

F.No. 3/3/2018 DIPAM-II Vol-III  
 Government of India  
 Ministry of Finance  
 Department of Investment and Public Asset Management  
 Block No. 11&14, CGO Complex,  
 Lodhi Road, New Delhi 110003  
 Dated: 22<sup>nd</sup> April, 2019

OFFICE MEMORANDUM

**Subject:** Laying down procedure and mechanism for Asset Monetization of Central Public Sector Enterprises (CPSEs)/Public Sector Undertakings (PSUs)/ other Government Organizations and Immovable Enemy Properties – Constitution of Inter-Ministerial Group (IMG) – Regarding.

The undersigned is directed to say that the Union Cabinet, on 28.02.2019, has approved this department's proposal regarding laying down procedure and mechanism for Asset Monetization of Central Public Sector Enterprises (CPSEs)/Public Sector Undertakings (PSUs)/ other Government Organizations and Immovable Enemy Properties.

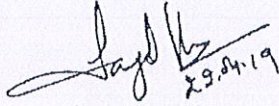
2. Inter-Ministerial Group (IMG) is one of the main decision making bodies as a part of multi-layer Institutional mechanism for overall implementation of the asset monetization programme.
3. Accordingly, an Inter-Ministerial Group (IMG) comprising the following is constituted:
  - (i) Secretary, Department of Investment and Public Asset Management – Co-Chair
  - (ii) Secretary, Administrative Department – Co-Chair
  - (iii) Secretary or representative, not below the rank of JS of Department of Economic Affairs
  - (iv) Secretary or representative, not below the rank of JS of Department of Expenditure
  - (v) Secretary or representative, not below the rank of JS of Department of Public Enterprises
  - (vi) Secretary or representative, not below the rank of JS of Department of Legal Affairs
  - (vii) Secretary or representative, not below the rank of JS of Ministry of Corporate Affairs
  - (viii) Financial Advisor (DIPAM)
  - (ix) Financial Advisor (Administrative Department)
  - (x) CMD of the CPSE concerned
  - (xi) Director (Finance) of the CPSE concerned
  - (xii) Joint Secretary, DIPAM – Convener
4. IMG has been entrusted the following functions with respect to Asset Monetization:

- (i) To recommend to CGAM any subsequent change in the overall institutional framework approved by the Cabinet.
- (ii) To recommend to AM, selection of certain assets in consultation with the stakeholders.
- (iii) To examine the proposal of CEPI/ MHA and to recommend to AM selection of the immovable property for monetisation.
- (iv) In case, IMG feels that any specific asset requires intervention of CGAM, in such cases IMG may refer it to CGAM. In such cases, AM would approve the Assets to be monetized based on the recommendation of CGAM.
- (v) To consider interpretation and deviation in the transaction process.
- (vi) To recommend to CGAM a threshold based on the value of asset(s) and/or any other criteria which would determine the assets that would be monetized through this mechanism.
- (vii) Recommend to CGAM to lay down the detailed process for Asset Monetization.
- (viii) Selection of intermediaries, including inter alia:
  - Technical Advisor for DIPAM who will help IMG to coordinate on Asset Monetization program;
  - Consultant/Technical Advisor for Administrative Ministry of selected CPSEs/ CEPI, if required;
  - Transaction Advisor, Legal Advisor and Asset valuer through a transparent and competitive bidding process.
  - Seeking advice /partnership with multilateral institutions like World Bank (WB), International Finance Corporation (IFC), Asian Development Bank (ADB), other international expert bodies etc.

The Finance Minister will approve appointment of the above mentioned intermediaries.

- (ix) Examination and granting relaxation to the proposals of CPSEs which could not meet the asset monetization target.
- (x) To recommend to Alternative Mechanism, the appropriate Model to be used for the Asset under consideration. The IMG would be informed/advised about the appropriate Model for the transaction by the Technical consultants at DIPAM, proposals of Administrative Ministry/CPSE, recommendation of NITI Aayog etc. Due consultation with Administrative Ministry and CPSE would be ensured. The IMG will be the repository of all models and endeavour to create new models.

- (xi) To recommend to Alternative Mechanism model contract documents, all process documents for inviting bids and contracts, etc. with respect to the assets of the CPSEs/ immovable Enemy Property.
5. DIPAM will be the Secretariat for IMG.
  6. Based on the above, specific IMG shall be constituted on case to case basis with the approval of Secretary (DIPAM).
  7. This issues with the approval of Finance Minister.



(Jagdish Kumar)  
Deputy Director  
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To:

1. Sh. Subhash Chandra Garg, Secretary, D/o Economics Affairs, North Block, New Delhi.
2. Sh. Girish Chandra Murmu, Secretary, D/o Expenditure, North Block, New Delhi.
3. Smt. Seema Bahuguna, Secretary, D/o Public Enterprises, CGO Complex, New Delhi
4. Sh. Alok Srivastava, Secretary, D/o Legal Affairs, Shastri Bhawan, New Delhi
5. Sh. Injeti Srinivas, Secretary, Ministry of Corporate Affairs, Shastri Bhawan, New Delhi
6. Smt. Mcera Swarup, Financial Advisor, DIPAM

Copy to: PPS to Secretary (DIPAM)