

Department of Investment and Public Asset Management (DIPAM)

November 17, 2020

In news

DIPAM signs an agreement with World Bank for advisory services on Asset Monetization

A brief note on the issue

The World Bank advisory project, approved by the Finance Minister, is aimed at analyzing public asset monetization in India and benchmarking its institutional and business models against international best practices as well as supporting development of operational guidelines and capacity building for their implementation.

This project would facilitate and accelerate the non-core asset monetization process and help unlock the value of these un-used/ marginally used assets which has the potential to substantially augment financial resources for further investments and growth.

About DIPAM

- DIPAM is one of the departments in the Ministry of Finance
- The Department of Disinvestment (now DIPAM) **was set up as a separate Department on 10th December, 1999** and was later renamed as Ministry of Disinvestment from 6th September, 2001.
- The department took up all the functions of the erstwhile ministry which broadly was responsible for a systematic policy approach to disinvestment and

privatisation of Public Sector Units (PSUs).

- From 27th May, 2004, the Department of Disinvestment is one of the Departments under the Ministry of Finance.
- The Department of Disinvestment has been renamed as Department of Investment and Public Asset Management (DIPAM) from 14th April, 2016.
- Current Target of disinvestment for 2020-21 is Rs 1.20 lakh crore

Functions

1. As per the present Allocation of Business rules, the mandate of the Department is as follows:
 - All matters relating to management of Central Government investments in equity including disinvestment of equity in Central Public Sector Undertakings..
 - All matters relating to sale of Central Government equity through offer for sale or private placement or any other mode in the erstwhile Central Public Sector Undertakings.
2. Decisions on the recommendations of Administrative Ministries, NITI Aayog, etc. for disinvestment including strategic disinvestment.
3. All matters related to Independent External Monitor (s) for disinvestment and public asset management.
4. a. Decisions in matters relating to Central Public Sector Undertakings for purposes of Government investment in equity like capital restructuring, bonus, dividends, disinvestment of government equity and other related issues.
b. Advise the Government in matters of financial restructuring of the Central Public Sector Enterprises and for attracting investment in the said Enterprises through capital market.
5. The Unit Trust of India Act, 1963 along with subjects relating to Specified Undertaking of the Unit Trust of

India (SUUTI).

Note: All other post disinvestment matters, including those relating to and arising out of the exercise of Call option by the Strategic Partner in the erstwhile Central Public Sector Undertakings, shall continue to be handled by the administrative Ministry or Department concerned, where necessary, in consultation with the Department of Investment and Public Asset Management (DIPAM).