

Block No. 14, CGO Complex,  
Lodhi Road, New Delhi  
Dated: the 17<sup>th</sup> February, 2017

**Office Memorandum**

**Subject: Mechanism and procedure for time-bound listing of Central Public Sector Enterprises (CPSEs) on Stock Exchanges.**

The Government has made an announcement in the Budget 2017-18 for putting in place a revised mechanism and procedure to ensure time-bound listing of identified CPSEs on stock exchanges.

2. An important objective of listing of CPSEs is to unlock the true value of the company and promote 'people's ownership' by encouraging public participation in CPSEs. With general public becoming the shareholder in the company through the listing route, the management is open to public scrutiny and thus become accountable to its shareholders, as per the extant disclosure norms and compliances for listed CPSEs.

3. As per the extant disinvestment policy, CPSEs having a positive net-worth, no accumulated losses and having earned net-profits in three preceding consecutive years, be required to achieve mandatory listing norms of 25 per cent public holding for listing on the stock exchanges. Keeping in view the objectives and announcement made in the Budget 2017-18, the mechanism and procedure for time-bound listing of identified CPSEs on stock exchanges is laid down as follows:

**(a) Identification of eligible CPSEs:** To expedite the listing of CPSEs in a time bound manner, the concerned Administrative Ministry (AM)/Administrative Department (AD) and/or Department of Investment & Public Asset Management (DIPAM) shall draw the list of eligible CPSEs for listing within one month from the finalization of audited accounts of the last financial year, based on the criteria of a positive net-worth, no accumulated losses and having earned net-profits in three preceding years.

**(b) CCEA Approval:** In cases of listing through sale of GoI's stake, CCEA approval for listing of identified CPSEs shall be obtained by DIPAM.

**(c) Inter-ministerial Group (IMG):** An Inter-ministerial Group (IMG) shall be constituted for the appointment of Advisors/intermediaries and to guide the process of disinvestment through public offer. The process for the appointment of Advisors for the transaction, including Merchant Bankers/BRLMs/Legal Advisors, etc. shall be completed within a period not exceeding 8 weeks from the date of constitution of the IMG.

The constitution of IMG shall be as follows:

(i)	Secretary, DIPAM	Chairman
(ii)	Secretary or representative, not below the rank of Joint Secretary of the concerned AM/AD	Member
(iii)	Secretary or representative, not below the rank of Joint Secretary of the Department of Legal Affairs	Member
(iv)	Secretary or representative, not below the rank of Joint Secretary of the Department of Economic Affairs	Member
(v)	Secretary or representative, not below the rank of Joint Secretary of the Department of Public Enterprises	Member
(vi)	Secretary or representative, not below the rank of Joint Secretary of the Ministry of Corporate Affairs	Member
(vii)	Financial Advisor of the concerned AM/AD	Member
(viii)	Financial Advisor, DIPAM	Member
(ix)	CMD, concerned CPSE	Member
(x)	Director (Finance), concerned CPSE	Member
(xi)	Any other member co-opted by the Committee	
(xii)	Joint Secretary, DIPAM	Convener

**(d) Empowered Committee (EC):** An Empowered Committee (EC) shall be constituted at the level of AM/AD, with the mandate to complete time-bound documentation of DRHP. The EC through AM/AD shall ensure that CPSEs comply with the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 while filing the Draft offer document with SEBI. The Empowered Committee shall ensure completion of filing of DRHP with SEBI and finalisation of ‘offer document’ for the IPO, as per the indicative timeline provided in the Annexure.

The constitution of EC shall be as follows:

(i)	Secretary of the concerned AM/AD	Chairman
(ii)	Joint Secretary, DIPAM	Member
(iii)	Financial Advisor of the concerned AM/AD	Member
(iv)	CMD, concerned CPSE	Member
(v)	Director (Finance), concerned CPSE	Member
(vi)	Any other member co-opted by the Committee	
(vii)	Joint Secretary, AM/AD	Convener

**(e) Piggy-back transactions:** In case of issue of fresh equity in conjunction with the sale of GoI’s stake (piggy-back transactions) for listing, CCEA approval shall be obtained by the concerned AM/AD. Appointment of intermediaries in such cases shall be undertaken by the concerned CPSE under the supervision of AM/AD, as per the extant procedure.

4. The Administrative Ministries/Departments are requested to follow the above mentioned mechanism and procedure and to take necessary action to complete various activities, as per the timelines indicated in the Annexure for the time-bound listing of identified CPSEs, falling under their respective administrative control.

(G. Parthasarathi)  
Deputy Secretary to the Government of India  
Tele: 24366523

To,  
Secretaries to the Ministries/Departments of Government of India  
(As per list enclosed)

**Indicative Timeline for Listing of CPSEs**

<b>S.No</b>	<b>Activities</b>	<b>Days</b>
1	AM/AD-Agreement for IPO	T
2	Board Meeting authorising IPO	T+15
3	Preparation for DRHP (Key steps)*	
	(i) Appointment of Auditor (ii) Independent Directors including a women Director (iii) Demat of shares (iv) Complying legal issues (v) Enlisting risk factors	T+15+45= 60
4	Finalization of DRHP and filing in SEBI	T+15+45+45= 105
5	Resolution of SEBI comments & Filing of RHP	T+15+45+45+30= 135
6	(i) Roadshows & Marketing (ii) Issue Opening	T+15+45+45+30+30= 165

*\*A sample checklist has been uploaded on DIPAM's website ([dipam.gov.in](http://dipam.gov.in)) for reference.*