all CPSEs are highly professional organisations. "So any decision to sell their assets should be exhaustively deliberated with all stakeholders," he said.

Asset sales are budgeted at ₹80,000 crore this year. The government raised over ₹1 lakh crore from divestment proceeds in 2017-18.