

No. 3/9/2018-DIPAM-II-B
Government of India
Ministry of Finance
Department of Investment and Public Asset Management
Block 11&14, CGO Complex,
Lodhi Road, New Delhi
October 9th 2019

OFFICE MEMORANDUM

Subject: CCEA's approval for modifications in the existing procedure and mechanism of strategic disinvestment of Central Public Sector Enterprises (CPSEs) – constitution of **Evaluation Sub-Committee (ESC)**.

The undersigned is directed to state that the Cabinet Committee on Economic Affairs (CCEA), on 03.10.2019 has approved this Department's proposal for modifications in the existing procedure and mechanism of strategic disinvestment of Central Public Sector Enterprises (CPSEs) laid down by CCEA on 17.02.2016.

2. CCEA has, inter alia, approved that the revised procedure shall be applicable to all cases of Strategic Disinvestment of CPSE or subsidiary/unit/JV of CPSEs where Request For Proposal (RFP) document inviting financial bid is yet to be issued. The procedure will also be applicable where the RFP was issued but process had to be restarted due to failure of the transaction.

3. CCEA has, inter alia, approved substitution of the existing Evaluation Committee (EC) with an Evaluation Sub-Committee (ESC). The composition and functions of ESC are given below:

(a) Composition:

- (i) Financial Advisor DIPAM (Chair);
- (ii) Financial Advisor (Administrative Ministry);
- (iii) AS/JS(DIPAM);
- (iv) AS/JS (Administrative Ministry);
- (v) A representative (not below the rank of Joint Secretary)of the Department of Economic Affairs;
- (vi) A representative (not below the rank of Joint Secretary) of the Department of Legal Affairs; and
- (vii) Any special invitee, with the approval of Secretary, DIPAM, including CMD and Director (Finance) of the CPSE.

(b) Functions:

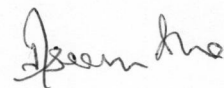
Evaluation Sub-Committee shall act as a Sub-Committee of IMG to assist it for the following: -

- (i) To examine various documents, such as RFP, Information Memorandum (IM), Eligibility Criteria and other term & conditions entailed in EoI and draft SPA/SHA and make recommendations to IMG.
- (ii) To suggest contours of transaction(s) and to identify core and non-core assets of CPSEs.
- (iii) To examine the Inception and final Valuation Reports, as forwarded by the Administrative Department and make recommendations to IMG for deciding the Reserve Price.
- (iv) To bring to the notice of IMG, any important fact/development relating to strategic disinvestment of CPSE.
- (v) Any other work assigned by IMG.

4. The secretariat of the Evaluation Sub-Committee (ESC) shall be in DIPAM.

5. Accordingly, with the setting up of the ESC, the existing Evaluation Committees (ECs) constituted for the purpose of strategic disinvestment of CPSEs are abolished. However, official orders in this regard, on a case to case basis, may be issued by the Administrative ministries/department concerned.

6. This issues with the approval of Secretary, DIPAM.



(Aseem K Jha)

Under Secretary to the Govt. of India

To
Secretary, Administrative Ministry / Department concerned;

Copy to
Secretary, DEA,
Secretary, D/o Legal Affairs
Sr. PPS to Secretary, DIPAM
The Cabinet Secretariat (kind attn.: Shri S. G. P. Verghese, Director), Rashtrapati Bhawan, New
Delhi