

F.No.3/17/2021-DIPAM-II-B(E)
Government of India
Ministry of Finance
Department of Investment and Public Asset Management Disinvestment

Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110003.
1st June, 2022

OFFICE MEMORANDUM

Sub: Empowering the Board of Directors of the Holding/ Parent Public Sector Enterprises (PSEs) to recommend and undertake the process for Disinvestment (both strategic disinvestment and minority stake sale)/ closure of their subsidiaries/units/stake in JVs.

The undersigned is directed to state that the Cabinet, in its meeting held on 18.05.2022, has, inter-alia, taken the following decision regarding empowering the Boards of holding/ parent PSEs (Ratna and Non-Ratna both):

(A) To recommend on Disinvestment (both strategic disinvestment and minority stake sale) or closure of any of their Subsidiaries or Units or for sale of stakes in a JV company, whether set up in pursuance of the approval of Cabinet/CCEA or within the delegated powers of the PSEs. Proposal in this regard shall be submitted by the Parent/ Holding PSEs to DIPAM through its administrative Ministry. DIPAM shall take 'in-principle' approval of the proposal from the Alternative Mechanism (AM). However, Boards of Maharatna PSEs shall continue to divest its shareholding (minority stake sale) as per the powers delegated to them vide DPE's OM dated 04.02.2010.

(B) To undertake transactions for disinvestments (both strategic disinvestment and minority stake sale)/closure of subsidiaries/units/ sale of stakes in JVs, including for such cases, where 'in-principle' approval by the CCEA/AM has been accorded.

(i) The process for undertaking the strategic disinvestment transactions/ closure to be followed by the PSEs should be open, based on the principles of competitive bidding and consistent with the guiding principles to be laid down. For strategic disinvestment, such guiding principles will be laid down by DIPAM. **For closure, DPE shall issue guiding principles.**

(ii) Without prejudice to (i) above, the ongoing transactions for strategic disinvestment of any Subsidiary or Unit or for sale of stake in a JV company by a PSE, currently undertaken by DIPAM, may continue to be undertaken by DIPAM, where EoI has been issued.

2. Guiding Principles on strategic disinvestment of CPSEs will be issued shortly.

3. The Ministries/Departments are requested to communicate the above decision of the Government to all the PSEs under their administrative control.



(Aseem K Jha)

Under Secretary to the Government of India

Phone no. 24368767

To

All the Ministries/Department of Government of India