

Government targets Rs 1.3 lakh crore from rail, telecom assets

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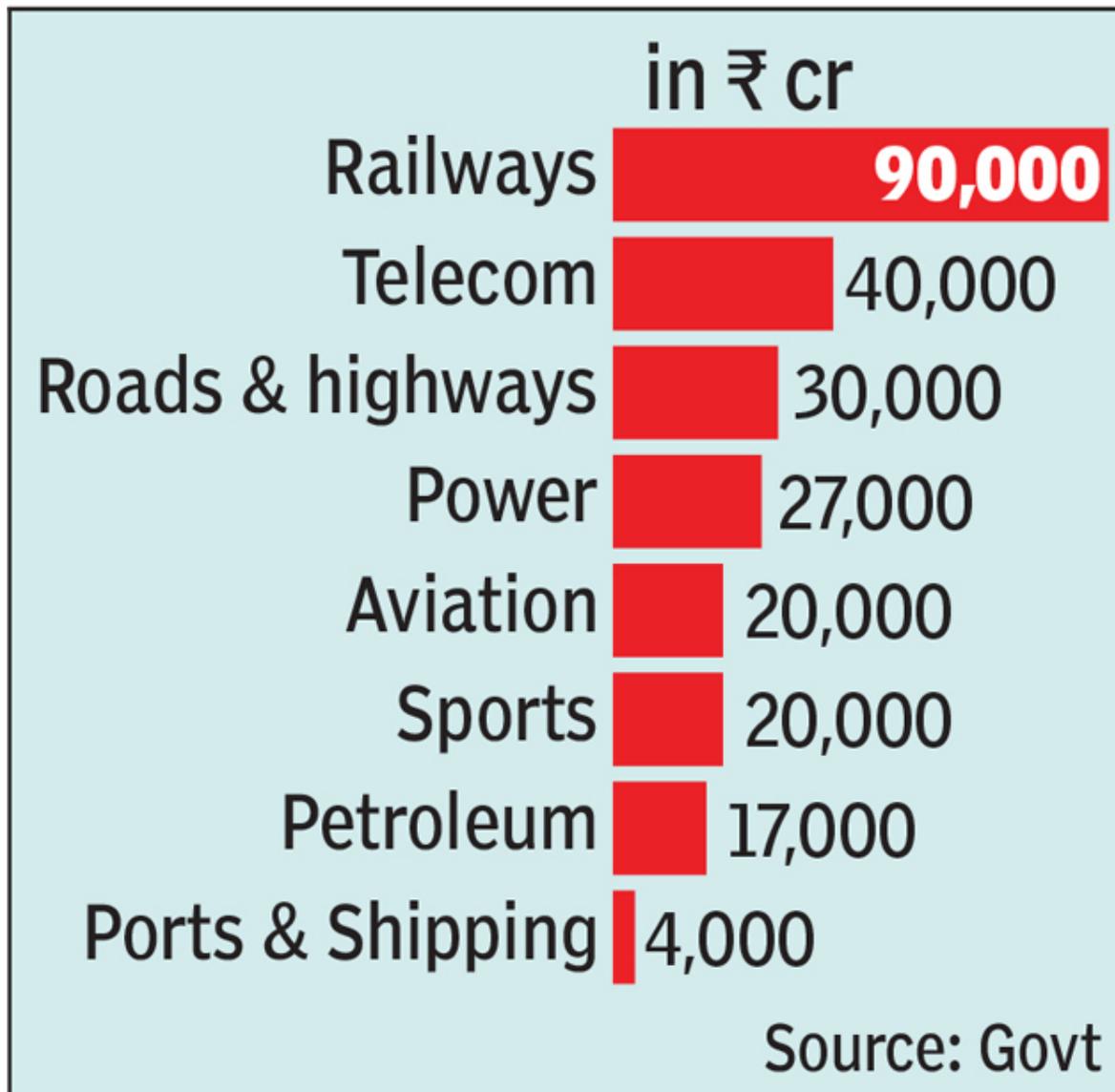


NEW DELHI: The government is targeting half its asset monetisation target of Rs 2.5 lakh crore from railways and telecom, while scouting for new areas, including warehouses to store foodgrains, coal and other mines and tourism infrastructure, to mop-up resources that are proposed to be deployed to create fresh assets.

In the Budget, finance minister Nirmala Sitharaman announced a massive asset monetisation initiative after the government had failed to move on the path for several years, prompting Prime Minister Narendra Modi to set an ambitious target, which has to be met over the next three to four years.

Asset monetisation and privatization are the two key focus areas of the 2021-22 Budget, which aim at bringing about a complete shift in the economy to make it more efficient, and provide space for the private sector to help in the recovery.

THE TARGET



Following the PM's push, NITI Aayog has been tasked with preparing the roadmap and also given the mandate to tie-up with ministries. After deliberations with ministries and departments it has fixed a Rs 90,000 crore target for the railways, seen as a laggard, with a focus on modernizing stations and launching private trains. The Dedicated Freight Corporation is also looking to monetise its infrastructure through steps, such as selling preferred slots or through faster goods trains.

Separately, telecom towers owned by state-owned loss-making BSNL and MTNL — again, in the pipeline for years — and their optic fibre infrastructure are proposed to be monetised to mop-up around Rs 40,000 crore. In fact, the sale of towers was a key element of the revamp of the two ailing public sector companies, but the entities have failed to act on it.

Experts are skeptical of the government delivering on the plan, although Niti Aayog is setting up a dashboard for tracking the progress. The strategy has been worked out by a committee of secretaries, headed by cabinet secretary Rajiv Gauba. Government sources told TOI that the Centre's think-tank is also looking at other areas, which will help scale-up the target and generate more resources that can be reinvested.

In fact, power and roads, two sectors where the InvIT route is being pursued, have received less ambitious targets, though they have set up the structure to implement the plan. For the other ministries, the plan is to push monetisation of airports, pipelines, sports stadiums and other assets.